

DMG MORI

AKTIENGESELLSCHAFT

› EMPLOYEES

› GLOBE

› FIRST QUALITY

› TECHNOLOGY EXCELLENCE

› DIGITIZATION

› SUSTAINABILITY

› SERVICE EXCELLENCE

› AUTOMATION

› DMQP

› ADDITIVE MANUFACTURING

dynamic .

Sustainability Report 2022

E>XCELLENCE



TOP 1%
of over 35,000 companies!

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100% green machine: resource-saving produced and with GREENMODE aligned to energy- and emission-efficient operation.



Think green: Chairman of the Executive Board Christian Thönes (center) together with his colleagues on the board Björn Biermann (right) and Michael Horn, focuses on the strategic fit of automation, digitization and sustainability.

NATURALLY SUSTAINABLE – DMG MORI GREEN ECONOMY

Managing successfully means managing sustainably! This is a matter of course for us. A high degree of process integration, end-to-end automation and digitization solutions – future-proof technology solutions from DMG MORI preserve resources, climate and the environment and thus make a positive contribution to greater sustainability. In short: our strategic fit of automation, digitization and sustainability is a complete success and exactly right. Today more than ever.

Sustainability and technology leadership form a symbiosis at DMG MORI, which we actively live: as a worldwide technology leader, DMG MORI assumes holistic responsibility for resources along the entire value chain. From raw materials to recycling – sustainability is firmly integrated into all structures and processes. Our manufacturing solutions are produced in a resource-saving way, are high-quality, durable, recyclable and maximally efficient. Sustainability is also increasingly in focus for our customers. In addition to energy-efficient machines, we also provide them with powerful tools to make their production efficient and dynamic.

1. GREENMACHINE – the resource-saving produced machine (scope 1, 2 and 3 upstream)

DMG MORI has already had a balanced **Company Carbon Footprint** since 2020 and a balanced **Product Carbon Footprint** since 2021 via the climate triple “Avoid – Reduce – Compensate”. Further information can be found in the chapter “Climate and Environment” on page 24 et seqq. We avoid and reduce emissions wherever possible. We compensate unavoidable emissions with CO₂ certificates. 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). At the same time, we are working intensively with our suppliers to sustainably reduce their CO₂ emissions as well. Our energy management system is certified to ISO 50001 and our environmental management to ISO 14001.

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

DMG MORI machines also sustainably protect the environment during operation at the customer’s site. With **GREENMODE**, we consistently increase the energy and resource efficiency of our machines (scope 3 downstream), for example through consumption-optimized components such as LED lighting, highly efficient drives according to IE3, regenerative braking, intelligent control of aggregates as well as the optimization of moving masses based on FEM simulations. With the CELOS APP “**ENERGYSAVING**”, our customers save up to 20% energy in machine operation and at the same time significantly reduce process time. Our recycling-oriented product development according to VDI 2243 ensures that we continuously increase the use of recyclable and recycled materials in our production.

3. GREENTECH – our know-how for green technologies

Think green – and think big! DMG MORI is a driving force in manufacturing and progressive development of green technologies worldwide. We are an innovation leader in the production of environmentally friendly technologies: many of our customers manufacture highly innovative components on DMG MORI machines for wind turbines, hydropower plants, hydrogen electrolysis or electromobility, among others. With modern manufacturing processes, such as additive manufacturing, products can also be produced with reduced weight, optimized functionality as well as minimal transport distances while at the same time preserving resources. In the DMG MORI Excellence Centers, we support customers with our combined know-how from the idea to the finished product.

SUSTAINABILITY

DMG MORI
CO₂ neutral

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TCFD
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

PLATINUM Top 1%
2022
ecovadis
Sustainability Rating

NOMINIERT
Deutscher Nachhaltigkeitspreis 2023

DMG MORI
GREEN MACHINE
RESOURCE-SAVING PRODUCED MACHINE
1. Neutral Product Carbon Footprint (Scope 3 Upstream)
2. Neutral Company Carbon Footprint (Scope 1 + 2)

DMG MORI
GREEN MODE
RESOURCE-EFFICIENT MACHINE OPERATION
(Scope 3 Downstream)

DMG MORI
GREEN TECH
TECHNOLOGY EXCELLENCE FOR GREEN TECHNOLOGIES

DMG MORI is one of the most sustainable industrial companies worldwide. Our **DMG MORI GREEN ECONOMY** sets new standards. For us, resource-saving machine manufacturing is already a lived reality today. Under **DMG MORI GREEN ECONOMY** we summarize all initiatives for the “100% green machine” (→ Climate and Environment, page 24 et seqq.):

- 1. GREENMACHINE
- 2. GREENMODE
- 3. GREENTECH

Sustainability plays a central role in the implementation of our corporate strategy. With our high-precision, sustainable machine tools and holistic technologies, we create opportunities to improve the lives of generations. In addition to environmental and climate protection, we focus on the satisfaction and health of our employees. We promote and demand diversity and equal opportunities. We pay attention to compliance in all respects and are committed to the common good with donations and various campaigns.

The United Nations’ Agenda 2030 provides guidance with 17 Sustainable Development Goals (SDGs). We are all called upon to implement them. We therefore talk about our commitment – internally and externally, also to motivate others. In order to contribute to the SDGs, we are setting ourselves concrete goals of our own: With our DMG MORI Energy Saving Challenges, we encourage our employees to implement ideas and sustainably reduce energy consumption at DMG MORI. Since September 2021, DMG MORI has committed itself to the goals of the “Science Based Targets” initiative, which is dedicated to limiting global warming to no more than 1.5°C. To achieve this, we want to reduce our emissions in scope 1 & 2 by 46.2% and in scope 3 by at least 13.5% by 2030 (base year: 2019). We aim to increase this target to 27.5% in the current financial year. In addition, we are implementing the recommendations of the “Task Force on Climate-related Financial Disclosures” (TCFD) for voluntary and consistent disclosure


of climate-related information. In 2022, DMG MORI was once again one of the TOP companies out of more than 1,000 applicants in the area of climate protection for the German Sustainability Award, the largest competition of its kind in Europe. The nomination alone shows that our high level of commitment to the climate is considered a first-class achievement. DMG MORI was awarded the Platinum Medal in the Sustainability Rating by the internationally renowned assessment institute EcoVadis. This means that we are among the TOP 1% of over 35,000 companies evaluated worldwide.

DMG MORI will continue to stand for sustainable technologies, TOP values and innovations for the benefit of humans and the environment. This sustainability report shows how successful DMG MORI already is in terms of “Sustainability” and which goals we are pursuing. **Welcome to the DMG MORI GREEN ECONOMY!**

Christian Thönes
Chairman of the Executive Board

Björn Biermann
Member of the Executive Board

Michael Horn
Member of the Executive Board

A hand on the right side of the frame points towards a central soap bubble. The bubble is highly reflective, showing a distorted reflection of the surrounding environment. The background is a vibrant green, overlaid with a white, glowing data visualization consisting of a grid of points and lines that forms a wave-like pattern across the lower half of the image. The overall aesthetic is clean, modern, and high-tech.

5μ
precision

Precision without compromise_ High-precision machine tools and sustainable technologies from DMG MORI are at the center of global value chains. Our machines manufacture to an accuracy of 5μ – equivalent to the wall thickness of a soap bubble.



COMPANY PROFILE

DMG MORI is a worldwide leading manufacturer of high-precision machine tools and sustainable technologies that are at the center of global value chains. At DMG MORI AKTIENGESELLSCHAFT around 6,800 employees generate sales revenues of over €2.3 billion. Together with DMG MORI COMPANY LIMITED, sales revenues amount to around €3.4 billion. In the "Global One Company", more than 12,000 employees are in direct contact with over 100,000 customers from 57 sectors. DMG MORI is present in 88 countries worldwide with 16 production plants, 113 sales and service locations.

The strategic fit of automation, digitization and sustainability is a perfect match with our vision-mission statement: **We empower our customers in manufacturing and digitization! We want to be the most attractive global machine tool manufacturer with digitized and sustainable products!**

Integrated automation and end-to-end digitization solutions extend our core business with turning and milling machines, Ultrasonic, Lasertec and Additive Manufacturing. We bundle our entire manufacturing know-how of more than 152 years into technology excellence for the focus sectors Aerospace, Automotive, Die & Mold as well as Medical and Semiconductor. Our customer-oriented services cover the entire life cycle of a machine tool – including training, repair, maintenance and spare parts service.

DMG MORI is one of the most sustainable industrial companies worldwide. Our innovative solutions make a decisive contribution to the benefit of the people and the environment. The combination of machines, technologies, users, automation and digitization enables a high degree of process integration for resource-saving and efficient production. True to our motto: *dynamic* . Excellence.

SEGMENTS OF DMG MORI AKTIENGESELLSCHAFT HEADQUARTERS: BIELEFELD



Further information on the corporate structure can be found in the Annual Report 2022 on page 38 et seq., page 42 and page 177.

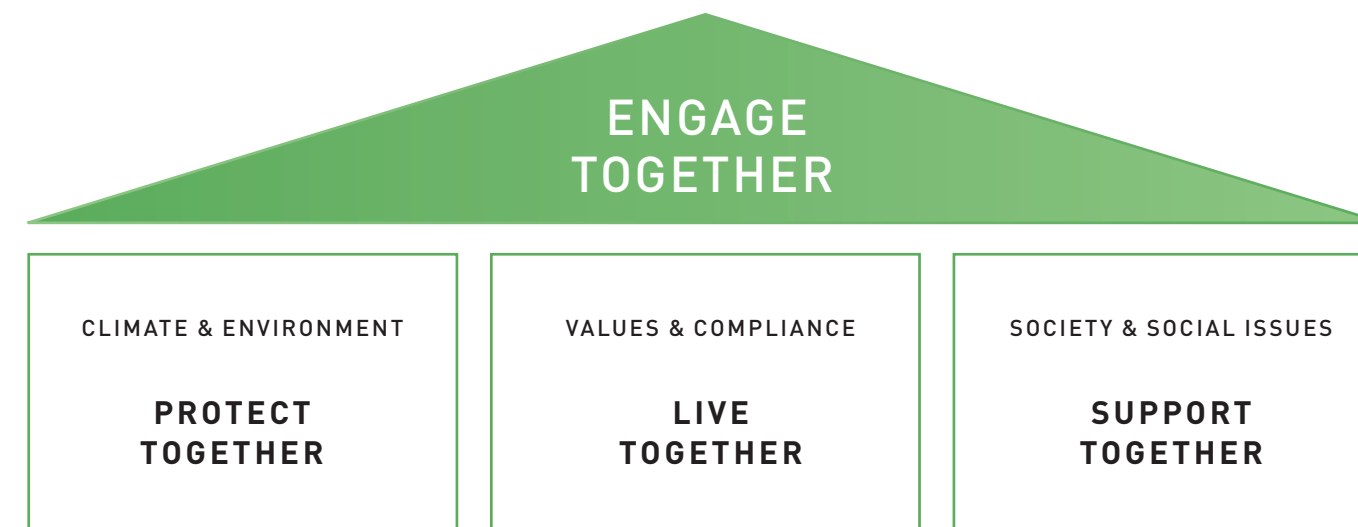
SUSTAINABILITY STRATEGY AND MANAGEMENT

Sustainability and technology leadership form a symbiosis at DMG MORI, which we actively live. We take on holistic responsibility along the entire value chain – from raw materials to recycling.

Sustainability plays a central role in the implementation of our corporate strategy. Our strategic fit of automation, digitization and sustainability is just right – today more than ever. With high-precision, sustainable machine tools and holistic technologies, we create opportunities to improve the lives of generations.

In addition to environmental and climate protection, we focus on the satisfaction, health and appreciation of our employees. We promote and demand diversity and equal opportunities. We pay attention to compliance in all matters, stand up for human rights and are committed to the common good with donations and various campaigns. The United Nations' Agenda 2030 provides guidance with 17 Sustainable Development Goals (SDGs). It is up to all of us to implement them.

Through a high degree of process integration, holistic automation and digitization solutions, DMG MORI's future-proof technology solutions preserve resources, climate and the environment and thus make a positive contribution to greater sustainability. A special focus is on DMG MORI GREEN ECONOMY. With our holistic initiatives for a resource-saving machine manufacturing and maximum efficient production, we are always setting new standards. We take responsibility right from the start. Sustainability is a fundamental requirement for all processes: from the initial idea in development through procurement and production to operation at the customer's site and recycling at the end of the life cycle. Our 360° approach is supported by the systematic recording of specific key figures to validate and manage our measures as well as comprehensive information and integration of our employees on sustainability topics.

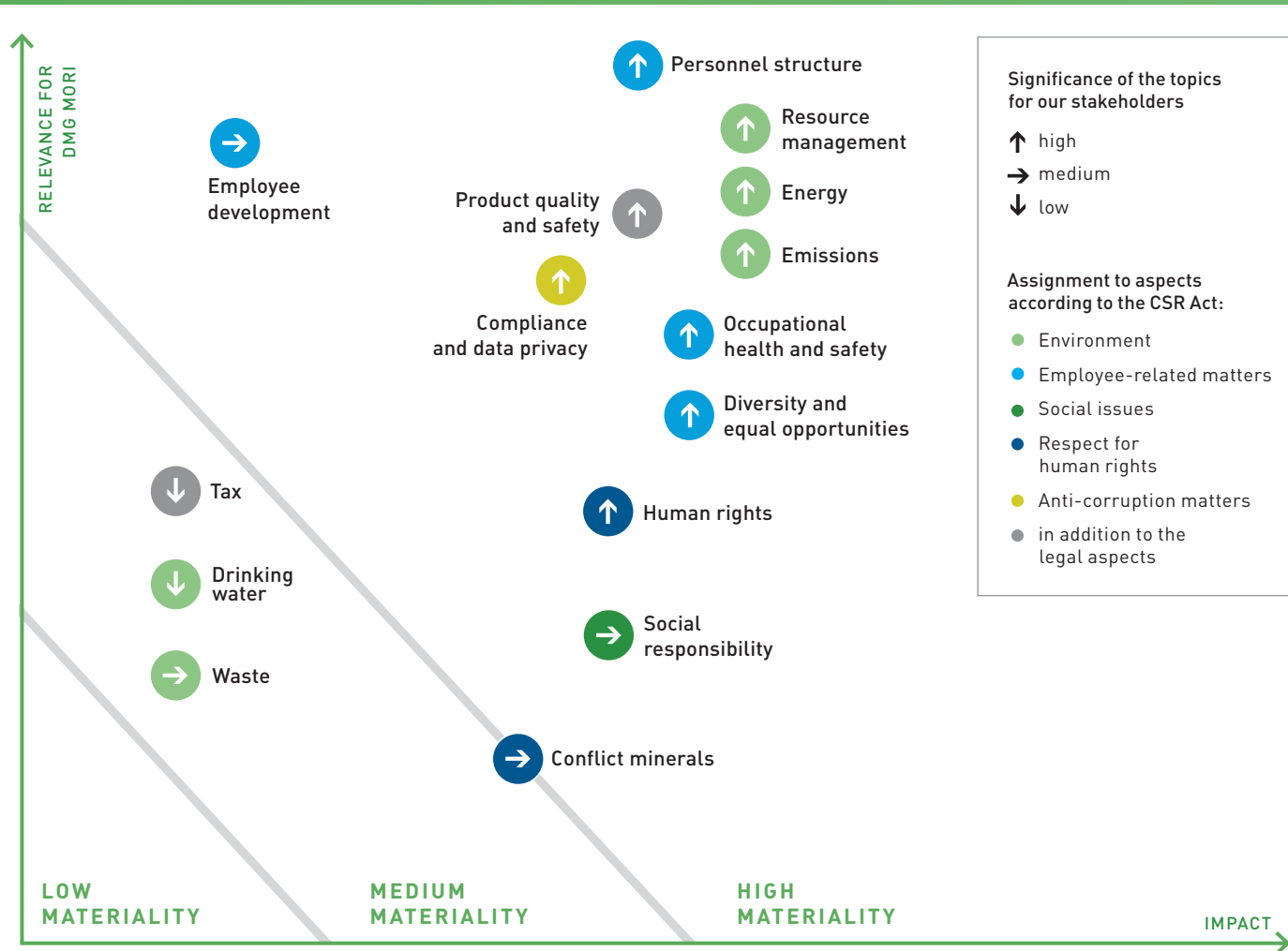


To maximize resource conservation, we focus on the high quality and energy efficiency of our products and services. Through the triple "Avoid – Reduce – Compensate", we achieve a resource-saving value creation.

The Sustainability Report contains the separate, non-financial Group Report 2022 and provides information on progress in implementing our sustainability strategy. We comply with the statutory requirements pursuant to sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB) and also go beyond this with a large number of voluntary disclosures. In doing so, we are guided by the standards of the Global Reporting Initiative (GRI), which were fundamentally revised in the reporting year. DMG MORI has consciously decided not to fully comply with these new GRI standards anymore. Instead, we are already preparing intensively for the extensive, new legal requirements that we will apply for the first time for the reporting year 2024 and are successively aligning our sustainability report with them. For the disclosures required under HGB for the result of the concepts and key performance indicators (KPIs) in accordance with Section 289 (3) HGB, we are using the GRI's "topic-specific standards", which continue to apply. In this way, we aim to ensure consistent reporting.

The Sustainability Report meets the reporting requirements set out in Article 8 of Regulation 2020 / 852 / EU of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation 2019 / 2088 / EU (→ Climate and Environment, page 33 et seqq.). In the GRI Content Index under "Element of non-financial reporting in accordance with HGB", we present the delimitation or the legally mandatory content. Reported content that has been subject to a limited assurance engagement by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft is identified in the GRI Content Index on page 74 et seqq. by: ✓

We identify and define our sustainability topics using a materiality analysis. This takes into account internal perspectives, external stakeholders and effects on the 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 our evaluation in the reporting year.



01 | MATERIALITY MATRIX

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

RAW MATERIALS	SUPPLIERS	DMG MORI	CUSTOMERS	DISPOSAL & RECYCLING
+ Resource management + Energy + Emissions + Conflict minerals + Human rights + Occupational health & safety + Drinking water + Waste	+ Resource management + Energy + Emissions + Product quality & product safety + Occupational health & safety + Human rights + Compliance & data privacy + Drinking water + Waste	+ Resource management + Energy + Emissions + Product quality & product safety + Human rights + Personnel structure + Employee development + Diversity & equal opportunities + Occupational health & safety + Social responsibility + Compliance & data privacy + Drinking water + Waste + Conflict minerals	+ Resource management + Energy + Emissions + Product quality & product safety + Occupational health & safety + Drinking water + Waste	+ Product quality & product safety + Energy + Emissions + Human rights + Drinking water + Waste

02 | VALUE CHAIN

Our Sustainability Report 2022 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” manual.

We classify the fields of action along our entire value chain (figure 02). Highlighted in black are the topics on which we have a direct influence – 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. In doing so, we of course continuously considered the new legal requirements. In the reporting year, we continued to focus in particular on the EU taxonomy in relation to sustainability as well as the Supply Chain Due Diligence Act (→ Climate & Environment, page 24 et seqq., Partner and Supplier Management, page 44 et seqq.).

We are absolutely right with our holistic approach: in the reporting year, we were nominated for the “German Sustainability Award 2023” for our commitment to sustainability and received several awards from other institutes. DMG MORI was awarded the Platinum Medal in the Sustainability Rating by the internationally renowned institute EcoVadis. This puts us in the top 1% of over 35,000 companies evaluated worldwide. Focus Money honored DMG MORI for “Germany’s best sustainability”. The renowned F.A.Z. Institute awarded the title “Innovation Champion in Sustainability”. Further awards for fairness, reputation and employer qualities underline our commitment as an attractive employer and our excellent corporate culture. For an outstanding result in the area of resource-efficient production, DMG MORI was awarded the “Lean & Green Management Award 2022” for the Pfronten site. The “Alliance for Development and Climate” foundation also describes our commitment to sustainability as “good practice” in its annual report.



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.



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.

VISION

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

FIRST QUALITY

GLOBE

EMPLOYEES

SERVICE EXCELLENCE

TECHNOLOGY EXCELLENCE

AUTOMATION

DIGITIZATION

ADDITIVE MANUFACTURING

DMQP

SUSTAINABILITY



DMG MORI

CO₂ neutral

MISSION

EMPOWER OUR CUSTOMERS IN MANUFACTURING AND DIGITIZATION!

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!

We exactly know what we have to do and always keep our Vision-Mission statement 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.

Vision – Mission – TOP values

DMG MORI is committed to clear principles and value standards. The “**DMG MORI Code of Conduct**”, which was comprehensively revised in the reporting year, defines these, among others, with regard to important sustainability aspects, such as employees, the environment and the supply chain. In it, we describe the goals and rules we have set ourselves, with which we commit ourselves to responsible, ethically correct and lawful action as well as sustainable value creation. The Code of Conduct thus forms the basis for our sustainability strategy and our sustainability management.

Likewise, the Code of Conduct takes into account current industry standards and customer requirements. Against the background of the Supply Chain Due Diligence Act, which has been in force since 1 January 2023, we have reaffirmed and further specified our commitment to respecting human rights. The focus is on a living wage and appropriate working hours, the right to freedom of association and collective bargaining, the promotion of diversity and equal opportunities, the protection of local communities and the rejection of any form of child or forced labor, human trafficking or modern slavery.

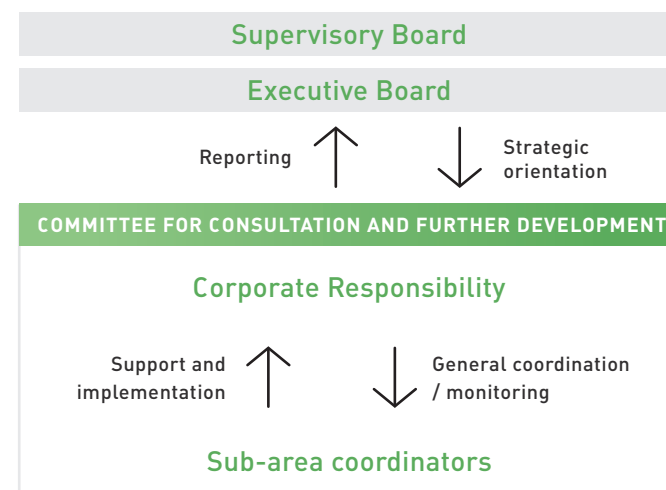
On our intranet “**DMG MORI ONE**” we inform about selected topics from our Code of Conduct and about our guidelines. In addition, every employee has the right and duty to inform themselves about the current status of internal regulations.

New employees always receive the Code of Conduct during onboarding. Furthermore, all employees received the updated version. The following applies to all: confirmation of receipt is binding. DMG MORI expects everyone to comply with the principles described therein and to pass them on. 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. For this, we perform training courses, for example. 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 reports directly to the Executive Board as the highest authority in decision-making.



03 | SUSTAINABILITY MANAGEMENT

Stakeholder dialogue

We are in contact with our stakeholders. Their opinions, questions and comments provide the “Corporate Responsibility” management with important impulses and influence our activities indirectly and directly. For this reason, a continuous, constructive exchange with them is laid down in our “Corporate Responsibility” manual and is actively supported. The Code of Conduct forms the basis for our 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 with the interdisciplinary sustainability coordinators.



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)

04 | SIGNIFICANT STAKEHOLDERS & FORMS OF DIALOGUE

The sustainability coordinators have defined the “particularly important stakeholders” in the materiality analysis and review them regularly (figure 04). In addition, examples of relevant forms of dialogue with these stakeholders are listed. With “DMG MORI ONE”, we have an interactive platform for internal exchange with and between all employees. In this way, we receive direct feedback on various sustainability topics and can, among others, launch targeted surveys. We also analyze the feedback from our stakeholders as well as comments on sustainability aspects in our social media channels. The results show: our stakeholders are interested in a wide range of topics. Overall, the results are in line with our assessment of materiality.

An important topic for all our stakeholders is the Russian war in Ukraine. Immediately after the outbreak of the war, DMG MORI had stopped all activities holistically in Russia. This includes the production in Ulyanovsk as well as all sales, service and training activities in Russia and all deliveries of machines, spare parts, components and services to Russia.

We are keeping all our stakeholders informed about relevant issues using appropriate measures such as press releases or internal announcements. Economic impacts are addressed in our financial reporting and Annual Report. In addition to that, regularly updated, comprehensive information is available to our employees in the “DMG MORI ONE” (→ Employees, page 50 et seqq.).

In the reporting year, the Executive Board once again digitally informed all employees about DMG MORI’s strategic orientation. The focus was on the live questions asked by employees to the Executive Board.

Our comprehensive communication measures contribute both internally and externally to firmly anchoring sustainability in all DMG MORI structures and processes. In this way, we 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, our purchasing strategy, in production as well as in administrative activities.

DYNAMIC . EXCELLENCE

- > Automation
- > Digitization
- > Additive Manufacturing
- > DMQP
- > Sustainability

- > First Quality
- > Service Excellence
- > Technology Excellence
- > GLOBE
- > Employees

**Dynamically advance future fields –
Sustainably optimize our excellence in existing and established areas!
Empowerment & Execution!**

DMG MORI GREEN ECONOMY – 100 % GREEN MACHINES

CLIMATE-NEUTRAL MACHINE PRODUCTION

1 Neutral Product Carbon Footprint Scope 2 (optional)
2 Neutral Company Carbon Footprint (Scope 1+2)

RESOURCE-EFFICIENT MACHINE USAGE

Scope 2 Environment

TECHNOLOGY EXCELLENCE FOR GREEN TECHNOLOGIES

Energy saving competitions by DMG MORI

SAVING ENERGY NOW PAYS OFF TWICE!

- 1. Site-Challenge: 1st October 2022 – 31st March 2023**
Prize: free lunch for 1 week for the site that saves the most energy relatively compared to the same period last year!
- 2. Idea-Challenge: 1st October 2022 – 31st March 2023**
Prize: € 100 gift cards (e.g. Amazon, petrol, etc.) for the 3 best energy-saving ideas per month – submitted via “DMG MORI Improve”, the corporate idea management!

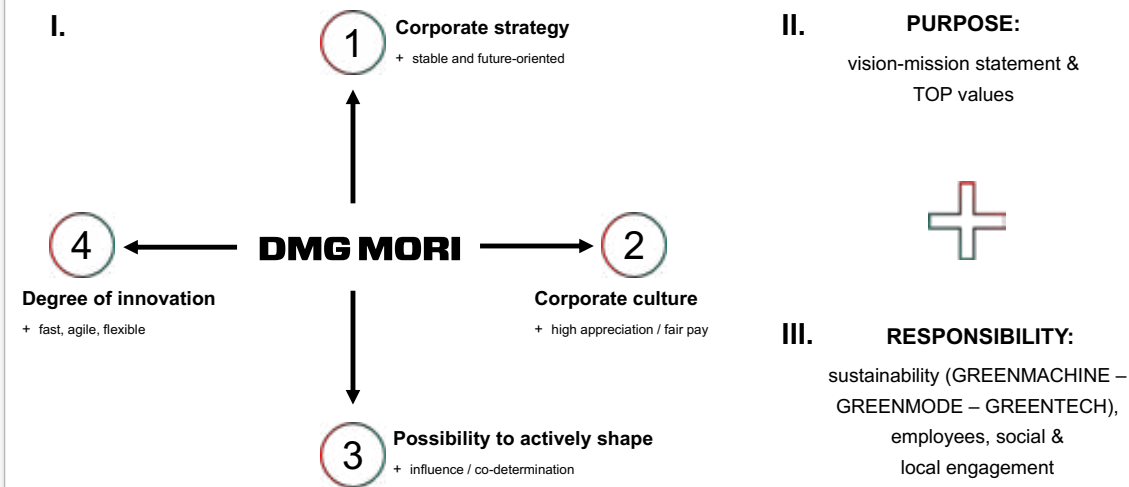
Open communication: At the global strategy briefing, the Executive Board provided information on important topics for the future and answered live questions from employees.

Whistleblower system

We encourage all our stakeholders to immediately and anonymously report suspected violations of applicable regulations or of our DMG MORI guidelines. For this purpose, our Responsibility Helpdesk (responsibility@dmgmori.com) or an external trusted lawyer, Dr. Carsten Thiel from 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 further detailed information on the whistleblower system. This is because whistleblowers

are a valuable and helpful source for us to uncover and stop possible misconduct and to take immediate remedial action to mitigate any consequences. We naturally protect them from any discriminatory or disciplinary measures and do not tolerate any retaliatory actions directed against the whistleblower. With this whistleblower system, we simultaneously fulfill the requirements for the complaint procedure under the German Supply Chain Due Diligence Act.

Attractive employer with a TOP leading culture



23rd September to 7th October
EMPLOYEE SURVEY
SHAPING OUR FUTURE



THANK YOU FOR YOUR FEEDBACK!

Monitoring and improvement

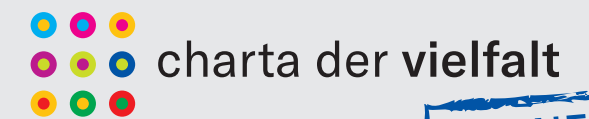
We continuously review and expand our existing processes. Sustainability topics are an integral part of the annual questionnaires sent to management in order to identify any need for action comprehensively and promptly. In addition, the same escalation and reporting processes apply to sustainability 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 289 c (3) Nos. 3 and 4 of the German Commercial Code (HGB). The risk assessment of sustainability topics is integrated into our “Risk Assessment” (→ Compliance, page 61 et seqq.).



Commitment to climate and environment

The non-profit organization “Carbon Disclosure Project” (CDP) awarded DMG MORI a “C rating” in the reporting year. 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.



SIGNED

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.



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.



batch size 1

Perfectly matched_ In order to design the personal, perfect machine for each customer, our R&D experts are involved in all processes right from the start. We virtually always produce batch size 1 – each machine is precisely tailored to the customer's individual needs.

CLIMATE AND ENVIRONMENT

DMG MORI is one of the most sustainable industrial companies worldwide – this high standard is our incentive. We take holistic responsibility for resources along the entire value chain: from our suppliers through our product development and production to our customers.

At DMG MORI, sustainability and technology leadership have formed a symbiosis for many years. We take responsibility to protect the climate and the environment and, in particular, to contribute to decarbonization. To this end, 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 rely on sustainable business models. 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.

Our focus in climate protection is equally on avoiding and reducing emissions. We compensate unavoidable emissions (scope 1, 2 and 3 upstream) for us and our customers with CO₂ certificates. At the same time, we actively encourage our suppliers to take action themselves. In the reporting year we again asked our suppliers via the Integrity Next platform to make their CO₂ emissions transparent to DMG MORI.

With clearly defined targets and concrete measures, we are contributing to the achievement of the Paris Climate Agreement. Since September 2021, DMG MORI has committed itself to the goals of the "Science Based Targets" initiative, which is dedicated to limiting global warming to a maximum of 1.5°C. In addition, we have committed to implementing the guidelines of the "Task Force on Climate-related Financial

Disclosures" (TCFD) in 2021 and thus follow the recommendations for voluntary and consistent disclosure of climate-related opportunities and risks. → en.dmgmori-ag.com/corporate-responsibility/climate-and-environmental-protection

DMG MORI GREEN ECONOMY – our initiatives for the "100% green machine"

Under DMG MORI GREEN ECONOMY, we bundle our initiatives for a green machine. Our goal is a minimum climate and environmental footprint which means maximum protection of resources and the environment. We optimize our processes, reduce emissions consequently and maximize the benefit of used resources. We commit ourselves to this with our energy and environmental policy. Our innovative products and services ensure high resource efficiency in the subsequent operation by our customers. Here, we also focus on energy and emissions in all phases of the machine life cycle.

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

1. By the end of 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 88,744 tons in scope 3 (base year: 2019)
2. We will increase energy efficiency by 5% by the end of 2023 (measured variable: kWh/€ value added, base year: 2017).
3. We will further expand our energy monitoring concept at the European group sites by the end of 2023.
4. By the end of 2023, we aim to save a further 10,000 MWh of energy on a project-related basis (base year: 2019).
5. All European production sites will be certified according to the ISO 14001 standard by the end of 2023.
6. We aim to continuously increase resource efficiency by strengthening the circular economy.
7. We reduce the use of hazardous substances.
8. We continuously reduce our amount of waste.
9. We continuously reduce our paper consumption.
10. We continuously reduce our freshwater consumption.

Targets for the individual sites are derived from these ten group targets and are reviewed annually by the respective executive in the management reviews and by the Executive Board in a central management review. In the reporting year, our paper and freshwater consumption rose slightly compared to the previous year, because in 2021 there was more mobile working and for example several trade fairs were cancelled due to corona. Compared to the pre-corona-level 2019 we are also on course with these two targets.

We summarize our activities along the entire value chain in three initiatives (→ figure 05):

GREENMACHINE

GREENMODE

GREENTECH

PROCESS INTEGRATION

MACHINES



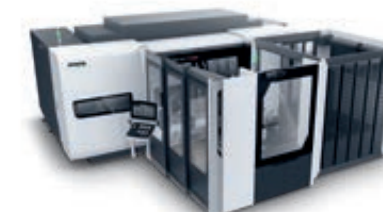
8-IN-1 TECHNOLOGY INTEGRATION

(Turning, Milling, Grinding, Gear cutting, Measuring, ULTRASONIC, LASERTEC, Additive Manufacturing)

PEOPLE



AUTOMATION (AX)



DIGITIZATION (DX) + DATA



SUSTAINABILITY (GX)

Process integration holistically and redefined: up to 8 technologies in one machine plus automation and digitization for the shop floor of the future with the human at the center.

SUPPLIERS + **DMG MORI**

RESOURCE-SAVING
MACHINE PRODUCTION

CUSTOMER + **DMG MORI**

RESOURCE-EFFICIENT
MACHINE USAGE



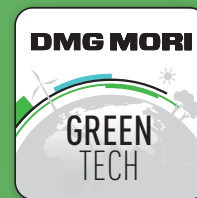
1. NEUTRAL PRODUCT CARBON FOOTPRINT

(SCOPE 3 UPSTREAM) ✓

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



SCOPE 3 DOWNSTREAM



05 | INITIATIVES FOR SAVING RESOURCES



GREENMACHINE – resource-saving produced machine [scope 1, 2 und 3 upstream]

In machine production, DMG MORI relies on our climate triple “Avoid – Reduce – Compensate”. The focus in environmental protection is on avoiding and reducing emissions. Customers receive resource-saving produced machines from all our production plants. Two factors are essential for this:

1. DMG MORI’s own value creation,
2. the relevant upstream processes along our supply chain.

The calculation of our **Company Carbon Footprint** and **Product Carbon Footprint** is based on the Greenhouse Gas Protocol Corporate Accounting Standard (GHG Protocol), the internationally recognized standard for greenhouse gas accounting. Our company carbon footprint has already been zero since May 2020. This includes emissions from scope 1, scope 2 and scope 3 [categories 1 paper, 3, 5, 6 and 7]. We have been compensating our Product Carbon Footprint already since 2021. This also includes emissions from upstream

processes along the supply chain, primarily from scope 3 [categories 1 purchasing materials 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]. This is not a Product Carbon Footprint according to ISO 14067, which is based on a “Life Cycle Assessment” according to ISO 14040 and ISO 14044, but a summary of scope 3 categories that are not related to our production. Emissions associated with capital goods are not reported as they do not make a significant contribution to DMG MORI’s overall emissions.

We compensate currently unavoidable emissions by investing in sustainable, certified projects. These are ex-post certificates. This ensures that a CO₂ reduction has already taken place. The projects are aimed exclusively at green infrastructure and are certified to high standards, including by the UN or

Green energy: With additional photovoltaic systems on the hall roofs of our production sites, as here at DECKEL MAHO in Pfronten, we will generate even more renewable energy for our own consumption in the future.

WWF (World Wide Fund For Nature), and their effectiveness is confirmed. Their function and the amount of CO₂ saved are regularly checked by independent auditors.

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 ISO 50001 standard at all European production sites since 2015. In the reporting year, we expanded this to include an environmental management system in accordance with the ISO 14001 standard, which was also successfully certified. Both systems focus on the main sites with the greatest environmental impact*. DEKRA Certification GmbH confirmed the effectiveness of the system in the reporting year. Our FAMOT production site has already been certified to the ISO 14001 standard since 2019.

In our energy and environmental management system, we analyze energy consumption and environmentally relevant data, such as the waste balances of our sites under consideration of local specifics. We identify main causes and define targeted reduction measures. 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 guidelines 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 and environmental management manual.

Energy consumption within the organization (→ table 06) comprises the purchased volumes of electricity, natural

gas and liquified petroleum gas as well as self-generated electricity at our eight largest sites and fuel consumption in the EU vehicle fleet. There was one change compared to the previous year: DMG MORI immediately and holistically stopped all activities on the Russian market after the outbreak of the Russian war in Ukraine. All sales, service and training activities and the production in Ulyanovsk were stopped. Accordingly, we do not have any data on energy consumption at this site.

In our production plants, we mainly use electricity for assembly processes and technical building equipment. For this purpose, we invest in a power supply for our production plants that is as self-sufficient as possible. For many years, we have been generating renewable energy for our own consumption at almost all production plants and at selected sales and service locations – mainly via photovoltaic systems. We are now expanding this in a targeted manner: further photovoltaic systems are being installed on hall roofs at the German sites in Pfronten, Seebach and Stipshausen and in Pleszew (Poland). After commissioning in the current financial year, the solar plants will achieve a total peak output of around 8 MWh. In this way, DMG MORI is strengthening security of supply while reducing emissions at the same time.

We require natural gas for the provision of space heating and to a small extent for the generation of electricity in combined heat and power plants. Due to the shortage of gas and the target announced by the German government to save 15% energy, we have lowered the temperatures in our production halls to 18.5°C and in the offices to 20.5°C. At the same time, we are working continuously to further reduce our energy consumption: in the reporting year, we

06 ENERGY CONSUMPTION WITHIN THE ORGANIZATION ^{1) 2) 3)}				
in MWh	2022	2021	Changes against prev. year	
Fuel consumption	78,965	84,634	-5,669	-7%
of which natural gas	25,085	36,904	-11,819	-32%
of which liquid gas	261	346	-85	-25%
of which fuel oil	533	0	533	-
of which fuel	53,086	47,384	5,702	12%
Electricity consumption	45,704	49,542	-3,838	-8%
of which procured from the grid	43,651	46,955	-3,304	-7%
of which self-generation from renewable sources	2,053	2,587	-534	-21%
Energy consumption in total	124,669	134,176	-9,507	-7%
Energy consumption per added value in kWh/€K	246	299	-53	-18%

1) Locations Germany (Bielefeld, Pfronten, Seebach, Geretsried, Idar-Oberstein); Italy (Brembate di Sopra, Tortona); Poland (Pleszew) and vehicle fleet; corresponding to over 80% of DMG MORI’s global energy consumption.
2) Conversion factors for fuels: German Federal Office of Economics and Export Control (BAFA) 2022.
3) Values for 2022 without Ulyanovsk

* seven European production plants and the Geretsried site (out of a total of 67 sites) as well as vehicle fleet; corresponding to >70% of DMG MORI’s global energy consumption.

	2019	Changes in %	2022
Company Carbon Footprint	76,778 tons CO ₂	-36 %	49,202 tons CO ₂
Product Carbon Footprint	859,156 tons CO ₂	-4 %	824,669 tons CO ₂



DMG MORI Neutral Carbon Footprint

The complete report on resource-saving production and on the compilation of our CO₂ balance – including the methodology as well as an explanation on the scopes and sources used – can be found via this QR code.

continued to invest in efficiency projects and implemented numerous measures – investments that are worthwhile for the environment. Five examples:

- › efficient LED lighting systems in administrative areas with intelligent daylight control at all European production sites,
- › modern, future-proof combined heat and power plant with hybrid drive technology for generating electricity and heat,

- › optimization of plant parameter runtimes through demand-oriented control,
- › replacement of old single/twin-glazed windows with new triple-glazed windows in Tortona,
- › PV roof system on our logistics center in Pfronten to generate our own green energy.

These measures will save us over 2,400 MWh of energy per year in the future – and thus avoid over 790 tons of CO₂. Further measures are already being planned and implemented for the current financial year – so we are on a very good way to achieving our energy targets. Our employees are also actively encouraged to save energy wherever possible. That is why we have announced the following “DMG MORI Energy Saving Competitions”:

Competition 1 – Site-Challenge: 1st October 2022 to 31st March 2023

Prize: free lunch for 1 week for the site that saves the most energy relatively compared to the same period last year!

Competition 2 – Idea-Challenge: 1st October 2022 to 31st March 2023

Prize: € 100 gift cards (e.g. Amazon, petrol, etc.) for the 3 best energy-saving ideas per month – submitted via DMG MORI Improve, the corporate idea management!

Fuel consumption accounts for 42% of the energy consumption of the eight largest sites. Energy consumption per value added fell by -18% to 246kWh/€K in the reporting year – and this with an expansion of our production and logistics capacities in Pfronten. This improvement clearly reflects the success of our extensive energy-saving and efficiency measures.

We also consistently reduce our emissions along the entire value chain. They are shown in the group-wide CO₂ balance based on the GHG Protocol and comprise (→ table 07):

Scope 1 & 2 emissions (share: 3%)

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

Scope 3 emissions (share: 97%)

- › purchase of production material and paper
- › transport of the machines to the customer
- › operation of our machines at the customer’s site
- › machine recycling
- › business trips and official channels of the employees

Overall, emissions increased by +11% compared to the previous year – and thus at a lower rate than sales revenues and total output (+15%). This in turn – as well as the capacity expansions, particularly in Pfronten – led to significantly increased requirements for production materials. In addition, emissions from business travel by airplane again increased significantly (+309%), as in 2021 only absolutely necessary business trips took place due to corona. Compared to the reference values of our “Science Based Targets” of 2019, CO₂ emissions here fell by -34%. Overall, we were able to reduce our emissions by -7%. In our own value creation, the Company Carbon Footprint, CO₂ emissions even improved by -36%. This clearly shows the success of our holistic approach:

- › We save energy wherever possible.
- › We use self-generated, green electricity (4.4%).
- › Wherever possible, we purchase only green electricity (share: 74%).
- › We commit our suppliers to energy-saving and environmentally friendly processes (→ Partner and Supplier Management, page 44 et seqq.).

In the reporting year, we again compensated our Company Carbon Footprint and Product Carbon Footprint in the upstream on the basis of the CO₂ balance which is based on the GHG Protocol. To this end, we made provisions for investments in sustainable, certified climate protection projects amounting to 410,000 tons of CO₂ already at the beginning of 2022. We also made provisions for the difference of 64,648 tons of CO₂ compared to our actual emissions at the end of the reporting year. Furthermore, we have already made advance provisions for the current financial year: we estimate our total emissions in 2023 at around 450,000 tons of CO₂, assuming continuous avoidance and further reduction of emissions (scope 1, 2 and 3 upstream). Accordingly, we have set aside provisions for this at the beginning of 2023.

We gladly share our knowledge – together with our partner “Fokus Zukunft GmbH”, we are available to advise our partners, suppliers and customers on their path to CO₂ neutrality.

07 GROUP-WIDE CO ₂ BALANCE OF DMG MORI ^{1) 2) 3)}		Changes against prev. year					
in t CO ₂		Category	2022	2021	2019	2021	2019
Scope 1			18,596	19,775	23,712	-6 %	-22 %
	Natural gas		4,621	6,933	7,475	-33 %	-38 %
	Fuel oil		375	319	188	18 %	99 %
	Liquid gas		53	66	78	-20 %	-32 %
	Gases		30	25	28	20 %	7 %
	Internal combustion processes	Coolant	84	131	7	-36 %	> 100 %
		Pool	190	118	201	61 %	-5 %
	Business trips with own vehicle	Leasing	13,243	12,183	15,735	9 %	-16 %
Scope 2			9,521	10,432	24,793	-9 %	-62 %
	Electricity		9,028	9,984	24,244	-10 %	-63 %
	External energy supply	District heating	493	448	549	10 %	-10 %
Scope 3 Upstream ⁴⁾			446,531	390,139	385,559	14 %	16 %
	Production material		404,174	353,406	339,422	14 %	19 %
	Category 1: Purchase of production material	Paper	67	58	939	16 %	-93 %
	Category 3: Fuels and energy	e.g. fuel supply chain	8,018	8,083	9,511	-1 %	-16 %
	Category 4: Upstream transports	e.g. ship and truck	21,272	18,600	17,864	14 %	19 %
		Waste	104	112	127	-7 %	-18 %
	Category 5: Waste	Water	23	23	62	0 %	-63 %
		Flights	2,861	699	4,339	309 %	-34 %
	Category 6: Business trips ⁵⁾	Rental cars	467	333	835	40 %	-44 %
	Category 7: Employees commute ⁶⁾	e.g. cars	9,545	8,825	12,460	8 %	-23 %
CO₂ emissions of DMG MORI (Scopes 1, 2 & 3 Upstream)			474,648	420,346	434,064	13 %	9 %
Scope 3 Downstream ⁴⁾			399,223	363,471	501,870	10 %	-20 %
	Category 9: Downstream transports and delivery	e.g. ship and truck	6,477	6,339	10,851	2 %	-40 %
	Category 11: Operation of sold products	Machines	370,670	336,761	463,959	10 %	-20 %
	Category 12: Machine recycling	e.g. steel and electronics	22,076	20,371	27,060	8 %	-18 %
CO₂ emissions of DMG MORI			873,871	783,817	935,934	11 %	-7 %

1) The CO₂ balance was calculated using emission factors based on the DEFRA 2022 database. Due to an update of the stored factors in the reporting year, there is only limited comparability with the previous year’s values. Missing emission factors were supplemented by the GEMIS, Probas Umweltbundesamt, Ecolnvent and Ecolnvent databases. 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: Association of Issuing Bodies, 2021). 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. Consumption in December was extrapolated.

2) Based on the location-based approach, electricity consumption causes 20,191 t CO₂ (source: Association of Issuing Bodies, 2021). This does not take into account that DMG MORI uses 74% electricity from renewable sources in 2022.

3) For upstream electricity emissions, an average value was assumed instead of country-specific emission factors. T&D losses are not included. Compared to the Sustainability Report 2019, the upstream chain emissions of gray electricity are reported in scope 3 (category 3) instead of scope 2. This shift has no impact on total emissions.

4) The determination of scope 3 emissions is based on previous year data and corresponding projections in some categories. Category 1 only includes materials used in production and paper. Other purchasing categories are not taken into account. For categories 1 and 4, the average emissions of materials and upstream transports of 6 reference machines without automation (1st tier supplier only) are considered. Category 9 is based on 4 reference machines as well as emission factors and average transport distances from 2019 (excluding Bulgaria and South America). Category 11 is based on 37 reference machines. Category 12 is based on 4 reference machines and only considers emissions generated from recycling steel, electronics and polymers.

5) Includes business travel by airplane and rental car. DEFRA emission factors from 2021 are used for air travel.

6) Modes of transportation used were determined via an employee survey in 2019. For 2022, a remote working share of 10% was assumed.



DMG MORI GREENMODE – PURE ENERGY EFFICIENCY

13 GREENMODE MEASURES

1. brake energy recovery
2. LED lights
3. frequency controlled pumps
4. highly efficient chillers
5. zeroSLUDGE coolant tank
6. adaptive coolant flow
7. zeroFOG mist collector
8. Advanced Auto-Shutdown
9. minimized air demand
10. AI chip removal
11. adaptive feed control
12. Advanced Energy Monitoring
13. Business Benefit Optimizer

The DMG MORI energy certificate for your state subsidies



UP TO
40 %
ENERGY
SAVING



NEW

GREENMODE – ENERGY PACKAGE AS AN OPTION

COOLANT FLOW CONTROL
→ 20 % ENERGY SAVING

The smart pressure and flow controller

AIR CONTROL
→ 5 % ENERGY SAVING

New on-off switching with monitoring

FEED CONTROL
→ 2 % ENERGY SAVING

Intelligent performance-related feed

GREENMODE – the resource-efficient machine operation at the customer's site

DMG MORI machines also sustainably protect the environment during operation at the customer's site. With **GREENMODE**, we consistently increase the energy and resource efficiency of our machines (scope 3 downstream).

GREENMODE includes, among others:

- › specific CELOS apps such as the “**ENERGYSAVING**” app,
- › consumption-optimized components, such as LED lighting and energy-efficient cooling units,
- › the recovery of braking energy,
- › reduced warm-up,
- › automatic shutdown of consumers and
- › an intelligent, demand-oriented control of aggregates.

We also increase resource efficiency with high quality and precision as well as comprehensive automation and digitization solutions that enable our machines to run around the clock and with maximum efficiency – saving our customers valuable resources. One example is the Digital Twin. This allows components to be tested virtually first, so that in the subsequent real manufacturing process the result is right from the first attempt. We also improve machine efficiency through a high level of technology integration and extend the lifetime with our service excellence.

The “**ENERGYSAVING**” app enables 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. In this way, our customers save energy and at the same time significantly reduce process time.

This shows: DMG MORI products also conserve the environment and resources during operation at the customer's site. One example: the energy efficiency of the DMC 85 H monoBLOCK, which was newly introduced in the reporting year, was increased by around 30% with the **GREENMODE**, compared to a reference machine of similar design. The effectiveness of our energy efficiency measures and our calculation methods has also been confirmed by the renowned TÜV SÜD Industrie Service GmbH: DMG MORI **GREENMODE** was awarded the TÜV SÜD EME certificate in January 2023 as the first machine tool manufacturer in Germany.

Thereby, our customers benefit twice: they save resources and can apply for government subsidies for energy-efficient machines, among other things. We gladly advise them on this.



PRODUCTION EXCELLENCE FOR GREEN TECHNOLOGIES

- + **Automated handling solutions** for crystalline silicon wafers used in the production of **solar panels**
- + **Production equipment for energy storage systems in e-mobility**, e. g. for battery cell production or the assembly of battery modules

GREENTECH – our know-how for green technologies

As an innovation leader, DMG MORI is focusing on the production and further development of green technologies worldwide. Many of our customers manufacture highly innovative components on DMG MORI machines for wind turbines, hydropower plants, hydrogen electrolysis and electric mobility, among others. With modern manufacturing processes, such as additive manufacturing, products can also be manufactured with reduced weight, without any scrap as well as minimal transport routes in a resource-saving manner. In 17 DMG MORI Excellence Centers worldwide, we support customers with our bundled know-how from the idea to the finished product, such as Jonas & Redmann Automationstechnik GmbH from Berlin. This company manufactures innovative green technologies on a total of eight DMG MORI machines – including the DMF 200 I 8 – like:

1. silicon wafers for solar cells,
2. components for batteries and their assembly in electromobility.



Pioneer in sustainability: Chairman of the Executive Board Christian Thönes consistently pushes the future field of sustainability. DMG MORI received the TÜV SÜD EME certificate for outstanding energy efficiency with GREENMODE – as the first machine tool manufacturer in Germany.

Resource management

At DMG MORI, we handle resources sustainably and actively manage the environmental impact of our business activities. We do not source any conflict minerals directly (→ Compliance, page 61 et seqq.). Resource management is conceptually firmly anchored in our sustainability management and is part of our “Corporate Responsibility” manual. 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 implemented where possible.

In our products and their packaging, we implement numerous measures to ensure the greatest possible conservation of resources. A high degree of technology integration, for example, enables complex operations such as grinding or gear cutting to be carried out on one machine instead of several. We also save material through stress-appropriate design, using additively manufactured parts as well as using recycled and recyclable materials.

In the material groups castings and sheet metal parts for machine tools and services, 48 % recycled materials are used by weight (previous year: 49 %). According to our suppliers, these contain around 50 % steel scrap (iron castings, sheet metal) and 10 % hard coal fly ash (mineral castings). Overall, the average share of recycled materials in the products of all suppliers currently covered is 34 %.

With our “First Quality” campaign, we ensure that our products can be used reliably for 30 years or more. In this way, we avoid waste and conserve resources. With our machines and their components, we pay attention to simple fixability and selective replaceability of expendable parts. In 2022, as in the previous year, we were able to service 29 % of replacement components in relation to sales through our exchange parts management. In the event of a service case, we help quickly, effectively and environmentally friendly – 100 % remotely wherever possible – with our digital solutions, such as NETservice, the new knowledge management platform DMG MORI *weKNOW* and our customer portal *my DMG MORI*.

With the completely digital, sustainable subscription business model **PAYZR**, customers can subscribe to our machines on demand instead of buying them. PAYZR stands for **Pay** with **Zero Risk** – for Equipment-as-a-Service and Software-

as-a-Service: Subscription & All-In instead of investment and purchase. Subscription enables our customers to benefit from fast innovation cycles without risk – with maximum planning security, cost and price transparency as well as full flexibility and always at the cutting edge of technology. This ensures highly efficient machine operation and offers maximum availability through optimum maintenance, repair and extended service life. At the end of the subscription period, 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. 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 continue not to be a focus for sustainability management and are only briefly explained here (→ Sustainability Strategy and Management, page 12 et seqq.). Nevertheless, due to the global water shortage, 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. Our environmental management system ensures 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 way and safely by qualified companies, separately based on the type of waste and recycling process. In doing so, we comply with local requirements and classify waste as hazardous or non-hazardous in accordance with the relevant national laws.

In production, DMG MORI only uses very small amounts of drinking water during the test phase of the machines by using processing emulsion (water content: 90 %). If possible, we recycle used emulsion after application or otherwise dispose of it in an environmentally friendly manner by 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 goals:

1. climate protection
2. climate change adaptation
3. sustainable use and protection of water and marine resources
4. transition to a circular economy
5. pollution prevention and control
6. protection and restoration of biodiversity and ecosystems

Since 2022, this means that all companies that – like DMG MORI – are subject to the CSR Directive 2014 / 95 / EU (Section 315 b of the German Commercial Code (HGB)) have additional reporting obligations. Companies must report for each environmental objective which proportion of the sales revenue of their economic activities is to be classified as taxonomy-aligned, as well as the corresponding proportions of investment and operating expenses. An economic activity is taxonomy-aligned if it makes a significant contribution to at least one of the defined 6 environmental objectives, does not significantly impair the achievement of the other EU environmental objectives, and if minimum protection for other topics is ensured.

Since the EU taxonomy is still under development and is only gradually being rolled out in the EU or continuously revised, the share of taxonomy-eligible and non-taxonomy-eligible economic activities in relation to sales revenues (I), capital expenditures (capex, II) and operating expenditures (opex, III) for the environmental goals “climate protection” and “climate change adaptation” must be stated for the reporting year. Taxonomy-eligible economic activities are those described in the “Climate Act”, regardless of whether that economic activity meets all of the specified technical evaluation criteria. Furthermore, the share of taxonomy-aligned (see Art. 1 No. 2 of the Delegated Regulation 2021/2178/EU – hereafter DR) and non-taxonomy-aligned economic activities for the two environmental objectives is added.

As in the previous year, our renewed analysis shows that DMG MORI's activities do not fall under the "Climate Act" 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. Our analysis showed in the first step 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 and sufficiently detailed data from technologically similar third-party products is not available. It is therefore not possible to attribute the activities under 3.6.

I. Sales revenues

The share of taxonomy-eligible or taxonomy-aligned economic activities in total sales revenues is calculated as the portion of net sales derived from products and services related to these 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 or taxonomy-aligned economic activities amounts to 0% in 2022. Thus, there are also no investment or operating expenses relating to assets or processes associated with economic activities within the meaning of the EU taxonomy (pursuant to Annex I No. 1.1.2.2. a), b) and No. 1.1.3.2 a), b) 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 2022 on page 66 et seqq.

In order to classify DMG MORI's further environmental measures, we discuss individual, taxonomy-eligible and taxonomy-aligned capital and operating expenditures below (→ Climate and Environment, page 28 et seq.).

II. Capex

The determination of the share of capital expenditures 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 and revaluations. Additions

from business combinations are also to be included (see Annex I No. 1.1 DR). Furthermore, additions to real estate (IAS 40) in accordance with Annex I No. 1.2.3.2 a) DR, which are held as financial investments, are to be included in the determination of the denominator. Since DMG MORI does not account for investment property in accordance with IAS 40, no values are included in the denominator for this purpose. The numerator corresponds to the capital expenditures included in the denominator in accordance with Annex I No. 1.1.2.2. c) DR, which relate to individual measures, such as the installation of charging stations for electric vehicles and of energy-efficient equipment. In determining the numerator, double counting was avoided by reviewing the internal key figure reporting of the group companies. A cost-benefit analysis was also carried out. 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 2022 on page 123 et seqq. and in the business report in the chapter "Investments" on page 70 et seq. DMG MORI has been paying attention to 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 locations for the production of green, regenerative energy. Around € 67.7 million (57%) of taxonomy-eligible capital expenditures are attributable to the current reporting year. Of these, we identified € 5.0 million (4%) as taxonomy-aligned. Taxonomy-eligible investments were identified for the economic activities "Transportation by motorcycles, passenger cars and light commercial vehicles (6.5)", "Installation, maintenance and repair of energy-efficient equipment (7.3)", and "Acquisition of real estate and exercise of ownership thereof (7.7)" from Annex I of the "Climate Act". Additions to property, plant and equipment include taxonomy-eligible and -aligned activities of € 0.2 million for "Installation, maintenance or repair of charging stations for electric vehicles (7.4)", and activities of € 4.8 million for "Installation, maintenance and repair of renewable energy technologies (7.6)". Additions to intangible assets from business combinations and in connection with capex plans are not included.

III. Opex

The determination of the share of operating expenses or opex is defined in the DR. The denominator includes all direct, non-capitalized costs related to research and development, building renovation, short-term leasing, maintenance and repair related to the maintenance of assets and property, plant and equipment (see Annex I. 1.1.3.1 DR). The numerator corresponds to the part of the operating expenses included in the denominator in accordance with No. 1.1.3.2 (c) DR that relate to individual measures, such as the maintenance or repair of energy-efficient equipment and the maintenance or repair of equipment for controlling the energy performance

of buildings. Double counting in the determination of the meter was avoided by reviewing the internal key performance indicator reporting of the Group companies. We also pay attention to sustainability in our operating expenses and have already implemented numerous measures in recent years. A share of € 1.2 million (2.7%) is attributable to the reporting year. Of this, € 0.1 million (<1%) is taxonomy-aligned. Taxonomy-eligible opex was identified for the economic activity "Installation, maintenance and repair of energy-efficient equipment (7.3)" from Annex I of the "Climate Act". Taxonomy-eligible and -aligned opex is for the category "Installation, maintenance, and repair of equipment for measuring, regulating, and controlling the energy performance of buildings (7.5)".

To allocate capex and opex, we identified the relevant purchases and measures and the primary related economic activities from Annex I of the "Climate Act". There is no assignment to Annex II. In this way, we ensure that no capex or opex is included more than once.

In order to determine taxonomy compliance for the 1st defined environmental objective "Climate Protection", we analyzed the technical assessment criteria of the EU taxonomy for a significant contribution to each capex or opex taxonomy-eligible economic activity. The basis is formed by all group-wide acquisitions and measures as well as the primarily related economic activities that can be assigned to Annex I of the "Climate Act". For each technical evaluation criterion, internal and external evidence was obtained – depending on the requirement. For categories 6.5 and 7.7, external service provision takes place ("purchase of output"), so that evidence from our suppliers is required here. We have classified the other categories as individual measures for climate protection, as these are specifically carried out or commissioned by DMG MORI. The proof of conformity is therefore generally provided by us. Essential here are the proofs for energy efficiency and the commissioning or installation of the climate protection measures. If a criterion for the acquisition cannot be proven, the corresponding capex or opex cannot be shown as taxonomy-aligned in the sense of the EU. Therefore, for categories 6.5 and 7.7, no taxonomy conformity can be shown for the technical evaluation criteria, as external evidence is required, which could not be provided to us.

If the technical criteria for a significant contribution were met, we additionally analyzed for each measure whether the 5 other defined environmental objectives (→ Climate and Environment, page 33) were significantly affected by the taxonomy-eligible economic activities. Only when the "Do No Significant Harm" ("DNSH") criteria specified by the EU taxonomy are cumulatively met for an economic activity, impairment is ruled out.

For capex and opex (7.4, 7.5, 7.6) identified as taxonomy-eligible, the only specified DNSH criterion "Adaptation to Climate Change" is met. For this purpose, a climate risk and vulnerability assessment was conducted in accordance with Appendix A (Sections I and II) of the "Climate Act" with respect to medium-term climate hazards (2041) and long-term climate hazards (2060). The assessment was performed on a site-specific basis for each potential taxonomy-aligned economic activity and taking into account all classified climate hazards (temperature, wind, water, solids) as well as subcategories from Annex A. If a climate hazard is relevant, in particular due to location conditions, a further climate simulation follows using the CMIP6 climate simulation of the IPCC WGI Interactive Atlas (baseline scenario: SSP 5-8.5, forecast corridor: 2041-2060, comparison period: 1850-1900). Taking into account the extent of damage and probability of occurrence, no significant climate risks were identified.

For the capex and opex 7.7 identified as taxonomy-eligible, the DNSH criterion "pollution prevention and control" must also be examined. For this purpose, DMG MORI additionally uses evidence from suppliers. However, the extensive underlying EU regulations on chemical substances could not be validly verified.

To ensure compliance with the minimum protection, we identify and numerator potential risks or violations with suitable processes and systems established throughout the Group. Our measures involve our own company as well as our suppliers and cover the areas of human rights (including employee and consumer rights), corruption/bribery, taxation and fair competition. Our Group-wide policies and training apply to these areas. Our Groupwide risk assessment also serves to identify and minimize potential risks. Further foundations include in particular the requirements of the Supply Chain Due Diligence Act, which came into force on 1 January 2023, and the associated UN Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises. Thus, in addition to the risk assessment, we also conduct a human rights impact assessment for ourselves and our suppliers. There are no indications that DMG MORI violates the minimum standards. Further information on respect for human rights at DMG MORI and along the entire value chain can be found in the chapters "Partner and Supplier Management" (page 44 et seqq.) and "Compliance" (page 61 et seqq.). The detailed taxonomy-eligible and taxonomy-aligned values can be found in tables 08, 09 and 10.



38,000

working hours

Integrated responsibility_ Our machine tools run around the clock, with maximum efficiency and high precision – throughout their entire life cycle. On average: 38,000 hours in operation. We accompany every step from the very beginning and ensure continuously high performance right up to the last cut.

Digital progress & technical competence

> 140,000
MACHINES

REGISTRATION
IN <3 MIN.



FASTER SERVICE,
NO WAITING LOOK,
EVERYTHING
AT A GLANCE

> 30,000
CUSTOMERS

FULL
SERVICE

Full-Service_ 3 years all-round carefree package including crash insurance

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

PRODUCT QUALITY AND SAFETY

Machine tools from DMG MORI are efficient and sustainable. The basis for this is the highest quality. With our "First Quality" strategy, we implement numerous initiatives over the entire life cycle – from the initial idea to production at the customer's site.

Product quality

Quality is a basic prerequisite for customer satisfaction. Being a technology leader, our customers expect the highest levels of accuracy, efficiency, reliability as well as durability. In short: sustainability with excellent products and processes. This is precisely where our "First Quality" strategy takes effect: from development to after-sales service, all activities along the entire value chain are consistently geared to maximum quality and thus maximum customer benefit. Among other things, we rely on:

1. standardized components and interfaces
2. our own DMG MORI Components
3. 36 months warranty on all MASTER spindles
4. 100 hours quality test before delivery release
5. use of the latest measuring methods for maximum accuracy
6. my DMG MORI – digital, direct access to service experts

In all processes, quality is the decisive factor and therefore a matter for the top management. In addition, quality is also a component of the Executive Board's remuneration. Central quality management reports directly to the Executive Board. Every new development must also receive final market approval from the Executive Board after successfully passing demanding quality tests.

As early as the development stage, new products go through a multi-stage "Quality Gate" process in which service experts and suppliers are closely involved. This applies equally to new software solutions. We test individual work steps both separately and interactively – automatically as well as manually. For this purpose, we operate our own software test center.

The following applies to our "Quality Gates": the legal requirements are only the bare minimum for us – in our tests we go far beyond this. We place the same high demands on the final quality test in series production. Every manufactured machine is tested for more than 100 hours before it is delivered to our customers. This is how we guarantee TOP quality and maximum availability from day one. To ensure that this remains the case throughout the entire life cycle of the machine, more than 2,000 highly qualified service experts are available to our customers worldwide at all times.

The basis for our highest quality is the certification of our production plants according to 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 global quality experts work with our specialist departments to continuously develop innovative processes tailored specifically to our industry. After intensive testing, the best solutions are made available to all employees via our central quality management platform "conSense Global" – each tailored to their individual activities. In addition, all quality management manuals are digitally bundled in the platform.

Service

We clarify the ideal conditions for the delivery and setup of our machines in advance and as early as possible. Commissioning is carried out exclusively by qualified service experts and we show our customers in detail how the machine will run efficiently, safely and in a resource-saving manner during subsequent operation. Our free my DMG MORI customer portal provides customers with comprehensive digital information about their machine at any time and allows them to create service requests quickly and easily: my DMG MORI enables

100 hrs. tested

36 MONTH quality guarantee

100% satisfied customers

DMG MORI
1
FIRST QUALITY

Without compromises – highest quality for 100% customer satisfaction

- + 100 hours quality check
- + 36 months warranty for all MASTER sindles

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

- > Machinery Directive 2006/42/EC
- > Low Voltage Directive 2014/35/EU
- > Electromagnetic Compatibility (EMC) Directive 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

direct contact with the personal service expert and provides real-time information on service activities. Numerous service processes have been digitized. With more than 140,000 networked machines, more than 75% of our customers now already use digital access to our service experts and thus benefit from 70% faster response times. In addition, our customers can access all relevant documents on the operation of their DMG MORI machine in the online portal. This is also a plus for more sustainability: 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 6 million pages of paper per year.

For the best possible, fast and targeted solution of service inquiries, our internal specialists use the knowledge management platform "DMG MORI *weKNOW*", which was newly introduced in the reporting year. Here we bundle the entire know-how of our experts in the service and production divisions. Over 1.5 million articles are available digitally and are always up-to-date. In this way, we succeed in solving over 50% of service inquiries already on the phone or remotely via our DMG MORI *NETservice*, without the need for an on-site visit. Of course, *weKNOW* is also available to our technicians for on-site service calls – so that we can always find the best solution for our customers.

We also continuously check and optimize our service processes for sustainability. In regular audits, we identify further potential for optimizing logistics, packaging and commissioning processes. For example, by using less packaging material, we can conserve resources and improve component quality.

Our measures are working! In the reporting year, we recorded -9% fewer service calls per machine in warranty than in the previous year – particularly because we were able to resolve many inquiries completely remotely in just a few minutes. Our high service orientation is also reflected in the customer satisfaction survey in the reporting year: 95% of customers state that they are satisfied with their purchase decision and recommend DMG MORI to others.

Product safety

Quality and safety go hand in hand. Machines from DMG MORI comply with the highest safety regulations: we implement all relevant laws as well as the directives and standards anchored therein. Our R&D experts are supported in this by internal experts who receive regular training and are active in standards committees and trade associations. In addition, we actively participate in national and international standards working groups (ISO, IEC) to describe the current state of the art and to define and further develop them.

Quality and safety are already elementary requirements in the design process. We involve our suppliers in the development process right from the start. Before market launch, all our products – machines, DMG MORI Components as well as 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. We continuously review and optimize our "Design Review Process" in order to always meet the latest requirements.

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 creates comprehensive safety concepts for all products based on a continuously updated risk assessment. This describes all potential hazards over the entire life cycle as well as measures taken to reduce risks. 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 are in close contact with our customers in order to further reduce these residual risks. They, 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.

Digital security

Our focus on digitization is completely right – today more than ever. Accordingly, IT security and the security of our digital products are of utmost relevance to us. Internally, we rely on a security-optimized organization of our IT to protect information and data within the group from theft, loss, unauthorized disclosure, illegal access or misuse. To this end, we rely on comprehensive, up-to-date security measures such as intelligent firewall systems with IDS/IPS, multi-factor authentication, innovative encryption solutions as well as AI-based anomaly detection. We also regularly inform and sensitize our employees about cybersecurity.

"Product Security" is an elementary component of our digitization strategy. The "Security-by-Design" principle applies to our digital products: security is an explicit requirement right from the start of the development process. In addition, we also recommend our customers to implement a multi-stage IT security concept internally in their operations based on different levels of their network and system, with individual protective mechanisms such as firewalls or access controls that complement and secure each other.

PARTNER AND SUPPLIER MANAGEMENT

Strong and stable partnerships are essential for our own performance and thus our success. The challenges posed by the pandemic and the war in Ukraine have clearly shown how important our global supplier network is – and that it works!

Organization

Partner and supplier management is an important part of our matrix organization (→ Annual Report 2022, page 44). Building resilient, agile and sustainable supply chains is a key success factor. In the reporting year, the focus continued to be on implementing the requirements of the new Supply Chain Due Diligence Act, which came into force on 1 January 2023. The material and supply shortages already experienced during the pandemic increased sharply as a result of the war in Ukraine and once again posed difficult challenges for the supply chains in the reporting year. Our vertical integration is 24.5% – accordingly, our success depends to a large extent on the performance of our partners and suppliers. Resilience and adaptability are decisive factors.

Purchasing at DMG MORI is globally organized and present in the important purchasing markets worldwide. For all partners and suppliers applies: compliance with environmental standards and social requirements is a prerequisite for cooperation. This enables us to purchase production material as well as material and services worldwide in the required quality, at the best possible conditions and at the same time sustainably. We procure complex assemblies for our production from globally positioned system suppliers. These suppliers 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 1,943 existing direct suppliers.

Our supply chain resilience is already high: in addition to the global double-sourcing strategy, the current supplier

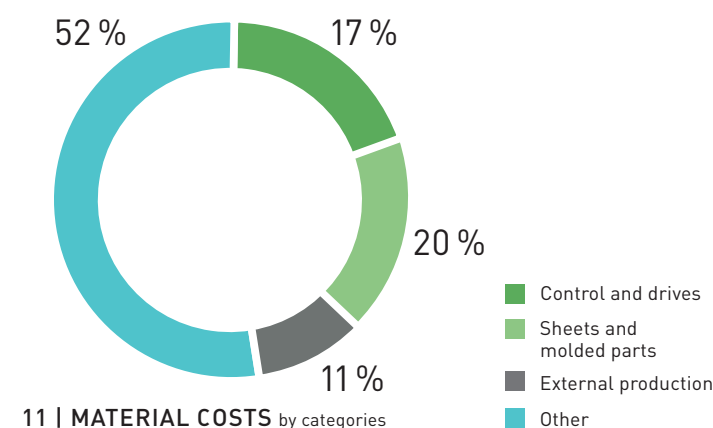
portfolio is characterized by diversification and regionalization in the various markets. We have a high degree of localization: 93% of goods by value come from Europe and 6% from Asia. In addition, we maintain a close, personal exchange with our suppliers on an ongoing basis.

To further strengthen the resilience of our supply chains, our purchasing departments always look for new, high-performance suppliers. Start-ups are also coming into focus: via the digital platform Matchory, the identification of suitable suppliers takes place “with one click” in real time using state-of-the-art machine learning concepts and unique algorithms.

Advantages of the “Big Data” and AI-supported supplier search:

- > Compare 100x more suppliers worldwide per sourcing request,
- > time savings in procurement of up to 85%,
- > transparent global supply chains from the start,
- > high flexibility and fast response time.

Purchasing reports to the Chairman of the Executive Board. The department is divided into material group management for non-production material and – together with DMG MORI COMPANY LIMITED – material group management for production material. In this way, both companies benefit from improved cost structures as well as the use of synergies resulting from numerous group-wide projects. We regularly train our buyers in relevant compliance and sustainability topics.



Sustainability along the supply chain

DMG MORI takes holistic and sustainable responsibility along the entire value chain. Therefore, 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. We are increasingly evaluating and selecting our suppliers on the basis of sustainability criteria. These are uniformly integrated into the purchasing and supplier organization across the group with the digital platforms “Integrity Next” and “SAP Ariba”. Of particular relevance here are the active suppliers for our core business with machine tools and services, with which we have been working for at least two years. Even before the Supply Chain Due Diligence Act came into force on 1 January 2023, DMG MORI was thus able to actively integrate 100% of these suppliers – that is 4,585 – in the monitoring of “Integrity Next”.

In “SAP Ariba”, 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.

Climate change and the associated reduction in CO₂ emissions are currently the central tasks in which our partner and supplier management plays a decisive role. In our carbon footprint, we also record the emissions generated along the upstream supply chain and have been fully offsetting these since January 2021 through CO₂ certificates (→ Climate and Environment, page 24 et seqq.). In this way, we go into advanced payment on behalf of our suppliers. At the same time, we encourage them to become active themselves and also make their CO₂ emissions transparent to DMG MORI. To support them, we provide a questionnaire for reporting as well as for deriving corresponding reduction measures in the digital platform “Integrity Next”.

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

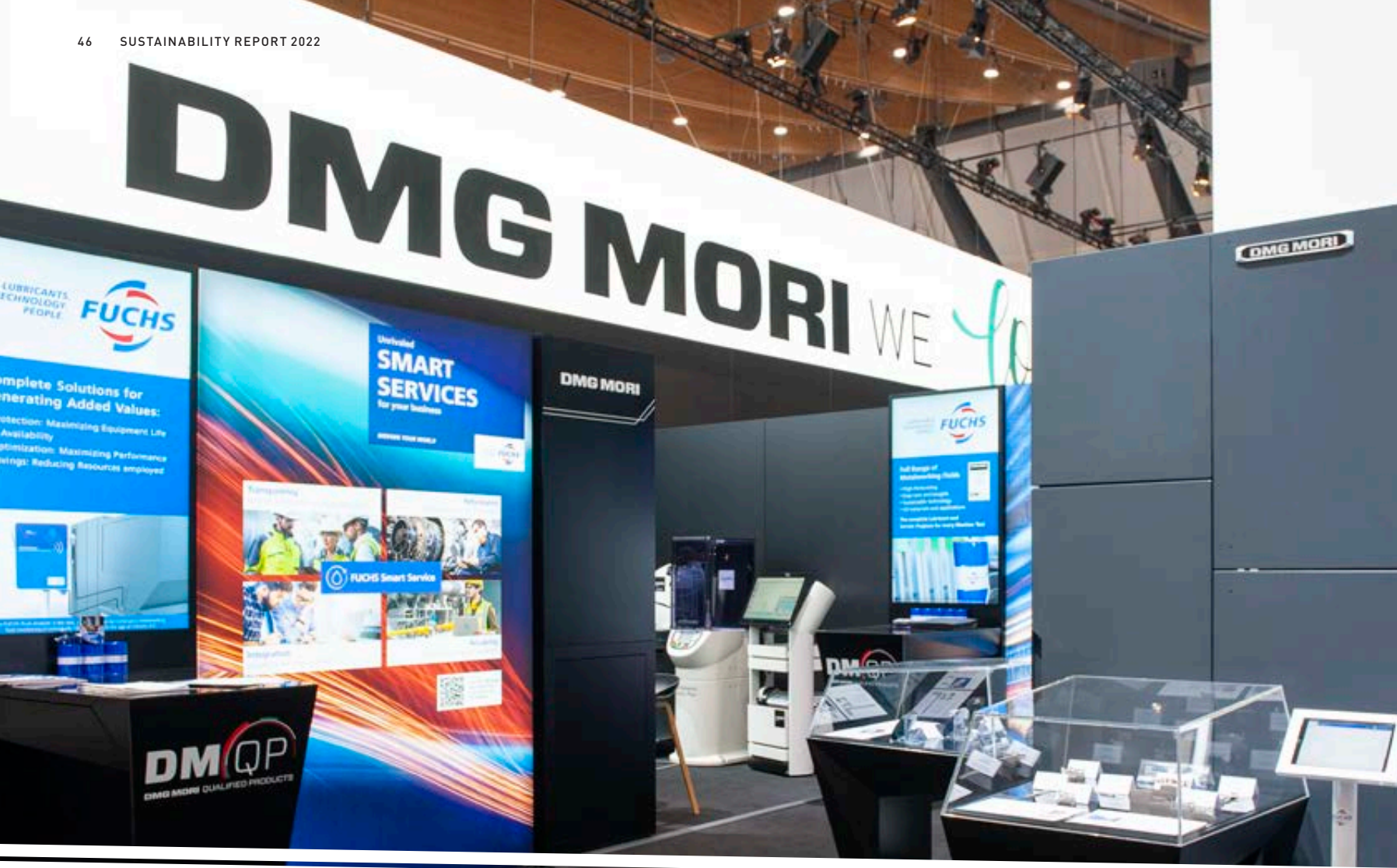
DMG MORI provides its supplier partners with innovative tools for their path to climate neutrality and decarbonization. With an active dialogue, we want to help them at an early stage and sensitize them that we at DMG MORI are also implementing a sustainable and low-emission supply chain in purchasing and that in the future we will only work with partners who dynamically accompany us on the path to decarbonization. Sub-targets for our supply chain are derived from our own targets, which have been reviewed and recognized by the “Science Based Targets” initiative – we need the active support of our suppliers in implementing them:

1. by 2030, we will reduce CO₂ emissions within the supply chain by at least 27.5%.
2. by 2050 at the latest, we will reduce CO₂ emissions in the supply chain to net zero.

These sub-targets are also currently being reviewed by the “Science Based Targets” initiative. In order to provide our partners with the best possible support in this regard and also to record our own emissions even more accurately, we are actively seeking innovative software providers for identifying emission-intensive material groups. Using automated comparison with secondary databases such as ECOINVENT or DEFRA, the appropriate CO₂ emission factors for the materials used can be determined at product level and offset against the weight of the components. In the future, these so generated calculations will be validated and further specified using a platform approach with active supplier integration. The high level of transparency will enable us to provide our suppliers of production materials with concrete optimization proposals as well as CO₂ reduction targets in the future.

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:



Present together: At the AMB in Stuttgart in September 2022, DMG MORI relies on the “booth-in-booth” concept together with important partners and suppliers, such as FUCHS Petrolub.

01 – Registration

Registration on our purchasing platform “SAP Ariba” is a prerequisite for participation in tenders. During this process, (potential) suppliers bindingly confirm that they comply with our requirements. For future suppliers also 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, either to 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 2022, 870 suppliers have already registered there, representing 75% of the total purchasing volume.

03 – Analysis and 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 platform “Integrity Next”. Digital questionnaires are used to obtain information about suppliers in order to make possible risk factors transparent, to check 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, 100% of DMG MORI’s relevant suppliers for production and non-production materials, with whom we have been working for at least two years, were systematically included with regard to human rights and environmental protection.



Perfectly matched: Dr. Eng. Masahiko Mori (right) and Christian Thönes (left) together with Stefan Fuchs, Chairman of the Executive Board of FUCHS Petrolub SE, show how our customers benefit from our strong partnerships – with perfectly matched accessories and peripherals.

After validation of the self-disclosures, immediate communication to the suppliers takes place in case of insufficient implementation or detection of violations in order to initiate improvement or remedial measures. Depending on the information situation, intensive monitoring may be necessary. If there are serious reasons for not cooperating further the system-side deactivation will be initiated. On the basis of the self-disclosures completed to date, we were able to identify 124 high-risk suppliers in the reporting year. To reduce these risks, we plan to implement 213 measures in the current financial year and thus develop these suppliers in a targeted manner. In this way, DMG MORI is helping 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: We use the early warning system “RISKMETHODS” to assess the risks of existing direct suppliers. It provides

timely information on risks relating 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 293 suppliers. These account for over 80% of the total purchasing volume. In the reporting year, the system reported twelve potential incidents for the indicator “violation of labor practices and human rights” and six for the indicator “environment”. The suppliers concerned account for 13% of the purchasing volume for production materials. After close examination, it was found that no further action was required or that the reports were not relevant because measures had already been initiated or they were renewed reports of older circumstances. 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.

A composite image of space. In the upper left, a crescent moon is visible against a dark starry background. The lower half of the image shows the Earth's surface from space, with blue oceans and brownish landmasses. A large, bright sun or star is on the right, creating a lens flare and illuminating the scene. A series of glowing, wavy lines made of small white dots stretch across the middle of the image, from left to right, passing over the Earth's horizon.

113

locations

Worldwide presence_ We are there for over 100,000 customers from 57 sectors around the globe – with our 12,000 dedicated and highly qualified employees in 88 countries with 16 production plants, 113 sales and service locations.

EMPLOYEES

Highly qualified and committed employees are the backbone of our success at DMG MORI. That is why we are committed to their satisfaction and health and offer them stability and security. In short: we live team spirit!

The DMG MORI team is the basis of our success – and that is why we focus on the satisfaction, health and thus the motivation of our employees. DMG MORI is an **attractive employer**: Our human resources strategy stands for training, diversity, equal opportunities, flexible and innovative working environments, personnel development and occupational health and safety and comprehensive health management. We offer attractive remuneration models and numerous benefits. Our corporate and leadership culture at DMG MORI is based on **TOP** values: **T**rust, **O**penness and **P**assion. The strategic focus of our international HR work aims to take these values into account to an even greater extent and to actively live them.

With trust, openness and passion, we work together worldwide to fulfill our vision: **We want to be the most attractive global machine tool manufacturer with digitized and sustainable products!** At the same time, we are strengthening our positioning as an attractive and secure employer. This is only possible with respectful interaction, trust and the willingness to take on responsibility. As an internationally active technology group, we know: diversity is a great opportunity. We learn from each other, are open to new ideas and work together to develop innovative technologies for the future.

Our human resources management is strategically controlled by the Executive Board. At our 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.

External studies and media regularly confirm our approach: DMG MORI was identified as a “Leading Employer 2022” in the reporting year. This puts us among the TOP 1% of a total of 160,000 employers evaluated. The studies examined employee satisfaction, modern working conditions, health management as well as the company’s general understanding of values and expertise in HR.

Recruiting

In personnel recruiting, we rely on a transparent selection process. We assess applicants only on the basis of their professional and personal qualifications for the position – as a matter of principle, age, gender, religion or origin are irrelevant. We enforce all legal requirements. For instance, we aim to avoid discrimination, child labor or circumvention of legal regulations through a high level of information transparency. Hiring approval takes place in a multi-stage, digitally supported approval process with final confirmation by the Executive Board. These processes are regularly reviewed by our internal audit (→ Compliance, page 61 et seq.).

As of 31 December 2022, there were 6,833 employees, including 237 trainees. In the reporting year, DMG MORI hired 1,129 employees. This corresponds to a hiring rate of 16.7%. New employees are given all the tools they need for a successful start in comprehensive onboarding programs – with plant tours and product training, health and sports offers and the voluntary company pension plan. Adjusted for effects resulting from the discontinuation of business activities in Russia and

Shape the future:
Around 3,500 employees participated in the Satisfaction Analysis in the reporting year.

23rd September to 7th October
EMPLOYEE SURVEY
SHAPING OUR FUTURE!

DMG MORI

YOUR OPINION MATTERS
Take an active part in the development of DMG MORI! Every opinion counts!

ANONYMOUS & DISCRETE
The survey is conducted by an external service provider – completely anonymously!

SEIZE OPPORTUNITIES
The more employees participate, the better we can make DMG MORI!

THANK YOU FOR YOUR FEEDBACK! **DMG MORI**

12 EMPLOYEE STRUCTURE	2022	2021	Change over prev. year
Total employees ¹⁾	6,833	6,821	12
of whom employees	6,596	6,596	-
of whom apprentices	237	225	12
of whom national	4,130	4,033	97
of whom international	2,703	2,788	-85
of whom Machine Tools segment	4,035	3,908	127
of whom Industrial Services segment	2,689	2,831	-142
of whom Corporate Services segment	109	82	27
Total agency workers ²⁾	196	172	24
of whom Machine Tools segment	157	118	39
of whom Industrial Services segment	39	54	-15
of whom Corporate Services segment	0	0	-

1) The number of employees is based on the company’s internal headcount personnel statistics.
2) In 2022 a total of 69 agency workers was taken on as permanent employees.

structural adjustments in the Sales & Service area, a total of 715 employees left the company in the reporting year. The resulting fluctuation amounted to 10.6%. The proportion of employees in key positions or junior staff (high potentials) who left our company (dysfunctional fluctuation) was 0.6% in the reporting year. We ensure a seamless transfer of knowledge with structured succession planning.

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 leadership guidelines (“Leading Principles”)

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 16 et seq.).

To achieve our ambitious goals, continuous and transparent communication is essential. At the 2nd **live strategy information** by the Executive Board with an extensive Q&A session in September 2022, numerous employees again took the opportunity to exchange views on the strategic orientation and future fields of DMG MORI. For our trainees, there were separate events to focus on their particular perspectives and needs.

The **employee satisfaction analysis** also contributes to the further development of our feedback culture. Employees were surveyed for the first time in 2018. More than 300 individual measures, particularly in the communication and information category, were derived from the results and successfully implemented. Due to corona, the employee survey did not take place again until the reporting year. Employees at the German sites as well as the production plants in Italy and Poland were surveyed on a total of twelve topics – including working conditions, supervisor behavior, professional development and remuneration. The participation rate of 64% is good, taking into account the high proportion of industrial employees. The results were analyzed in detail and key issues identified. Project teams are now developing appropriate improvement measures for each company individually and implementing them promptly – together with local management. At least once a year, the responsible manager also conducts a detailed employee discussion.

Benefits

DMG MORI lives team spirit. We strengthen teamwork and a 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.

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 – with flexible working hours, opportunities for mobile working and numerous local offers. At our Bielefeld site, for example, we offer a laundry-cleaning service. During the summer vacations, the “Arminia soccer camp” delighted many of our employees’ children. In addition, employees can lease a job bike – e-bike, city bike, racing bike or cargo bike – including an all-round protection package and also use it privately. This offer, first introduced in 2021, was so well received that we expanded it to numerous other locations in Germany in the reporting year.

Our employees also gain flexibility through our focus on automation, digitization and sustainability: wherever individually possible, they can work flexibly and digitally. This “Smart-Flex-Working” has been permanently established in a Group Works Agreement since 2020. In the reporting year, many processes and work steps were digitized. This saves paper and time – and increases transparency. We are also working on some first automation solutions (“bots”) for

highly standardized processes. In this way, we want to reduce the workload of our employees and give them the free room to concentrate more on complex, creative work.

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 basically have the opportunity to participate in the economic success of DMG MORI. In the reporting year, following agreement between the Executive Board and the Group Works Council, no group bonus model was agreed due to the economic impact of the corona pandemic. Instead, all employees benefited from a group-wide inflation bonus of up to €1,000. The total payout volume amounted to around €7 million.

For years, DMG MORI has been a member of “Fair Company”, Germany’s largest and best-known employer initiative for junior employees. We promote the skilled workers of tomorrow and regularly enable students and interns to get to know the operative day-to-day business. In doing so, we take strict care to ensure that the focus for interns is on learning new things and gaining experience. In addition, they receive appropriate compensation.



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 64 % of our employees.

Diversity and equal opportunities

We are proud of our diversity. 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 set out 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 12 et seq.).

As a globally operating group, our diversity enables us to always meet customers and business partners in a way that is appropriate for the target group and to respond individually to local particularities. Our diversity also gives us the opportunity to learn from each other. We therefore actively promote intensive cultural exchange and are committed, for example, to inspiring young women to take up mechanical and plant engineering.

Young schoolgirls are regularly given a practical insight into the fascinating world of machine tools on “Girls’ Day” and we support other promotional initiatives such as “MINTrelation”.

It is important to attract young talent with fresh ideas to our company. At the same time, our long-serving and older employees have valuable expertise that we want to keep in the company for as long as possible. We therefore offer them attractive partial retirement models. In the reporting year, 90 contracts existed under the partial retirement scheme. 109 employees with a severe disability worked at the German companies. This corresponds to a quota of 3%. DMG MORI pays around €139,000 as a direct severely disabled compensation levy. Around €177,000 is also paid via chargeable benefits, for example to workshops for handicapped people.

The Supervisory Board is composed of five female (42%) and seven male (58%) members. The average age in the reporting year was 56. The Executive Board is composed exclusively of male members with an average age of 48. 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 47 et seq. of the Annual Report 2022. The age structure at DMG MORI (figure 14) is balanced. The qualification structure of our employees has been at a very high level for years: 97% of all employees have a qualified education or are in one.

Ice cream between high-tech machines: Together and convivial with families and friends, a successful Open House at the Bielefeld site comes to an end.



Sporty, social, victorious: The annual “DECKEL MAHO Ski Cup” is a fixed highlight in winter. In 2022, the German Alpine Championships for the Deaf were also held in Pfronten – 1st place was secured by our employee Marco Rehle, electronics technician for automation technology.





Committed and highly motivated: DMG MORI hosted the “WorldSkills Competition 2022 Special Edition” vocational championship in CNC turning and CNC milling in October 2022. As a long-standing supporter, DMG MORI provided the showroom in Leonberg as well as six CLX 350 and five DMU 50 3rd Generation.

Personnel development

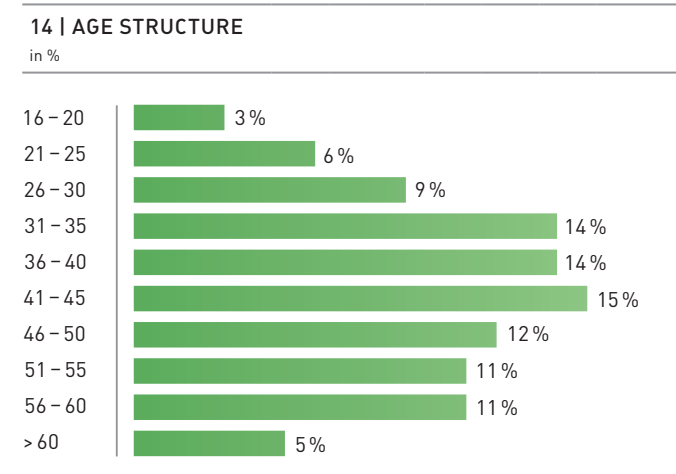
At DMG MORI, permanent learning is part of the corporate culture. This starts with our demanding training. Our talent management also includes taking on trainees and dual students. We specifically promote young specialists in group-wide trainee programs – in particular potential managers and talented junior staff through the “High Potential Program”. In the reporting year, the participants were able to benefit from modern training courses, carry out their own projects and present their results 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”. In short, diverse videos by top-class experts, the learning platform teaches basic knowledge about digitization, new work and other digital soft skills. Short quizzes, a motivating points and ranking system as well as certificates consolidate learning success in the long term.

In addition, DMG MORI-specific content is available – from Executive Board information on strategy and our future fields, such as automation, sustainability or additive

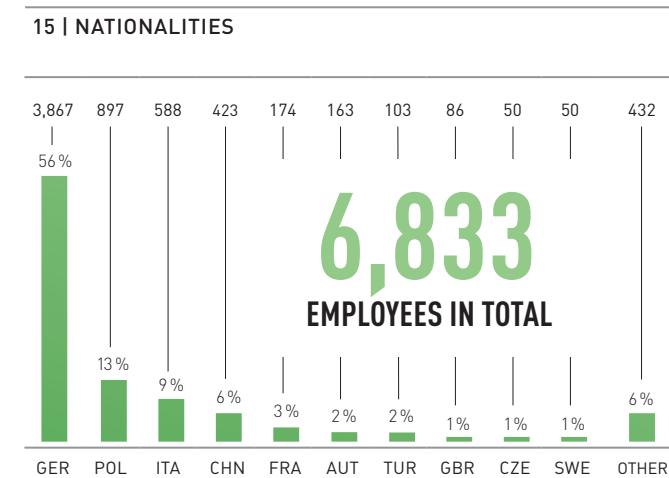
13 EMPLOYEE CATEGORIES	2022	2021	
Total employees	6,833 (100%)	6,821	12
of whom female	817 (12%)	785	32
of whom male	6,016 (88%)	6,036	-20
Total managing directors	59 (100%)	70	-11
of whom female	1 (2%)	2	-1
of whom male	58 (98%)	68	-10
Total employees with supervisory function	332 (100%)	293	39
of whom female	45 (14%)	42	3
of whom male	287 (86%)	251	36
Staff including apprentices	6,442 (100%)	6,458	-16
of whom female	771 (12%)	741	30
of whom male	5,671 (88%)	5,717	-46



Futuristic learning: The DMG MORI Academy uses augmented reality to train employees and customers completely remotely if necessary. The trainer can intervene live directly in the field of view of the participant’s AR glasses, mark objects or even show videos.

manufacturing, up to individual product videos or information on important projects. In this way, we share valuable know-how easily and digitally across the group. In the reporting year, more than 4,700 employees successfully learned with the platform and worked learning paths individually tailored to their jobs. They have already used over 250,000 videos for further training. Masterplan is also used in our training. In the reporting year, our trainees created their own videos for Masterplan for the first time. In this way, they pass on their knowledge to future junior employees and promote the exchange of knowledge between our training sites.

We also use digital learning tools in our production, such as TULIP. With the innovative no-code-manufacturing platform, users can create their own apps in a very short time – intuitively and without programming knowledge. Over 1,600 TULIP workstations and more than 200 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 the reporting year, for example, new apps were developed in assembly that can be used to record and digitize quality data along the “quality gates” at an early stage. They also enable measures to be derived quickly to increase quality.



16 PERSONNEL DEVELOPMENT	2022	2021	Changes against prev. year
Number of employees on further training courses	3,894	3,865	29
of whom female	359	390	-31
of whom male	3,535	3,475	60
Cost of apprenticeships and further training	€ 11.7 million	€ 12.1 million	€ -0.4 million
Days for further training	18,325	30,402	-12,077



Future Day: Traditionally, the first day of our Open House exhibitions belongs to the next generation. In the reporting year, too, numerous students took the opportunity to look behind the scenes of our high-tech operations, as here at DECKEL MAHO in Pfronten



Continuous improvement: In so-called "dojos", trainees learn to take a close look at every single process in machine production and to optimize it. In this way, we become even better day by day.



XXL production: Safety and health protection are top priorities at DMG MORI. We also implement numerous measures for this in our production halls.

In our TAKT Academy, our employees learn to optimize processes and projects and to sustainably integrate these into the existing procedures. In doing so, 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 status 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. At the end of 2022, more than 550 employees from ten different locations, including more than 125 managers, had been trained in the "Digital Lean Six Sigma" methodology.

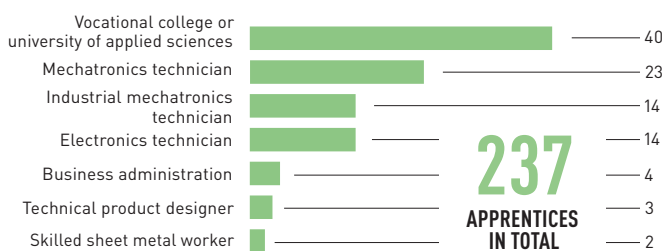
Training

With our excellent vocational training we inspire young people at an early stage. From the very beginning, we rely on an attractive, international concept with a digital focus – because a good training program is the foundation for sustainable success. In the reporting year, DMG MORI was once again recognized by the renowned business magazine "Capital" and portal "Ausbildung.de" as one of "Germany's best trainers 2022" and achieved 5 out of 5 stars in the areas of training as well as dual studies.

We provide training in a total of 12 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 offered the new "Digital Industry and Logistics" course of study for the first time in the reporting year. Digitization is also a top priority in everyday training: we provide tablets to all trainees 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

17 | BREAKDOWN OF VOCATIONAL SPECIALIZATION AND STUDIES in %



can also transparently monitor progress at any time. Other external learning opportunities can also be integrated. A plus point: the system works 100 % remotely if necessary.

To further strengthen our position as an attractive employer and raise training to an even higher level, we will combine training and further education with multifunctional utilization concepts at the Seebach and Pfronten sites to create a state-of-the-art learning environment. To this end, we are investing in new training centers. At DECKEL MAHO in Seebach, we have already started construction in the reporting year: On an area of around 1,000m², we will in future offer a project room design as well as 50 modern training places. By integrating innovative technologies of the future, such as additive manufacturing, AI, the application of virtual reality or also the use of TULIP, DMG MORI makes lifelong learning interesting and varied and thus fulfills its own claim to be a permanently learning organization. We actively involve our trainees in the redesign of the training areas and rely on their very individual experiences, wishes and suggestions. The grand opening will be in the current financial year.

In the reporting year, we took on 130 new apprentices and trainees. 65 young specialists were taken on in permanent positions after successfully completing their training. The distribution of training specialties at DMG MORI is shown in figure 17.

Occupational safety and health

Occupational safety and health 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 (5,246 of 7,029 persons, corresponding to 75%; → Employees, page 51). This covers our international production plants and the German companies with 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. For organizational reasons, no other external or short-term employees are represented. 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.

Basis for the strong teamwork – our TOP values in the “Global One Company”



TOP VALUES

TRUST

OPENNESS

PASSION

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.

At the production sites, a company doctor supports employees – including field staff – and temporary workers in health matters. Our company doctors provide advice on topics including

occupational safety, hygiene and prevention, carry out compulsory, tendered and requested preventive medical check-ups, offer vaccinations and arrange seminars on addiction prevention.

Our trained occupational safety specialists support managers 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 risks that have not been eliminated (→ Sustainability Strategy and Management, page 20 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 on these requirements 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 44 et seq.).

The Corporate Mobility & Security department performs overarching security tasks, including ensuring the travel safety of our employees. When traveling to countries with increased security risks, the group maintains regular contact with the travelers.

Our 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 through health days to soccer tournaments and ski races. Since 2020, we have also been strengthening OHM in the Sales & Services area 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 job bike – e-bike, city bike, racing bike or cargo bike – including an all-round protection package and also use it privately.

New in 2022: with “EGYM Wellpass” we have expanded our popular company fitness offering. In addition to the already established sportnavi offer for the Bielefeld site, all other sites in Germany now also benefit from the extensive sports and wellness flat rate: gyms, swimming pools incl. sauna, yoga classes, dancing, climbing, massages and much more – with this membership, no wishes remain open. More than 700 employees are already actively participating. DMG MORI covers more than 50 % of the monthly costs – for trainees even 100 %!

We inform our employees extensively about all offers and news in the area of occupational safety and health management on site, personally or through notices, as well as in “DMG MORI ONE”. Here, our OHM has its own area where we regularly post articles on health topics. We voluntarily provided our employees with all relevant protective equipment, medical masks and covid self-tests throughout the year. Our company physicians also provide information and support to all employees on the topic of vaccinations.

We regularly compile health reports and conduct personal sick return talks. With our measures and offers, we aim to promote the satisfaction, motivation and health of our employees and thus keep the sickness rate at a low level. This was 4.5% in the reporting year and thus, as in the

previous year, below the latest industry average of 5.4%. There were 195 commuting and work-related accidents in the reporting year. In relation to the total number of employees, this corresponds to a rate of 2.9 % (previous year: 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 and Seebach sites, we have therefore been successfully working with the “Fresh & Healthy” concept since 2018. The motto is: good food for many. Regionality, seasonality and sustainability are top priorities:

- > convenience level below 10%,
- > no flavor enhancers in any form,
- > fresh and regional products,
- > daily changing dishes – less meat consumption.

All dishes are also available in recyclable “to-go” containers – ideal for part-time workers, for example, or as a ready-to-go dinner. Those who prefer to recreate the delicious daily dishes themselves will find the recipes in the book “Nouvelle Cantine feat. DMG MORI” by chef Bernhard Kampmann. In the reporting year, the master chef received the silver medal for his work from the Gastronomic Academy of Germany at the Frankfurt Book Fair.

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.

In June 2022, we also launched a survey on our company restaurants among the daily visitors to further increase quality and satisfaction. Almost 700 employees gave feedback – and the vast majority was positive! The categories employee kindness, equipment and gastronomic performance scored particularly well. In short: service, taste, atmosphere – fits! At the same time, there were many valuable suggestions and proposals that will now be successively implemented in order to respond even more strongly to the needs of our employees.



COMPLIANCE

As a technology leader, we pay attention to compliance worldwide and take responsibility for our actions. With our established compliance organization, we ensure that all employees comply with our regulations and actively live our TOP values.

Our corporate culture and our business activities are shaped by our **TOP** values: **T**rust, **O**penness and **P**assion. We want to firmly integrate these values in all areas and secure them in the long term. To this end, we rely on a comprehensive compliance management system – based on responsibility, integrity, sustainability and the DMG MORI Code of Conduct – with which we define rules and processes in order to react to company-specific risks in the best possible and timely manner, to avoid compliance violations or to uncover and sanction them 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 in the financial year 2019 – since then, we have been carrying out selected individual effectiveness reviews on an ongoing basis. In the reporting year, the focus was on the sub-area of anti-corruption. In addition, a monitoring audit was carried out for the ISO 37001 certification (anti-corruption) of DMG MORI AKTIENGESELLSCHAFT.



18 | COMPLIANCE ORGANIZATION

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 the basic training: 97 % achieved!
3. 80 % of Managing Directors and Chief Operating Officers are trained by central compliance management by 31 December 2021: 96 % achieved!
4. 80 % of the Managing Directors state in the annual group-wide self-assessment that they feel sufficiently informed by central compliance management: 100 % achieved!

Risk management

We record compliance and sustainability risks systematically and in a standardized way using our uniform group-wide risk assessment system. Compliance risks can potentially arise in all areas and companies if laws and regulations as well as internal policies are disregarded. At least once a year we carry out a scenario-based risk analysis for all areas – in the reporting year there were even two analyses – to enable us 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 and sustainability risks were manageable in the reporting year.

Guideline management

The Executive Board is expressly committed to compliance in all areas. To ensure compliance with our rules, we use a policy management system. To sustainably anchor the compliance guidelines in the corporate culture, we regularly and extensively sensitize our employees through various channels, for example:

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

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 20 et seq.).

Digital workflow system

Digitization is one of the three most important future fields at DMG MORI. Because with digital processes, we 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 anti-corruption processes, for

example, for approving and documenting gifts or invitations and for checking the integrity of potential dealers and agents. 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: > 95 %¹⁾
 - + 4,292 hours in the reporting year²⁾
- › **Data protection & EU-GDPR**
 - + for all employees affected by EU-GDPR
 - + completion rate: > 80 %³⁾
- › **Information security**
 - + completion rate: 75 %³⁾
- › **Classification and handling of information**
 - + completion rate: > 70 %³⁾

In addition to the online seminars, 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. In doing so, we comply with the requirements of the EU Data Protection Regulation and follow the ISO / IEC 27001 standard for information security.

Due to the accelerated digitization, IT security is of highest priority. We are aware of the enormous challenges and risks. To protect information and data within the group, we rely on comprehensive, up-to-date security measures such as multifactor authentication and audits as well as regular training for our employees (→ Product Quality and Safety, page 40 et seq.).

Human rights

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 (→ Sustainability Strategy and Management, page 12 et seq.).

At DMG MORI, we implemented the new requirements on human and environmental rights of the Supply Chain Due Diligence Act, which came into force on 1 January 2023, at an early stage and comprehensively and integrated them into our business processes worldwide. The five key aspects are:

1. Acknowledge responsibility
2. Identify and evaluate risks
3. Initiate measures in our own business unit and in the supply chain
4. Inform and report
5. Enable complaints

As part of this, a newly created group policy on respect for human rights and working conditions has been in force since February 2023 to ensure compliance with the new requirements. In general, we follow internationally valid and recognized standards and guidelines. These include:

- › Principles of the United Nations Universal Declaration of Human Rights
- › OECD Guidelines for Multinational Enterprises
- › Core labor standards of the International Labour Organization (ILO)
- › United Nations Guiding Principles on Business and Human Rights

In addition, we published a policy statement on our human rights strategy on our website for the first time in the first quarter of 2023. Here we summarize our expectations, areas for action and measures to respect human rights.

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, such as 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 50 et seq.). In the reporting year, DMG MORI also carried out a “Human Rights Impact Assessment” – based on the UN Guiding Principles on Business and Human Rights – for our internal processes and those of our suppliers for the first time. In the process, we identified and assessed country- and sector-specific human rights risks in order to derive targeted measures for further risk prevention. In the future, we will carry out the assessment annually and also monitor the effectiveness of the measures adopted in the previous year.

We naturally expect our suppliers to take the applicable human rights and environmental due diligence obligations seriously and comply with them – and that they pass on these requirements along their supply chain as well. At the same time, our customers and employees also expect corresponding standards from us and our suppliers.

We do not source any (conflict) minerals, such as gold, tantalum, tungsten or tin as raw materials. Conflict minerals can be problematic in procurement, as some of them come 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 44 et seq.).





Proud partner:

The Arminia junior girls present their new shirts together with Dr. Maurice Eschweiler (front), Chief Representative of DMG MORI AKTIENGESELLSCHAFT and Vice President of Arminia Bielefeld.

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 // T.V – 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)

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 financial year 2022, we spent around € 645,000 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 soccer club DSC Arminia Bielefeld – especially in the area of youth development – and as a member of the Alliance East Westphalia. We are particularly pleased that in the reporting year we also supported Arminia Bielefeld's successful U17 women's team for the first time, thus promoting diversity in sports. We also support Bielefeld Marketing GmbH and the Bielefeld Art Association via sponsorship agreements.

Donations this year benefited "Aktion Deutschland hilft" in particular – as emergency aid for Ukraine – as well as local clubs, institutions, universities and the young talent foundation for mechanical engineering. There was also a special focus on the very young among us: "Haus Daheim" in Bielefeld received a donation for orphans from Ukraine, donations in cash and materials also went to the orphanage "Littlest Lamb" in Cairo, Egypt and to the association "HoffnungStern Uganda-Freunde e.V.", which helps children and young people in Uganda and gives them access to education. Support was also provided to numerous kindergartens, schools, holiday games and recreational activities around our sites.

DMG MORI welcomed more than 1,000 guests – employees, customers and business partners – at the German-Japanese classical concert in Bielefeld's Rudolf Oetker Hall at the end of November. Specially arrived from Tokyo, the "Japanese National Orchestra" by and with star pianist Kyohei Sorita, as well as the fabulous "Bielefeld Philharmonic Orchestra" together proved that classical music is timelessly beautiful. The program included works by Mozart, Strauss and Chopin in ever-changing instrumentations, but always together and in full harmony. Diversity that inspires.

SOCIAL AND LOCAL COMMITMENT

DMG MORI is socially committed. We are part of society and strongly support it – with numerous campaigns, donations and sponsorships. We show solidarity and live our TOP values far beyond the company gates.

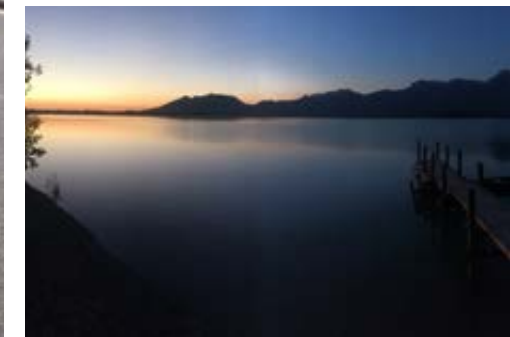
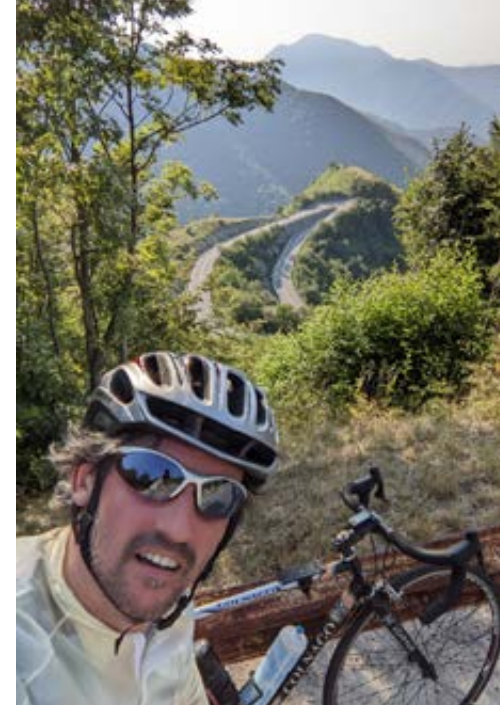
Our holistic sustainability strategy naturally also includes our responsibility towards society. We are involved in a wide range of activities and are committed to helping people, society and our environment. This includes donations and sponsorships as well as close exchange with universities, clubs and associations. Our commitment focuses on community projects, education, science, art, culture, sports and in particular young talent. These areas are also defined in our group-wide donations and sponsorship policy as well as the applicable processes and value limits. Our local managing directors know best where our donations are most needed and where they will actually benefit. That's why they decide directly on site which projects we support.

We support our employees who do voluntary work – for example in the company fire department. We give them time off for operations, exercises and training. Flexible work organization and working hours make honorary work easier. Numerous appeals for donations and collection campaigns for the people in Ukraine were also organized and actively supported at the workplace. In doing so, the committed employees were able to draw on our existing logistics and use our premises.

Through donations, cooperation and a lively exchange of knowledge, we support schools and universities. We are also involved in local associations and projects at many locations. In this way, we actively form networks and can stand up for the respective region.

With joint activities around our sites, we are a strong part of society. In the reporting year, for example, our apprentices made an important contribution to mitigating the already visible consequences of climate change and planted around 100 trees in the Teutoburg Forest in Bielefeld. In the Allgäu region at our Pfronten site, we once again joined the "Waste-Free Allgäu" challenge and collected just under 600 kg of waste. Fresh air, exercise and helping the environment at the same time – this motivates us to take part in the challenge again next year.

The Executive Board always reviews planned sponsorships at the beginning of a financial year. Donations and sponsorships made during the year are approved by the respective management or Executive Board via our digital workflow system. The departments "Corporate Responsibility" and "Corporate Communications // Investor Relations" check donations and sponsorship activities on a random basis with regard to the funding purpose and amount as well as compliance with the approval processes. Local controlling monitors the annual



Sports challenges

We promote health – that’s why there is always something going on at our sites. Organized by, with and for employees, there are numerous runs, for example the renowned Bielefeld Hermannslauf, joint hiking and climbing. But unusual sports, such as dragon boat races or the ski championship for the deaf, are also on the agenda. In the “Stadtradeln” campaign,

employees from more than 10 different DMG MORI locations traditionally pedal together again. In this challenge, the car stays in the garage as much as possible for 21 days – because every kilometer cycled counts. This is climate protection that keeps you fit and healthy at the same time!



JAPAN NATIONAL ORCHESTRA



A look towards Japan

The DMG MORI COMPANY LIMITED is also active in the area of donations and sponsorships. The highlights 2022 are:



Expressive pictures

DMG MORI also supports numerous young talents in the field of painting and photography, such as the artist Kenryou Gu. The picture shows an abstract version of our production hall in Iga.

Enjoying music and art

Young talented artists are strongly encouraged at DMG MORI and given opportunities to excel. The Japan National Orchestra (JNO) by and with star pianist Kyohei Sorita was co-founded by DMG MORI. In November 2022, the young orchestra made its international debut at the 2nd DMG MORI Classical Concert in Bielefeld's Rudolf Oetker Hall in front of over 1,000 invited guests as well as with exclusive concerts in Berlin and Munich.

Green energy and pink blossoms

DMG MORI is committed around all locations. In Iga and Nara, large-scale photovoltaic systems are being built on the roofs of the production plants to ensure a self-sufficient, sustainable and above all climate-neutral energy supply. In addition, DMG MORI COMPANY LIMITED is planting numerous cherry trees around the production sites.

Exquisite grapes

At the MAHOROBA Farm, DMG MORI has been growing grapes near the Iga production site since 2019. On the one hand, this provides more greenery in our surroundings and on the other hand, we were able to create jobs for people with disabilities.



FRONT PLATE
NTX 2500 2nd Gen.



AFT CAGE
CTX beta 1250 TC



AFT PLATE
DMU 85 monoBLOCK



RUDDER ARM
DMU 85 monoBLOCK



RUDDER ARM LOCK
DMU 85 monoBLOCK



DMG MORI Sailing Team

With the IMOCA 60-yacht “DMG MORI Global One”, our skipper Kojiro Shiraishi is conquering the world’s oceans. In 2021, the 55-year-old was the first Asian to complete the Vendée Globe – the most demanding yacht race in the world. The experienced sailor is now passing on his knowledge to the next generation: in the DMG MORI Sailing Academy, we have been promoting and challenging young sailing talent since February 2022. The goal: successful participation in the Mini-Transat in September 2023, in which the up-and-coming skippers must master 4,050 nautical miles across the Atlantic Ocean – from France to Guadeloupe.



GRI CONTENT INDEX

DMG MORI has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards. 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 2022	Pages in the Annual Report 2022	Element of non-financial reporting in accordance with HGB	External Assurance by PWC ¹⁾
GRI 1 Foundation 2021	FOUNDATION				
	GENERAL DISCLOSURES				
	ORGANIZATION AND REPORTING PRACTICES				
	2-1 Organizational details	10 et seq.	42, 44 et seq., 177		
	2-2 Entities included in the organization's sustainability reporting ²⁾	77	159-161		
	2-3 Reporting period, frequency and contact point ³⁾	77, 80			
	2-4 Restatements of information ⁴⁾	77			
	2-5 External assurance	78 et seq.			
	ACTIVITIES AND WORKERS				
	2-6 Activities, value chain and other business relationships	10 et seq., 14, 44 et seq.,	38-42, 44 et seq., 60 et seq., 72-76, 159-161, 177		
	GOVERNANCE				
	2-9 Governance structure and composition		8-11, 46-51, 162		
	2-10 Nomination and selection of the highest governance body		46-49		
	2-11 Chair of the highest governance body		162		
	2-13 Delegation of responsibility for managing impacts	18, 61			
	2-14 Role of the highest governance body in sustainability reporting		8-11		
	2-15 Conflicts of interest		10, 48 et seq., 162		
	2-17 Collective knowledge of the highest governance body		8 et seq., 49		
	STRATEGY, POLICIES AND PRACTICES				
	2-22 Statement on sustainable development strategy	4-7	12-14		
	2-23 Policy commitments ⁵⁾	63, 77			
	2-26 Mechanisms for seeking advice and raising concerns	19 et seq., 62			
	2-28 Membership associations	67			
	STAKEHOLDER ENGAGEMENT				
	2-29 Approach to stakeholder engagement	18 et seq.		sec. 289c para. 3	✓
	2-30 Collective bargaining agreements	53			

GRI 2
General Disclosures 2021

GRI standard	GRI disclosures	Pages in the Sustainability Report 2022	Pages in the Annual Report 2022	Element of non-financial reporting in accordance with HGB	External Assurance by PWC ¹⁾
MATERIAL TOPICS					
CATEGORY: ECONOMIC					
Anti-Corruption					
Concept according to HGB	Concept description	14, 18, 20 et seq., 44-47, 61-63		sec. 289c para. 2 no. 5	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	62		sec. 289c para. 3	✓ "Risk Management"
CATEGORY: ENVIRONMENTAL					
Materials					
Concept according to HGB	Concept description	14, 18, 20 et seq., 24 et seq., 30-33, 44-47		sec. 289c para. 3	
GRI 301: Materials 2016	301-2 Recycled input materials used	32		sec. 289c para. 3	
Energy					
Concept according to HGB	Concept description	14, 18, 20 et seq., 24-29, 44-47		sec. 289c para. 3	✓ without TCFD Report and QR code
GRI 302: Energy 2016	302-1 Energy consumption within the organization	26		sec. 289c para. 3	✓ Table 06
Emissions					
Concept according to HGB	Concept description	14, 18, 20 et seq., 24-29, 44-47		sec. 289c para. 3	✓ without TCFD Report and QR code
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	28		sec. 289c para. 3	
	305-2 Energy indirect (Scope 2) GHG emissions	28		sec. 289c para. 3	✓ Table 07
	305-3 Other indirect (Scope 3) GHG emissions	28		sec. 289c para. 3	
	305-6 Emissions of ozone-depleting substances (ODS) ⁶⁾	77		sec. 289c para. 3	
Supplier environmental assessment					
Concept according to HGB	Concept description	14, 18, 20 et seq., 44-47		sec. 289c para. 3	✓
Supplier environmental assessment	Suppliers that were screened using environmental criteria ⁷⁾	45, 46		sec. 289c para. 3	✓ Sections "03 Analysis and assessment" and "04 Risk management"
CATEGORY: SOCIAL					
Employment					
Concept according to HGB	Concept description	14, 18, 20 et seq., 50-52		sec. 289c para. 3	
GRI 401: Employment 2016	401-1 1 New employee hires and employee turnover ⁸⁾	50 et seq.		sec. 289c para. 3	

GRI standard	GRI disclosures	Pages in the Sustainability Report 2022	Pages in the Annual Report 2022	Element of non-financial reporting in accordance with HGB	External Assurance by PWC ¹⁾
Occupational health and safety				sec. 289c para. 2 no. 2	
Concept according to HGB	Concept description	14, 18, 20 et seq., 50-52, 57-60		sec. 289c para. 3	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	57-59			
	403-2 Hazard identification, risk assessment, and incident investigation	20 et seq., 57-59, 62 et seq.			
	403-3 Occupational health services	58			
	403-4 Worker participation, consultation, and communication on occupational health and safety	57, 60			
	403-5 Worker training on occupational health and safety	58			
	403-6 Promotion of worker health	59-60			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-47, 59			
	403-8 Workers covered by an occupational health and safety management system	57		sec. 289c para. 3	
Training and education				sec. 289c para. 2 no. 2	
Concept according to HGB	Concept description	14, 18, 20 et seq., 50 et seq., 54-57		sec. 289c para. 3	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee ⁸⁾	55		sec. 289c para. 3	
Diversity and equal opportunity				sec. 289c para. 2 no. 2	
Concept according to HGB	Concept description	14, 18, 20 et seq., 50 et seq., 53		sec. 289c para. 3	✓ without "Recruiting" p. 50 et seq.; on p. 53 only "Diversity and equal opportunities"
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees ⁸⁾	53 et seq.		sec. 289c para. 3	✓ Table 13
Human rights assessment				sec. 289c para. 2 no. 4	
Concept according to HGB	Concept description	14, 18, 20 et seq., 44-47, 50, 63		sec. 289c para. 3	✓ without "Recruiting" p. 50
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	62		sec. 289c para. 3	
Supplier social assessment				sec. 289c para. 2 no. 4	
Concept according to HGB	Concept description	14, 18, 20 et seq., 44-47		sec. 289c para. 3	✓
Supplier social assessment	Suppliers that were screened using social criteria ⁷⁾	45, 46		sec. 289c para. 3	✓ Sections "03 Analysis and assessment" and "04 Risk management"
Customer health and safety					
Concept according to HGB	Concept description	14, 18, 20 et seq., 40-43		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	43		sec. 289c para. 3	

GRI standard	GRI disclosures	Pages in the Sustainability Report 2022	Pages in the Annual Report 2022	Element of non-financial reporting in accordance with HGB	External Assurance by PWC ¹⁾
In addition to the GRI: presentation of social engagement				sec. 289c para. 2 no. 3	
Concept according to HGB	Concept description	14, 18, 20 et seq., 66 et seq.		sec. 289c para. 3	✓ without "Memberships"
	Amount of donations and sponsorships	67		sec. 289c para. 3	✓ without "Memberships"
In addition to the GRI: presentation of additional minimum elements of the non-financial report					
	Presentation of the business model	10 et seq.	38-45, 58-65	sec. 289c para. 1	✓
	Identification of material aspects	13 et seq.		sec. 289c para. 3	✓
	Results of the risk assessment	21		sec. 289c para. 3 nos. 3-4	✓
	Information on the framework used	13		sec. 289d	✓
	EU taxonomy according to Article 8 of Regulation 2020/852/EU	33-37			✓

1) See Assurance Report from the independent auditor on page 78.

2) All fully consolidated companies are included in the Sustainability Report (→ Annual Report 2022, page 159 et seq.). Individual deviations are described at the appropriate points in the report. The consolidation process follows that of financial reporting. The central departments ensure the consolidation of the information.

3) The Sustainability Report is published annually (publication: 15 March 2023) and covers the financial year from 1 January to 31 December 2022.

4) New formulations are described accordingly, if necessary (GRI 2-4).

5) See Policy Statement and Code of Conduct under → en.dmgmori-ag.com/corporate-responsibility/strategy (GRI 2-23).

6) No use or emission of ozone-depleting substances could be identified at DMG MORI.

7) Suppliers are reviewed according to risk (→ Partner and Supplier Management, page 45 et seq.). A targeted breakdown by new suppliers is therefore no longer carried out.

8) No further breakdown of categories and data, as these are not of material importance for our sustainability management.

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 war in Ukraine or 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 chain, 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 AKTIENGESELLSCHAFT assume any separate obligation to update any forward-looking statements 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.

ASSURANCE REPORT

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting¹

To DMG MORI AKTIENGESELLSCHAFT, Bielefeld

We have performed a limited assurance engagement on the selected disclosures marked with a „✓“ in the separate non-financial group report of DMG MORI AKTIENGESELLSCHAFT, Bielefeld, (hereinafter the "Company") for the period from 1 January to 31 December 2022 (hereinafter the "Separate Non-financial Group Report"). Our engagement refers exclusively to the disclosures marked with a „✓“.

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315 c in conjunction with 289 c to 289 e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section EU-Taxonomie of the Separate Non-financial Group Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the

executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section EU-Taxonomie of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the selected disclosures in the Separate Non-financial Group Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the selected disclosures in the Company's Separate Non-financial Group Report, other than the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report, are not prepared, in all material respects, in accordance with §§ 315 c in conjunction with 289 c to 289 e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomie of the Separate Non-financial Group Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- › Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- › Inquiries of the executive directors and relevant employees involved in the preparation of the Separate Non-financial Group Report about the preparation process, about the internal control system relating to this process and about disclosures in the Separate Non-financial Group Report
- › Identification of likely risks of material misstatement in the Separate Non-financial Group Report
- › Analytical procedures on selected disclosures in the Separate Non-financial Group Report
- › Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- › Evaluation of the presentation of the Separate Non-financial Group Report
- › Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Separate Non-financial Group Report
- › Evaluation of CO₂ compensation certificates exclusively with regard to their existence, but not with regard to their impact

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected disclosures in the Separate Non-financial

Group Report of the Company for the period from 1 January to 31 December 2022 is not prepared, in all material respects, in accordance with §§ 315 c in conjunction with 289 c to 289 e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section EU-Taxonomie of the Separate Non-financial Group Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Frankfurt am Main, 13 March 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke ppa. Meike Beenken
Wirtschaftsprüferin
German public auditor

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the Separate Non-financial Group Report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

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 2022 // digital highlights



+ highlights and interactive information



gb.dmgmori-ag.com/2022/en

Sustainability Report 2022 // interactive e-paper



+ with videos, links and further information



gb.dmgmori-ag.com/2022/en/e-paper-csr

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