



Boarding for the future

SUSTAINABILITY REPORT
MTU AERO ENGINES AG
FISCAL YEAR 2023

2023

FOREWORD BY THE CEO



LARS WAGNER
*CEO AND
CHIEF SUSTAINABILITY OFFICER
OF MTU AERO ENGINES AG*

Boarding for the future

Dear readers,

At MTU, accepting challenges and finding new approaches is one of our strengths. Standing still means going backwards; for us, innovation is the norm. Demand for air travel is back, passenger numbers are returning to pre-pandemic levels, and forecasts predict strong growth in air travel over the next few decades. As an engine manufacturer, we face a particularly tough challenge: air traffic is growing, but emissions must fall.

We want to shape the future of aviation and enable climate-neutral flying—and we've set out how we'll do it in our ambitious Claire (Clean Air Engine) technology roadmap. The EU Green Deal, which aims to achieve climate neutrality by 2050, is key to our objectives. This ambition is, in turn, derived from the Paris 1.5 degree target. As a result, the innovations we're working on are more comprehensive and far-reaching than many might imagine.

Today, every aircraft is fueled by kerosene. Tomorrow, there will no longer be just this one option, as the propulsion technology used will depend on the application. That's why we're working on various approaches within Claire—ranging from evolutionary developments to revolutionary concepts. One of these is the fuel cell, which could deliver fully electric flight with virtually zero emissions. Initially, this technology will carry smaller aircraft into the skies; starting in 2050, it will power short- and medium-haul aircraft as well. As a key building block for this, we acquired the electric motor specialist eMoSys in 2023.

For aircraft with 150 to 200 seats, meanwhile, we're pursuing an evolutionary development of current engine types, in particular the geared turbofan (GTF). The GTF Advantage, soon to be available on the market, is a technologically improved variant with reduced CO₂ emissions. A second GTF generation is to follow later. Work on this is already in progress. At the same time, we're driving forward revolutionary gas turbine concepts. We introduced an idea known as the Water-Enhanced Turbofan (WET concept) into the SWITCH project as part of the EU's Clean Aviation research program.

For widebody aircraft with more than 250 seats, one viable solution may be to power gas turbines with sustainable aviation fuels (SAFs) or hydrogen. The great advantage of such alternative fuels is that they can be used drop-in, meaning without any changes to the infrastructure at the airport or to the engine. SAFs immediately make aviation more climate neutral. In the long term, they are a must for long-haul flights.

Another important cornerstone of our climate commitment, and another way we are helping attain the Paris Agreement target, is our ecoRoadmap: an operational climate strategy that will allow us to achieve a 60 percent reduction in the carbon footprint of our sites by 2030. In the long term, we're aiming to make both production and maintenance climate neutral. In 2023, we reached a special milestone on the road to that goal when we started deep drilling for our geothermal project at our headquarters in Munich. This project sees us venturing into unknown depths for an aviation company—and we're making a success of it. As I said, challenges are what drive us, especially when they hold out such promise. Starting in mid-2025, we want to meet around 80 percent of our heating requirements at the site with CO₂-free energy from beneath the ground.

The only way we can make progress on all these fronts is with a strong, committed team. Recent times have been characterized by many uncertainties and crises, but MTU has proven its strength. We're proud of how our employees do everything they can to implement our sustainability strategy across all areas; working day in, day out to drive forward the transformation of aviation together. To make sure we achieve this, we actively live by a culture of tolerance, diversity, and respect—together and every day. We're convinced that equality of opportunity and inclusion are essential for our high level of innovation and our long-term success. It's only with a wide range of ideas, perspectives, and experience that we can rise to the many challenges we face.

A further key concern for us is the protection of human rights along our value chain. We fulfill our duty of care as an employer of more than 12,000 employees worldwide and as a customer in global supply chains. We firmly believe that economic growth and social responsibility must go hand in hand. We have strengthened the principles of responsible corporate governance with a Policy Statement on the Protection of Human Rights and by enhancing our risk process for our human rights due diligence.

At MTU, sustainability is a matter for the Executive Board. All members of the Executive Board are committed to making decisions, directing investments, and implementing measures in all areas of sustainability. To underpin our continuous progress, we have made climate action and social sustainability targets relevant to compensation for the Executive Board and for managers. In addition, we created a central Corporate Sustainability Management & Reporting unit effective May 1, 2024. This enables us to meet the growing demands for transparency and control. As Chief Sustainability Officer, I look forward to working with this team and the entire community within MTU.

Together, we will keep our goals firmly in sight and tackle challenges with the motivation to find effective solutions, even in the knowledge that these will certainly not always be straightforward. It will take courage, determination, confidence, and cohesion.

And you will find all of this in this sustainability report. Join us on our journey toward climate-neutral flying. Let's work together to shape a future worth living for generations to come!

I hope you enjoy reading the report.

A handwritten signature in black ink, appearing to read 'Lg', is positioned above the name and title of the signatory.

Lars Wagner

CEO and Chief Sustainability Officer of MTU Aero Engines AG

GRI: [2-22](#)

MTU Aero Engines AG

Three letters stand for world-class technology in aviation: MTU. We are experts in the design, development, manufacture, and maintenance of commercial and military aircraft engines in all thrust and power categories as well as stationary gas turbines. With our innovative engines, high-tech solutions, and comprehensive services, we make aviation safer, more efficient, and more sustainable.



MTU Aero Engines AG is Germany's leading engine manufacturer. The company is a technological leader in low-pressure turbines, high-pressure compressors, turbine center frames, as well as manufacturing processes and repair techniques. In the commercial OEM business, the company plays a key role in the development, manufacturing, and marketing of high-tech components together with international partners. Around one-third of all aircraft in service worldwide today have MTU components on board.

In the commercial maintenance sector, the company ranks among the world's top three service providers for aircraft engines and industrial gas turbines. The activities are combined under the roof of MTU Maintenance. In the military arena, MTU Aero Engines is Germany's industrial lead company for practically all engines operated by the country's military. MTU operates a network of sites around the globe; Munich is home to its corporate headquarters.

MTU's 2023 at a glance

 € 5.4 bn

 12,170
employees
worldwide

 18 locations
in important markets
and regions

MTU Aero Engines AG employs more than 12,000 people and is present in all key regions and markets through its subsidiaries and joint ventures. Over the next few years, the company intends to concentrate on its core business, participate in new engine programs, and expand its service portfolio.

MTU's OEM segment covers new commercial engines, including spare parts, and the whole of the military sector. The MRO (maintenance, repair, and overhaul) segment comprises all commercial maintenance activities.

WWW.MTU.DE

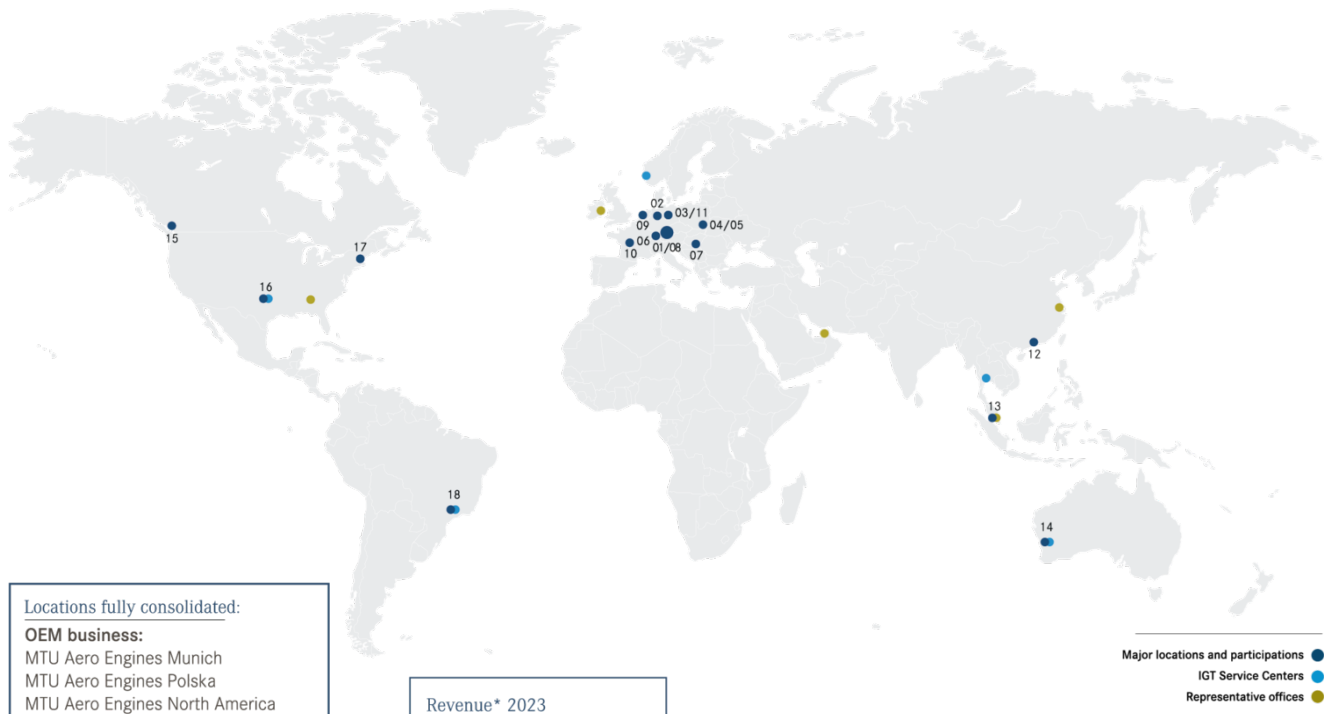
MTU Aero Engines worldwide

- 15 MTU Maintenance Canada
- 16 MTU Maintenance Dallas
- 17 MTU Aero Engines North America
- 18 MTU Maintenance do Brasil

- 01 MTU Aero Engines, Headquarters
- 02 MTU Maintenance Hannover
- 03 MTU Maintenance Berlin-Brandenburg
- 04 MTU Aero Engines Polska
- 05 EME Aero

- 06 eMoSys GmbH
- 07 MTU Maintenance Serbia
- 08 Aerospace Embedded Solutions
- 09 MTU Maintenance Lease Services
- 10 Ceramic Coating Center

- 11 P&WC Customer Service Centre Europe GmbH
- 12 MTU Maintenance Zhuhai
- 13 Airfoil Services
- 14 MTU Maintenance Service Centre Australia



Locations fully consolidated:
OEM business:
 MTU Aero Engines Munich
 MTU Aero Engines Polska
 MTU Aero Engines North America

MRO business:
 MTU Maintenance Hannover
 MTU Maintenance Berlin-Brandenburg
 MTU Maintenance Lease Services
 MTU Maintenance Serbia
 MTU Maintenance Canada

Revenue* 2023
 OEM business: € 1,249 million
 MRO business: € 4,225 million

Employees 2023
 OEM business: 7,544
 MRO business: 4,626

This report covers all of MTU's sites that are treated as fully consolidated in the company's financial reporting. The company has a presence in global markets through other subsidiaries and maintains joint ventures with partners in Asia; for example, MTU Maintenance Zhuhai's joint maintenance shop with China Southern Air or Airfoil Services in Malaysia, a joint venture with Lufthansa Technik for airfoil repair. (*Revenue by business segment before consolidation)

MORE ABOUT OUR GLOBAL SITE NETWORK

The challenges of the 2023 financial year

MTU aims to continue growing despite exceptional burden

For MTU, 2023 was a year of contradictions. The enormous burdens from the geared turbofan fleet management plan announced in September led to the reported earnings figures being negative for the first time in MTU's 90-year history. On the other hand, the adjusted results once again demonstrate MTU's operational strength and meet the company's ambitious targets. This means that without the exceptional burden described, MTU would have been able to announce record figures for the 2023 financial year.

The key figures were negatively impacted in particular by the geared turbofan fleet management plan, which was adjusted as an extraordinary effect for reasons of comparability. In 2023, MTU generated adjusted revenue (adjusted for the burden from the geared turbofan fleet management plan) of EUR 6.3 billion, 19% more than in 2022 (2022: EUR 5.3 billion). Adjusted EBIT (earnings before interest and taxes, calculated on a like-for-like basis—especially adjusted for the burden from the geared turbofan fleet management plan) increased by 25% in 2023, from EUR 655 million to EUR 818 million. The adjusted EBIT margin rose from 12.3% in 2022 to 12.9% in 2023. Adjusted earnings after tax (calculated on a like-for-like basis—especially adjusted for the burden from the geared turbofan fleet management plan) increased by 25% to EUR 594 million (2022: EUR 476 million). The reported key figures reflect the costs of the geared turbofan fleet management plan, which amount to a burden of around EUR 1 billion. For MTU 2023, this resulted in reported revenue of EUR 5.4 billion, reported EBIT of EUR –161 million, and reported earnings after tax of EUR –97 million.

By contrast, the order backlog amounted to EUR 24.4 billion at the end of 2023, with most of the orders for the geared turbofan engines of the PW1000G family, in particular the PW1100G-JM, and for the V2500 engine program. In purely mathematical terms, this corresponds to capacity utilization of more than three years and underscores MTU's good market position.

Key financial data (in EUR m)

> GRI 201-1

| | 2023 | 2022 | 2021 |
|--|-------|-------|-------|
| Revenue adjusted* | 6,326 | 5,330 | 4,188 |
| Revenue reported | 5,363 | 5,330 | 4,188 |
| Earnings before interest and tax (EBIT, adjusted) | 818 | 655 | 468 |
| Earnings before interest and tax (EBIT, reported) | - 161 | 508 | 355 |
| Tax expense | 108 | 130 | 84 |
| Net income (reported) | - 97 | 333 | 231 |
| Net income (adjusted) | 594 | 476 | 342 |
| Capital expenditure on property, plant and equipment and intangible assets | 511 | 447 | 384 |

*adjusted as of 2023

MTU remains a highly efficient company with extremely positive prospects. We want to continue to grow in 2024 and are holding to our medium-term goals: 8 - 1 - 25, meaning: EUR 8 billion in revenue and EUR 1 billion in operating profit in 2025.

We add value to society

Our commercial success generates added value for our stakeholders and contributes to society's prosperity and the economic development of the communities where our business activities are located. We offer interesting and future-proof jobs in a high-tech industry and professional training as part of Germany's dual-track system. At the end of 2023, the MTU Group employed 12,170 people at fully consolidated sites around the world, and there were 318 young people in apprenticeships. We are a major employer in the region at all our network's major sites and are exporting the successful German training model: in Serbia, our new repair site, we provide specialist aviation training based on the dual-track system. In 2023, MTU Maintenance Canada opened a new training academy in collaboration with the British Columbia Institute of Technology, combining theoretical knowledge with practical experience in engine maintenance. Moreover, we pay our employees attractive salaries and offer a broad range of perks.

As a local investor and patron, we promote education and the academic landscape, for example by maintaining close ties to universities and colleges. We invest in our locations and our new repair site in Serbia started operations in 2023. We create jobs in upstream supply chains and work with some 7,300 suppliers around the world. Most of our suppliers are located in Germany or Europe. We have defined mandatory sustainability standards for our cooperation with our suppliers and enshrined these in a Code of Conduct.

Responsible tax policy

We act as a responsible global corporate taxpayer and comply with applicable tax laws and regulations, enabling us to make a significant contribution to society at our sites in Germany and elsewhere. A binding Code of Conduct supports systematic compliance with legal and regulatory requirements throughout the Group. We promote ethical and transparent business practices and, in particular, do not use tax avoidance measures, such as the establishment of companies solely for this purpose. We have adopted a Group tax policy that establishes our principles, tax strategy, and tax risk management in the company and defines our responsibilities. We report regularly in accordance with applicable regulations and requirements (e.g. IFRS, CbCR), thereby transparently disclosing our tax position.

Value added (in EUR m)

> GRI 201-1

| | 2023 | 2022 | 2021 |
|----------------------------------|-------|-------|-------|
| Gross value added | 5,494 | 5,385 | 4,271 |
| Cost of material/ other expenses | 4,380 | 3,702 | 2,901 |
| Depreciation | 282 | 301 | 302 |
| Net value added | 832 | 1,382 | 1,068 |
| Employee wages and benefit | 1,063 | 954 | 856 |
| Payment to lenders | 44 | 32 | 34 |
| Payment to public authorities | 156 | 192 | 64 |
| Payment to shareholders | 171 | 112 | 67 |

Gross value added = revenue and other income, dividend payment to shareholders in 2023 financial year for 2022

The value-added statement shows that MTU's corporate performance amounts to a gross value added of EUR 5.494 billion. After deducting the cost of materials, depreciation, amortization, and other expenses, net value added came to EUR 832 million. In 2023, our employees again received substantial compensation in the form of wages, salaries, and other benefits. In the reporting year, we distributed a dividend of EUR 3.20 per share to shareholders for the 2022 financial year. Our employees continue to have the opportunity to share in MTU's success on attractive terms through the company's annual employee share program.

GRI: 2-1, 2-6, 207-1, 207-2

Sustainability strategy and organization

We shape the future of aviation. In doing so, we drive growth, prosperity, and global progress. Sustainability is an integral part of our business. In the interests of sustainable development, we have defined important areas of action and clear objectives.

As an engine manufacturer and key player in the sector, we want to actively shape the transformation of aviation. Our efforts are focused on climate action and our vision of emissions-free flight. In addition, as a manufacturing company and employer of more than 12,000 people, we embrace the principle of bringing sustainability, economics, ecology, and social responsibility into harmony. Our commitment is based on the observance of statutory regulations and internal standards—essentially, on those enshrined in the [MTU Code of Conduct](#) and in our [Policy Statement on the Protection of Human Rights](#). Our guiding principle “We shape the future of aviation” reflects our sustainable approach.

UN Global Compact and Sustainable Development Goals



The UN Global Compact is a unique multi-stakeholder initiative that we joined in 2011. As a member, we are committed to upholding the [ten principles](#) for respecting human rights, ensuring fair working conditions, protecting the environment, and preventing corruption. We consider them important guidelines for responsible corporate governance, and we also pass them on to the [supply chain by means of a Code of Conduct](#).

As a member of the UN Global Compact and the local Global Compact networks in Germany and Serbia, we also want to contribute to the UN's 2030 Agenda. At the core of the agenda are 17 goals for sustainable development, or SDGs for short, which address three dimensions—economy, environment, and society. We support the implementation of the SDGs and have identified eight for MTU to focus on.



→ [Learn more about our contribution to the UN's 2030 Agenda here](#)

External standards and guidelines that we follow:

- [UN Universal Declaration of Human Rights](#)
- [Principles of the UN Global Compact](#)
- [The UN's 2030 Agenda and Sustainable Development Goals \(SDGs\)](#)
- [Core labor standards of the International Labour Organization \(ILO\)](#)
- [German Corporate Governance Code](#)

The fields of action and goals of our Sustainability Strategy 2025+



Our claim

As a technology leader, we are shaping the future of sustainable aviation through innovative propulsion solutions. Emissions-free flight is our vision. In doing so, we stand for responsible and environmentally friendly production, maintenance, and procurement and offer a safe and attractive working environment.

Corporate governance

- Comprehensive sustainability management
- Ensure the security of information and systems
- Protect personal data in all areas of the company
- Compliance as part of the corporate culture
- Active commitment to combating corruption in all business areas
- Ensure compliance with embargo and export guidelines
- Regular and open dialogue with all stakeholder groups

Employees

- Ensure compliance with human rights at our own sites
- Provide active and targeted employee development at all hierarchical levels
- Continuously promote diversity and equality of opportunity in the workforce
- Enable a healthy work-life balance for all employees
- Ensure a high level of health and safety in the workplace
- Promote mutual employer/employee dialogue
- Continuously increase external and internal employer attractiveness
- Provide trust-based leadership
- Ensure a high level of employee satisfaction

Product

- Make product quality and flight safety top priority
- Compile the MTU Group's Scope 3 activities
- Reduce the climate impact of products during operation
- Reduce the energy consumption of products during operation
- Minimize the health effects of product use (exhaust and noise emissions)

Production & maintenance

- Reduce CO₂ emissions at all production sites (Scope 1-3)
 - Continuously improve resource efficiency
 - Efficient management processes have been established
 - Advanced procedures in site and plant operations
 - Raise employee awareness of environmental protection in production
-

Procurement

- Human and employee rights are central components of our business relationships
- In our cooperation with suppliers, we pay attention to a resource- and environment-friendly value chain
- CSR is embedded in our contracts and sourcing decisions. In this way, we safeguard social and ecological standards
- Responsible handling of conflict minerals is ensured
- A Scope 3 upstream carbon footprint is compiled

Society

- Research collaborations for joint knowledge building
- Corporate citizenship: MTU as part of society and a good neighbor
- Employees use the knowledge they have acquired at MTU to play a responsible role in society

OUR GOALS IN THE FIELDS OF ACTION: THE MTU SUSTAINABILITY PROGRAM 2025+

On the path to climate neutrality

MTU is committed to the goal of limiting global warming preferably to 1.5 degrees Celsius, as set out in the Paris Agreement. We are pursuing our long-term vision of emissions-free flight through our Clean Air Engine (Claire) technology agenda. With Claire, we are working to develop innovative propulsion concepts that are intended to meet the high safety standards of aviation, greatly reduce impact on the climate, and fulfill all future noise emissions limits. We firmly believe that taking this approach to our business will allow us to remain competitive and successful in the long term. [More information about aligning our product stewardship with the Paris Agreement in the chapter Climate impact of aircraft engines](#)

Our value creation should be more sustainable as well. We are implementing concepts to reduce the carbon footprint of our own operations in production and maintenance at our sites, and strive for carbon neutrality in the long term. [More information under Climate action at our sites](#)

Our human rights due diligence

The protection of human rights is an important concern for MTU and is a fundamental component of responsible corporate governance. MTU has established a risk management system for potential human rights violations in its supply chain and in its own business operations. To further strengthen respect for human rights, we introduced new due diligence processes in 2023. As a high-tech company, we are generally exposed to a lower risk of human rights violations than other industries. More information about [Respect for human rights within MTU](#) and [Responsible management of global supply chains](#)

Control-relevant targets for measurable progress

Sustainability topics are an integral part of MTU's strategy and selected control variables from sustainability management are relevant to compensation for the Executive Board and senior managers. This will strengthen sustainability in the Group and make progress more measurable. For the 2023 financial year, the environmental, social, and governance (ESG) goals came from the areas of climate action in site operations and employee training.

For climate action, annual progress is taken from the company's climate strategy, the ecoRoadmap. In 2023, the ESG-relevant performance indicator CO₂ as a component of variable compensation was tied to the goal attainment of all the Group's production and maintenance sites for the first time. [Detailed presentation of the ecoRoadmap and goal attainment in 2023](#)

In the area of employees, the ESG goal under the leadership value "We empower" will be determined from employees' qualifications and training. This process takes into account the average number of training days per employee at the German sites.

Sustainability embedded in the Group

Chief Sustainability Officer (CSO) on the Executive Board

We have integrated sustainability into organizational structures and established sustainability management throughout the MTU Group. Through the corporate sustainability (CS) management system, we monitor our sustainability strategy, performance, and goals.

A Corporate Sustainability Board (CS Board) is responsible for the implementation of CS management on behalf of the Executive Board. At the Executive Board level, CEO Lars Wagner is also Chief Sustainability Officer (CSO), making him MTU's first representative for sustainability. He is primarily responsible for defining the company's positioning and its sustainability strategy and objectives, advised by the CS Board. In this way, sustainability is integrated into our corporate decision-making processes. Moreover, the CSO, with the support of the CS Board, monitors goal attainment and ensures that the CS organization is suitably aligned with the requirements and successfully embedded in the company. In carrying out these responsibilities, the CSO works closely together with the CS Board.

Corporate Sustainability Board as a central body

The CSO has mandated the CS Board as an advisory and decision-making body. The CS Board draws its members from the tier-1 senior management team in corporate functions relevant to sustainability. It is responsible for driving sustainability forward at MTU, controlling CS activities on behalf of the CSO, and adopting CS actions and initiatives. The CS Board reports directly to the CSO as well as reporting regularly to the Executive Board and the Supervisory Board.

The CS Board meets regularly and as required. If necessary, representatives from further operational functions are invited to the meetings. A central CS department was set up in 2024 to support the CS Board and its executive tasks. This manages Group-wide sustainability activities as well as the overarching CS management and ensures the Group's regulated sustainability reporting. The new unit is part of the Finance department and therefore within the sphere of responsibility of the Chief Financial Officer (CFO).

Mission Statement of the MTU Corporate Sustainability Board

We take responsibility for social and environmental issues in accordance with economic imperatives.

We actively expand our Group-wide sustainability strategy.

We promote interdisciplinary cooperation on CS projects within the company and in CS networks beyond the company gates.

To this end, we work with the Executive Board and further decision-makers to devise measurable objectives for realizing the MTU sustainability strategy.

At the heart of the interdisciplinary CS team are the divisional coordinators and site coordinators for sustainability. They play an important part in operational implementation, working with experts in their disciplines to develop goals and measures, implement them, and take responsibility for monitoring their progress. In collaboration with the representatives in the business areas, the divisional coordinators are heavily involved in shaping the strategic focus of their respective goals and developing these goals over time. CS coordinators at the sites support the CS divisional coordinators and the central Corporate Sustainability Management & Reporting department. The CS team also jointly conducts the annual materiality analysis for the sustainability topics. By implementing this organizational structure, we ensure that sustainability is embedded throughout the entire company for all relevant topics.

Corporate Sustainability Management at MTU

Supervisory Board

reports to   commissions

Executive Board

Chief Sustainability Officer

reports to   commissions

Corporate Sustainability Board

Overall management of CS team /  Moderation of CS Board

Corporate Sustainability
Management & Reporting

Corporate Sustainability
topic coordinators

Corporate Sustainability
site coordinators

We steer our sustainability strategy through the CS management system, while the CS Board acts as the decision-making body in conjunction with the Chief Sustainability Officer. A central CS department, under the direction of the Chief Financial Officer, is responsible for the further development of sustainability management within the MTU Group and for sustainability reporting. CS divisional and site coordinators are responsible for the goals and measures in their disciplines.

Risk management for non-financial issues

We integrate sustainability risks into our internal control system, and map and evaluate them using defined processes. MTU has established a Group-wide integrated risk management and control system, based on the leading international COSO II ERM Framework standard, with which it manages risks and opportunities for its business. The system also takes into account non-financial risks. For the topic of compliance, MTU has established a separate risk assessment and a separate reporting line, which the Compliance Officer coordinates.

Potential risks for the environment, society, and employees that arise from MTU's business activities are identified and assessed on a quarterly basis by those responsible in the technical areas and by the CS Board. This is done in line with the existing opportunity and risk process, taking into account the respective probability of occurrence and the impact of the risk. The risk inventory is also reviewed for new material issues or aspects. Should substantial sustainability risks be identified for third parties, the CS Board passes the report on to the risk management team (risk board) and, if appropriate, to the Executive Board.

The risk assessment for the 2023 financial year identified no material risks in relation to the topics of our CS strategy. Material risks are those that are highly likely and have a severe negative impact.

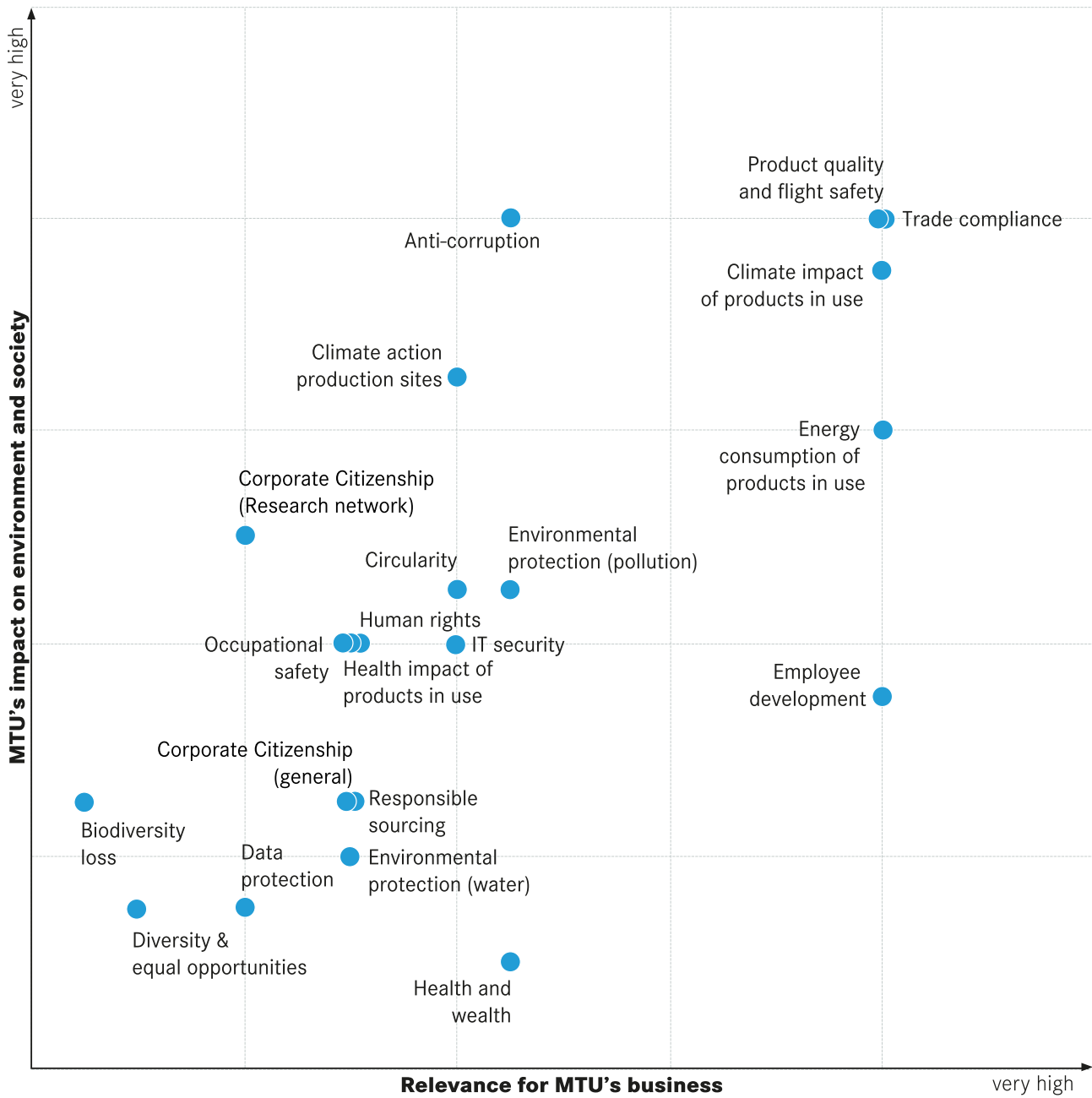
RISKS AND OPPORTUNITIES FOR MTU IN THE 2023 ANNUAL REPORT

Materiality analysis: Significant topics along two dimensions

We review our sustainability strategy annually to reflect recent changes and developments, refining our priorities in the process. The Group-wide corporate sustainability strategy is the starting point for an annual materiality process that MTU uses to identify key issues for the company and its stakeholders. For 2023, this materiality analysis was already based on the new European Sustainability Reporting Standard (ESRS, as of November 2022), which will become mandatory for the first time for the 2024 financial year. The topics were assessed along two dimensions: in terms of the social and environmental impact of MTU's business activities (impact materiality); and in terms of their business relevance for the company (financial materiality). Financial materiality refers to opportunities and risks for MTU, measured in terms of probability of occurrence and extent. Impacts on the environment and the society are estimated on the basis of their scale (low/high), scope (individual/global) and remediability (irreversible/reversible) along the entire value chain for the time dimensions short-, mid- and long-term. The materiality is based on a gross assessment.

The analysis covers all our key business areas and fully consolidated sites as well as information gathered from our dialogue with internal and external stakeholders. → [More about Stakeholder dialogue](#) We map the results in a materiality matrix.

Materiality matrix: Important sustainability topics and their weighting



GRI 3-2 Evaluation of topics for the 2023 financial year adopts the materiality concept in accordance with the legal implementation of CSR guidelines in Germany (CSR-RUG) and based on the new European Sustainability Reporting Standard (ESRS)

Sustainable investment

The European Commission has set itself the goal of climate neutrality by 2050 with the European Green Deal. Furthermore, through the EU taxonomy established as part of the action plan on financing sustainable growth, the European Commission calls on companies to classify their business activities according to sustainability criteria. The taxonomy provisions apply to six environmental targets in the areas of climate change, water and marine resources, circular economy, pollution, and biodiversity. In addition, companies must demonstrate observance of minimum social standards in order to claim green revenue, capex, and opex shares. [MTU's approaches and EU taxonomy information can be found in the non-financial statement of the 2023 Annual Report \(p. 112ff.\)](#)

As demand for ESG-focused investment opportunities increases, frameworks and requirements on sustainability reporting are on the rise, too. With the EU's Corporate Sustainability Reporting Directive (CSRD), an extended framework for companies' non-financial statements will apply for the first time for the 2024 financial year. External reporting on ESG issues is thus becoming more and more demanding and complex. MTU is preparing to implement the CSRD requirements by setting up a separate department for regulated sustainability reporting in the area of finance.

Outstanding performance: MTU ratings & rankings

MTU's performance in relation to non-financial indicators is regularly assessed by capital-market analysts and independent experts. Two leading rating agencies confirmed the company's above-average sustainability performance in January 2024: ISS ESG Corporate Rating awarded MTU the prime label for industry leaders, while EcoVadis awarded MTU the silver medal.

[“Every year, we undergo ratings and assessments to get a good idea of where we stand with our sustainability performance. The ratings also give us valuable information on how we can improve further.”](#) LARS WAGNER, CEO and Chief Sustainability Officer of MTU.

Important indices and rankings in which MTU is currently represented:

ISS ESG



MTU Aero Engines is rated Prime Status (C+) in the overall rating.

www.oekom-research.com

CDP



In this global carbon accounting of the annual climate footprint, we received a score of B in 2023.

www.cdp.net

EcoVadis



MTU received a silver medal in this holistic corporate responsibility rating.

<https://ecovadis.com>

MSCI

MTU Aero Engines is rated AA.

www.msci.com/esg-ratings

GRI: 2-13, 2-14, 2-16, 2-25, 3-1 - 3-3

Our goals 2025+

MTU's sustainability program

Corporate governance

Goals 2025

Comprehensive sustainability management

MTU's forward-looking corporate responsibility strategy is implemented in the MTU strategy, and the fields of action are synchronized across all departments, with the goals integrated into MTU's processes.

A Group-wide climate strategy has been adopted.

Change mindset sustainability in the Group is being strengthened.

MTU is perceived as a company that operates sustainably and carries out impressive sustainability activities.

Ensuring the security of information and systems

Consistent refinements to existing processes and regulations continue to ensure ongoing compliance with applicable legal requirements and the security of our data, information and systems in all areas of the company.

Protecting personal data in all areas of the company

These take into account regulatory changes as well as technical developments.

Compliance as part of the corporate culture

MTU's Code of Conduct, the rules and regulations derived from them, and the "Tone from the Top" continue to help anchor compliance as part of MTU's corporate culture.

Active commitment to combating corruption in all business areas

Raising employee awareness through MTU's training program, reviewing relevant business processes through regular audits, and a zero-tolerance policy will continue to complement this compliance approach at MTU in the future.

Ensuring adherence to embargo and export guidelines

Regular and open dialogue with all stakeholder groups

More transparent reporting and improvement in ratings and stakeholder dialogue through a material increase in sustainability management.

MTU is taking up current formats for the sustainability dialogue with its employees and stakeholders.

Product

Goals 2025

Highest priority for product quality and flight safety

Our vision is “Zero Defects.” In this, we stand for future-oriented quality management:
 Implementation of innovative and at the same time recognized standards
 Commitment to refining state-of-the-art standards
 High degree of employee training and support with current enablers such as digitalization
 Recognized and standardized methods for systematic defect prevention, analysis and sustainable remediation

Compile the MTU Group’s key Scope 3 activities

Goals 2030

Compile, analyze and evaluate the MTU Group’s key Scope 3 activities

Reduce the climate impact of products

Goals 2025

up to -60%* climate impact with current generation of turbofans

Goals 2035

up to -65%* climate impact with the next generation of turbofan
 up to -80%* climate impact with the WET concept
 up to -95%* climate impact with the flying Fuel Cell

Goals 2050

up to -70%* climate impact with the subsequent generation of turbofans
 up to -85%* climate impact with the WET concept
 up to -95%* climate impact with the flying Fuel Cell

Reduce the energy consumption of products during operation

Goals 2025

up to -17%* energy consumption with current generation of turbofans

Goals 2035

up to -25%* energy consumption with the next generation of turbofans
 up to -35%* energy consumption with the WET concept
 up to -5%* energy consumption with the flying fuel cell

Goals 2050

up to -30%* energy consumption with the subsequent generation of turbofans
 up to -40%* energy consumption with the WET concept
 up to -10%* energy consumption with the flying fuel cell

Minimize the health effects of product use (exhaust and noise emissions)

Goals 2025

Goals 2035

Goals 2050

up to –10 EPNdB noise (cumulative) with the current generation of turbofans compared to predecessor products
reduction in particulate emissions through the use of sustainable aviation fuels

further reduction in noise through the next generation of turbofans and the flying fuel cell
up to –80%* NOx emissions through the WET concept
avoid CO, UHC and particulate emissions by using hydrogen in the flying fuel cell and potentially in turbofans
significantly reduce particulate emissions through the use of sustainable aviation fuel and the WET concept

further reduction in noise through the subsequent generation of turbofans and the flying fuel cell
avoid CO, UHC and particulate emissions by using hydrogen in the flying fuel cell and potentially in turbofans and in the WET concept in additional application

*gegenüber einem Triebwerk aus dem Jahr 2000

Procurement

Goals 2025

Human and employee rights are central components of our business relationships. In our cooperation with suppliers, we pay attention to a resource- and environment-friendly value chain

The new CR requirements for the supply chain resulting from Germany’s Due Diligence Act are consistently implemented

The Code of Conduct reflects the contents of the Due Diligence Act, is a binding part of the contract, and compliance with it is regularly reviewed.

Risk management is implemented in our processes.

Supporting IT systems are implemented.

CR is embedded in our contracts and sourcing decisions. In this way, we ensure social and ecological standards

CR assessments of suppliers are incorporated into sourcing decisions.

Our employees have been trained in CR and suppliers’ awareness has been raised.

Responsible handling of conflict minerals is ensured.

Automated queries ensure compliance with and verification of contractual requirements.

A balance sheet of CO₂ emissions scope 3 upstream is prepared

Recording, analysis and evaluation of the main Scope 3 activities

 Production & maintenance

| | Goals 2025 | Goals 2030 | Goals 2045 |
|--|--|--|--|
| Reduce CO₂ emissions at the fully consolidated sites (Scope 1-3) | Reduction of CO ₂ emissions at all production sites (Scope 1&2) based on the Paris Agreement Compile, analyze and evaluate the MTU Group's main Scope 3 activities upstream and downstream | Reduce CO ₂ emissions (Scope 1&2) at all production sites, based on the Paris Agreement Evaluate and manage all Scope 3 activities at fully consolidated sites | The long term goal is carbon-neutral production (Scope 1&2) at all sites |
| Continuously improve resource efficiency | Continuous improvement of resource efficiency (e.g. energy, water, raw materials, and consumables and supplies), specifications by site managers | | |
| Efficient management processes have been established. | Efficient management processes have been established at the sites to reduce adverse environmental impact | | |
| Advanced procedures in site and plant operations. | Improvements in climate protection achieved through advanced procedures in site and plant operations. | | |
| Raising employee awareness of climate protection in production | Regular external and internal communication as well as raising of employees' awareness | | |

 Employees

Goals 2025

Ensure compliance with human rights at our own sites

 Human rights continue to be fully respected at all of our own sites

Provide active and targeted employee development at all hierarchical levels

 Employees find a framework in which they can develop and contribute in a meaningful way.

Promote ongoing diversity & equality of opportunity for the workforce

 Diversity and equality of opportunity are perceived as added value and promoted.

Enable a work-life balance for all employees

 It is possible for all employees to achieve a work-life balance.

Ensure a high level of health and safety in the workplace

 Accident figures are well below the industry average, awareness-raising measures are in place, and the TOP principle is applied.

Promote mutual employer/employee dialogue

 The dialogue between employees and employers is open and constructive.

Continuously increase internal and external employer attractiveness

 The working environment (rooms, tools, job security, ergonomics) and conditions (remuneration, social benefits, working time flexibility, participation, personal responsibility) are oriented to the needs of the employees and are attractive.

Trust-based leadership

 Leadership is valued for its confident handling of new forms of collaboration and employee diversity.

Ensure a high level of employee satisfaction

 Employees are highly committed due to their high level of satisfaction.

Society

Goals 2025

Research collaborations for joint knowledge building

Our research collaborations play a significant part in the further development of technology for aviation and beyond.

MTU uses its collaborations to promote young scientists.

Through research collaborations and participation in European research programs, we are shaping propulsion technologies in line with the goals of the Paris Agreement on climate action.

Corporate citizenship: MTU is part of society and a good neighbor

MTU enters into targeted partnerships within the industry and at its locations in order to jointly achieve further sustainability goals.

MTU's established donations policy provides targeted support for sustainability projects with a local connection or thematic link to its business.

Employees use the knowledge they have acquired at MTU to play a responsible role in society

MTU raises its employees' awareness of sustainability issues beyond the boundaries of the plant.

Compliance

MTU sets great store by compliance and integrity. They form the foundation for our business activities. A compliance management system and a corporate culture based on ethical principles provide orientation in day-to-day business and create trust in the collaboration with our stakeholders.



MTU's long-term success is founded on compliance with laws, regulations, and internal guidelines. The company condemns corruption of any kind as well as all other forms of white-collar crime. A Group-wide framework of compliance rules obliges employees and management to act with responsibility and integrity. These obligations include adhering to statutory requirements and internal regulations. The overarching MTU Principles help the company to act consistently, reliably, and with integrity. Other regulations, such as the MTU standard on donations, sponsorship, and customer events, contain detailed requirements and also serve to prevent corruption.

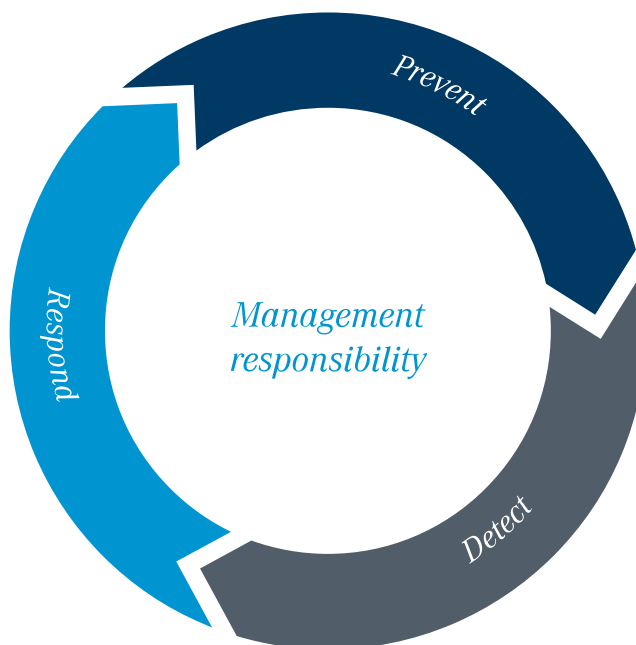
“MTU stands for integrity and responsible conduct. Indeed, we are convinced that this is the only way to transition to sustainable aviation and secure our company's long-term success. By setting out a clear set of requirements, our Code of Conduct provides orientation in all of our working and business relationships.”

Lars Wagner, CEO and Chief Sustainability Officer of MTU Aero Engines AG

Our commitments in the area of compliance

We have committed to the principles of the UN Global Compact (UNGC), one of which is preventing corruption within our company → [Principle 10 of the UNGC](#). In the interests of maintaining sustainable corporate leadership, we take our lead from the [German Corporate Governance Code](#), whose requirements we comply with fully ([MTU's Declaration of Conformity for 2023](#)), and from international compliance standards, such as the [Good Practice Guidance on Internal Controls, Ethics, and Compliance](#) issued by the Organization for Economic Cooperation and Development (OECD). Our commitment to fighting corruption extends beyond the company as well; we are also a member of the [TRACE International anti-corruption initiative](#). Through the German Aerospace Industries Association (BDLI), we are represented in the [Aerospace and Defense Industries Association of Europe \(ASD\)](#), and we are a signatory to their standards against corruption and bribery and in support of equal and fair competition.

MTU's compliance system and its principles

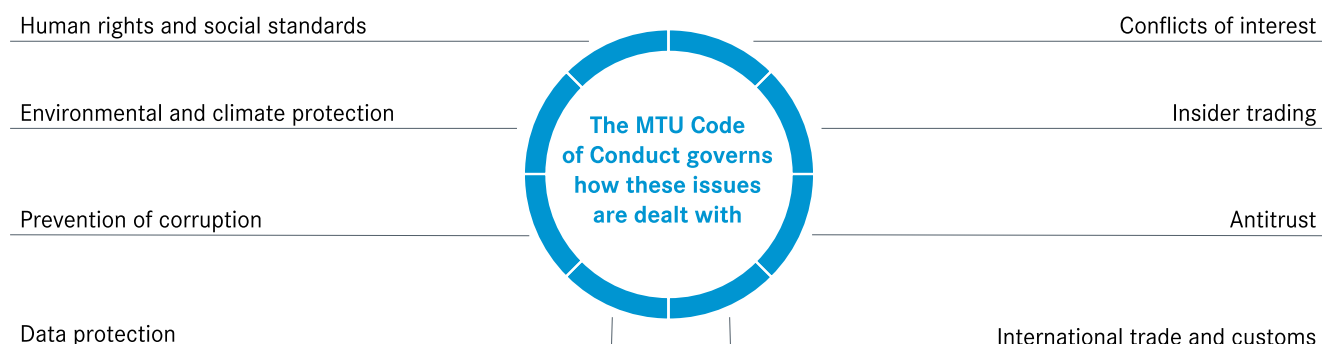


MTU's compliance system is based on three pillars: prevention, recognition, and response. Instruments and actions have been implemented for each of these pillars. Taking an integrated approach ensures, for instance, that insights from processing and resolving cases of suspected corruption (respond) also flow into prevention efforts. The focus of our activities is on prevention.

Code of Conduct for clear standards and rules

Integrity and responsible conduct are core values of our corporate culture and are embedded in the MTU Code of Conduct, which is binding for all employees, managers, and members of the Executive Board. The Code of Conduct addresses key compliance issues such as preventing corruption or dealing with conflicts of interest. It also defines clear standards for dealing with stakeholders such as customers, suppliers, authorities, and partners.

The MTU Code of Conduct



→ [MTU's Code of Conduct in multiple languages](#)

All employees must be familiar with and comply with the legal provisions and company regulations relevant to their work. Managers have a particular responsibility to uphold these requirements and regulations and to act as role models.

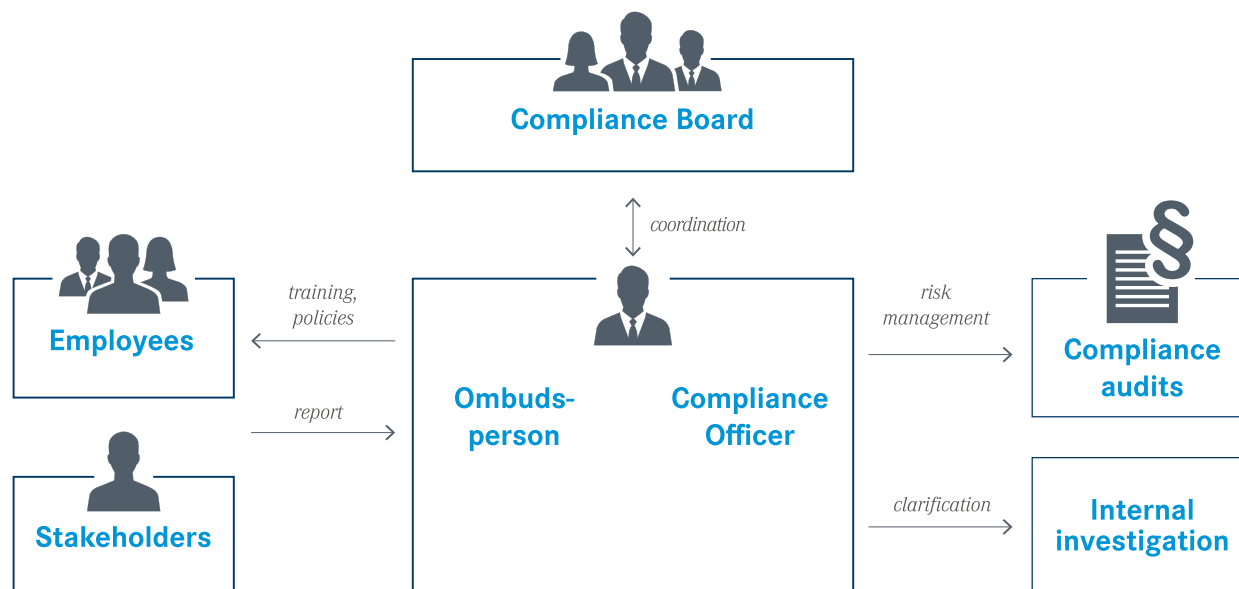
A separate Code of Conduct for MTU's suppliers

We also expect our business partners to fully comply with all applicable laws. A separate Code of Conduct applies for suppliers, which we agree on with our suppliers. → [Code of Code of Conduct for Suppliers](#)

Integrity in day-to-day business

As the final decision-making authority, the CEO holds responsibility for the company's business ethics and anti-corruption policy. The core functions responsible for ensuring ethical and correct conduct are a Group-wide Compliance Board and a Compliance Officer. The Compliance Officer is responsible primarily for the further development of MTU's compliance system with regard to the prevention of corruption. He or she works in close coordination with the Compliance Board. The Compliance Board holds regular meetings as well as meetings at the request of the Compliance Officer. The Compliance Officer provides quarterly updates to the full Executive Board and the Supervisory Board's Audit Committee, which for its part informs the plenary meetings of the Supervisory Board. The Supervisory Board's Audit Committee oversees the Executive Board's compliance activities. In addition, the Compliance Officer has a regular direct reporting line to the CEO.

MTU's Compliance organization



The core functions responsible for ensuring ethical and correct conduct at the company are a Compliance Board and a Compliance Officer.

The managing directors of the sites must ensure that all compliance-relevant provisions and regulations are adhered to within their areas of responsibility, and they must see to it that compliance is appropriately embedded in the local organization.

Effective compliance

We do not tolerate any kind of unlawful conduct. We respond to reports immediately and appropriately, and take disciplinary action in the event of detected violations. In such cases, MTU applies a principle of zero tolerance, which includes labor law measures as well as civil or criminal proceedings. There were no confirmed cases of corruption in the reporting year. As in previous years, no legal proceedings due to anti-competitive behavior or violations concerning antitrust or monopoly practices were pending in the reporting period. No significant fines or non-monetary sanctions were levied against MTU for breaches of applicable laws.

Risk-based approach

We have put various control mechanisms in place to ensure compliance throughout the company and to minimize risk. All [fully consolidated sites](#) are reviewed for corruption risks and regularly queried on compliance-relevant issues. The 2023 query identified no significant corruption risk for any site. [For compliance and governance risks, see the 2023 Annual Report, p. 85](#) The Compliance Officer additionally inspects all sales support consulting contracts for possible corruption risks before they are placed or renewed, and found no indications of corruption in 2023. Potential sales consultants are also subject to an assessment by an independent provider of due diligence services. The contracts with the sales consultants require them to stipulate that the ASD anti-corruption standards are binding. The Corporate Audit unit reviews the effectiveness, efficiency, and appropriateness of MTU's internal control system as part of the audits it conducts.

In addition, our dialogue with the political sphere is governed by certain rules. [More about our exchange with policymakers in the chapter Stakeholder dialogue](#)

Safe, secure, and confidential: MTU's global whistleblower system

Our global whistleblower system allows employees and external stakeholders to report suspected instances of unlawful conduct to the Compliance Officer. Tips can also be submitted anonymously via the web-based iTrust reporting system, which is available in several languages. → [iTrust](#) The Compliance Officer reviews all submitted reports. If any are found to be credible, the Compliance Officer initiates the investigative steps necessary. The ways we have established for reporting non-compliance are communicated to employees through internal media channels and explained to external stakeholders in writing or on our website.

We treat the identity of the whistleblower and the information they impart as confidential—even if the suspicion turns out to be unfounded. This is ensured by means of an internal regulation. We wish to make it clear that whistleblowers acting in good faith shall not be penalized or disadvantaged by the company in any way—this is also ensured by means of an internal regulation. In addition, employees can confide in their superiors, the legal department or HR. [The reporting channels and procedures are described in detail on our website.](#)

In 2023, various tips regarding suspected misconduct were reported to the Compliance Officer via the reporting channels offered. However, in applicable cases—i.e. where misconduct could be proven—a qualitative examination of each violation revealed that none was severe enough to be material to the company.

To raise awareness and inform: Our compliance training courses

To ensure a functional compliance culture, MTU puts a high priority on investigating possible forms of misconduct as well as communicating and raising awareness of compliance issues among employees. When new employees are taken on, we inform them about our Code of Conduct and require them to sign a declaration to uphold it. We regularly train our employees and managers across all hierarchies on the Code of Conduct and on specific compliance-relevant topics, such as antitrust law.

One way MTU chooses to raise awareness is with a training document on the Code of Conduct for all employees. The training courses for teaching the content of the Code of Conduct were continued in 2023; a total of 2,523 employees at the fully consolidated sites took part in them during the reporting period. These courses have now been added to the regular training portfolio and employees can participate on a voluntary basis.

In addition, we continuously provide information about and raise awareness of individual compliance issues, such as data protection, in a way suitable for each target group. The Compliance Officer and the legal department can also advise employees and managers as needed.

GLOBAL TRAINING COURSES FOR EMPLOYEES



2,523

employees were trained on the Code of Conduct alone in 2023. Communication, education, and raising awareness form the basis of our compliance culture.

Customs law and export control

Another key compliance topic for us is observance of international trade law, also known as trade compliance. Customs and export control laws govern which products, services and technical data we are permitted to sell or provide and to where, to whom and for what purpose. This regulatory framework is binding for all the company's divisions, affiliates, and employees worldwide. The need to comply with the applicable regulations is also specified in the MTU Code of Conduct. → [Export control law is outlined in the non-financial statement in the 2023 Annual Report \(p. 112ff.\)](#)

MTU has its own organizational unit dedicated to ensuring effective trade compliance: the international trade compliance department provides the internal framework for implementing uniform process standards throughout the company. These include a review of existing approval requirements, e.g. before shipping documents, software, or components, as well as controls relating to bidding procedures vis-à-vis sensitive countries. The international trade compliance department has cross-divisional authority to issue certain directions, which extends to the right to stop deliveries. In addition, the department's head reports directly to the person in charge of exports at MTU (CEO).

Mandatory training for all employees affected by export control regulations continued during the reporting year with an established concept. Called the Internal Compliance Program, this concept was adapted in line with the legal framework applicable for the reporting year.

Responsible handling of data

MTU takes care to provide comprehensive data protection in its business activities. The protection of personal data in accordance with applicable statutory regulations is covered in our Code of Conduct and internal guidelines on data protection and is binding.

We have established a management system for data protection and expect all employees to comply with its regulations, a requirement that is also set out in the Code of Conduct. The Group's data protection guidelines ensure a uniform level with a standard that applies worldwide. We have appointed data protection officers or coordinators in all our Group companies, and they are informed of all relevant regulations. The aim is to achieve uniform data protection and data security standards for the handling of personal data throughout the Group that meet the requirements both of the [EU General Data Protection Regulation \(GDPR\)](#) and of the national legislation applicable at each site, such as the [German Federal Data Protection Act \(BDSG\)](#). The Executive Board is briefed on data protection once a month. Regular audits and checks are carried out on workflows that process personal information, especially in the course of processing orders. In addition, data protection is part of our ongoing information and training offers for employees, targeted to the needs of different groups.

Once again for 2023, we have no reportable violations.

Protecting IT systems

Given that all of MTU's key business processes have a highly advanced level of digitalization, ensuring the high availability and integrity of IT systems is a prerequisite for seamless business operations. MTU generates, maintains, and processes large amounts of data with special confidentiality requirements—especially for but not limited to military business.

MTU has an IT security management system based on ISO 27001 and implements appropriate protective measures on a technical and organizational level to ensure its IT systems are stable and secure. The aim is to minimize damage caused by cyberattacks on the company and to safeguard corporate data and expertise. In addition, it is important to protect data and systems when collaborating and networking with business partners.

Global and local regulations lay out binding rules for all employees and managers governing the confidentiality of operational and business secrets, the protection of electronic data, and how to work with IT systems and data media.

A dedicated central team is responsible for IT security, serving as point of contact within the Group. IT security officers in the centers and in legally independent associations act as local contacts for IT issues and implement IT security guidelines and requirements on-site. The MTU Executive Board receives regular reports from the IT security officers regarding the company's external situation, current developments, and current and future defensive measures.

We invest heavily and continuously in technological and organizational actions to ensure the availability, confidentiality, and integrity of the IT systems that we use and operate. We continuously reassess the risks associated with IT. The two risks deemed most critical are, first, system failures due to technical error and, second, cyberattacks that result in the non-availability of systems, unauthorized publication of information, or the permanent loss of data. MTU's IT security management covers technical and organizational actions to limit the negative effects of such occurrences for the company. During the reporting period, there were no cyberattacks and no failures that resulted in significant or severe consequences for MTU.

GRI: 2-23 - 2-27, 3-3, 205-2, 205-3, 206-1, 412-2, 418-1

Stakeholder dialogue

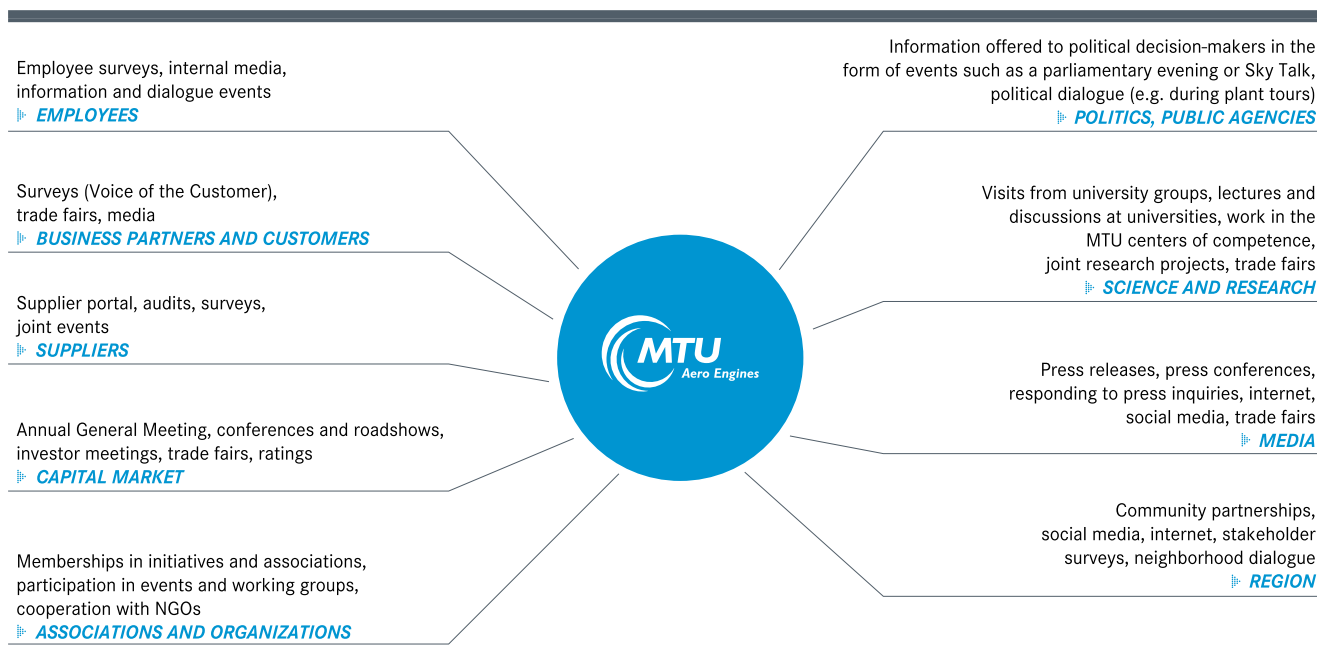
We are in continuous dialogue with key stakeholder groups. Our dialogue takes the form of knowledge sharing, networking, and collaboration. Together with our partners, we are working on future-oriented solutions for more sustainable aviation.



Knowledge sharing, networking, and collaboration are more important than ever in view of the complex challenges currently facing society, the economy, and companies like MTU. That is why we are in active dialogue with our global stakeholders. Our stakeholder engagement is characterized by a continuous and open exchange that addresses our business activities and their impact on the environment and society. This lets us identify suggestions, expectations, or new topics with a potential impact on our value creation and incorporate them into our business activities. The results and findings of our stakeholder engagement are primarily incorporated into the materiality process for determining the key topics of MTU's sustainability strategy. → [Materiality analysis](#)

The Executive Board and Supervisory Board as well as MTU's Corporate Sustainability Board are involved in the materiality process for determining the impacts, risks, and opportunities of sustainability aspects. In addition, the Executive Board receives information on stakeholder feedback and positions via various channels, for example at Executive Board meetings, in collaboration with the Corporate Sustainability Board, or through direct communication with stakeholder groups such as investors or policymakers.

Stakeholder groups and forms of dialogue



We take a cross-media approach to our sustainability communication, regularly communicating with our stakeholders via various different channels and platforms. This dialogue is mostly tailored to the target group or a specific topic. The choice of format and frequency depends on the communication and information requirements or the respective platform. Stakeholder dialogue allows us to include relevant interests and take on board feedback. It also gives us the opportunity for a direct exchange with company representatives—for example, for local communities, the neighborhood, or other interest groups that could be affected by the potential impact of our business activities on the immediate environment. How we involve our employees with the opportunity for feedback and participation is presented under [Collaboration & leadership](#).

We use stakeholder mapping to identify relevant stakeholder groups whose interests we affect directly or indirectly. We will expand on this mapping in 2024 as part of our preparations for the new reporting obligation under the EU's Corporate Sustainability Reporting Directive (CSRD).

Key topics

In 2023, the decarbonization of aviation was once again a central topic in our stakeholder dialogue, through which MTU provides information on challenges, developments, and technologies relating to more sustainable aviation. It focuses on our vision of achieving zero-emission aviation in the long term. As sustainable aviation fuels play an important role in reducing carbon emissions, we are continuously driving this topic forward with relevant stakeholders. Our climate strategy for production and maintenance at our plants, such as our geothermal energy project at the Munich site, are also topics in the climate dialogue. We also provide information on social issues, with a focus on aspects of corporate culture and diversity.

Online survey about sustainability

We present our sustainability management and our goals for evaluation and discussion. The results are incorporated into our annual assessment of the key issues.

HOW DO YOU RATE SUSTAINABILITY AT MTU?

Reliable information for the capital market

We aim to provide comprehensive and reliable information about MTU as an investment opportunity. To this end, our investor relations team is in regular dialogue with investors and analysts, for example at the annual Capital Markets Day, roadshows, and the Annual General Meeting. ESG (environmental, social, and governance) issues play a major role in this exchange as well. We also offer insight into our sustainability strategy and performance; for example, as these relate to climate action, via the CDP rating, or by means of regular holistic measurements of our performance, done via the ESG assessment tool EcoVadis.

Two leading rating agencies confirmed MTU's above-average sustainability performance in January 2024: ISS ESG Corporate Rating awarded MTU the prime label for industry leaders in the Aerospace & Defense industry sector, while EcoVadis awarded MTU the silver medal.

OVERVIEW OF ALL SUSTAINABILITY RATINGS AND AWARDS

Political dialogue: Centrally coordinated representation of interests

MTU takes no party political position as a matter of principle. We purposely cultivate relationships with parties and factions on certain topics, as aviation is affected to no small degree by political decision-making, especially at the national and European levels. MTU's lobbying activities aim to provide political stakeholders with background information, views, and concerns relating to core business issues, so that these can be taken into account in the political decision-making process.

Our key points of contact include elected representatives and decision-makers from ministries at the state, federal, and EU levels as well as from subordinate authorities and the German Armed Forces. To ensure transparency and adherence to external and internal regulations, MTU's political dialogue is managed centrally by the Group Representation Office of the Corporate Communications department. We pursue our industry-specific interests through memberships in various professional associations. → [Overview of our memberships in the GRI index under Organizational profile](#)

We do not make any financial or in-kind donations to political parties. All interactions in the political arena are carried out in compliance with the applicable legal and regulatory requirements and with our [Code of Conduct](#), and must be granted central approval. Donations to political parties or party-affiliated organizations are generally subject to approval by the Supervisory Board. Mandatory requirements are stipulated in our compliance management system and Code of Conduct, including those relating to donations, sponsorship, customer events, in-house events, hospitality, and corporate gifts. Compliance with these rules and regulations is the responsibility of the relevant manager in each case and is ensured by means of an internal monitoring system.

We publish contacts with politicians on an ad hoc basis, e.g. on the occasion of site visits. These days, many politicians themselves also report on visits and contacts. MTU has instituted a self-imposed "quiet period" of six weeks prior to elections, during which visits from or events with elected representatives or candidates are prohibited so as not to offer them a public platform.

Germany's Lobbying Register Act (LobbyRG) stipulates that all organizations and companies that lobby the German parliament and federal government for representation of interests must be registered in the [Lobbying Register](#). We believe that transparency is a prerequisite for trust when it comes to representation for interests and the political process. MTU appears on the Register under entry number R02076. We also follow this approach at the European level and can be found in the European Union's Transparency Register with all relevant information.

We support our employees' right to pursue voluntary or political causes as private citizens. However, our employees are bound by the rules relating to conflict of interest laid out in our Code of Conduct. When it comes to private voluntary or political causes, we in no way pursue MTU's corporate interests. → [Donations & sponsorship](#) → [Compliance](#)

GRI: 2-12, 2-25, 2-26, 2-29, 415-1
