

DMG MORI

AKTIENGESELLSCHAFT

DMG MORI

CO₂ neutral

EMPLOYEES

GLOBE

DIGITIZATION

FIRST QUALITY

TECHNOLOGY EXCELLENCE

AUTOMATION

SERVICE EXCELLENCE

DMQP

ADDITIVE MANUFACTURING

SUSTAINABILITY

Sustainability Report 2021

dynamic.
excellence



100 % climate-neutral. Sustainability is part of the DNA of DMG MORI.

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The Sustainability Report 2021

- informs about progress in the implementation of our sustainability strategy
- has been prepared in accordance with the "GRI Standards: Core Option"
- contains the Separate Non-Financial Group Report 2021
- meets the statutory requirements pursuant to German Commercial Code (HGB) and goes far beyond them with a large number of voluntary disclosures
- presents the delimitation or the legally required contents in the GRI Content Index under "Element of non-financial reporting in accordance with HGB"
- meets the requirements for the presentation of concepts pursuant to Section 289c (3) HGB by describing the management approaches under GRI (301) (hereinafter referred to as "management approaches")
- meets the reporting requirements under Commission Delegated Regulation 2021/2178 / EU of 6 July 2021 supplementing the Taxonomy Regulation 202/852 / EU.

DMG MORI GREEN ECONOMY – WITH DYNAMIC AND EXCELLENCE INTO A GREEN FUTURE

Sustainability is part of the DNA of DMG MORI and runs as a common thread through all our corporate activities. We assume global and holistic responsibility for resources along the entire value chain – from raw materials to recycling. Sustainability is therefore firmly anchored in all structures and processes. Because managing successfully means: managing sustainably.

At DMG MORI, sustainability and technology leadership have been in harmony for many years. We have already achieved a lot – and created our own "DMG MORI GREEN ECONOMY": Our manufacturing solutions are high-quality, durable, recyclable and maximally efficient – for example through

technology integration, comprehensive automation and digitization solutions – this preserves resources, the climate and the environment. For us, resource-efficient machine manufacturing is already a reality today.

Our initiatives for the DMG MORI GREEN ECONOMY focus on three areas:

1. GREENMACHINE
2. GREENMODE
3. GREENTECH



1. GREENMACHINE – the 100 % climate-neutrally produced machine:

DMG MORI has already had a CO₂-neutral “Company Carbon Footprint” since May 2020 and a climate-neutral “Product Carbon Footprint” since January 2021 via the climate triple “Avoid – Reduce – Compensate”. This includes direct and indirect emissions from our own value creation as well as indirect emissions from upstream processes along the supply chain (scope 1, 2 and 3 upstream) – for example in the production of cast steel and the electronics supplied. At the same time, we encourage our suppliers to become active themselves and, for example, make their CO₂ emissions transparent. Our energy management system is certified to ISO 50001.



2. GREENMODE – the resource-efficient machine operation at the customer’s site:

DMG MORI has been consistently optimizing the resource efficiency of its machines for many years, for example through consumption-optimized components such as LED lighting, regenerative braking and intelligent control of aggregates. With the CELOS app “ENERGYSAVING”, our customers save up to 20 % energy in machine operation and at the same time significantly reduce process time. DMG MORI products also protect the environment and resources during operation at the customer’s site. And that holistically.



3. GREENTECH – our contribution as a pioneer of green technologies:

DMG MORI is an innovation leader in the production of environmentally friendly technologies and a driving force in manufacturing and progressive development of green technologies. Many of our customers manufacture highly innovative components on DMG MORI machines for wind turbines, hydropower plants, hydrogen electrolysis and electric mobility, among others. DMG MORI is continuously expanding specific know-how for its customers in Excellence Centers.

Since September 2021, DMG MORI has been a certified member of the “Science Based Targets” initiative, which aims to limit global warming to a maximum of 1.5 °C.

The emission targets derived from this for DMG MORI are mandatory minimum targets for us. In addition, we have committed ourselves to implementing the “Task Force

on Climate-related Financial Disclosures” (TCFD) and thus follow the recommendations for voluntary and consistent disclosure of climate-related information. In the reporting year, DMG MORI was one of the TOP 17 companies nominated for Europe’s largest sustainability award in the area of climate protection out of more than 1,000 applicants.



Holistically sustainable: Chairman of the Executive Board Christian Thönes (middle) and his Executive Board colleagues Björn Biermann (left) and Michael Horn are committed to a clear and holistic sustainability strategy.

Sustainability comprises many aspects and plays a central role in the implementation of our corporate strategy. In addition to environmental and climate protection, we promote and demand diversity and equal opportunities. We pay attention to compliance in all respects and implement all applicable laws and guidelines. We focus on the satisfaction and health of our employees. We are committed to the common good with donations and various campaigns.

With our high-precision, sustainable machine tools and holistic technologies, we make a decisive contribution to improving the lives of generations. DMG MORI has been

awarded the Platinum Medal in the Sustainability Rating by the internationally renowned institute EcoVadis. This means that we are among the top 1% of over 35,000 companies evaluated worldwide. The CSR rating includes the categories environment, labor and human rights, ethics and sustainable procurement. DMG MORI will continue to be a role model and to further create value and innovations – for people and the environment.

The sustainability is a fascinating read and shows how successful DMG MORI is in terms of “sustainability”. **The future will be green – DMG MORI already is today!**

Christian Thönes
Chairman of the Executive Board

Björn Biermann
Member of the Executive Board

Michael Horn
Member of the Executive Board

COMPANY PROFILE

DMG MORI AKTIENGESELLSCHAFT is a worldwide leading manufacturer of machine tools with sales revenues of over € 2.0 billion and more than 6,800 employees.

In the “Global One Company”, around 12,000 employees are in direct contact with over 100,000 customers from 55 industries. DMG MORI is present in 87 countries worldwide – with 16 production plants, 111 sales and service locations – and is actively advancing the future fields of automation, digitization and sustainability.

High-precision machine tools and sustainable technologies from DMG MORI are at the beginning of global value chains. Integrated automation and end-to-end digitization solutions extend our core business with turning and milling machines, Advanced Technologies and Additive Manufacturing. With modular products, we enable an easy, fast, scalable entry into digital manufacturing as well as end-to-end digitization. With PAYZR – PAYwith Zero Risk – for Equipment-as-a-Service and Software-as-a-Service, DMG MORI is also implementing a completely digital subscription business model. Customers benefit from fast innovation cycles without risk – with maximum planning security, cost and price transparency and full flexibility. **Our mission: Empower our customers in manufacturing and digitization!**

Our technology excellence is bundled within the main sectors of Aerospace, Automotive, Die & Mold as well as Medical and Semiconductor. With the DMG MORI Qualified Products (DMQP) partner program, we offer perfectly matched peripheral products from a single source. Our customer-oriented services cover the entire life cycle of a machine tool – including training, repair, maintenance and spare parts service. With our online customer portal myDMG MORI, we enable digital, direct access to our service experts and digitize all service processes.

Sustainability at DMG MORI is globally and holistically oriented. Both our “Company Carbon Footprint” and “Product Carbon Footprint” are climate-neutral already today – and that along the entire supply up to the customer. **Our vision: Be the most attractive global machine tool manufacturer with digitized and sustainable products!**



Pre-EMO show: At DECKEL MAHO in Pfronten, DMG MORI shows 25 completely climate-neutrally manufactured high-tech machines to more than 4,000 visitors – live on site and also digitally.

SEGMENTS OF DMG MORI AKTIENGESELLSCHAFT HEADQUARTERS: BIELEFELD



Further information on the group organizational structure are provided in the Annual Report 2021 on page 36 et seqq., page 41 and page 183.

SUSTAINABILITY STRATEGY AND MANAGEMENT

Sustainability is part of the DNA of DMG MORI. It is firmly anchored in all structures and processes and has a central role in the implementation of our corporate strategy.

Sustainability at DMG MORI has a global and holistic focus – we assume responsibility for the handling of resources, climate and environment, attach great importance to the satisfaction, health and appreciation of our employees, and are committed to society, human rights and compliance. Our claim is: maximum resource efficiency. We achieve this through:

- › high quality and resource efficiency of our products and services,
- › holistic automation and digitization solutions,
- › high level of technology integration,
- › 100 % climate-neutral value creation from raw material to delivery to the customer through the triple “Avoid – Reduce – Compensate” as well as
- › sustainability as a requirement for all processes – right from the initial idea.

That’s why DMG MORI GREEN ECONOMY stands for:

- › a holistic 360° approach: from procurement through production and operation at our customers’ sites to recycling at the end of the life cycle,
- › a systematic collection of specific key figures to validate and control our measures,
- › a comprehensive information and integration of our employees on sustainability topics.

We use a materiality analysis in accordance with the GRI standards to define and evaluate our sustainability topics. In doing so, we consider internal perspectives, external stakeholders and impacts on legal aspects. For this purpose,

our DMG MORI sustainability coordinators have pre-selected topics, for example from supplier guidelines or customer questionnaires, discussed them and defined them. We review our assessment of these topics annually. There were no changes in the reporting year.

The materiality matrix (figure 01) is divided into the categories “low, medium and high materiality” and summarizes the assessment of the topics in three dimensions:

- › Y-axis: Relevance for DMG MORI
- › X-axis: Impact on environment, people and society
- › Arrows: Significance for our stakeholders

Our Sustainability Report 2021 once again focuses on the topics in the “high materiality” category, which also form the basis of our sustainability management system. In addition, we describe the focus areas of this management system in our group-wide “Corporate Responsibility” handbook.

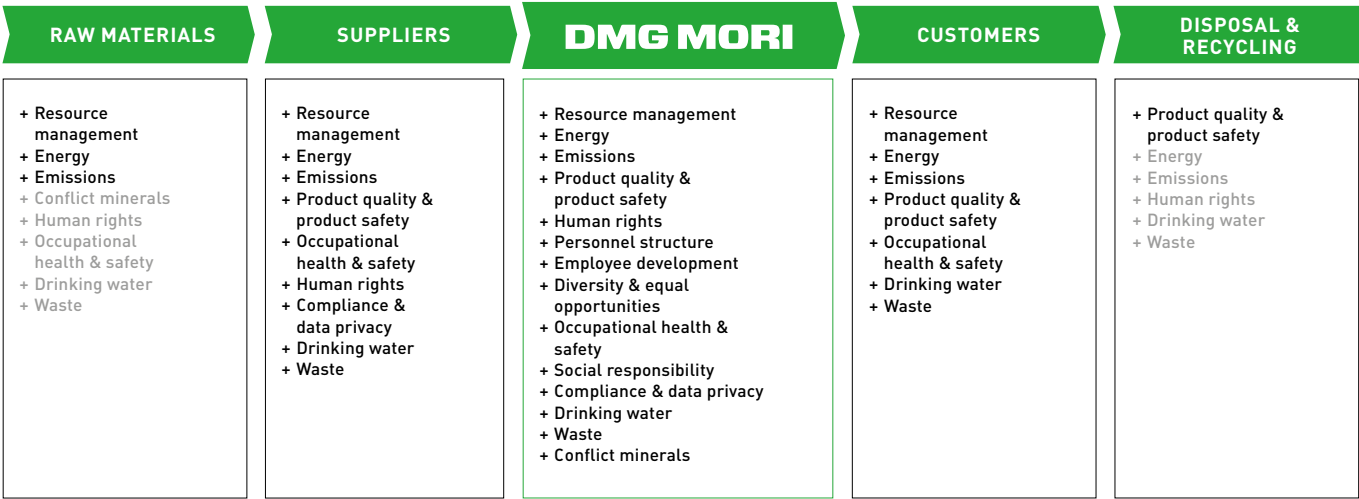
We classify the fields of action along our entire value chain (figure 02). Highlighted in black are the topics we influence directly – for example, through internal and external information, measures or concepts.

The goal of our sustainability strategy is to make the most positive contribution possible to people, society and the environment. No negative impacts should result from our business activities. We herein of course continuously consider the new legal requirements. In the reporting year, we especially dealt with the EU taxonomy in relation to sustainability as well as the supply chain sourcing obligations act. → [Climate and Environment, page 16 et seqq.](#) → [Partner and Supplier Management, page 36 et seqq.](#)

01 | MATERIALITY MATRIX



02 | VALUE CHAIN



VISION

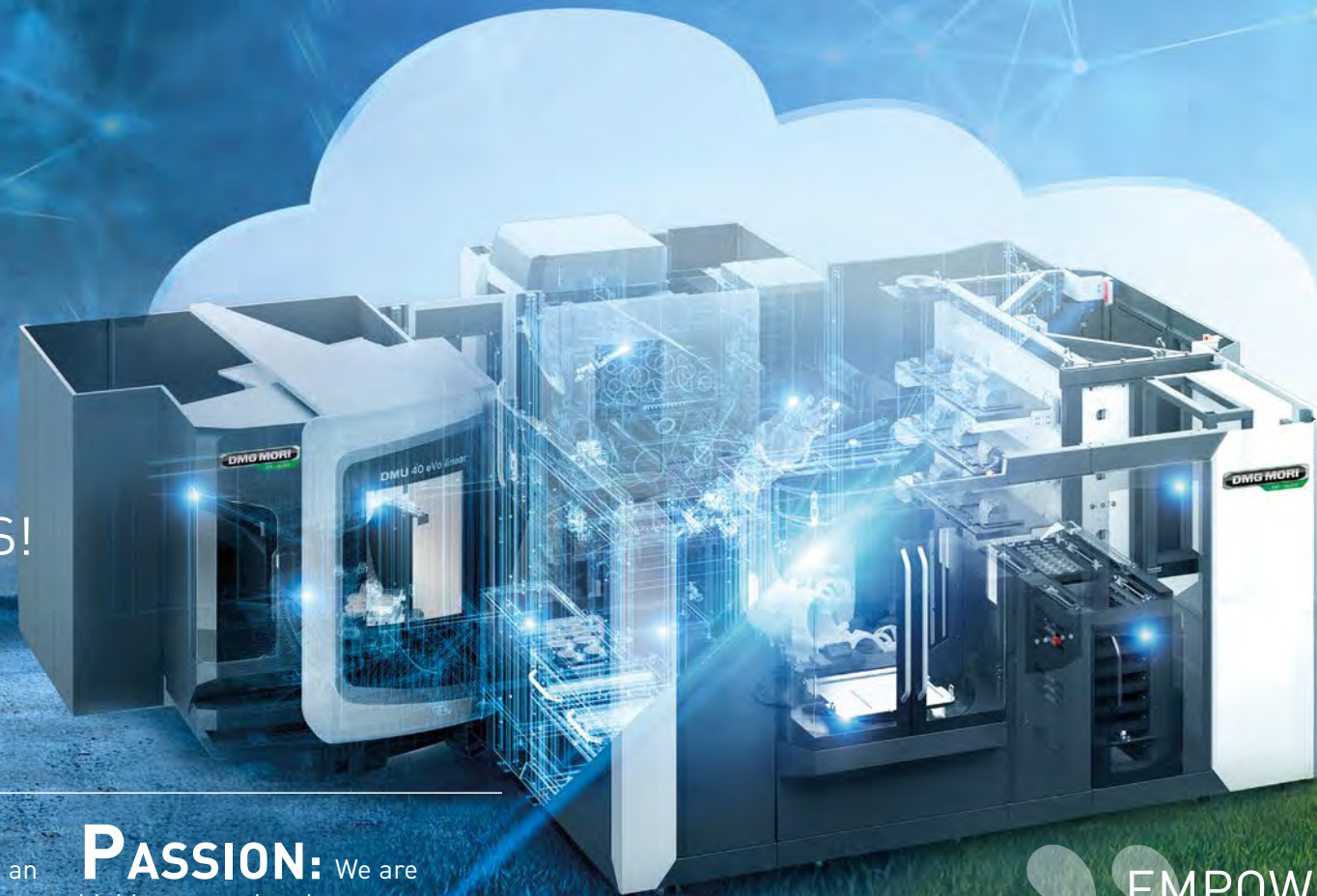
BE THE **MOST ATTRACTIVE GLOBAL MACHINE TOOL COMPANY WITH DIGITIZED AND SUSTAINABLE PRODUCTS!**

TOP VALUES

TRUST: We are fully responsible for the fulfillment of our commitments and we believe in the strength of trustful, team-oriented cooperation!

OPENNESS: We provide an open-minded and diversified corporate culture, open our products to third parties and strive for transparency!

PASSION: We are highly engaged and pursue our goals dynamically with full power, determination and enthusiasm!



MISSION

EMPOWER OUR CUSTOMERS IN **MANUFACTURING AND DIGITIZATION!**

In the reporting year, we joined various initiatives to increasingly align our sustainability performance with standardized metrics: We follow the recommendations of the “**Task Force on Climate-related Financial Disclosures**” (TCFD) and report in particular on climate-related opportunities and risks for DMG MORI. We have also had our emissions targets reviewed as well as certified by the “**Science Based Targets**” initiative. These are:

1. DMG MORI AG commits to reduce absolute greenhouse gas / GHG emissions in Scope 1 and 2 by 46.2% by 2030 – starting from the base year 2019.
2. DMG MORI AG commits to reduce absolute GHG emissions in Scope 3 by 13.5% by 2030.
3. DMG MORI AG aims to achieve a science-based net zero emissions reduction target in the long term by 2050 at the latest.

With our holistic approach we are absolutely right: For our CSR commitment, we were nominated for the “**German Sustainability Award 2022**” in the transformation field of

climate – as one of the 17 best companies. DMG MORI was awarded the Platinum Medal in the Sustainability Rating by the internationally renowned institute EcoVadis. This means that we are among the top 1% of over 35,000 companies evaluated worldwide. The CSR rating covers the categories environment, labor and human rights, ethics and sustainable procurement. The non-profit-organization “Carbon Disclosure Project” (CDP) awarded DMG MORI a “B-rating” in the reporting year. This shows that our engagement for the climate and the environment is clearly above the global average.

Vision – Mission – TOP values

We exactly know what we have to do and keep our Vision-Mission-Statement always in mind. Our vision: we want to be the most attractive global machine tool manufacturer with digitized and sustainable products! Our mission: we empower our customers – in manufacturing and digitization! Our **TOP** values **Trust**, **Openness** and **Passion** combined with our excellent team, our appreciated customers and strong partners are the basis for our growth course.

Based on this, we commit ourselves to clear principles and values. The “**DMG MORI Code of Conduct**” defines these, among others, with regards to the important sustainability aspects, such as employees, environment and supply chain. In it, we describe our self-set goals and rules, with which we commit ourselves to responsible, ethical and lawful conduct as well as sustainable value creation. The code of conduct thus forms the basis for our sustainability strategy and sustainability management.

In our intranet “**DMG MORI ONE**” we inform about certain topics from our Code of Conduct and about our guidelines. Moreover, every employee has the right and duty to inform themselves about the current status of the internal regulations.

New employees confirm in writing that they have received the Code of Conduct. DMG MORI expects them to comply with and pass on the principles described therein. The same applies to our business partners, especially our suppliers.

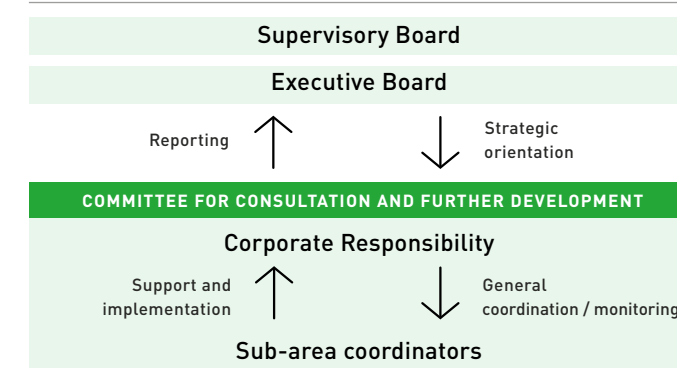
Our managers should be a role model for our employees and actively exemplify our code. As an example, we perform

trainings for that. In addition, our “**Leading Principles**” provide them with a guideline for a sustainable leadership culture.

Structure & management

Sustainability is a matter for the top management. The “Corporate Responsibility” department bundles the topics sustainability and compliance and directly reports to the Executive Board as the highest authority in decision-making.

03 | SUSTAINABILITY MANAGEMENT



Stakeholder dialogue

We know what matters to our stakeholders. Because we are in contact with them. Their opinions, questions and comments give the “Corporate Responsibility” management important impulses and influences our activities indirectly and directly. For this reason, a continuous, constructive exchange with them is defined in our “Corporate Responsibility” handbook and is actively supported. The Code of Conduct thereby forms the basis for interactions with all our stakeholders.

The further development of our sustainability strategy is also supported by exchanges and close, trusting cooperation with employee representatives as well as regular sustainability meetings.

In consultation with external experts, the sustainability coordinators defined the “particularly important stakeholders” and review them regularly (figure 04). In addition, exemplary, relevant forms of dialogue with these stakeholders are listed. With “DMG MORI ONE” we have an interactive and highly functional platform available for internal exchange with and between all employees. We thereby receive direct feedback on various sustainability topics and can, among others, launch targeted surveys. In addition, we analyze the feedback from our stakeholders as well as comments on sustainability aspects in our social media channels.

04 | SIGNIFICANT STAKEHOLDERS & FORMS OF DIALOGUE

COOPERATION PARTNERS

Events with universities and schools
(Research) projects
Knowledge transfer

CAPITAL MARKET

Annual General Meeting
Investor Relations

SUPPLY PARTNER

Supplier audits
Supplier talks
Supplier convention
Platform Integrity Next



CUSTOMERS

Customer satisfaction analysis
Trade fairs / digital events
Marketing & PR

EMPLOYEES

Employee satisfaction analysis
Idea management
Employee appraisals
Digital information events
DMG MORI ONE

NGOS AND ASSOCIATIONS

Forums and events
Committees

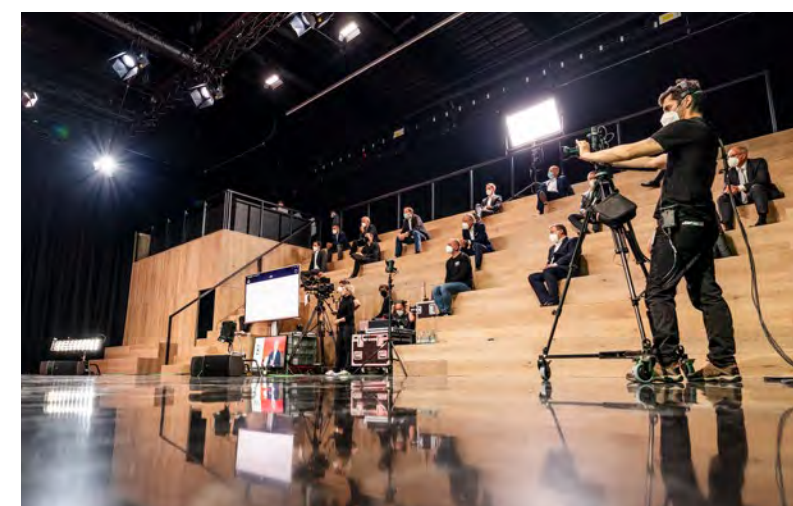
PUBLIC AUTHORITIES

Plant inspections
Talks

Questions? responsibility@dmgmori.com

Information! www.dmgmori-ag.com

Tweets. [@dmgmorieu](https://twitter.com/dmgmorieu)



Direct dialogue: At the first global strategy information, employees were able to directly ask the Executive Board questions, digitally & live.

Whistleblower system

The result is: Our stakeholders are interested in a wide range of topics – and also still in the impact of the corona pandemic. Overall, the results are in line with our assessment of materiality. Accordingly, we have continued to provide extensive information about the consequences of the corona pandemic, complementing our existing holistic sustainability communication. The economic impacts are addressed in our financial reporting and the Annual Report.

Employees, customers, partners and suppliers are regularly informed by the Executive Board about current topics and relevant measures, among others, also about the corona situation or the effects of the global supply shortages. In addition to that, there is regularly updated, extensive information about the topic of covid-19 available to our employees in “DMG MORI ONE”. → [Employees, page 42 et seqq.](#)

In the reporting year, the Executive Board provided all employees for the first time with a digital strategy-information on the strategic orientation, the future fields of automation, digitization and sustainability as well as further perspectives of DMG MORI. Afterwards, the Executive Board was available to answer the employees’ questions in a live Q&A session. Every question was allowed and answered.

Our comprehensive communication measures contribute both internally and externally to firmly anchoring sustainability in all structures and processes of DMG MORI. We thereby create transparency for our stakeholders and clearly show them: sustainability is an integral part in all areas at DMG MORI – in development and design processes, in our purchasing strategy, in production as well as in administrative activities.

We encourage all our stakeholders to immediately and securely report suspected violations of applicable regulations or of our DMG MORI guidelines. For this purpose, our Responsibility Helpdesk (responsibility@dmgmori.com) or anonymously an external trusted lawyer, Dr. Carsten Thiel von Herff LL.M. (<https://report-tvh.com/>), are available. The contact details can be found in the Code of Conduct, in the “DMG MORI ONE” and on our website. Here we also provide more detailed information on the whistleblower system. That is because whistleblowers are a valuable and helpful source for us to uncover and stop possible misconduct. We naturally

protect them from any discriminatory or disciplinary measures and do not tolerate any retaliatory actions directed against the whistleblower.

We continuously review and expand our existing monitoring and improvement mechanisms. Sustainability topics are an integral part of the annual questionnaires to management in order to identify any need for action comprehensively and in a timely manner. In addition, the same escalation and reporting processes apply to sustainability as to compliance.

Considering existing principles and measures (net risks), the risk assessment did not reveal any significant risks that meet the materiality criteria pursuant to Section 289c (3) Nos. 3 and 4 HGB. This also includes the impact of the corona pandemic, such as employment or health risks, which we have already been able to reduce with our measures. → [Employees, page 43](#). The risk assessment of the sustainability topics is integrated into our “Risk Assessment”. → [Compliance, page 54 et seqq.](#)



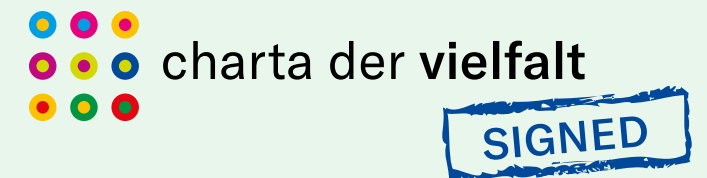
Commitment to climate and environment:

The non-profit organization “Carbon Disclosure Project” (CDP) awarded DMG MORI a “B rating” in the reporting year. This puts us above the global average and well above the average in the mechanical engineering industry. Every year, CDP evaluates the commitment of companies, municipalities and countries in the area of environmental and climate protection on the basis of an extensive catalog of criteria.



Excellent performance:

DMG MORI was awarded the Platinum Medal in the Sustainability Rating by the internationally renowned institute EcoVadis. This means that we are among the top 1% of over 35,000 companies evaluated worldwide. The CSR rating covers the categories environment, labor and human rights, ethics and sustainable procurement.



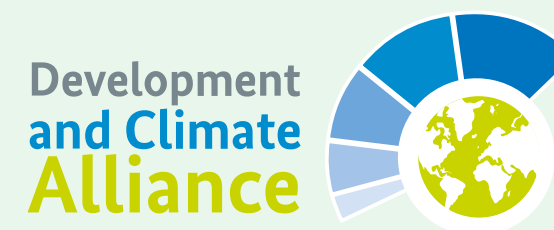
Commitment to diversity:

We are committed to an appreciative and prejudice-free organizational culture in the world of work. We made a voluntary commitment to this in 2019.



Blue Competence:

We are a partner of the Blue Competence sustainability initiative of the German Mechanical Engineering Industry Association (VDMA). With our partnership, we are committed to compliance with the twelve sustainability principles of the mechanical and plant engineering industry.



Alliance for Development and Climate:


We are voluntarily committed to implementing the UN Agenda 2030 and the Paris Climate Agreement. That is why we have been a member of the “Alliance for Development and Climate” since 2019.



CEOs for recycled paper:


We support the “Pro Recycling Paper” initiative and the associated campaign “CEOs for recycled paper”. Since 2019, our German sites have been sourcing 100% recycled DIN A3 and DIN A4 paper certified with the “Blue Angel” label.

05 | CLIMATE NEUTRALITY INITIATIVES





SUPPLIERS + DMG MORI


100 % CLIMATE-NEUTRAL MACHINE PRODUCTION



1. NEUTRAL PRODUCT CARBON FOOTPRINT


(SCOPE 3 UPSTREAM) 

2. NEUTRAL COMPANY CARBON FOOTPRINT (SCOPE 1 + 2) 



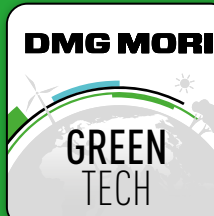
CUSTOMERS + DMG MORI

RESOURCE-EFFICIENT MACHINE USAGE



RESOURCE-EFFICIENT MACHINE OPERATION

(SCOPE 3 DOWNSTREAM)



TECHNOLOGY EXCELLENCE FOR GREEN TECHNOLOGIES

CLIMATE AND ENVIRONMENT

At DMG MORI, environmental protection and technology leadership have been in harmony for many years. We have already achieved a lot: for us, a climate-neutral supply chain is already a reality today.

To reduce the consequences of climate change is the biggest challenge for humanity. We are convinced: technology leadership and sustainability are in harmony. For the best possible protection of climate and environment we follow a 360° approach: We focus on a resource-efficient, climate and environmentally friendly behavior at DMG MORI worldwide and with our partners. We act actively in every section of our value chain and thus contribute to resource preservation. In doing so, we rely on sustainable business models. We avoid and reduce emissions. Wherever possible, we save resources along the entire value chain: in the upstream processes of our supply chain, in our own production, in machine operation at our customers' sites and in the refurbishing or recycling of our machines.

We have committed ourselves to implementing the guidelines of the "Task Force on Climate-related Financial Disclosures" (TCFD) in the reporting year and thus follow the recommendations for voluntary and consistent disclosure of climate-related opportunities and risks. The full report is available on our website: → <https://en.dmgmori-ag.com/corporate-responsibility/climate-and-environmental-protection>

In addition, DMG MORI has been a certified member of the "Science Based Targets" initiative since September 2021, which aims to limit global warming to a maximum of 1.5°C. The emission targets derived from this for DMG MORI are mandatory minimum targets for us. In the reporting year, the "Science Based Targets" initiative reviewed and certified our company-wide targets for reducing greenhouse gas emissions. → [Sustainability Strategy and Management, page 10](#)

Furthermore, we have set ourselves the following short-term interim goals in the area of climate and environment:

1. Since 2021 we offer our customers completely climate-neutrally produced machines. We have reached this goal.
2. By 2023 we will reduce CO₂-emissions in line with our Science Based Targets by at least 8,149 tons in scope 1 & 2 as well as at least 43,662 tons in scope 3 (base year: 2019).
3. We will increase energy efficiency by 5 % by 2023 (measured variable: kWh / € value added, base year: 2017).

4. We will continue to expand our energy monitoring concept at the European group sites by 2023.
5. We aim to save a further 10.000 MWh of energy on a project-related basis by 2023 (base year: 2019). We are on a good way – over 5.000 MWh were already saved on a project-related basis.
6. All European production sites will be certified to the ISO 14001 standard by 2023.
7. We aim to continuously increase resource efficiency by strengthening the circular economy.
8. We continuously reduce the use of dangerous substances at all sites.
9. We continuously reduce our amount of waste.
10. We continuously reduce our paper consumption.
11. We continuously reduce our freshwater consumption.

Targets for the individual sites are derived from the eleven group targets. These are reviewed annually by the respective executive in the management reviews and by the Executive Board in a central management review.

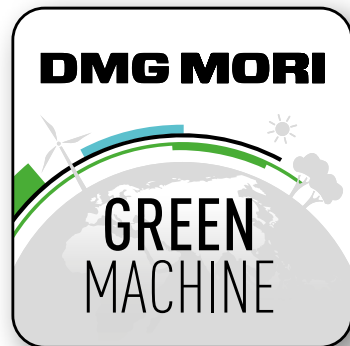
We have already achieved one milestone: we are one of the first industrial companies to have a climate-neutral "Company Carbon Footprint" and "Product Carbon Footprint" in the upstream. We are actively driving the transition towards a "DMG MORI GREEN ECONOMY".

DMG MORI GREEN ECONOMY – our responsibility for resources

The goal of our "DMG MORI GREEN ECONOMY" is a minimal climate and environment footprint – maximum protection of resources and the environment. That means: we optimize each and every process, reduce emissions consequently and maximize the benefit of used resources. We commit ourselves to this with our new energy and environment policy. For this we have revised our current energy policy and added environmental topics. Our innovative products and services also ensure maximum resource efficiency in the subsequent operation by our customers. Here, too, we focus on energy and emissions in all phases of the machine life cycle.

We bundle our activities along the entire value chain into three areas (see figure 05):

GREENMACHINE
GREENMODE
GREENTECH



GREENMACHINE

The 100 % climate-neutrally produced machine

DMG MORI has been completely climate-neutral since January 2021. In doing so, we rely on our climate triple “Avoid – Reduce – Compensate”. In environmental protection, the focus is clearly on avoiding and reducing emissions. Customers receive completely climate-neutrally manufactured machines from all our production plants. Two factors are essential for this:

1. DMG MORI’s own value creation is completely climate-neutral.
2. The relevant upstream processes along our supply chain are climate-neutral.

We have already fulfilled the first requirement since May 2020 – our “Company Carbon Footprint” is zero. This includes emissions from scope 1, scope 2 and scope 3 (categories 3, 5, 6 and 7) of the Greenhouse Gas Protocol (GHG Protocol), the internationally recognized standard for greenhouse gas reporting. Our “Product Carbon Footprint” additionally includes emissions from upstream processes along the supply chain, primarily from scope 3 (categories 1 and 4), as well as from downstream processes at the customer and at the end of the product life cycle (categories 9, 11 and 12).

We compensate for currently unavoidable emissions by investing in sustainable, certified climate protection projects. These are ex-post certificates. It is ensured here, that a CO₂ saving has already taken place. The projects are certified with high standards, among others, by the UN or the WWF (Worldwide Fund For Nature), and confirmed in their effectiveness. Their function and the amount of CO₂ saved are regularly checked by independent inspectors.

We control energy consumption and emissions with our energy and environmental management system: DMG MORI has been using an energy management system in accordance with the standard ISO 50001 at all European production sites since 2015. Since 2019, this has focused on the sites that are significant for energy consumption.* The effectiveness of the system was again confirmed by TÜV SÜD Management Service GmbH in the reporting year. Since 2019, our FAMOT production site has also been certified to the standard ISO 14001 (environmental management systems). All other European production sites should as well achieve this certification by 2023.

In our energy and environmental management system, we analyze energy consumption and environmentally relevant data, such as the waste balances of our sites, considering local specifics. We identify main causes and define targeted measures to reduce. A central energy and environmental management officer coordinates all relevant activities with the support of local teams and managers. We regularly familiarize our employees and service providers with requirements for dealing with energy and environmental topics, for example in annual training courses or with our “Green Office” campaign. Our employees also receive specific instructions and a detailed energy management handbook. This was expanded in the reporting year to include the environmental topics listed here and will be rolled out anew in 2022.

Ecological infrastructure: The parking garage at DECKEL MAHO Pfronten, which was completed in 2019 and features 48 e-charging stations, was given a green roof in the reporting year – this provides natural air conditioning and also acts as a filter for dust and pollutants.

Energy consumption within the organization (see table 06) comprises the purchased volumes of electricity, natural gas and liquefied petroleum gas as well as self-generated electricity at our nine largest sites and fuel consumption in the EU vehicle fleet. In production, we mainly use electricity for assembly processes and technical building equipment. We use natural gas to provide heating and, to a minor extent, to generate electricity in combined heat and power plants. Fuel consumption accounts for 35% of energy consumption at the nine largest sites. Although energy consumption per value added remained high in the reporting year at 299 kWh / € k, this was due in particular to the development of sales revenues related to the corona and economic situation and due to the increased energy demand resulting from the expansion of our production capacities in Pfronten and Pleszew.

We are continuously working to further reduce our energy consumption: in the reporting year, we invested in efficiency

projects at eight sites in Germany, Italy and Poland and implemented a further 26 measures – investments that are worthwhile for the environment. Three examples:

- › modern LED lighting systems with intelligent daylight control at all European production sites,
- › modernization of compressed air generation,
- › use of modern AI-supported software solutions for smart control of technical systems.

These measures will save us around 2,800 MWh of energy per year in the future – and will thus avoid more than 1,000 tons of CO₂. We will continue to optimize our energy efficiency across all sites in 2022 with a further 22 measures – we are therefore on a very good way to achieving our set energy targets.



* Seven European production sites and one Spare Parts site (out of a total of 68 sites) as well as vehicle fleet; corresponding to >70 % of DMG MORI’s global energy consumption.

	2019		2021
Company Carbon Footprint	76,778 tons CO ₂	-37 %	48,340 tons CO ₂
Product Carbon Footprint	859,156 tons CO ₂	-14 %	735,477 tons CO ₂

Renewable energy:
At our headquarters in Bielefeld, we use 100 % green electricity – part of which we generate ourselves in our solar park.

We also systematically reduce our emissions along the entire value chain. They are shown in the group-wide CO₂ balance in accordance with the GHG Protocol (see table 07) and comprise:

Scope 1 & 2 emissions (share: 4 %):

- > consumption of energy in our production, assembly, sales and service processes
- > use of fuels in the fleet

Scope 3 emissions (share: 96 %):

- > purchase of production material
- > transport of the machines to our customers
- > operation of our machines at the customer
- > machine recycling
- > business trips

For the first time, downstream emissions were also included in our CO₂ balance in the reporting year.

Overall, emissions increased by +27% compared with the previous year. On the one hand, this is due to increased demand as a result of capacity expansions, particularly in Pfronten and Pleszew. On the other hand, 2020 shows corona-related low values – due to short-time work and plant shutdowns, energy and material requirements were far below normal levels. For this reason, the values from 2019 are additionally listed in the CO₂ balance. In comparison to these, we were able to reduce our emissions by -16%. In our own value creation, the “Company Carbon Footprint”, CO₂ emissions even fell by -37%. This clearly demonstrates the success

of our holistic approach: We generate regenerative energy ourselves at almost all production plants and some sales and service locations – mostly via photovoltaic systems. Wherever possible, we also purchase exclusively green electricity (share: 77%). In addition, we also commit our suppliers to energy-saving and environmentally friendly processes. → [Partner and Supplier Management, page 36 et seqq.](#)

Based on the CO₂ balance sheet, we have also made our “Company Carbon Footprint” climate-neutral in the reporting year – for this, emissions amounting to 47,422 tons of CO₂ were offset by investing in sustainable, certified climate protection projects. Furthermore, we have also offset our “Product Carbon Footprint” in the upstream: for 2021, we already have made emissions in the amount of 315,000 tons of CO₂ neutral at the beginning of the year. We balanced the difference to our actual emissions of 372,006 tons of CO₂ at the end of the year. For the current financial year 2022 we have already made advance payments as well.

Assuming a further economic recovery and the continuous improvement of our energy efficiency, we estimate our total emissions in 2022 to be around 410,000 tons of CO₂. Accordingly, we balanced these again at the beginning of the year (scope 1, 2 and 3 upstream). In this way we permanently ensure our ambitious promise: Since January 2021, all machines worldwide have been manufactured completely climate-neutral.

We are happy to share our knowledge – together with our partner “Fokus Zukunft GmbH”, we provide our partners, suppliers and customers with advice on their path to climate neutrality.

06 ENERGY CONSUMPTION WITHIN THE ORGANIZATION ^{1) 2)}				
in MWh	2021	2020	Changes against previous year	
Fuel consumption	84,634	76,803	7,831	10 %
of which natural gas	36,904	28,730	8,174	28 %
of which liquid gas	346	346	0	0 %
of which fuel	47,384	47,727	-343	-1 %
Electricity consumption	49,542	45,956	3,586	8 %
of which procured from the grid	46,955	43,554	3,401	8 %
of which self-generation from renewable sources	2,587	2,402	185	8 %
Energy consumption in total	134,176	122,759	11,417	9 %
Energy consumption per added value in kWh/€K	299	272	27	10 %

1) Locations Germany (Bielefeld, Pfronten, Seebach, Geretsried, Idar-Oberstein); Italy (Brembate di Sopra, Tortona); Poland (Pleszew); Russia (Ulyanovsk) and vehicle fleet; corresponding to over 90% of DMG MORI's global energy consumption. Other sales and service locations are not included in this table.

2) Conversion factors for fuels: German Federal Office of Economics and Export Control (BAFA) 2020.



- Implementation of modern heating, ventilation, and cooling concepts
- Intelligent and demand-driven optimization of existing systems
- Modernization of compressors, refrigeration machines and paint systems
- Monitoring and analysis of energy consumption using “Energy Monitor” software
- Expansion of measurement technology for recording and analyzing consumption
- Installation of additional charging stations for e-cars and e-bikes



The complete report on climate-neutral production and on the compilation of our carbon footprint balance sheet – including the methodology as well as an explanation of the scopes and sources used – can be found on our website.

07 GROUP-WIDE CO ₂ BALANCE OF DMG MORI ^{3) 4) 5)}					
in t CO ₂	Category	2021	2020	2019	Changes 2021 against 2020
Scope 1		19,775	19,304	23,712	2 %
Internal combustion processes	Natural gas	6,933	6,088	7,475	14 %
	Fuel oil	319	214	188	49 %
	Liquid gas	66	80	78	-18 %
	Gases	25	20	28	25 %
	Coolant	131	146	7	-10 %
Business trips with own vehicle	Pool	118	46	201	>100 %
	Leasing	12,183	12,710	15,735	-4 %
Scope 2		10,432	8,785	24,793	19 %
External energy supply	Electricity	9,984	8,353	24,244	20 %
	District heating	448	432	549	4 %
Scope 3 Upstream ⁶⁾		390,139	230,405	385,559	69 %
Category 1: Purchase of production material	Production material	353,406	200,518	339,422	76 %
	Paper	58	888	939	-93 %
Category 3: Fuels and energy	e.g. fuel supply chain	8,083	7,631	9,511	6 %
Category 4: Upstream transports	e.g. ship and truck	18,600	10,554	17,864	76 %
Category 5: Waste	Water & waste	135	154	189	-12 %
	Flights	699	816	4,339	-14 %
Category 6: Business trips	Rental cars	333	348	835	-4 %
	e.g. cars	8,825	9,496	12,460	-7 %
CO ₂ emissions of DMG MORI (Scopes 1, 2 & 3 Upstream)		420,346	258,494	434,064	63 %
Scope 3 Downstream ⁴⁾		363,471	356,531	501,870	2 %
Category 9: Downstream transports and delivery	e.g. ship and truck	6,339	5,458	10,851	16 %
Category 11: Operation of sold products	machines	336,761	333,235	463,959	1 %
Category 12: Machine recycling	e.g. steel and electronics	20,371	17,838	27,060	14 %
CO ₂ emissions of DMG MORI		783,817	615,025	935,934	27 %



3) Calculations were made by using emission factors based on the DEFRA 2021 database. Due to an update of the stored factors in the reporting year, there is only limited comparability with the previous year's figures. Missing emission factors were filled in by GEMIS, Probas Umweltbundesamt, Ecolnvent and Ecotransit database. To calculate CO₂ equivalents (CO₂e), nitrogen trifluoride (NF₃) and the six main greenhouse gases under the Kyoto Protocol were considered: Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrogen-containing hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). Other emissions occur only in small amounts and are not reported separately. A simplified market-based approach is used to calculate Scope 2 emissions. Sites that purchase green electricity are included in the calculation with a CO₂ coefficient of zero. For all other sites, the average German CO₂ factor is used for simplification (source: GEMIS 5.0).

The only exception is our site in Poland, which is included in the calculation with the national factor due to the more CO₂-intensive electricity mix.

4) Based on the location-based approach, electricity consumption causes 21,713 t CO₂ (source: Association of Issuing Bodies, 2020). This does not take into account that DMG MORI used 76.6 % electricity from renewable sources in 2020.

5) Compared to the Sustainability Report 2019, the pre-chain emissions of gray electricity are reported in Scope 3 (Category 3) instead of Scope 2. This shift has no impact on the total emissions.

6) The determination of Scope 3 emissions is based on prior-year data and corresponding projections in some categories.



GREENMODE

The resource-efficient operation at the customer's site

For many years, DMG MORI has been consistently optimizing the resource efficiency of its manufacturing solutions during operation at the customer's site, among others, with the help of a group-wide uniform production development process, through:

- › comprehensive automation and digitization solutions,
- › machine efficiency through a high level of technology integration and service excellence as well as
- › energy and emissions efficiency with the **GREENMODE**.

The **GREENMODE** includes:

- › specific CELOS apps like the **"ENERGYSAVING"** app,
- › consumption-optimized components, such as LED lighting,
- › energy recovery during braking processes and
- › an intelligent, demand-oriented control of aggregates

The **"ENERGYSAVING"** app allows simple, practical energy management – free of charge for all machines with the latest CELOS version. The app transparently records machine performance, energy consumption and the corresponding CO₂-emissions. Based on this, it optimizes all processes in terms of energy consumption, productivity and process times. It also has an integrated, intelligent warm-up, stand-by and shutdown function.

Thanks to our comprehensive automation and digitization solutions, our machines can run around the clock, maximally efficiently – saving our customers valuable energy and resources. Two examples:

› With TULIP, the transformation to paperless manufacturing succeeds. With the help of the no-code-manufacturing platform, users can create apps easily and quickly, without any programming knowledge. This allows information and processes to be digitized, errors to be avoided and thus productivity and efficiency to be increased in operations. At DMG MORI, we also use TULIP in our own production.

› With **PAYZR (Pay with Zero Risk)** we realize a sustainable subscription business model for Equipment-as-a-Service (EaaS). Customers can subscribe to our machine on demand instead of buying it. This means they are always at the cutting edge of technology and benefit from fast innovation cycles without risk – and with maximum planning security, cost and price transparency as well as full flexibility. This ensures highly efficient machine operation and offers maximum availability through optimum maintenance, repair and extended service life. This enables the customer to make the best possible use of our machines. When the subscription expires, we are happy to take back the machines, ensuring professional repair and onward transfer or disposal worldwide in accordance with the highest DMG MORI standards.

This shows: DMG MORI products thereby also holistically preserve the environment and resources during operation at the customer's site. One example: With the **GREENMODE**, we were able to increase the energy efficiency of the CLX 450 TC, newly introduced in the reporting year, by around 20% compared to a reference machine of similar design. As a result, our customers benefit twice: they save resources and they can apply for government subsidies for energy-efficient machines, among other things. We are happy to advise them on this.

INCREASING ENERGY AND EMISSIONS EFFICIENCY AT THE CUSTOMER'S SITE:



CELOS apps

for transparency and optimization of the energy consumption

Intelligent, demand-oriented control

- + Automatic deactivation of aggregates
- + Control of feed rate
- + Reduced warm-up

Consumption-optimized components

- + Highly efficient motors according to IE3
- + Hydraulic accumulator charging system
- + LED lighting
- + FEM-optimized construction for smaller accelerated masses

Energy recovery during braking processes

Efficient and flexible automation solutions for continuous production

Efficiency through Technology Cycles

- + Up to 60 % faster programming
- + Maximum accuracy over the entire product lifespan
- + Protection against damage by MPC



Efficient service processes

Digital, remote and proactive

myDMG MORI



Highest quality and accuracy for lowest energy and material consumption

Digital Twin

Optimized components and processes through real-time simulation

Recycling-oriented product design

e.g. cast iron instead of polymer concrete



GREENTECH

Our contribution as a pioneer of green technologies

DMG MORI is an innovation leader in the production of environmentally friendly technologies and a driving force in manufacturing and progressive development of green technologies. Many of our customers manufacture highly innovative components on DMG MORI machines for

wind turbines, hydropower plants, hydrogen electrolysis and electric mobility, among others. DMG MORI is continuously expanding specific know-how for its customers in Excellence Centers.



Green energy: CNC Tvar produces, among others, high-quality turbine wheels for hydropower plants on 13 DMG MORI machines.



Two customer examples:

1. 80 % of the hydropower plants in the Alps are equipped with turbines from our customer "CNC Tvar" from Czech Republic. Hydropower is one of the cleanest sources of energy, the use of which is made even more efficient and sustainable by high-quality turbine components like turbine wheels and impellers. "CNC Tvar" has therefore relied on machine tools and technology know-how from DMG MORI from the very beginning – now, 13 of our machines are in operation there.
2. Holistic solutions for waste processing – our customer "Lindner Recyclingtech GmbH" from Austria makes a significant contribution to the circular economy. Demand is high and due to the different types of plastic, diverse, adaptable solutions are required. DMG MORI enables Lindner to manufacture the necessary shredder components in a highly productive, fully automated manner. For this purpose, DMG MORI supplied two DMU 80 P duoBLOCK automated with a WH Flex. With Digital Engineering, the system was also set up, tested and optimized completely digitally in advance. This eliminates the time- and resource-intensive running-in of the real machine on site at the customer.



Our know-how for green technologies: Lindner Recycling manufactures a wide variety of components for recycling plastics on two DMU 80 P duoBLOCK automated with a WH Flex.



DMG MORI GREEN ECONOMY – 100 % green machines

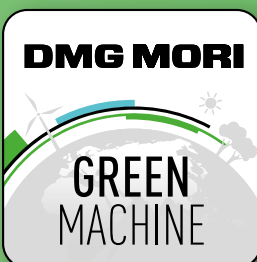
SUPPLIERS + DMG MORI

100 % CLIMATE-NEUTRAL MACHINE PRODUCTION

1. NEUTRAL PRODUCT CARBON FOOTPRINT

(SCOPE 3
UPSTREAM) ✓

2. NEUTRAL COMPANY CARBON FOOTPRINT (SCOPE 1 + 2) ✓



INTEGRITY
NEXT

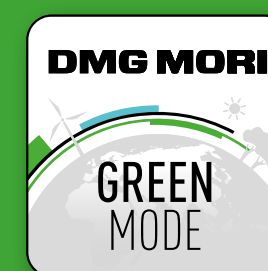
TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



CUSTOMERS + DMG MORI

RESOURCE-EFFICIENT MACHINE USAGE



RESOURCE-EFFICIENT
MACHINE OPERATION
(SCOPE 3 DOWNSTREAM)



TECHNOLOGY
EXCELLENCE FOR
GREEN TECHNOLOGIES



Resource management

At DMG MORI we handle all resources sustainably and actively manage the environmental impact of our business activities. We do not source conflict minerals directly. → [Compliance, page 54 et seqq.](#) Resource management is firmly anchored in our sustainability management concept and is part of our “Corporate Responsibility” handbook. Our Code of Conduct specifies: every employee and business partner must ensure that their work has the least possible impact on the environment. Internally, we reinforce this awareness through training courses, among other things. We also actively encourage our employees to further develop our sustainability management: our employees can submit suggestions for improvement and ideas via our company suggestion system and the Responsibility Helpdesk. These are then reviewed at short notice and realized where possible. In our products, we implement numerous measures to ensure the greatest possible conservation of resources – for example a high level of technology integration, material savings through stress-appropriate design, use of additively manufactured parts and use of recyclable materials. In the material groups castings and sheet metal parts for machine tools and services, 49% recycled materials are used by weight (previous year: 48%). According to our suppliers, these contain around 50% steel scrap (iron castings, sheet metal) and 10% hard coal fly ash (mineral castings).

With our “First Quality” campaign, we ensure that our products are in use for 30 years or more. In this way, we avoid waste and preserve resources. In the case of components, we pay attention to simple fixability and selective replaceability of expendable parts. As in the previous year, we were able to service 29% of the replacement components in relation to sales via our exchange parts management in the reporting year. In the event of service, we help quickly, effectively and in an environmentally friendly manner – 100% remotely – with our digital solutions, such as *NETservice* and our customer portal *myDMG MORI*. In addition, we refurbish and resell up to 600 high-quality used machines every year. In this way, we extend their product life cycles by many years. Recycling-oriented product design is firmly anchored as a guideline in the development process. We aim to use renewable, recyclable and recycled materials in a steadily increasing proportion in our products and service. Already today, our machines are more than 99% recyclable – an important contribution to the sustainable circular economy.

According to the materiality analysis, the topics of waste and water are still not a focus for sustainability management and are only briefly explained here. → [Sustainability Strategy and Management, page 8 et seqq.](#) Nevertheless, due to the global scarcity of water, the pollution of the world’s oceans and the generally high volume of waste, DMG MORI has set itself targets for the further reduction of freshwater consumption and the volume of waste. In the future, we will

expand our measures even further and extend our certification under the standard ISO 14001 accordingly. To this end, we will set further concrete, measurable targets and have them verified by external experts. This will ensure that all our sites implement the same high requirements in a standardized and transparent manner. At the same time, the process gives us the opportunity to uncover further potential for improvement.

We dispose of waste in an environmentally friendly manner through qualified companies, based on the type of waste and the recycling process, separately and safely. We comply with local regulations and classify waste as hazardous or non-hazardous in accordance with the relevant national laws. In production, we use very small amounts of drinking water during the test phase of our machines by using processing emulsion (water content: 90%). If possible, we recycle used emulsion after use or otherwise dispose of it in an environmentally friendly manner through qualified partners. Machining emulsion is usually also used later by our customers in the production of workpieces. Metal recyclables from machining at DMG MORI are fed into a sustainable recycling economy via our partner companies.

EU taxonomy

With the “European Green Deal”, the EU Commission has formulated the clear goal that the community of states should become climate-neutral by 2050. To achieve this, the EU Taxonomy Regulation came into force in June 2020 as an important element. The regulation defines and classifies ecologically sustainable – i.e. taxonomy-aligned – economic activities. Based on uniform requirements, companies thus assess the contribution of their economic activities to the following 6 defined environmental targets: “Climate change mitigation”, “Climate change adaption”, “Sustainable use and protection of water and marine resources”, “Transition to a circular economy”, “Pollution prevention and control”, as well as “Protection and restoration of biodiversity and ecosystems”.

Since the beginning of 2022, new reporting requirements therefore apply to all companies that – like DMG MORI – are subject to the CSR Directive 2014 / 95 / EU (Section 289 HGB). Companies must report for each environmental target which proportion of the sales revenues of their economic activities is to be classified as taxonomy-aligned as well as state the corresponding proportions of investment and operating expenses. A business activity is taxonomy-aligned if it makes a significant contribution to at least one of the defined 6 environmental objectives and thus meets the technical screening criteria, does not significantly harm the achievement of the other EU environmental objectives, and complies with the minimum requirements for occupational safety and human rights.

As the EU taxonomy is still under development and is only gradually being rolled out in the EU or continuously revised, only the proportion of taxonomy-eligible and non-taxonomy-eligible economic activities in relation to sales revenues (II), capital expenditure (capex, II) and operating expenditure (opex, III) for the environmental goals of “Climate change mitigation” and “Climate change adaption” is to be stated for the reporting year. Taxonomy-eligible means that technical screening criteria for the respective economic activity are available from the EU – regardless of whether these are met.

Our analysis shows that DMG MORI’s activities do not fall under the “Delegated Act” on climate targets and accordingly do not represent a relevant source of greenhouse gas emissions: Our economic activities and the resulting significant sales revenues can be assigned to the NACE code (EU classification of economic activities) C.28.4 “Manufacture of machine tools”. In the EU taxonomy, the description of economic activity 3.6 “Manufacture of other low-CO₂ technologies” contains a reference to this NACE code. In the first step our analysis showed that, although some activities of DMG MORI can be assigned to this economic activity 3.6, according to the description it aims at a significant reduction of greenhouse gases. In the next step, we also used the technical screening criteria for further ascertainment. According to this, a life cycle analysis of the greenhouse gas emissions and their comparison with the best-performing alternative solution is required. This is often not possible in the mechanical engineering sector, as there are mainly individual, customer-specific solutions that are offered and sufficiently detailed data from technologically similar third-party products is not available.

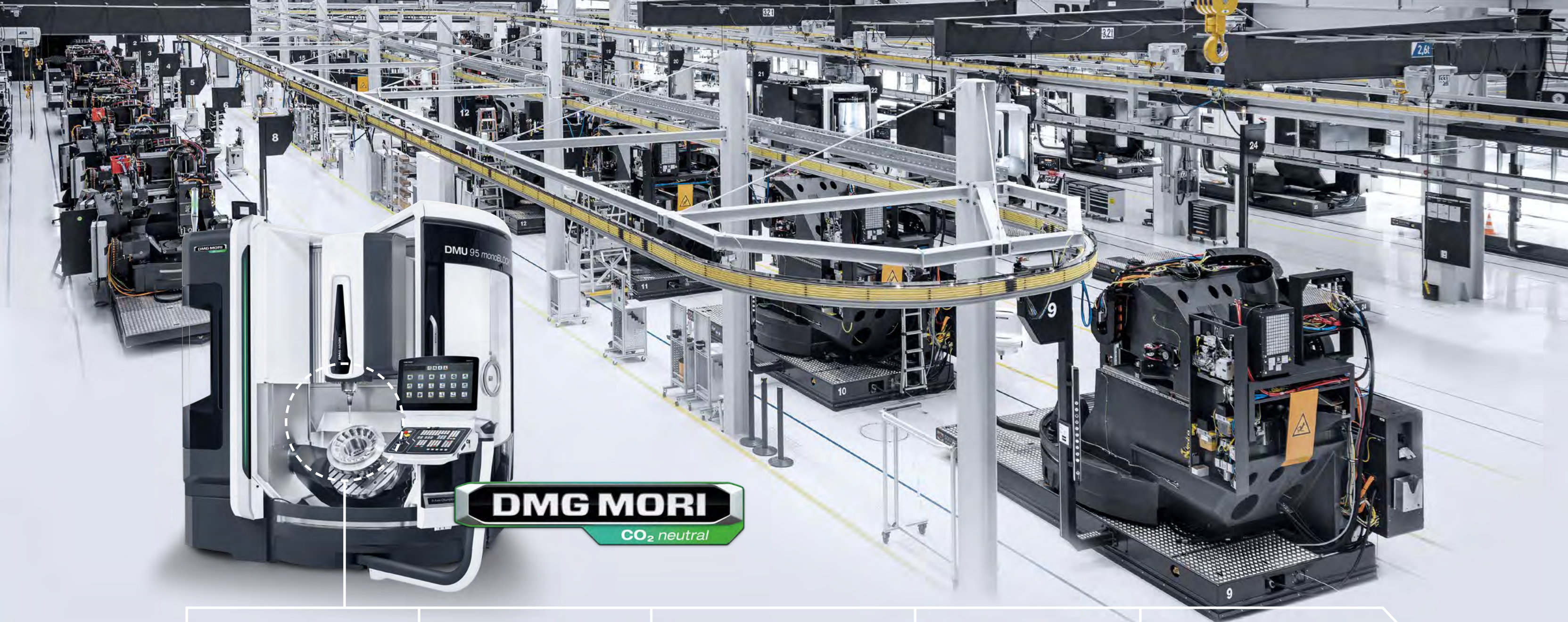
I. Sales revenues: The share of taxonomy-eligible economic activities in total sales revenues is calculated as the portion of net sales derived from products and services related to taxonomy-eligible economic activities (numerator) divided by net sales (denominator). The denominator corresponds to consolidated net sales in accordance with IAS 1.82. Our analysis has shown that DMG MORI’s economic activities are currently not covered by the EU taxonomy. Accordingly, the share of our sales revenues from taxonomy-eligible economic activities amounts to 0% in 2021. Thus, there are also no investment or operating expenses relating to assets or processes associated with taxonomy-eligible economic activities [according to Annex I No. 1.1.2.2. a), b) and No. 1.1.3.2 a), b) of the Delegated Regulation 2021 / 2178 / EU (hereinafter DR). Further details on sales revenues, capital expenditures and operating expenses can be found in the chapter “Results of operations, financial position and net worth” of the Annual Report 2021 on page 71 et seqq.

In order to classify DMG MORI’s further environmental measures, we address individual taxonomy-eligible capital and operating expenditures below. → [Climate and Environment, pages 18 – 21](#)

II. Capex: The determination of the share of capital expenditure or capex is defined in the DR. The denominator comprises additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and rights of use in accordance with IFRS 16 during the reporting year before depreciation, amortization and revaluations. Additions from mergers are also to be taken into account (see Annex I No. 1.1 DR). The numerator corresponds to the capital expenditures included in the denominator according to Annex I No. 1.1.2.2. c) DR, which are related to taxonomy-eligible economic activities. The total capital expenditures of the reporting year can be found in tables D.25 and D.26 in the notes to the consolidated financial statements of the Annual Report 2021 on page 130 et seqq. and in the Business Report in chapter “Investments” on page 75. DMG MORI has been considering sustainability in its investment decisions for years. The high capital expenditures of recent years are paying off. For example, we operate solar parks at all European production sites for the production of green, regenerative energy. As a result, only around € 200,000 (<1%) of taxonomy-eligible capital expenditures are attributable to the reporting year. These were identified for the economic activities “Installation, maintenance and repair of energy-efficient equipment [7.3]”, “Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings [7.5]” and “Installation, maintenance and repair of renewable energy technologies [7.6]” from Annex I of the “Delegated Act”. Furthermore, no capex plans according to Annex I No. 1.1.2.2. a), b) DR are currently required.

III. Opex: The determination of the share of operating expenses or opex is defined in the DR. The denominator includes direct, non-capitalized costs relating to research and development, building refurbishment, short-term leasing, maintenance and repair, as well as all other direct expenses related to the maintenance of assets and property, plant and equipment (see “Delegated Act on EU taxonomy”, Annex I.1.1.3). The numerator corresponds to the part of the operating expenses included in the denominator according to No. 1.1.3.2 c) DR. We also pay attention to sustainability in our operating expenses and have already implemented numerous measures in recent years. Accordingly, no significant portion is attributable to the reporting year anymore (€ <1 million, corresponding to around 1%). This was identified for the economic activities “Installation, maintenance and repair of energy-efficient equipment [7.3]” and “Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in parking spaces attached to buildings) [7.4]” from Annex I of the “Delegated Act”.

For the allocation of capex and opex, we have identified the relevant purchases, measures and the primary related economic activities from Annex I of the “Delegated Act”. In this way, we ensure that no capex or opex is considered more than once.



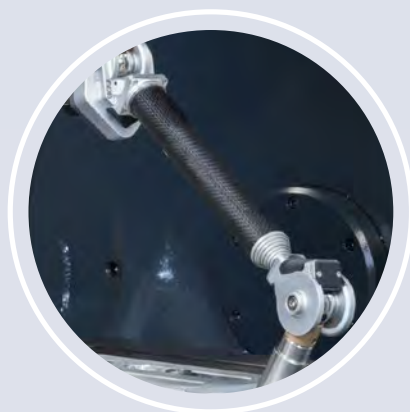
DMG MORI
CO₂ neutral

36 months
warranty for all
MASTER spindles



... at lowest
failure rates of < 1 %

Fully automated
measurement for
maximum accuracy



... and highest precision
of up to 5 µm

100 hours
quality check
before delivery approval



... for optimal availability
from day 1

27 CELOS apps
for superior customer
support



... and comprehensive
quality monitoring

myDMG MORI –
digital, direct access to
service experts



... for more than 30,000
registered customers



PRODUCT QUALITY AND SAFETY

With our “First Quality” strategy, we are advancing numerous initiatives along the entire value chain. Our goal: sustainable TOP quality in our premium products and solutions and 100 % satisfied customers.

Product quality

Maximum accuracy, efficiency, reliability, durability and sustainability with excellent products and processes: quality is a basic prerequisite for customer satisfaction. Central quality management reports directly to the Executive Board. Quality is also a component of the Executive Board’s remuneration.

With our “First Quality” strategy, we consistently align all activities along the entire value chain to maximum quality and customer benefit: with standardized components and interfaces, our own DMG MORI Components and a broad product portfolio. Our “360° Quality Management” also includes continuous, assembly-accompanying quality testing at 10 “Quality Gates” as well as the involvement of our service experts and our suppliers. The legal requirements are only the bare minimum for DMG MORI. Our own standards – also in service – go far beyond this. For example, we rely on innovative measuring methods with more than 1,000 recorded measuring points for the highest accuracy – that is four times more than the usual market standard. This is how we guarantee the TOP quality that our customers expect.

The basis for this is the certification of our production plants under the latest quality standard ISO 9001:2015. We regularly check the implementation and effectiveness of the relevant requirements via internal and external audits. In addition, our worldwide quality experts continuously develop innovative processes tailored specifically to our industry. After intensive testing, they pass on the best solutions as quickly as possible via our central quality management platform “conSense Global”. Though this platform our employees have all quality management manuals digitally summarized available at any time. In the reporting year, we integrated all production plants into this system.

The quality and safety of our products is permanently monitored during development and production by our quality

management. We rely on digital machine acceptance – individually tailored to the customer project with real-time documentation. These high requirements also apply to the final quality test in subsequent series production: every machine is tested for more than 100 hours before it is delivered to our customers.

We place the same quality demands on our software solutions as we do on our machines. For new developments, we rely on preventive quality assurance. In a structured, agile process, several quality gates are passed through during development. We test individual work steps both separately and interactively – automatically as well as manually. For this purpose, we operate our own software test center at DMG MORI HEITEC Digital Kft. in Hungary.

Product safety

Our machines comply with the highest safety regulations: we comply with all relevant laws as well as the directives and standards anchored therein. Our developers are supported in this by internal experts who receive regular training and are active in standards committees and trade associations. In addition, we participate in national and international standards working groups (ISO, IEC) to describe the current state of the art and to define and develop it further.

Quality and safety are elementary requirements already in the design process. We involve our suppliers in the development right from the start. Before market launch, all our products – machines, DMG MORI Components, automation and digitization solutions – must fulfill a six-stage “Design Review Process” and pass various stress tests that go far beyond the actual conditions at the customer’s premises.

To ensure that we always meet the latest requirements, we are continuously developing our “Design Review Process”. In the reporting year, the Development department focused not only on technical aspects but also increasingly on ecological requirements such as energy efficiency, reusability and recyclability.

We also receive important impulses for improving our product quality and safety through exchanges with sales and service staff as well as customers. DMG MORI prepares a risk assessment for each machine which includes all work

performed by persons over the entire service life of the machine and is continuously updated. In this way, we identify potential hazards and initiate measures to reduce them. This makes it essential for the protection of human health. Unavoidable residual risks are described in product manuals and indicated by warning or information signs and notes on the user display. We work closely with our customers to continuously reduce residual risks further. Our customers, in turn, are responsible for ensuring that the machine is operated as intended and that the occupational health and safety requirements are met in their production.

Important principles and guidelines at DMG MORI are the Product Safety Law and the other EU directives concerning the product, such as:

- Machinery Directive 2006/42/EC
- Low Voltage Directive 2014/35/EU
- Electromagnetic Compatibility Directive (EMC) 2014/30/EU
- Directive on the provision of pressure equipment 2014/68/EU
- EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- national and international product standards

Digital safety

Our focus on digitization has proven right in the ongoing corona pandemic. Accordingly, IT security and the security of our digital products are of utmost relevance to us. “Product Security” is an elementary component of our digitization strategy. Internally, we rely on a comprehensive concept to protect information and data within the group from theft, loss, unauthorized disclosure, unlawful access or misuse. To this end, we move resource-intensive software to the cloud, rely on “Software-as-a-Service” solutions, a security-optimized organization of our IT, regular investments in hardware and software, the use of virus scanners, firewall systems and access controls. We also regularly inform and sensitize our employees about corresponding risks.

We further pay attention to maximum security in our digital products. During development, we apply the principle of “Security-by-Design”: security is an explicit requirement during the development process. In addition, we also recommend that our customers implement a multi-stage IT security concept internally in their operations: the

“Defense-in-Depth” approach describes security measures implemented at various levels of a network or system, such as regulated access to production buildings or segmentation into production and office networks.

Service

Fast, direct and targeted service also works digitally. Our customers receive comprehensive information about their machine via our free customer portal *my* DMG MORI. We clarify the ideal conditions for delivery and setup of the machine already in advance. Commissioning is carried out exclusively by highly qualified service experts. In addition, we show our customers in detail how the machine will run efficiently, safely and in a resource-saving manner during subsequent operation.

In regular audits, we identify further potential for optimizing logistics, packaging and commissioning processes in order to become even more sustainable. For example, we can conserve resources and improve component quality by using less packaging material.

Since 2021, DMG MORI has dispensed with machine documentation in paper form wherever possible. Exceptions are only made in cases of legal necessity or at the explicit request of the customer. This saves around six million pages of paper per year – the equivalent of around 600 trees. Instead, customers receive all information digitally and via *my*DMG MORI. This means they always have access to the latest version and further supplementary information, anywhere and anytime. Our digital solutions also create noticeable added value for service inquiries during subsequent operation at the customer’s site. *my*DMG MORI establishes direct contact with the personal service expert. In addition, our customers can use the online portal to overlook all ongoing service activities in real time and access all relevant documents on the operation of their DMG MORI machine. In addition, our *NETservice* offers a live stream or multi-user conferences with technicians and further experts.

Our high-quality standards are paying off: in 2021, we recorded –6 % fewer service calls than in the previous year. With our digital service tools, we were able to resolve most of all service requests remotely – from the service center – without long travel and processing times in the reporting year. Fast, effective and environmentally friendly. But we still want to improve further. To do this, feedback from our customers – both digital and in person – is essential. That’s why we ask: 99 % of our customers said they were satisfied with their purchase decision in the annual satisfaction analysis.

100 %
FREE



**ALSO FOR THIRD-
PARTY MACHINES**



WERKBLiQ-UPGRADE

SPINDLE SERVICE

- + New and replacement spindles:
96 % warehouse availability
- + Spindle repair: the cost-effective
alternative for all spindles (also
for third-party products)



myDMG MORI – the customer portal

Digital and direct access to service experts

> 30,000 registered customers with > 140,000 machines

Registration in < 3 minutes

End-to-end communication – simple and fast

PARTNER AND SUPPLIER MANAGEMENT

DMG MORI takes responsibility holistically and sustainably every day: this also applies to purchasing. We continue to work consistently on implementing a completely digitized supply chain – for more transparency and efficiency.

Organization

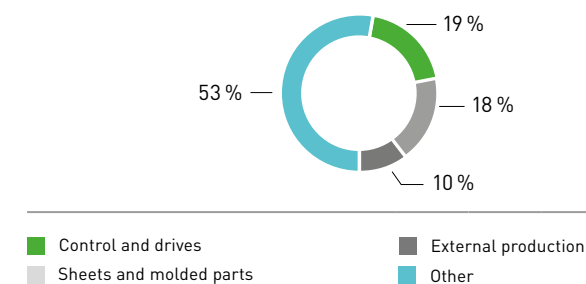
Partner and supplier management is an essential part of our matrix organization. Due to the corona pandemic, supply chains in particular are facing new challenges. Resilience and adaptability are key success factors. Our vertical integration is 24 % – accordingly, our suppliers contribute a large part to our value chain. For all partners and suppliers, compliance with environmental standards and social requirements is a prerequisite for cooperation. We procure complex assemblies for our production from globally positioned system suppliers. They coordinate the other

sub-suppliers and take care of pre-assembly. They thus represent the first stage of our supply chain. In the reporting year, we procured goods and services for our production almost exclusively from our approximately 2,880 existing direct suppliers. We rely on a high degree of localization: 94 % of goods by value come from Europe and 6 % from Asia.

Purchasing reports to the Chairman of the Executive Board. The department is divided into material group management for production material, together with

DMG MORI COMPANY LIMITED, and for non-production material. In this way, we make the best possible use of synergies and ensure uniform, high material quality at all our locations. We regularly train our buyers in relevant compliance and sustainability topics.

08 | MATERIAL COSTS
by categories



Sustainability along the supply chain

We expect our partners and suppliers to follow our commitment to sustainability and in turn to pass on these requirements along their entire supply chain. After all, sustainability does not end at our own company boundaries. We are increasingly evaluating and selecting our suppliers based on sustainability criteria. With the platforms “Integrity Next” and “SAP Ariba”, our sustainability criteria are uniformly integrated into the purchasing and supplier organization throughout the group. We successfully implemented the IT systems relevant for this in our production plants in 2019, followed by the sales and service companies in 2020.

Sustainable pioneer: We set a good example and had our own sustainability performance assessed by “Integrity Next” in the reporting year. The result: DMG MORI received the “Supply Chain Sustainability Certificate” and thus “Gold Status” from “Integrity Next” – an absolute first on the compliance platform.



DMG MORI Partner Summit: DMG MORI honored five companies with the “Partner Award 2021”: SIEMENS, Matsue Yamamoto, Pragati Automation, Fuchs Petrolub as well as, in the new category “sustainability”, Integrity Next.

Our (potential) suppliers confirm DMG MORI’s fundamental ethical and principled requirements, such as the rejection of forced and child labor, compliance with human rights and environmental protection in writing in “SAP Ariba”.

The climate change and the accompanying reduction of the CO₂-emissions are currently the main tasks. In order to make the shift towards a “GREEN ECONOMY”, technological as well as the regulatory changes are needed and are of high importance for purchasing. Here we already achieved great improvements in 2020 and 2021. In our CO₂ footprint, we also record the emissions generated along the upstream supply chain and have fully offset these since January 2021. We thereby go into advance payment for our suppliers. At the same time, we want them to get active themselves and make their CO₂-emissions transparent towards DMG MORI as well. To support them, we provide a questionnaire for reporting and for deriving corresponding reduction measures in the digital platform “Integrity Next”.

Sustainable procurement, the considerate use of natural resources as well as energy-saving and environmentally-friendly processes are also defined in our purchasing guideline and purchasing conditions. Further information can be found on our website and our purchasing portal.

DMG MORI supports its supplier partners with advice on their path to climate neutrality and decarbonization. Innovative Software-as-a-Service solutions transparently present CO₂ emissions at component level and can automatically generate concrete improvement proposals for suppliers. In the reporting year, we analyzed some components on a test basis with the help of a start-up. This improved data quality enables us to identify even more targeted CO₂ reduction potential together with our suppliers on the basis of our climate triple “Avoid – Reduce – Compensate”. In 2022, we plan to expand our activities to include additional emissions-intensive material groups and, in particular, approach suppliers with the highest CO₂ emissions to define specific reduction measures.

DMG MORI maintains strong and stable partnerships with its suppliers: The challenges posed by material and supply shortages in particular have shown that an ongoing close exchange with our suppliers is more important than ever. To underline the significance and performance of our strategic suppliers, the established “DMG MORI Partner Summit” took place on the occasion of the Pre-EMO Show at DECKEL MAHO in Pfronten. The five best suppliers – partly virtual, partly live – were honored with the “DMG MORI Partner Award 2021”. For the first time there was also an award for “Sustainability” – it went to “Integrity Next”.

Digital supplier assessment: “Integrity Next”
uses digital questionnaires to enable a transparent review of potential risk factors.



Digitized processes

In order to make the sustainability performance of our (potential) suppliers transparent and to be able to evaluate them accordingly, we rely on efficient, digitized processes. The four IT-supported phases are:

01 – Registration:

Registration on our shopping platform of “SAP Ariba” is a prerequisite for participation in tenders. In this process, (potential) suppliers bindingly confirm in writing that they comply with our requirements. For new suppliers applies: Only after this has been done, a cooperation can be considered. In the event of rejection or suspicion of a violation of one of the ethical or fundamental requirements, a fixed escalation process is defined. This regulates the further procedure in order to either define joint supplier development measures or to terminate the cooperation.

02 – Tenders and awarding:

If our requirements are met, this increases the chances of being awarded contracts in tenders on our purchasing platform. By the end of 2021, 737 suppliers have already registered there, representing 45% of the total purchasing volume.

03 – Assessment:

In order to measure the sustainability performance of our suppliers as early as possible in the procurement process, we conduct an assessment via the compliance platform “Integrity Next”. Digital questionnaires are used to obtain information on all suppliers in order to make potential risk factors transparent, to review sustainability issues such as quality, environmental standards and social requirements, and to ensure compliance with regulatory demands.

On this basis, we define concrete improvement measures with our suppliers. In the reporting year, 90% – that is 3,191 – of DMG MORI’s active suppliers, with whom we have been working for at least two years, were already involved. “Integrity Next” is thus an important element for the timely implementation of the Supply Chain Due Diligence Act, which will come into force on 1 January 2023. In specially organized supplier webinars, we were able to explain the new law and its impact on our business relationships to our partners.

By the end of 2021, we had received the required self-disclosure from 741 existing suppliers – no new suppliers were recorded in the reporting year. Their purchasing volume accounts for 69% of total volume. After validation of the self-disclosures, immediate communication to suppliers takes place in case of insufficient implementation or detection of violations in order to initiate improvement measures. Depending on the information situation, intensive monitoring may be necessary. If there are serious reasons for not cooperating further, the system-side deactivation is initiated. Based on the self-disclosures completed to date, we were able to identify 160 high-risk suppliers in the reporting year and initiate 144 targeted measures. In this way, DMG MORI helps to make sustainability transparent and to also systematically strengthen it among its suppliers.

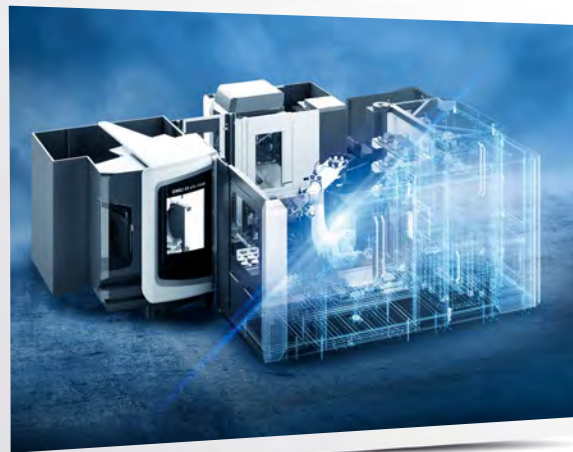
04 – Risk management:

DMG MORI’s holistic supply chain risk management is based on the global double sourcing strategy as well as the use of digital tools. To assess the risks of existing direct suppliers, we use the early warning system “RISKMETHODS”: It provides timely information on risks related to creditworthiness, delivery and quality performance, sustainability, such as violations of labor practices and human rights, as well as environmental aspects. The responsible parties are notified proactively when risks occur. With “RISKMETHODS” we monitor around 260 suppliers. These account for over 79% of the total purchasing volume. In the reporting year, the system did not report any potential issues with these suppliers for the indicator “violation of labor practices and human rights” and twelve potential issues for the indicator “environment”. The suppliers concerned accounted for 9% of the purchasing volume for production materials. After close examination, it was determined that no further action was required, as either the notifications were not relevant, or measures had already been initiated. The early warning system enables a risk assessment per criterion based on reports and serves on the one hand as a basis for supplier discussions and further development. On the other hand, this evaluation is included as a partial result in the overall supplier evaluation.

> **120**
technology partners

> **4,000**
DMQP products

> **90,000**
DMQP technology combinations



- + customizable online
- + with AI to the optimal technology solution
- + DMQP bonus program with up to 30 % discount

1. MACHINING

- + Tools
- + Clamping fixtures
- + Software (CAD / CAM)



5. ADDITIVE MANUFACTURING MATERIALS

- + AM powder
- + AM powder parameters
- + Unpacking

DMQP

DMG MORI QUALIFIED PRODUCTS



4. MONITORING

- + Sensors
- + IO-link communication
- + In-process validation



2. HANDLING

- + Bar Feeder
- + Chip conveyors
- + Grippers



3. MEASURING

- + Probes
- + Tool calibration
- + Tool presetting

EMPLOYEES

Our employees are the most important success factor of DMG MORI – this applies more than ever in challenging times. That is why we are committed to their safety, health and satisfaction: with stable, attractive jobs and comprehensive development and qualification opportunities.

The qualifications, health, satisfaction and thus the motivation of our employees are the basis of our success – and are therefore our focus. As an internationally active technology group, we know: Diversity is a great opportunity. We learn from each other, are open to new ideas and develop innovative future technologies together. Close cohesion at DMG MORI is based on **TOP** values: **T**rust, **O**penness and **P**assion. With trust, openness and passion we work on fulfilling our vision: **We want to be the most attractive global machine tool manufacturer with digitized and sustainable products!**

Our human resources management is strategically controlled by the Executive Board. At the production sites, we look after our employees through local HR departments. At the sales and service companies, our HR business partners confidently take on this task.

DMG MORI is an **attractive employer**: Our human resources strategy focuses on diversity, equal opportunities, flexible and innovative working environments, training, personnel development, occupational health and safety, and comprehensive health management. We offer attractive compensation models and live an open, trusting corporate and leadership culture. The strategic focus of our international HR work is intended to take these aspects into account even more intensively in the medium term.

External studies and media regularly confirm our approach: The F.A.Z. Institute awarded DMG MORI as a TOP company of “Germany’s Fairest Engineering Companies 2022”. In the study, around 17,000 companies were evaluated in terms of “product and service”, “price-performance ratio”, “customer satisfaction”, “employer fairness” and

“sustainability”. In addition, the business magazine Forbes named our production plant Ulyanovsk MT one of Russia’s best employers in the reporting year. The categories assessed were “ecology,” “employees and society,” and “corporate governance”.

Well educated: Johannes Emmerich, dual student at DECKEL MAHO Pfronten, passed his IHK (Chamber of Industry and Commerce) degree with “very good” in the reporting year.



Sleeves up: DMG MORI has made a vaccination offer to all employees worldwide – and we can proudly say: the vaccination rate is high!

Security and stability in the pandemic

Like the previous year, 2021 was dominated by the corona pandemic. In 2020, we already initiated a series of measures to ensure the protection of our employees and comprehensively safeguard their health. In addition, we have further strengthened our occupational health management system. → [Employees, page 50 et seq.](#) At the same time, we have made a strong commitment to the health and resilience of our company. Our goal: emerging from the crisis with a permanent workforce – continuing on a growth course. We have succeeded in this.

We were able to successfully adapt our **hygiene and safety concepts** to the highly dynamic situation so that they always comply with the legal requirements. Furthermore, we supplied our employees with all relevant protective devices, medical masks and covid self-tests. Through our comprehensive, holistic and fast communication, our employees all over the world were always informed about the latest developments on a daily basis. Summed up, we can proudly say: our employees implement the measures with the highest discipline all the time.

As soon as vaccine became available in summer, we opened up our own **vaccination stations** at our German production locations. We additionally took care of vaccination opportunities for all our employees worldwide. The same applies to subsequent and future booster vaccinations. To raise our already good vaccination quote, we started a video campaign in fall 2021 in our intranet, in which employees internationally made an appeal to get vaccinated, with their very own

personal stories, for six weeks. We as well made ourselves strong for the covid-vaccination multiple times on social media channels like LinkedIn, Twitter and Facebook.

Wherever possible, our employees work flexibly, digitally and hybrid. The same applies to our trade shows and open house exhibitions. We successfully introduced a hybrid trade show concept in the reporting year – so that our customers and partners can decide for themselves whether they want to travel and make personal contacts or prefer to attend our events digitally.

The result of our health strategy: We have achieved a high vaccination rate at DMG MORI, kept the infection rate permanently at an exceptionally low level and there have been no infections while at work.

Recruiting

We use a transparent selection process to decide whether an applicant is professionally and personally suitable for a position. As a basic rule, age, gender or origin have no influence on our decision. We enforce legal requirements. We avoid discrimination, child labor or circumvention of legal regulations through a high level of information transparency. Hiring is approved in a multi-stage, digitally supported approval process with final confirmation by the Executive Board. The internal audit department regularly reviews these processes. → [Compliance, page 54 et seqq.](#)

New employees are given all the tools they need for a successful start in comprehensive onboarding programs – with factory tours and product training, health and sports offerings, and a voluntary company pension plan. We ensure a seamless transfer of knowledge with structured succession planning.

As of 31 December 2021, there were 6,821 employees including 225 trainees. DMG MORI hired 767 employees in the reporting year. This corresponds a hiring rate of 11%. A total of 618 employees left the company in the reporting year. According to that, the resulting fluctuation was 9.2%. The proportion of employees in key positions or junior staff (high potentials) that left our company on their own initiative (dysfunctional fluctuation), amounted to 0.7% in the reporting year.

09 EMPLOYEE STRUCTURE	2021	2020	Change against previous year
Total employee ¹⁾	6,821	6,672	149
of whom employees	6,596	6,393	203
of whom apprentices	225	279	-54
of whom national	4,033	4,084	-51
of whom international	2,788	2,588	200
of whom Machine Tools segment	3,908	3,780	128
of whom Industrial Services segment	2,831	2,808	23
of whom Corporate Services segment	82	84	-2
Total agency workers ²⁾	172	51	121
of whom Machine Tools segment	118	19	99
of whom Industrial Services segment	54	32	22
of whom Corporate Services segment	0	0	0

1) The number of employees is based on the company's internal headcount personnel statistics.
2) In 2021, a total of 5 agency workers was taken on as permanent employees.

Feedback & satisfaction

We rely on an open feedback culture – because the satisfaction and health of our employees is important to us. We consistently apply our “Leading Principles” which were implemented in 2018. They form the basis of our modern corporate and leadership culture. With our “vision-mission statement” we clearly describe our goals and values. → Sustainability Strategy and Management, page 10 et seq.

This requires continuous and transparent communication. Since 2020, health and safety have been a particular focus here. In virtual meetings, the Executive Board informed our employees personally several times about the current situation, explained in detail our strategy, measures and targets to emerge even stronger from the crisis, and answered questions live afterwards. For our trainees, there were own events to focus on their perspectives and needs.

The employee satisfaction analysis also contributes to the further development of our feedback culture. For the first time, employees were surveyed in 2018 on a total of twelve topics – including working conditions, supervisor behavior, professional development and compensation. More than 300 individual measures, especially in the communication and information category, were derived from the results and successfully implemented. The next employee satisfaction analysis will not take place until 2022 due to corona. At least once a year, the responsible manager also conducts a detailed employee discussion.

Benefits

We strengthen teamwork and the sense of belonging to the company with numerous measures, such as employee days and events as well as a comprehensive range of health and sports programs, sports competitions and company runs. In the reporting year, many activities had to take place on a smaller scale or digitally or had to be postponed due to corona.

We know that balancing work and family life is often a major challenge. This is why we are committed to making everyday life easier for our employees wherever possible – with flexible working hours, opportunities for mobile working and numerous local offers. In addition, employees can lease a bicycle – e-bike, city bike, racing bike or cargo bike – including an all-round protection package through DMG MORI and use it privately. At the Bielefeld site, for example, we offer a laundry cleaning service. During the summer vacations, the “Arminia Football Camp” delighted many of our employees’ children – of course, in compliance with strict hygiene and distance rules.

Our employees also gain flexibility through our focus on automation, digitization and sustainability: “smart-flex-working”, the ability to work flexibly and digitally wherever this is individually possible, has been permanently established in a Group Works Agreement. In the reporting year, many processes and work steps were digitized. This saves paper and time – and increases transparency. We are also working on the first automation solutions (“bots”) for highly standardized processes. In this way, we want to reduce the workload of our employees and give them free time to concentrate more on complex, creative work. This was also honored by the business magazine Stern and the employer branding agency Territory Embrace: DMG MORI was named one of “Germany’s companies with a future” with 5 out of 5 possible stars in the reporting year.

We offer our employees attractive compensation packages. These are composed of basic salaries in line with the market and variable, performance-based payments. Through our group bonus model, all employees have the opportunity to participate in the economic success of DMG MORI. After an agreement between the Executive Board and the Group Works Council, no bonus was distributed in the reporting year due to the economic impact of the corona pandemic.



For years, DMG MORI has been a member of “Fair Company”, the largest and best-known employer initiative in Germany for junior employees. We regularly enable students and interns to get to know

the day-to-day operational business. Interns do not replace full-time positions at DMG MORI, because the focus is on them learning new things and gaining experience. In addition, they receive appropriate compensation. Our global presence enables our employees to accompany projects internationally.

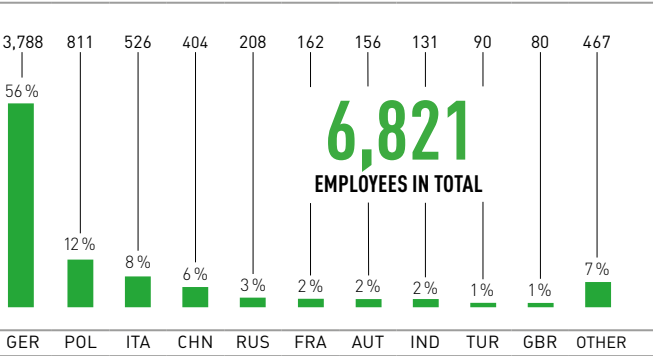
We respect the Co-Determination and Works Constitution Act, including local regulations on employee co-determination, and maintain a regular, open exchange between managers and employee representatives. In this way, both the Group Works Council and the local Works Councils receive information on relevant issues at an early stage. Collective agreements, such as collective bargaining regulations, apply to around 63% of our employees.

Diversity and equal opportunities

At DMG MORI, all employees and applicants are valued and treated equally – regardless of nationality, ethnic origin, gender, age, religion, sexual orientation or physical impairment. This is also defined in writing by the Executive Board in the “DMG MORI Code of Conduct” as well as in the leading principles. → Sustainability Strategy and Management, page 10 et seq.

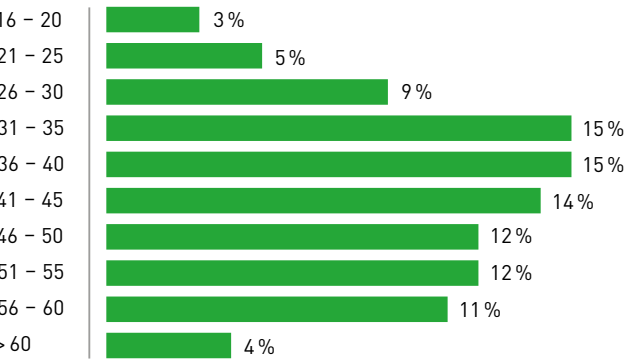
Our diversity enables us to engage in intensive cultural exchange. As a globally active group, we are thus always able to meet the needs of our customers and business partners in a way that is appropriate to their target group and to respond to individual specifics. Our diversity also gives us the opportunity to learn from each other. That

10 | NATIONALITIES



11 EMPLOYEE CATEGORIES	2021	2020	Change against previous year
Total employees	6,821 (100%)	6,672	149
of whom female	785 (12%)	770	15
of whom male	6,036 (88%)	5,902	134
Total managing directors	70 (100%)	69	1
of whom female	2 (3%)	2	0
of whom male	68 (97%)	67	1
Total employees with supervisory function	293 (100%)	289	4
of whom female	42 (14%)	41	1
of whom male	251 (86%)	248	3
Staff including apprentices	6,458 (100%)	6,314	144
of whom female	741 (11%)	727	14
of whom male	5,717 (89%)	5,587	130

12 | AGE STRUCTURE
in %



is why, for example, we are committed to getting young women interested in mechanical and plant engineering. We regularly give them a practical insight into the fascinating world of machine tools on “Girls’ Day” and support promotional initiatives such as “MINTrelation”.

Our long-term and older employees have valuable expertise that we want to retain in the company for as long as possible. We therefore offer them attractive partial retirement models. In the reporting year, 91 contracts existed under the partial retirement scheme. 112 employees with severe disabilities worked at the German companies. This corresponds to a quota of 3%. DMG MORI pays around € 115,000 as a direct severely disabled compensation levy. Around € 234,000 is also paid via chargeable benefits to workshops for handicapped persons.

The Supervisory Board is composed of five female (42%) and seven male (58%) members. The average age in the reporting year was 55. The Executive Board is composed exclusively of male members with an average age of 47. Further information on the legal requirements regarding the proportion of women on the Supervisory Board and at the top management level can be found in the chapter “Corporate Governance” on page 48 of the Annual Report 2021. The age structure at DMG MORI (figure 12) is balanced. The qualification structure of our employees has been at a high level for many years: 97% of all employees have a qualified education or are currently undertaking one.

Personnel development

At DMG MORI, permanent learning is part of the corporate culture. This starts with our demanding training. Our talent management also includes taking on trainees and dual students. We specifically promote young specialists in group-wide trainee programs – in particular potential managers and talented junior staff through the “High Potential Program”. In the reporting year, 20 participants started here with – due to corona – mainly digital internal and external training courses. The program is scheduled to be completed in 2022 with presentations to the Executive Board.

We offer all our employees attractive, individual and target-group-specific training. One focus here is on actively shaping digitization. This requires modern, digital learning concepts that are available at all times: In the DMG MORI DIGITAL ACADEMY, we have been making our employees fit for the



new normal since 2020. For this purpose, we work closely with our strategic partner “Masterplan” – the “Netflix of professional development”. The learning platform provides basic knowledge about digitization, new work and other digital soft skills in short, diverse videos by top-class experts. Short quizzes, a motivating points and ranking system as well as certificates consolidate learning success in the long term.

DMG MORI-specific content is also available – from Executive Board information on strategy and our future fields, such as automation, sustainability or additive manufacturing, to individual product videos or information on important projects. In this way, we share valuable know-how across the group simply and digitally. In the reporting year, over 4,200 employees successfully learned with the platform and worked on individual learning paths. They have already used over 250,000 videos for further training. In 2022, around 800 more employees are to be activated for Masterplan.



TULIP

We also use digital learning tools in our production. One example: TULIP. With the innovative no-code-manufacturing platform TULIP, users can create their own apps in no time – intuitively and without programming knowledge. Over 1,100 TULIP workstations and more than 150 self-developed apps are already in use in our production plants. This enables our shop floor employees to digitize processes in their working environment directly themselves and to share their experience and knowledge transparently.



In our TAKT Academy, our employees learn to optimize processes and projects and to sustainably integrate these into the existing procedures. In doing that we use the “Digital Lean Six Sigma” methodology:

- › Digital: knowledge regarding the digitization of the own value chain
- › Lean: knowledge about the elimination of waste
- › Six Sigma: transfer of the new, optimized states into a stable process

To this end, participants are taught digital tools for data collection, evaluation, optimization and control. The acquired knowledge is then to be actively applied in own optimization projects and further improvement processes are to be derived. By the end of 2021, more than 400 employees from ten different locations, including more than 80 managers, had been trained in the “Digital Lean Six Sigma” methodology.

13 PERSONNEL DEVELOPMENT	2021	2020	Change against previous year
Number of employees on further training courses	3,865	4,003	-138
of whom female	390	398	-8
of whom male	3,475	3,605	-130
Cost of apprenticeships and further training	€ 12.1 million	€ 12.8 million	€ -0,7 million
Days for further training	30,402	26,421	3,981

Next digital generation: At the start of their training, the seven new junior employees at DECKEL MAHO Seebach directly get access to Masterplan. For this purpose, everyone receives their personal tablet from DMG MORI – digitization is the focus right from the start.





Process optimization experts: Five employees have reached the highest level of Digital Lean Six Sigma training and receive their “Black Belts” award from trainer Christian Hössel (far left) at DECKEL MAHO in Seebach.

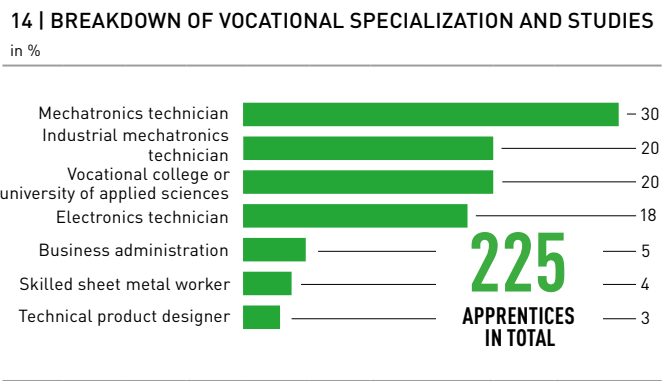
Training

The future belongs to young people, which we at DMG MORI are shaping in an attractive, international and digital way right from the start. With our excellent vocational training, we inspire young people at an early stage, because a good training program is the foundation for sustainable success. We provide training in a total of 10 professions and offer courses of study in cooperation with regional universities of applied sciences and vocational academies. We are continuously expanding and developing these collaborations – especially in the area of digitization. One example: At DECKEL MAHO in Seebach, we have gained initial experience with the dual course of study “Digitization Management”. In 2022, we will expand our range of courses here once again to include the course “Digital Industry and Logistics”. Digitization is also a top priority in day-to-day training: We provide all trainees with tablets and rely on digital content, for example via the learning and working platform MLS (Mobile Learning in Smart Factories), Masterplan and TULIP.

Via the learning and working platform MLS, trainees receive their individual tasks directly on their tablet or PC. In this way, they can determine their own learning speed and receive optimal support. DMG MORI creates the content itself, partly across organizations, partly site-specific – always in line with our training content. Thanks to integrated videos, the

system perfectly combines theory and practice. The trainer can also transparently monitor progress at any time. Other external learning opportunities can also be integrated. A plus point in times of pandemic: the system works 100 % remotely if necessary.

In the reporting year, we took on 50 new apprentices and trainees. 44 young specialists were taken on in permanent positions after successfully completing their training. The distribution of the training fields at DMG MORI is shown in figure 14.



Occupational health and safety

Occupational health and safety are central components of our global value creation system. We align our management system to national statutory occupational health and safety regulations and other relevant safety standards for all areas of activity, including the global labor and social standards of the International Labour Organization. We review adherence to the regulations by means of internal audits but have so far dispensed with external certification.

A management system for occupational health and safety applies to our own employees – including field staff – and temporary workers (5,086 of 6,993 persons, corresponding to 73 %). → [Employees, page 44](#). This comprises our international production plants and the German companies due to country-specific legal requirements. These companies have their own health and safety committee, which under local law consists of, for example, a member of the management and an employee representative. Other external or short-term employees are not represented for organizational reasons. The health and safety committee meets at

least once a year – four times a year at our German sites – and analyzes incidents, defines protective measures and reviews the status of their implementation.

Our local sites design the implementation of the management system individually. In Germany in particular, there is an HSE management system (Health, Safety, Environment) based on the ISO 45001 standard. For organizational reasons, it is not possible to provide information on the coverage of external or short-term employees.

As a matter of principle, new employees, temporary workers and employees of external companies who carry out work on our premises receive all relevant health and safety training. To this end, we provide appropriate instruction, wherever possible as classroom training. The scope and level of detail of the training depends on the risk assessment of the respective activity. Authorized and competent persons receive additional qualifications. First aid and fire protection equipment is available for emergencies.



TOP trainees: Chairman of the Executive Board Christian Thönes (3rd from right) together with DECKEL MAHO Pfronten Managing Director Reinhard Musch (2nd from right), Human Resources Manager Udo Lademann (right) and trainer Markus Trenkle (left) honored the trainees Johannes Emmerich (2nd from left) and Lorenz Sternitzke for their outstanding performance.

At the production sites, a company doctor supports employees – including field staff – and temporary workers in health matters. Our company physicians provide advice on topics including occupational safety, hygiene and prevention, carry out compulsory, tendered and requested preventive medical checkups, and offer vaccinations as well as seminars on addiction prevention.

Our trained occupational safety specialists support supervisors in analyzing all work areas, including those of external companies, on our premises with regard to potential hazards and eliminating them. This applies in particular to reported incidents or concerns. Employees – both internal and external – can contact the relevant authorities or anonymously the external lawyer of confidence if they suspect that risks have not been eliminated. → [Sustainability Strategy and Management, page 14 et seq.](#)

In order to minimize risks in production, we already pay attention to the safety and possible health effects of our products during their development. We also pass these requirements on to our partners and suppliers. For example, we expect the use of substances hazardous to health and the environment to be avoided or reduced in the upstream stages of the value chain, or that appropriate protective measures are taken. → [Partner and Supplier Management, page 36 et seqq.](#)

The Corporate Mobility & Security unit performs overarching security tasks, including ensuring the travel safety of our employees and actively preparing them for trips. When traveling to countries with an increased security risk, the Group maintains regular contact with the travelers.



360° occupational health and safety also includes our health protection measures during the pandemic (masks, tests, vaccinations) and our general health management. In the reporting year, we successfully implemented numerous infection control measures and were thus able to keep the number of covid infections at a consistently low level.

Health management

For many years, we have been offering our employees a comprehensive range of activities at almost all production sites through our occupational health management (OHM) program – from fitness and sports programs and health days to soccer tournaments and ski races. Since 2020, we have also been strengthening occupational health management in the Sales & Services division in particular, with an increased focus on situational and behavioral prevention, such as ergonomic workplace design in the office and in production, supplementary courses on ergonomic posture, flu and covid vaccinations, and the orientation of our company restaurants toward healthy nutrition. To promote physical activity, we are focusing on group-wide sports events, joint running groups, cooperation with fitness studios and have further expanded our range of charging stations for e-bikes. In addition, employees can lease a bicycle – e-bike, city bike, racing bike or cargo bike – including an all-round protection package and also use it privately.

We inform our employees extensively about all offers and news in the area of occupational health and safety management on site, in person or through notices, as well as in “DMG MORI ONE”. Here, our BGM has its own area where we regularly post articles: Tips on healthy nutrition, fit@work – back school, stress management, etc. as well as invitations to the free online seminars of our accompanying company health insurance fund GILDEMEISTER Seidensticker.

We supplied our employees with all relevant protection, medical masks and covid self-tests throughout the year. In summer, we opened our own vaccination lines at our German production sites as soon as vaccine was available. In addition, we took care of vaccination opportunities for all our employees worldwide. The same applies to subsequent and future booster vaccinations.

Comprehensive corona protection measures: DMG MORI provides all employees with tests, masks and vaccination offers – like here in the corona test center at DECKEL MAHO in Pfronten.



Favorite place at work: With extensive renovation measures, DMG MORI has created a warm, inviting atmosphere in the company restaurants in Pfronten (top pictures) and Bielefeld to match the good, healthy food.

We regularly compile health reports and conduct personal sick return interviews. With our measures and offers, we aim to promote the satisfaction, motivation and health of our employees and thus reduce the sickness rate. In the reporting year, this was 3.4% and thus, as in the previous year, below the latest industry average of 5.2%. There were 186 commuting and work-related accidents in the reporting year. In relation to the total number of employees, this corresponds to a rate of 2.7%.

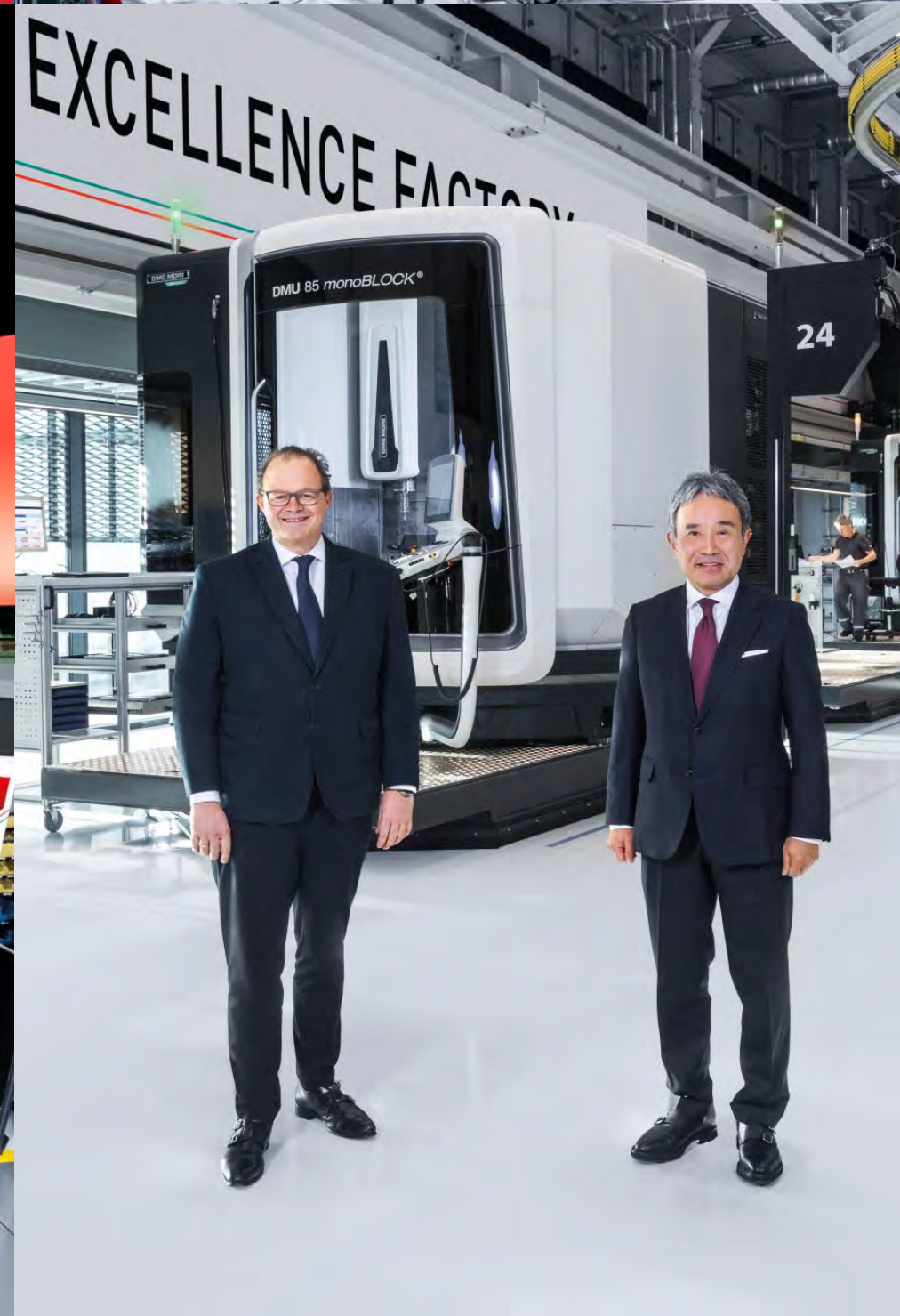
Nutrition

A healthy and balanced nutrition has a positive influence on the well-being and working capacity of our employees. In our company restaurants at the Bielefeld, Pfronten, Seebach and Geretsried sites, we have therefore been

working with the “Fresh & Healthy” concept since 2018 – including climate balance. Regionality, seasonality and sustainability are top priorities:

- › convenience level below 10%,
- › renunciation of any form of flavor enhancers,
- › fresh and regional products,
- › daily changing dishes – less meat consumption.

DMG MORI has kept its ecological footprint as small as possible in recent years through modern concepts for cooling, ventilation and lighting and extensive renovations. The company restaurant at the Bielefeld headquarters has been certified as a “climate-friendly company kitchen” since 2018.



COMPLIANCE

As a technology leader, we take responsibility – which is why compliance is a matter of course for us and is subject to continuous, comprehensive review.

Our **TOP** values **T**rust, **O**penness and **P**assion are the basis of our corporate culture and our business activities. To secure these values in the long term, we rely on a comprehensive compliance management system based on responsibility, integrity, sustainability and the DMG MORI Code of Conduct. In this way, we define rules and processes in order to react in the best possible way and in a timely manner to company-specific risks and to prevent, detect and sanction compliance violations quickly and effectively. Compliance thereby contributes to our corporate success.

Here, too, we think holistically and are broadly positioned. We have fully integrated seven sub-areas into our management system:

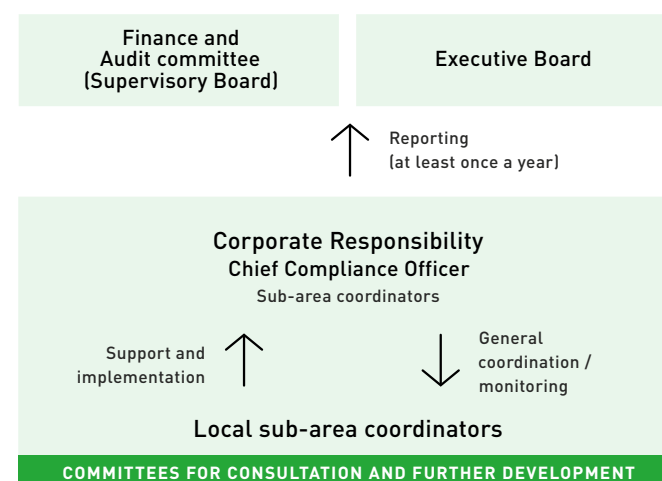
- › export control,
- › tax compliance,
- › anti-money laundering,
- › data protection,
- › IT security,
- › anti-trust,
- › anti-corruption.

All sub-areas were successfully audited simultaneously in financial year 2019. Since then, selected individual effectiveness reviews have been carried out on an ongoing basis. In the reporting year, the focus was on the sub-area of IT security. In addition, a monitoring audit was carried out for the ISO 37001 certification (anti-corruption) of DMG MORI AKTIENGESELLSCHAFT.

Our goals:

1. 100 % of newly hired employees at DMG MORI AKTIENGESELLSCHAFT confirm the Code of Conduct in the reporting year: target achieved!
2. 80 % of employees complete basic training: 91 % achieved!
3. 80 % of Managing Directors and Chief Operating Officers are trained by the central compliance management as of 31 December 2021: 97 % achieved!
4. In the annual group-wide self-assessment, 80 % of the Managing Directors state that they feel sufficiently informed by the central compliance management: 100 % achieved!

15 | COMPLIANCE ORGANIZATION



Digital training concept: DMG MORI relies on interactive online seminars in different languages for compliance learning content.

Risk management

We analyze risks systematically and in a standardized way. In the reporting year we integrated compliance and sustainability risks into the group-wide standardized risk assessment system. This increases efficiency and improves the quality of risk information. Compliance risks can potentially arise in all areas and companies if laws and regulations as well as internal company policies are disregarded. Our scenario-based risk analysis is carried out annually for all sub-areas. From financial year 2022, we will significantly increase the frequency here to react even faster. We assess the company-specific risk situation locally using uniformly defined criteria for all operating group companies and review this centrally. Overall, compliance risks were manageable in the reporting year.

Guideline management

Compliance applies without restriction at DMG MORI. The Executive Board is expressly committed to this. In order to sustainably anchor the compliance guidelines in the corporate culture, we regularly and extensively sensitize our employees via various channels, for example:

- › Executive Board information on important, current requirements,
- › annual questionnaire to the Managing Directors on the need for clarification and action.

To ensure compliance with our rules, we use a guideline management system. All regulations are permanently available to all employees via "DMG MORI ONE". We refer to the group-wide compliance guidelines in the Code of Conduct on our website. In addition, the group's internal audit department, among others, acts as an independent staff unit to check compliance with guidelines. The compliance helpdesk and an external lawyer of confidence are available to our stakeholders for questions, suggestions and concerns, for example about illegal or unethical behavior. → [Sustainability Strategy and Management, page 14 et seq.](#)

Digital workflow system

We use digital processes to increase transparency and efficiency – also in the area of compliance. In our "Customer Relationship Management" (CRM) system, we check customers for anti-money laundering risks. We use our digital workflow system for processes relating to anti-corruption, for example for the approval and documentation of gifts or invitations, and to check the integrity of potential agents and dealers. Depending on the risk level, precise processes are defined here.

Training concept (online seminars)

- Basic training for all employees
 - + focus: DMG MORI Code of Conduct
 - + completion rate: >90 %¹⁾
 - + 399 hours in the reporting year²⁾
- Data protection & EU-GDPR
 - + for all employees affected by EU-GDPR
 - + completion rate: 80 %³⁾
- Information security
 - + completion rate: >70 %³⁾
- Classification and handling of information
 - + completion rate: >65 %³⁾

In addition, anti-corruption training was again held for relevant departments in the reporting year. Furthermore, the Chief Compliance Officer and central sub-area coordinators regularly provide personal training on updated and current topics, in particular to the Managing Directors and other employees in key functions.

1) of employees registered in the online seminar (excluding productions staff)
2) assumed average duration: 1 hour
3) of employees registered in the respective module

Data protection and information security

We respect the personal rights of our employees and business partners and treat their data with appropriate confidentiality and sensitivity. Data protection and information security are part of the integrated compliance management system and are managed centrally by our Group Privacy Officer and Head of IT Security. We comply with the requirements of the EU Data Protection Regulation and follow the ISO / IEC 27001 standard for information security.

Accelerated digitization makes IT security particularly important and the challenges are huge. With extensive measures, investments in hardware and software, and regular training for our employees, we are doing our best to protect the information and data within the group. → [Product Quality and Safety, page 30 et seqq.](#)

Human rights

As a result of the new Supply Chain Due Diligence Act, further requirements relating to human rights will become mandatory in 2023, some of which we at DMG MORI have already implemented at an early stage. The Executive Board is committed to respecting human rights in the Code of Conduct and in the “Modern Slavery Statement”, which is published annually together with DMG MORI UK Limited. As part of the integrated “Responsibility Approach”, all elements of our compliance management system also apply in principle to the area of human rights. With appropriate measures, e.g. our online seminars and classroom training in particular, we ensure that our high standards are also observed and applied within DMG MORI worldwide. → [Employees, page 42 et seqq.](#)

Our standards include in particular:

- › Alignment with the global labor and social standards of the International Labour Organization
- › Promotion of fair working conditions
- › Rejection of all child and forced labor
- › Freedom of association and the right to collective bargaining

We also expect this from our suppliers – and that they pass on these requirements along their supply chain as well. At the same time, our customers and employees expect corresponding standards from us and our suppliers, too.

We do not source (conflict) minerals such as gold, tantalum, tungsten or tin in pure form. Conflict minerals can be problematic in procurement, as some of them originate from mines in the Congo or neighboring countries, which can be used to finance armed conflicts and can thus lead to human rights violations. Due to our complex, multi-level and global supply chain, there is a certain risk that we may be indirectly confronted with legal violations or human rights abuses. We counter this primarily with appropriate due diligence processes. With the platform “Integrity Next”, for example, we have standardized and digitized our supplier questionnaires. This has enabled us to further increase transparency in the supply chain. → [Partner and Supplier Management, page 36 et seqq.](#)

SOCIAL AND LOCAL COMMITMENT

DMG MORI takes a stand. We are solidary – especially in times of pandemic and above all in climate and environmental protection.

Our holistic sustainability strategy naturally includes our responsibility towards society. We are part of it – therefore we also do our part. This includes donations and sponsorships as well as close exchange with universities, clubs and associations. We support our employees who engage in voluntary and honorary work – examples are at the company fire department or in disaster relief. We give them time off for operations, exercises and training. Flexible work organization and working hours make the honorary work easier.

Our commitment focuses on projects in the community, education, science, art, culture, sports and in particular young talent. These areas are also defined in our groupwide donations and sponsorship policy, as well as the applicable processes and value limits. We support schools and universities through donations, cooperation and a lively exchange of knowledge transfer. We are also involved in local associations and projects at many sites. In this way, we actively form networks and can stand up for the respective region.

Memberships of DMG MORI

DMG MORI is involved in various industry associations, including:

VDMA – German Mechanical Engineering Industry Association // VDW – German Machine Tool Builders’ Association // IHK Chamber of Industry and Commerce Ostwestfalen zu Bielefeld // DKE – German Commission for Electrical Engineering // Electronics Information Technology in DIN and VDE // TÜV – Technical Monitoring Association // OWL Mechanical Engineering // BME – German Association for Materials Management, Purchasing and Logistics // it’s owl e. V. – Intelligent Technical Systems OstWestfalenLippe // Energy Efficiency Network East Westphalia // Mechanical Engineering Foundation for Young Talents (Nachwuchsstiftung Maschinenbau)



Second job lifesaver:

Thorsten Schmitt works as a warehouse clerk at DMG MORI Ultrasonic Lasertec GmbH in Stipshausen. In his spare time, he engages in honorary work with the volunteer fire department – and is always ready for action. This was also the case in July 2021 during the flood disaster in Rhineland-Palatinate. As squadron leader of the “Rescue Dogs / Locating Technology 3” unit, or “RHOT 3” for short (pictured at the top), he and Labrador Fire Dragon (pictured left) searched for survivors in the ruins for four days. His wife and deputy squadron leader Annette (pictured right with Labrador Attila) was also on board. So much courage and commitment deserve respect – and the full support of DMG MORI. Keep it up!



STADTRADELN
Radeln für ein gutes Klima



Decisions on which projects we support are made by our local managing directors right there on site. After all, they know best where our donations are most needed and where they will actually benefit. The Executive Board reviews the planned contributions at the beginning of the financial year. Donations and sponsorships made during the year are approved via our digital workflow system by the respective management or the Executive Board. The "Corporate Responsibility" and "Corporate Communications // Investor Relations" departments check donations and sponsorship activities on a random basis with regard to the funding purpose and amount and compliance with the approval processes.

Local controlling monitors the annual budget. In principle, no donations are made to political or party-affiliated organizations or politicians. In legally permissible exceptions, the approval of the Executive Board is required.

In the reporting year, we spent around € 270,000 on donations and sponsorships. In the region of East Westphalia-Lippe, for example, DMG MORI has been involved for many years as a sponsor for the DSC Arminia Bielefeld soccer club – especially in the area of young talent – and as a member of the Alliance East Westphalia. We support Bielefeld University, Bielefeld Marketing GmbH and the Bielefeld Art Association via sponsorship agreements.

Donations mainly benefited local associations, institutions and universities, as well as the young talent foundation for mechanical engineering. Near our new planned production plant in Cairo we support the Egyptian orphanage "The Littlest Lamb". Our FAMOT production site in Pleszew donated medical first aid equipment to local schools in the reporting year. In Tortona, our Italian plant GRAZIANO supported a local hospital to strengthen medical care in times of pandemic.

Good for body and climate:

In the traditional "city cycling" campaign, our employees pedal for health and climate protection – and beyond the country's borders. 90 colleagues from ten different European sites took part. During the challenge, the car stays in the garage as much as possible for 21 days – because every kilometer cycled counts. The proud result at DMG MORI:

- › 27,332 km cycled!
- › 3.8 tons of CO₂ saved!
- › Lots of fun!

A LOOK TOWARDS JAPAN

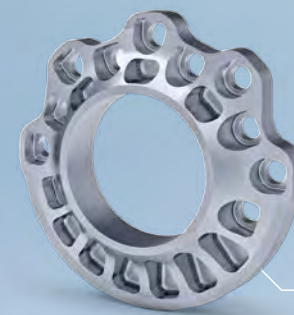
DMG MORI COMPANY LIMITED is also active in the area of donations and sponsorships. The highlights are:

1 Sports marketing

With the IMOCA 60 yacht "DMG MORI Global One", our DMG MORI SAILING TEAM is conquering the world's oceans. With success: At the Vendée Globe 2020/2021, our skipper Kojiro Shiraishi reached 16th place – after almost 95 days alone at sea. He was the first Asian to win the most demanding yacht race there is: it is already considered an impressive achievement to make it to the finish line at all.



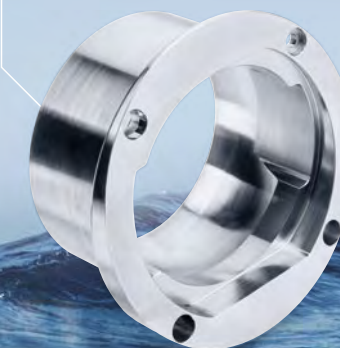
FRONT PLATE



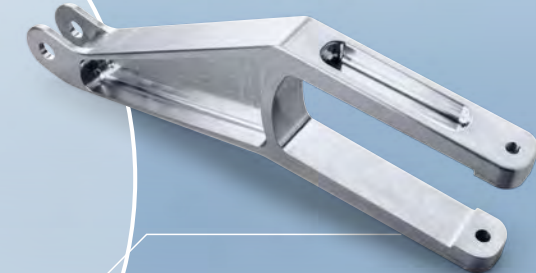
AFT PLATE



AFT CAGE



RUDDER ARM



RUDDER ARM LOCK



OVER 20 PARTS MADE ON DMG MORI MACHINES



2 Music & Culture

In Nara, the Japanese birthplace of DMG MORI, DMG MORI COMPANY LIMITED specifically promotes music and culture. For this purpose, the “Japan National Orchestra” was founded in the reporting year with other partners, which was already able to give its first concert in the DMG MORI Yamato Koriyamajo Hall. The young orchestra with 17 solo artists is under the

direction of pianist Kyohei Sorita (pictured top left). DMG MORI has been sponsoring this exceptional artist since 2018 – he also played at the DMG MORI Classical Concert in Bielefeld (pictured below). Likewise, pianist Adolfo Barabino (pictured top right) also performed for DMG MORI in Nara and Tokyo in November 2021.



3 Sow good – reap healthy

Around our Japanese production sites, we support small and new local farmers who grow organic products without pesticides. We then use their fresh vegetables for our canteens – for the health of our employees. Regional and sustainable.



4 Promoting young talent

DMG MORI works closely with “Nara Women’s University” – the first women’s university in Japan to establish a faculty for mechanical engineering. Here we support the lectures with our experts and contribute to the successful design of the curriculum.



5 City design and safety

To promote regional development and technical training in particular, DMG MORI cooperates closely with the prefectures of Nara, Mie and Hyogo. In Mie Prefecture, there is also an in-depth partnership with the city of Iga, where we operate our largest Japanese plant. We ensure safety by marking sidewalks, for example, and help with the fundamental renewal and beautification of the region. Back in 2017, we began using the fallow fields around the Iga Campus, creating jobs for people with disabilities. Since 2019, we have now been growing grapes there, among other things – the first harvest was in 2020. In the reporting year, we also planted many cherry trees in the region.



GRI CONTENT INDEX

This Sustainability Report follows the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the “GRI Standards: core option”. In addition, the demarcation of the non-financial report in accordance with German Commercial Code (HGB) is marked.

GRI standard	GRI disclosures	Pages in the Sustainability Report 2021	Pages in the Annual Report 2021	Element of non-financial reporting in accordance with HGB
GRI 101: Foundation 2016	FOUNDATION			
GRI 102: General disclosures 2016	GENERAL DISCLOSURES			
	ORGANIZATIONAL PROFILE			
	102-1 Name of the organization	6		
	102-2 Activities, brands, products and services	6 et seq.		
	102-3 Location of headquarters	7		
	102-4 Location of operations	6	41, 183	
	102-5 Ownership and legal form	6	44 et seq.	
	102-6 Markets served	6	44 et seq.	
	102-7 Scale of the organization	6	2, 71 – 75	
	102-8 Information on employees and other workers ¹⁾	6, 44, 46		
	102-9 Supply chain	9, 36 et seq.		
	102-10 Significant changes to the organization and its supply chain	36	44 et seq.	
	102-11 Precautionary principle or approach	17, 22 – 24, 28, 32 et seq., 37	88 – 92	
	102-12 External initiatives	10, 14 et seq., 45, 56		
	102-13 Membership of associations	57		
	STRATEGY			
	102-14 Statement from decision-makers	3 – 5	12 – 14	
	ETHICS AND INTEGRITY			
	102-16 Values, principles, standards, and norms of behavior	10 et seq., 55 et seq.		
	GOVERNANCE			
	102-18 Governance structure	11	52 – 59	
	STAKEHOLDER ENGAGEMENT			
	102-40 List of stakeholder groups	12		sec. 289c para.3
	102-41 Collective bargaining agreements	45		
	102-42 Identifying and selecting stakeholders	12		sec. 289c para.3
	102-43 Approach to stakeholder engagement	8 et seq., 12 – 14		sec. 289c para.3
	102-44 Key topics and concerns raised	8, 12 – 14, 33, 44		sec. 289c para.3

GRI standard	GRI disclosures	Pages in the Sustainability Report 2021	Pages in the Annual Report 2021	Element of non-financial reporting in accordance with HGB
REPORTING PRACTICE				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	65	165 – 167	
	102-46 Defining report content and topic boundaries	8 et seq.		sec. 289c para.3
	102-47 List of material topics	9		sec. 289c para.3
	102-48 Restatements of information ²⁾	65		
	102-49 Changes in reporting	8		
	102-50 Reporting period ³⁾	65		
	102-51 Date of most recent report ³⁾	65		
	102-52 Reporting cycle ³⁾	65		
	102-53 Contact point for questions regarding the report	66		
	102-54 Claims of reporting in accordance with the GRI Standards	2, 62		
	102-55 GRI content index	62 – 65		
	102-56 External assurance ⁴⁾	65		
CATEGORY: ECONOMIC				
Anti-Corruption				sec. 289c para.2 no. 5
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 36, 54 – 56		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 36 – 39, 54 – 56		sec. 289c para.3
	103-3 Evaluation of the management approach	54		sec. 289c para.3
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	55		sec. 289c para.3
CATEGORY: ENVIRONMENTAL				
Materials				sec. 289c para.2 no. 1
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 16, 22, 28, 36		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 16 et seq., 20, 22 – 25, 28, 36 – 39		sec. 289c para.3
	103-3 Evaluation of the management approach	17 et seq., 21, 28		sec. 289c para.3
GRI 301: Materials 2016	301-2 Recycled input materials used	28		sec. 289c para.3
Energy				sec. 289c para.2 no. 1
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 16 – 20, 36		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 16 – 21, 38		sec. 289c para.3
	103-3 Evaluation of the management approach	16 – 19		sec. 289c para.3
GRI 302: Energy 2016	302-1 Energy consumption within the organization	20		sec. 289c para.3
Emissions				sec. 289c para.2 no. 1
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 16 – 20, 36		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 16 – 21, 38		sec. 289c para.3
	103-3 Evaluation of the management approach	16 – 21		sec. 289c para.3
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	21		sec. 289c para.3
	305-2 Energy indirect (Scope 2) GHG emissions	21		sec. 289c para.3
	305-3 Other indirect (Scope 3) GHG emissions	21		sec. 289c para.3
	305-6 Emissions of ozone-depleting substances [ODS] ⁴⁾	65		sec. 289c para.3
Supplier environmental assessment				sec. 289c para.2 no. 1
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 36 – 39		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 36 – 39		sec. 289c para.3
	103-3 Evaluation of the management approach	39		sec. 289c para.3
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	39		sec. 289c para.3

GRI standard	GRI disclosures	Pages in the Sustain-ability Report 2021	Pages in the Annual Report 2021	Element of non-financial reporting in accordance with HGB
CATEGORY: SOCIAL				
Employment				sec. 289c para.2 no. 2
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 42		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 42 – 45		sec. 289c para.3
	103-3 Evaluation of the management approach	44		sec. 289c para.3
GRI 401: Employment 2016	401-1 New employee hires and employee turnover ⁵⁾	44		sec. 289c para.3
Occupational health and safety				sec. 289c para.2 no. 2
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 42, 49		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 42 – 45, 49 – 51		sec. 289c para.3
	103-3 Evaluation of the management approach	44, 49, 51		sec. 289c para.3
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	49 et seq.		
	403-2 Hazard identification, risk assessment, and incident investigation	14 et seq., 49 et seq.		
	403-3 Occupational health services	50		
	403-4 Worker participation, consultation, and communication on occupational health and safety	43, 49 – 51		
	403-5 Worker training on occupational health and safety	49 et seq.		
	403-6 Promotion of worker health	50 et seq.		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38 et seq., 50		
	403-8 Workers covered by an occupational health and safety management system	49		sec. 289c para.3
Training and education				sec. 289c para.2 no. 2
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 42, 46, 48		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 42, 46 – 48		sec. 289c para.3
	103-3 Evaluation of the management approach	44, 46, 47 et seq.		sec. 289c para.3
GRI 404: Training and education	404-1 Average hours of training per year per employee ¹⁾	47		sec. 289c para.3
Diversity and equal opportunity				sec. 289c para.2 no. 2
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 42, 45		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 42, 45 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	44, 46		sec. 289c para.3
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees ¹⁾	46		sec. 289c para.3
Human rights assessment				sec. 289c para.2 no. 4
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 36, 56.		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 38 et seq., 43, 56		sec. 289c para.3
	103-3 Evaluation of the management approach	39, 56		sec. 289c para.3
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	56		sec. 289c para.3
Supplier social assessment				sec. 289c para.2 no. 4
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 36 – 39		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 36 – 39		sec. 289c para.3
	103-3 Evaluation of the management approach	39		sec. 289c para.3
GRI 414: Supplier environmental assessment 2016	414-1 New suppliers that were screened using social criterion	39		sec. 289c para.3

GRI standard	GRI disclosures	Pages in the Sustain-ability Report 2021	Pages in the Annual Report 2021	Element of non-financial reporting in accordance with HGB
CATEGORY: SOCIAL				
Customer health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 32 et seq.		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 32 et seq.		sec. 289c para.3
	103-3 Evaluation of the management approach	32 et seq.		sec. 289c para.3
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	32 et seq.		sec. 289c para.3
In addition to the GRI: presentation of social engagement				sec. 289c para.2 no. 3
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	9, 57 et seq.		sec. 289c para.3
	103-2 The management approach and its components	10 et seq., 14 et seq., 57 – 59		sec. 289c para.3
	103-3 Evaluation of the management approach	58		sec. 289c para.3
	Amount of donations and sponsorships	58		sec. 289c para.3
In addition to the GRI: presentation of additional minimum elements of the non-financial report				
	Presentation of the business model	6 et seq.	36 – 45, 61 – 69	sec. 289c para.1
	Results of the risk assessment	15		sec. 289c para.2 no. 3 – 4
	Information on the framework used	2		sec. 289d

- 1) No further subclassification of the categories and data as these are not of material significance for our sustainability management.
- 2) Restatements will be outlined accordingly as required [102-48].
- 3) The Sustainability Report is published annually, most recently on 9 March 2021, and covers the financial year 1 January to 31 December 2021.
- 4) The use of or the emission of ozone-depleting substances could not be determined at DMG MORI.
- 5) As information on age and gender does not present any significant information regarding the hiring and departure of employees, this is not analyzed at DMG MORI.
- 6) No external audit was performed in the reporting year.

This report contains forward-looking statements, which are based on current estimates of the management regarding future developments. Such statements are based on the management’s current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, as well as to the effects of the corona pandemic, that could cause the actual circumstances including the results of operations, financial position and net worth of DMG MORI AKTIENGESELLSCHAFT to differ materially from or be more negative than those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI AKTIENGESELLSCHAFT are subject to a range of risks and uncertainties, which may likewise render a forward-looking statement, estimate or forecast inaccurate.

DMG MORI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (including margin developments in the most important business areas as well as the consequences of a recession) as these have a direct effect on processes, suppliers and customers. Due to their differences, not all business areas are affected to the same extent by changes in the economic environment; significant differences exist with respect to the timing and extent of the effects of any such changes. This effect is further intensified by the fact that, as a global entity, DMG MORI AKTIENGESELLSCHAFT operates in various markets with very different economic rates of growth. Uncertainties arise inter alia from the risk that customers may delay or cancel orders or they may become insolvent or that prices become further depressed by a persistently unfavorable market environment than that which we are expecting at the current time; developments on the financial markets, including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity

margins as well as financial assets in general; growing volatility on the capital markets and a deterioration in the conditions for the credit business as well as a deterioration in the future economic success of the core business areas in which we operate; challenges in integrating major acquisitions and in implementing joint ventures and achieving the expected synergy effects and other essential portfolio measures; the introduction of competing products or technology by other companies or the entry onto the market of new competitors; a change in the dynamics of competition (primarily on developing markets); a lack of acceptance of new products and services in customer target groups of DMG MORI; changes in corporate strategy; interruptions in the supply change, including the inability of a third party, for example due to natural catastrophes, to supply pre-fabricated parts, components or services on schedule; the outcome of public investigations and associated legal disputes as well as other measures of public bodies; the potential effects of these investigations and proceedings on the business of DMG MORI AKTIENGESELLSCHAFT and various other factors.

Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements. DMG MORI AKTIENGESELLSCHAFT neither intends to nor does DMG MORI AKTIENGESELL-SCHAFT assume any separate obligation to update any forward-looking state-ments to reflect any change in events or developments occurring after the end of the reporting period. Forward-looking statements must not be understood as a guarantee or as assurances of future developments or events contained therein.

There are two companies using the name “DMG MORI”: DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Tokyo, Japan. DMG MORI AKTIENGESELLSCHAFT is (indirectly) controlled by DMG MORI COMPANY LIMITED. This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to “DMG MORI”, this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporate Act (Aktiengesetz – AktG). If reference is made to “Global One Company”, this refers to the joint activities of DMG MORI COMPANY LIMITED and DMG MORI AKTIENGESELLSCHAFT including all subsidiary companies.

Resource conservation

For sustainability reasons, DMG MORI AKTIENGESELLSCHAFT has been offering sustainability reports only digitally since 2021. All financial reports are available at: en.dmgmori-ag.com/investor-relations/financial-reports



We will also gladly send you the PDF file and the link to the e-paper by e-mail. Please let us know your e-mail address at: ir@dmgmori.com or phone: + 49 (0) 52 05 / 74-3001.

Annual Report 2021 // digital highlights



+ highlights and interactive information



gb.dmgmori-ag.com/en

Sustainability Report 2021 // interactive e-paper



+ with videos, links and further information



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