



TRANSFORMING AVIATION



Sustainability Report
MTU AERO ENGINES AG
BUSINESS YEAR 2022

FOREWORD BY THE CHIEF EXECUTIVE OFFICER



LARS WAGNER
*CHIEF EXECUTIVE OFFICER AND CHIEF
SUSTAINABILITY OFFICER MTU AERO
ENGINES AG*

Transforming Aviation

Dear readers,

We are transforming aviation—with innovative concepts, great enthusiasm and a vision: emissions-free flight. Against this backdrop, I'm delighted to have been given the opportunity to lead MTU into a successful future as CEO and Chief Sustainability Officer. Together, the entire Executive Board team and our employees have a significant part to play in making aviation sustainable.

A strong commitment needs a strong foundation. Our conviction is reflected in our commitment to the UN Global Compact and its globally recognized principles for greater sustainability. In addition, the Paris Agreement's 1.5 degree target is the benchmark against which we align our own ambitious targets for climate action.

Emissions-free flight is our vision

We want to ensure worldwide mobility, and so we are aiming for emissions-free flight. For this major aviation goal, we are investing in the development of new and alternative propulsion technologies. Our Clean Air Engine (Claire) agenda charts a definite course to emissions-free flight—and through Claire, we delineate possible solutions and highlight the potential for sustainable propulsion systems. MTU has set its sights on an evolutionary enhancement of the gas turbine engine based on the geared turbofan as well as on revolutionary propulsion concepts such as the water-enhanced turbofan (WET) and the Flying Fuel Cell.

Flight testing of the GTF Advantage, an improved version of the geared turbofan from our partner Pratt & Whitney, began in the reporting year. This engine heralds further savings in fuel consumption and emissions. And at the same time it will be fully SAF compatible, which means that it can be flown 100 percent on sustainable aviation fuels (SAFs). The GTF Advantage is expected to be available starting in 2024.

SAFs are essential for decarbonizing aviation, but they also have advantages on the ground: since last financial year, MTU Maintenance has been the world's first maintenance provider to enable its customers to carry out test runs with SAF. This significantly reduces carbon emissions. Some of our customers are already taking advantage of the offer of a low-emission acceptance run at the end of a shop visit.

We also made further progress with novel propulsion concepts in 2022. A milestone for our WET concept was the launch of SWITCH. This is a project that forms part of the European Commission's Clean Aviation research program. MTU will coordinate a consortium of renowned industry partners within SWITCH. Together with them, we want to combine our innovative WET concept with hybrid-electric propulsion system components on the basis of a geared turbofan. We want to show that this is a viable option for reducing both fuel consumption and carbon emissions by 25 percent. In addition, because it uses wet combustion, the concept promises a significant reduction in other climate-relevant emissions such as nitrogen oxides as well as in contrail formation.

We are working on MTU Green Global

We are also continuing our transformation at our sites. We are making our production and maintenance more sustainable through the company's climate action strategy, the ecoRoadmap. Launched in 2021 for our main site in Munich, we have extended the ecoRoadmap to other production sites in our network. MTU Green Europe was the name we gave the 2022 stage of the expansion—with all production sites in Europe actively working toward the common goal of achieving a 60 percent reduction in CO₂ emissions by 2030. This year, our new repair site in Serbia and MTU Maintenance Canada will follow suit in the MTU Green Global expansion stage. The core elements remain sustainable energy-saving measures, the increased use of green energy and the expansion of our own emissions-free power generation. To this end, we plan to switch from gas to geothermal energy at the Munich site, and we carried out exploratory drilling in 2022. If successful, we could be meeting around 80 percent of our heating needs without fossil fuels as early as the end of 2024.

Teamwork sets MTU apart

The only way we can achieve such ambitious goals is by working together. That's why we place a strong emphasis on leadership and excellent teams. After all, it is MTU's managers and employees whose skills, commitment and performance make the company so successful today and ensure its future viability. This calls for a willingness to embrace change, for agility, for a digital mindset and for diversity. I'm particularly pleased that our Executive Board has been more diverse since February 2023, and I welcome Dr. Silke Maurer, an experienced colleague, on board as Chief Operations Officer.

New technologies and approaches demand new skills. That's why we invest in forward-looking training for our workforce on the basis of our global leadership values: "We create trust," "We empower," "We transform." Trusting collaboration and a willingness to embrace change are our drivers for an innovative corporate culture. In a working environment that inspires and connects, teams become more successful and make better use of potential.

Human rights are our responsibility

An inclusive working environment promotes not only MTU's innovative strength and competitiveness but also equal opportunities for all colleagues. The central concern of our corporate social responsibility is respect for human rights. We fulfill our duty of care as an employer of more than 11,000 employees worldwide and as a customer in global supply chains. After all, sustainable management is not limited to how we develop, manufacture and maintain our products. We have visibly 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.

We have given this sustainability report the title "Transforming aviation." For us, that's more than just a motto—it's part of our DNA. It derives from our vision "We shape the future of aviation" and underlines the standards we set ourselves: we are actively shaping change, changing ourselves and changing aviation to lay the groundwork for the mobility of the future—which is mobility with a future. Read this report to find out more about what we're doing!

I hope you enjoy it!



Lars Wagner

Chief Executive Officer and Chief Sustainability Officer, MTU Aero Engines AG

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GRI: 102-14

UNGC: 1-10

SUCCESSFUL 2022 BUSINESS YEAR

MTU Aero Engines

MTU Aero Engines AG is Germany's leading engine manufacturer. The Group offers solutions for the entire aircraft engine lifecycle—from development to production to maintenance. Its products and services are often characterized by innovative approaches.



Key company figures for 2022



€ 5.3_{bn}
An increase of 27%



11,273
employees
worldwide



17 locations
in important markets
and regions

MTU Aero Engines is Germany's leading engine manufacturer and an established global player in the industry. We design, develop, manufacture, market and support commercial and military aircraft engines in all thrust and power categories and stationary gas turbines. Operating affiliates all over the world, MTU has a local presence in major regions and markets and is headquartered in Munich, Germany.

In the commercial engine business, we have content in all thrust and power categories, from propulsion systems for business jets and engines for narrowbody aircraft with geared turbofan technology to the world's most powerful engines. The company is a valued and trusted partner to all the big players in the industry: GE Aerospace, Pratt & Whitney and Rolls-Royce.

In the commercial maintenance sector, MTU Maintenance is one of the world's top three service providers for commercial aircraft engines and industrial gas turbines. We are responsible for, among other things, the maintenance of Pratt & Whitney eco-efficient geared turbofan engines and for providing maintenance solutions to a global network of original equipment manufacturers (OEM). Our strength is based on more than 40 years of experience, a global MRO network and a product range that encompasses engines for all common aircraft types, from business jets to widebody aircraft. The tailored services provided by our MRO experts cover the entire engine lifecycle.

MTU brings its skills and expertise to the fore as the leading industrial company for practically all aircraft engines operated by the German Armed Forces. In addition, the company plays a key role in Europe's most important military engine programs—from development to production to maintenance.

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

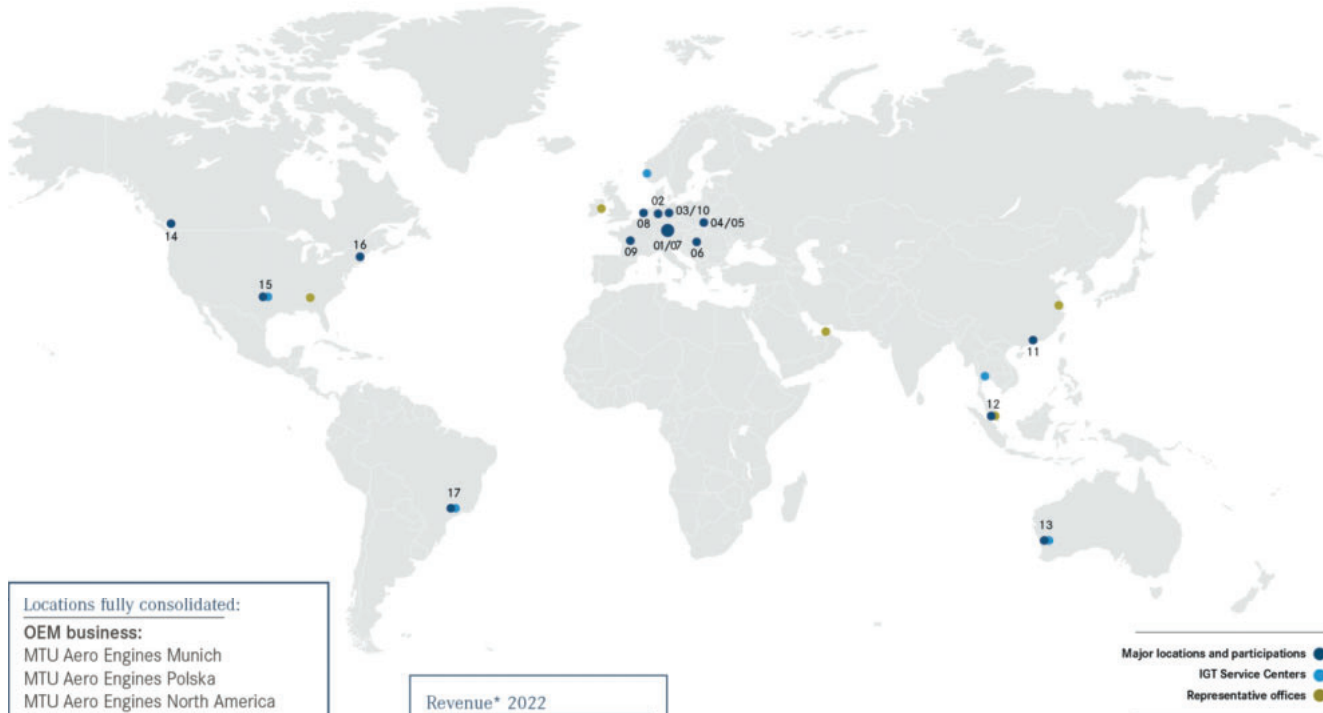
MTU Aero Engines worldwide

- 14 MTU Maintenance Canada
- 15 MTU Maintenance Dallas
- 16 MTU Aero Engines North America
- 17 MTU Maintenance do Brazil

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

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

- 10 P&W Customer Service Centre Europe GmbH
- 11 MTU Maintenance Zhuhai
- 12 Airfoil Services
- 13 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* 2022
 OEM business: € 1,831 million
 MRO business: € 3,616 million

Employees 2022
 OEM business: 6,973
 MRO business: 4,300

Major locations and participations ●
 IGT Service Centers ●
 Representative offices ●

GRI 102-7: This report covers all of MTU's fully consolidated sites. The company has a presence in global markets through other subsidiaries and maintains joint ventures with partners in Asia, for example MTU Maintenance Zhuhai with China Southern Air as a joint maintenance shop, and Airfoil Services in Malaysia, a joint venture with Lufthansa Technik for airfoil repair. (*Revenue by business segment before consolidation)

Successful 2022 business year

Despite the difficulties presented by oil price and inflation rate increases, which arose due to the effects of the war in Ukraine and problems in international supply chains, MTU can look back at a successful financial year in 2022. At EUR 5.3 billion, revenue was up 27% from EUR 4.2 billion in the previous year. Operating profit (EBIT adjusted) increased by 40% to EUR 655 million (2021: EUR 468 million). Earnings after tax (adjusted) developed in line with operating profit and increased by 30% to EUR 476 million in 2022 (2021: EUR 342 million). These figures underscore MTU's profitable growth course. At EUR 22.3 billion, the order backlog at the end of 2022 was level with the previous year's figure (2021: EUR 22.2 billion). Most of the orders were for the geared turbofan engines of the PW1000G family, in particular the PW1100G-JM, and the V2500. The recurrence of this high figure illustrates the continued demand for our products and by extension highlights MTU's future viability.

Key financial data (in EUR m)

> GRI 201-1

	2022	2021	2020
Revenue	5,330	4,188	3,977
Earnings before interest and tax (EBIT, adjusted)	655	468	416
Earnings before interest and tax (EBIT, reported)	508	355	262
Tax expense	130	84	48
Net income (reported)	333	231	147
Net income (adjusted)	476	342	294
Capital expenditure on property, plant and equipment and intangible assets	447	384	327

We take a long-term approach to our company's success and our goal is to steadily increase shareholder value. We intend to continue our profitable growth course beyond 2023. For the medium-term outlook, the target formula is 8 - 1 - 25; in other words, EUR 8 billion in revenue and EUR 1 billion in operating profit in 2025.

We add value to society

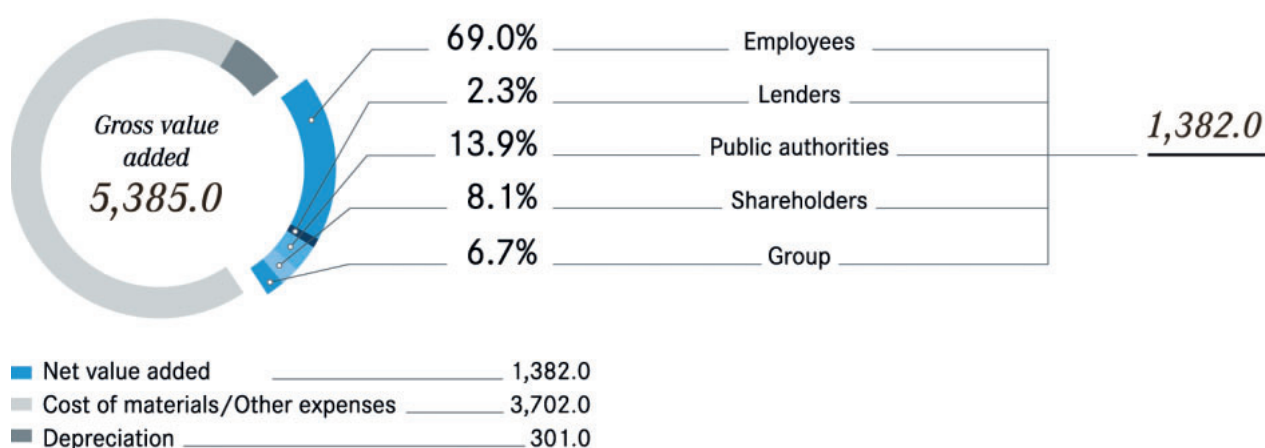
Our commercial success generates added value for our stakeholders and contributes to society's prosperity and the economic development of the communities where our business activities are located. We offer interesting and future-proof jobs in a high-tech industry and professional training as part of Germany's dual-track system. At the end of 2022, the MTU Group employed 11,273 people at fully consolidated sites around the world (2021: 10,508) with 330 young apprentices (2021: 349). We are a major employer in the region at all our major international 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. We pay our employees attractive salaries and offer a broad range of perks. In 2023, we intend to further expand our personnel capacity so that we can drive forward our programs for the future and thus promote MTU's future viability. As in 2022, we will need new employees primarily in engineering and for digitalization.

As a local investor and patron, we promote education and the academic landscape, for example by maintaining close ties to universities and colleges, especially in the regions where our sites are located. We invest in our sites; in 2022, financial resources went primarily toward building and expanding production capacity in Munich, Hannover and Serbia. We create jobs in upstream supply chains and work with around 6,200 suppliers, mainly in Europe, and have defined mandatory sustainability standards for our cooperation with them 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 2022 (in EUR m)



GRI 201-1: Gross value added = revenue and other income, dividend payment to shareholders in the 2022 financial year for 2021

The value-added statement shows that MTU's corporate performance amounts to a gross value added of EUR 5.385 billion. After deducting the cost of materials, depreciation, amortization and other expenses, net value added came to EUR 1.382 billion. A large portion of that (69%) went to our employees in the form of wages, salaries and other benefits, while the Group retained 6.7% for future investments. The proportion allocated to pay taxes levied by public authorities accounted for 13.9%. MTU shareholders are to benefit from the company's good performance by receiving a dividend of EUR 3.20 per share. Our employees have the opportunity to share in MTU's success through the company's annual employee share program.

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GRI: [102-1](#), [102-2](#), [102-3](#), [102-5](#), [102-7](#), [103-2](#), [103-3](#), [201-1](#), [207-1](#), [207-2](#)

WE TAKE RESPONSIBILITY

Sustainability strategy and organization

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 some 11,000 people, we aim to act responsibly in all areas.

Shouldering responsibility is embedded in our corporate identity. Sustainability means that this sense of responsibility permeates every area of our business and extends to the entire value chain. 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 on the protection of human rights of our [Policy Statement](#)—as well as on the ten principles of the UN Global Compact. 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 sustainability initiative that we joined in 2011. As a signatory, 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 signatory to the UN Global Compact, 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 the 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 SDGs](#)

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

Our fields of action and goals



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

Products

- 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

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 work-life balance for all employees
- Ensure a high level of health and safety in the workplace
- Promoting mutual employer/employee dialogue
- Continuously increase external and internal employer attractiveness
- Trust-based leadership
- Ensure a high level of employee satisfaction

Society

- Research collaborations for joint knowledge building
- Corporate citizenship: MTU is 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: MTU SUSTAINABILITY PROGRAM 2025+

Climate action is a key concern

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 goal of zero-emission aviation through our Clean Air Engine (Claire) technology agenda. Through Claire, we are developing innovative propulsion concepts that 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 a sustainable approach to our business will allow us to remain competitive and successful in the long term. [More on aligning our product stewardship with the Paris Agreement in the chapter Climate impact of aircraft engines](#)

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

Stronger commitment to human rights

The protection of human rights has always been an important concern for MTU. Against the backdrop of increasing regulatory requirements such as Germany's Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and given stakeholder expectations of responsible management of global supply chains, MTU has established a stricter risk management system for potential human rights violations in the supply chain and in its own business operations. As a high-tech company, we are generally exposed to a lower risk of human rights violations than other industries.

ESG targets are relevant to compensation

Sustainability topics are an integral part of MTU's strategy and selected control variables from CR management are relevant to compensation. This will strengthen sustainability in the Group and make progress more measurable. For the 2022 financial year, the environmental, social and governance (ESG) targets came from the areas of climate action in site operations and employee satisfaction, which are incorporated into the variable compensation of the Executive Board and senior executives.

For climate action, annual progress is taken from the company's climate strategy, the ecoRoadmap. The ESG-relevant performance indicator CO₂ as a component of variable compensation was related to the European production sites (Munich, Hannover, Berlin and Rzeszów) in 2022. [Detailed presentation of the ecoRoadmap and goal attainment in 2022](#) MTU plans to extend this indicator to all its production sites in the current financial year of 2023.

Regarding employees, the ESG goal—encapsulated under the corporate value of “We create trust”—is derived from the results of the regular PulseCheck surveys, and goal attainment is determined based on the index value from feedback on the subject areas of commitment and leadership. [More about PulseCheck and goal attainment in 2022](#) From 2023 onward, the ESG target in this area will be assigned to the leadership value “We empower” and determined from employees' qualifications and training. The average number of training days per employee is taken into account.

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 minimum social standards in order to claim green revenue, capex and opex shares. So far, there are no assessment criteria specifically for the aviation sector regarding the classification of economic activities within the taxonomy. [MTU's approaches and EU taxonomy information can be found in the non-financial statement of the Annual Report \(p. 113ff.\)](#)

As demand for ESG-focused investment opportunities increases, frameworks and requirements on sustainability reporting are on the rise, too. For example, the EU is currently preparing the Corporate Sustainability Reporting Directive (CSRD), which is intended to provide an expanded framework for corporate non-financial statements. External reporting on ESG issues is thus becoming more and more demanding and complex. MTU is preparing for the implementation of the CSRD requirements and continuously reviews current developments for its own reporting.

MTU ratings & rankings

Moreover, investors are increasingly evaluating companies and their business models according to ESG criteria. MTU's performance in relation to non-financial indicators is regularly assessed by capital-market analysts and independent experts. Important indices and rankings in which the company is currently represented are:



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 2022.

www.cdp.net



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

<https://ecovadis.com>

MSCI: MTU Aero Engines is rated A.

www.msci.com/esg-ratings

Sustainability management across the entire 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 responsibility (CR) management system, we monitor our sustainability strategy, performance and goals.

A CR Board is responsible for the implementation of CR 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 positioning of MTU and its sustainability strategy and objectives. In this way, sustainability is integrated into our corporate decision-making processes. Moreover, the CSO monitors goal attainment and ensures that the CR organization is suitably aligned with the requirements and successfully implemented in the company. In carrying out these responsibilities, the CSO works closely together with the CR Board.

Corporate Responsibility Board as a central body

The CR Board acts in cooperation with the CSO as the highest decision-making body and draws its members from the tier-1 senior management team in corporate functions. It is responsible for driving sustainability forward at MTU, controlling CR activities and adopting CR actions and initiatives. The CR Board reports directly to the CSO as well as reporting regularly to the Executive Board and the Supervisory Board.

The CR Board meets regularly and as required. If necessary, representatives from further operational functions are invited to the meetings. A central CR coordination team manages Group-wide sustainability activities, overall CR management, communication with stakeholders about CR topics, and reporting on CR issues. It also works with an interdisciplinary CR team to continuously develop the CR management.

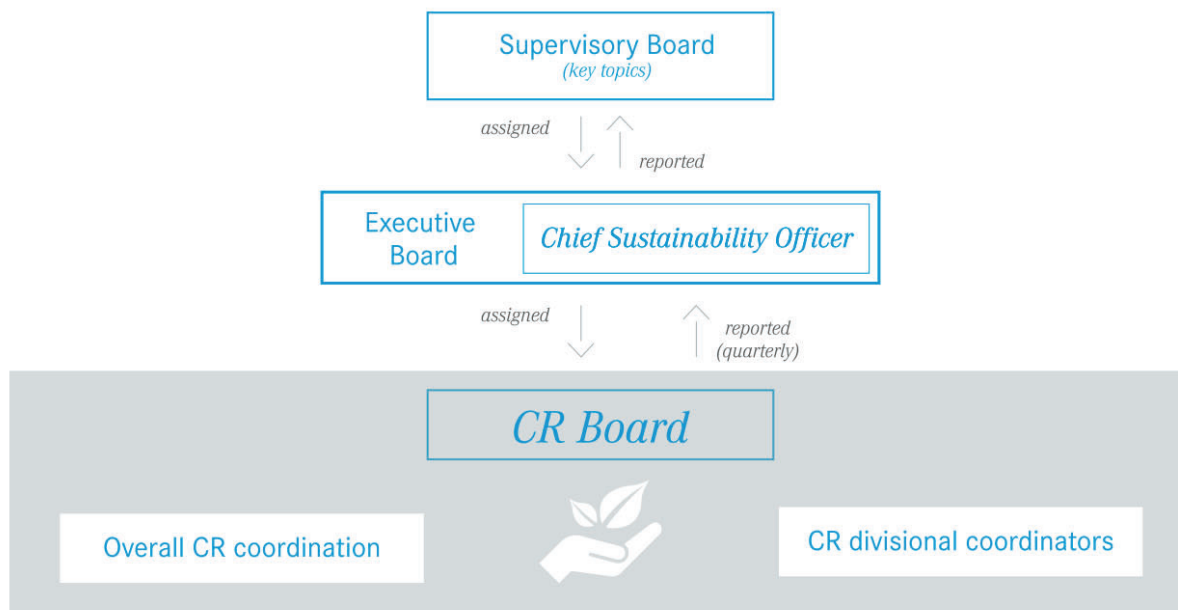
CR Board mission statement

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 CR projects within the company and in CR 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 CR team are the CR divisional coordinators. 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 CR goals and developing these goals over time. CR management officers at the sites support the CR divisional coordinators and the overall CR coordination team. The CR 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.

CR management at MTU



We steer our sustainability strategy through the CR management system, while the CR Board acts as the decision-making body in conjunction with the Chief Sustainability Officer. A central CR coordination team manages Group-wide sustainability activities and overall CR management, and CR divisional coordinators are responsible for goals and actions 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 CR 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 Board passes the report on to the risk management team and, if appropriate, to the Executive Board.

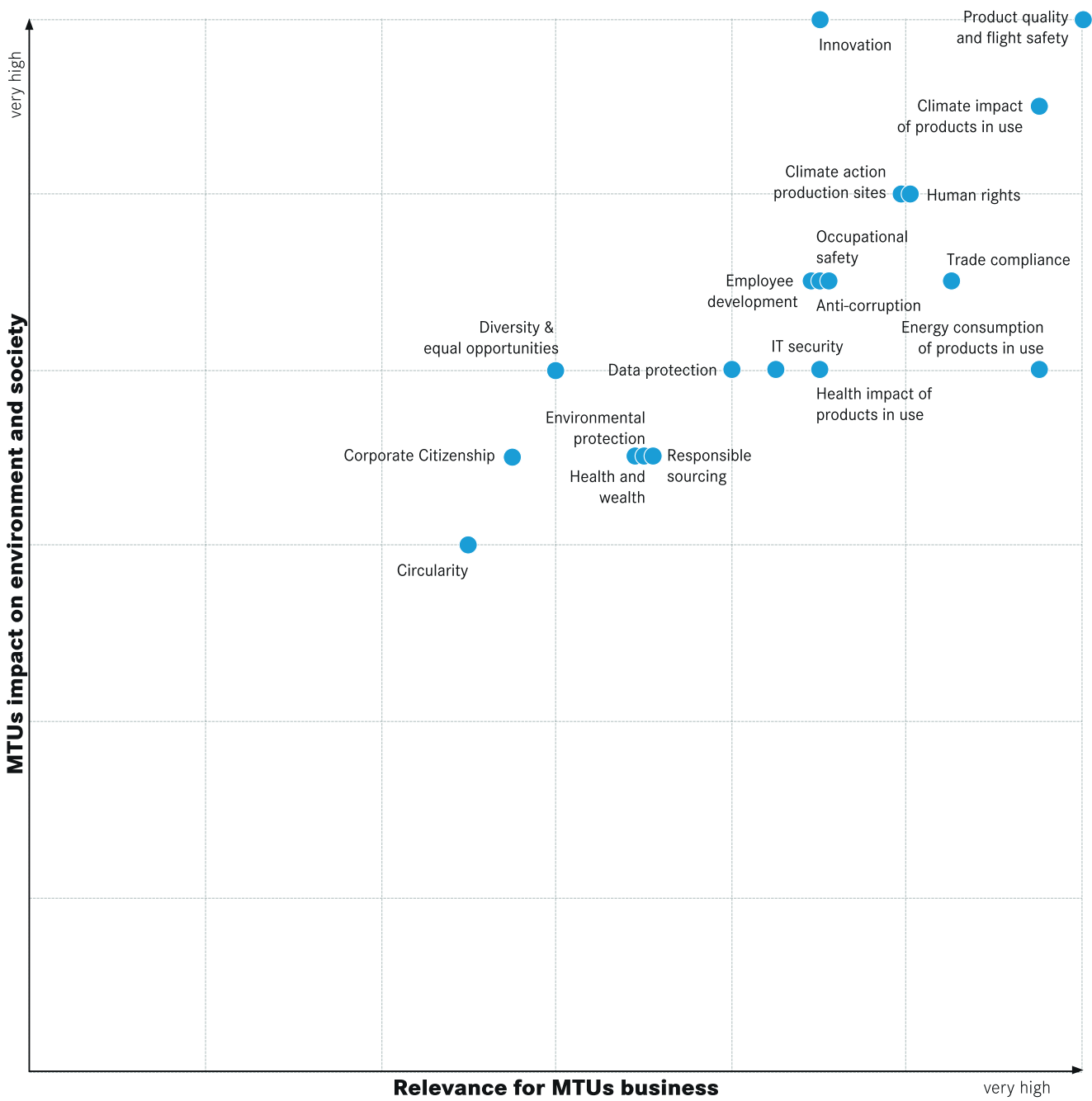
The risk assessment for the 2022 financial year identified no material risks in relation to the topics of our CR strategy. Material risks are those that are highly likely and have a severe negative impact.

OVERVIEW OF RISKS AND OPPORTUNITIES FOR MTU IN THE ANNUAL REPORT 2022

Materiality analysis: Topics relevant for MTU

We review our sustainability strategy annually to reflect recent changes and developments, refining our priorities in the process. As part of this annual materiality analysis, we assess the issues relating to the social and environmental impact of our business activities and look at positive and negative aspects alike (opportunities and risks). In addition, we evaluate the business relevance of the issues, based among other things on the impact they may have on the company's reputation or on the income statement. 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 102-46 Evaluation of topics for the 2022 financial year adopts the materiality concept in accordance with the legal implementation of CSR guidelines in Germany (CSR-RUG)

The determination of materiality for the 2022 financial year led primarily to a consolidation of multiple topics. Energy management was given a higher rating and merged with CO₂ emissions to form the topic “Climate action at the production sites,” as CO₂ emissions in site operations (Scope 1 and 2) result mostly from energy consumption. All other environmental aspects in site operations (water, waste, noise) have been combined as “Environmental management.” For the supply chain, too, the previously separate topics of responsible sourcing OEM and responsible sourcing MRO have now been consolidated across the two business units. Regarding employees, work-life balance and health management have been merged to form “Attractive working conditions.” We have adjusted the evaluations accordingly. The topic of the circular economy has been assessed for the first time in terms of its importance for MTU and its impact on third parties, and has been newly anchored in the matrix.

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GRI: 103-2, 103-3

UNGC: 1-10

MTU'S SUSTAINABILITY PROGRAM

Our goals 2025+

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	Goals 2035	Goals 2050
	up to -60%* climate impact with current generation of turbofans	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	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	Goals 2035	Goals 2050
	up to -17%* energy consumption with current generation of turbofans	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	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
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*compared to an engine from the year 2000

Procurement practices

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

 Manufacturing and 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.

Services & tools

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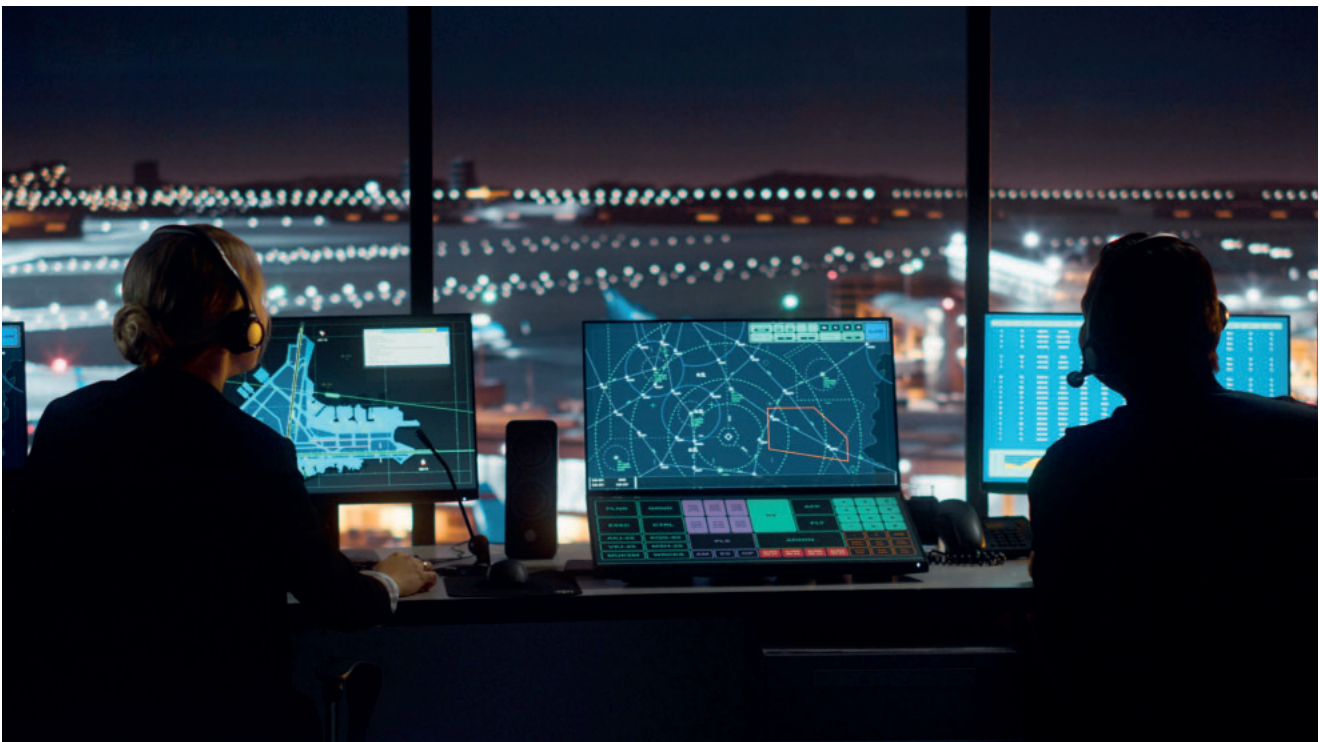
[ONLINE SURVEY ABOUT SUSTAINABILITY@MTU](#)

UNGC: [1-10](#)

GOVERNANCE WITH CLEAR RULES

Compliance

We act with integrity in our working and business relationships—in other words, in accordance with applicable law and our internal body of rules and regulations. A key benchmark for our behavior in the company, toward our business partners and in society is a Group-wide Code of Conduct that provides all of us with binding guidelines.



MTU's long-term commercial success is founded on responsible actions carried out in full compliance with all applicable laws. Our Code of Conduct and internal guidelines contain clear requirements and thus provide orientation.



Compliance is essential for us and for the collaboration with our stakeholders, and serves as the foundation for the long-term success of our company. MTU conducts its business as a fair employer, business partner and customer, and advocates transparent competition where all parties are on an equal footing. 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.



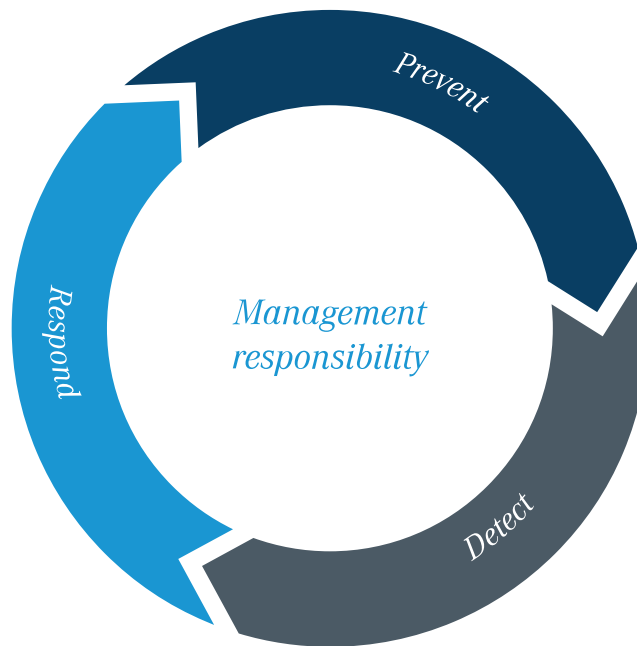
Lars Wagner
Chief Executive Officer and
Chief Sustainability Officer
MTU Aero Engines AG

“We see compliance as being about much more than merely fulfilling a legal requirement. 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.”

MTU condemns corruption of any kind as well as all other forms of white-collar crime. We do not tolerate immoral practices such as bribing or accepting advantages in business transactions. This is why preventing bribery and corruption are stated goals of our compliance activities.

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.

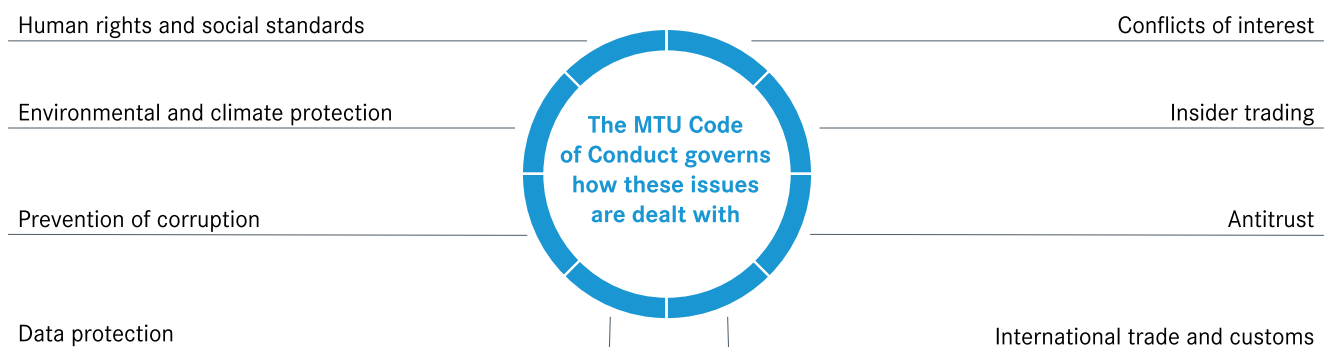
MTU's compliance system



Clear rules for integrity in everyday work and business life

MTU's Code of Conduct addresses central compliance topics such as preventing corruption and dealing with conflicts of interest. The Code defines clear standards for working with stakeholders such as customers, suppliers, authorities and partners. As such, it is an important tool for implementing responsible business practices.

MTU's Code of Conduct



→ [MTU's Code of Conduct](#)

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. We also expect our business partners to fully comply with all applicable laws. A separate Code of Conduct covering compliance topics applies for suppliers. → [Code of Conduct for Suppliers](#) The MTU Principles (“We shape the future of aviation”) are an integral part of our corporate culture; they help us act in a consistent and reliable manner.

External standards and memberships

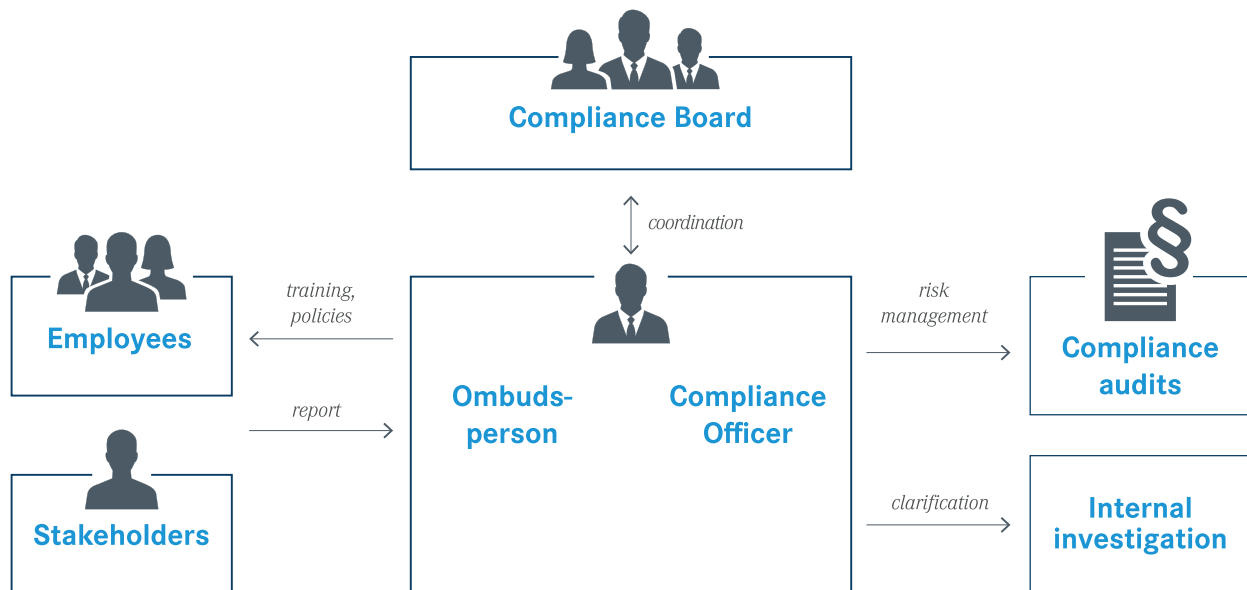
We have committed to the principles of the UN Global Compact (UNGC), one of which is preventing corruption within our company → [Principle 10 of the UNGC](#). In the interests of maintaining sustainable corporate leadership, we take our lead from the [German Corporate Governance Code](#), whose requirements we comply with fully ([MTU’s Declaration of Conformity for 2022](#)), 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.

Compliance is teamwork

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 Compliance Board and a Compliance Officer. Both the Compliance Board, whose members are top managers from various departments, and the Compliance Officer hold Group-wide responsibility. The Compliance Officer’s duties include conducting preventive measures, investigating incidents of white-collar crime, and collaborating closely with the Compliance Board in further developing the compliance system. The Compliance Board holds regular and ad hoc meetings, the latter at the request of the Compliance Officer. The Compliance Officer provides quarterly updates to 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.

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.

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.

Safety brooks no compromise

We want to prevent compliance violations and ensure that business decisions are made with integrity. We do not tolerate any kind of conduct that violates laws or regulations. 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. No significant fines or non-monetary sanctions were levied against MTU for breaches of applicable laws, and it faced no legal action stemming from corruption or due to antitrust or anticompetitive practices.

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—which is also ensured by means of an internal regulation. In addition, employees can confide in their superiors, the legal department or HR.

In the 2022 financial year, 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—none of the tips related to violations severe enough to be significant for the company.

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 2022 query revealed no significant incidents reported, and no significant corruption risk has been identified for any site. [For compliance and governance risks, see Annual Report 2022, 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 2022. Potential sales consultants are also subject to an assessment by an independent provider of due diligence services. The contracts require the sales consultants to stipulate that the ASD anti-corruption standards are binding. The corporate audit department conducts regular audits in which it checks business processes and procedures for conformity to legal requirements and adherence to internal guidelines.

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

Activities focus on prevention

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.

Training concept for compliance topics

Target group

Medium



Our compliance training is tailored to specific target groups.

One way MTU chose to raise awareness of compliance topics among all its employees was with a training document for the Code of Conduct. We continued the training sessions in the reporting year. In 2022, a total of 3,131 employees had taken part. In addition, managers and employees who hold special functions, for instance in sales, attend regular mandatory anti-corruption training. In the reporting year, such corruption prevention training sessions were held regularly for the relevant employees in maintenance sales and at MTU Aero Engines Polska. 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.

CONTINUOUS EDUCATION



3,131

employees were trained on the Code of Conduct in 2022 alone.

Responsible international trade

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. → [Statutory export control regulations are outlined in the non-financial statement in the 2022 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 (Executive Board).

Mandatory training for all employees affected by export control regulations continued during the reporting year with a new concept that was launched in 2020. Called the Internal Compliance Program, this concept was adapted in line with the legal framework applicable for the reporting year.

Data protection

In times of advancing digitalization, we seek to ensure comprehensive data protection. The protection of personal data in accordance with applicable legal provisions is laid out in the MTU Code of Conduct and is binding. When using digital applications, we were able to fully ensure that our employees' personal data was protected.

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 instructed in 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.

Data protection is part of our ongoing information and training offers for employees, targeted to the needs of different groups.

Once again in 2022, we had no reportable breaches related to customer data protection.

IT security

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 oriented at 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. MTU management 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 system failures due to technical error, and 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.

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GRI: 102-12, 102-16, 103-2, 103-3, 205-1, 205-2, 205-3, 206-1, 412-2, 418-1, 419-1

UNGC: 1, 10

INTERACTION WITH SOCIETY AND POLITICS

Stakeholder dialogue

Maintaining an open and constructive dialogue with our key stakeholders is an essential factor in the success of our company. We provide them with regular updates about MTU's sustainability goals and our progress, and receive valuable feedback in return.



Executive Board member Lars Wagner at the ILA 2022 in Berlin talking about emissions-free flight with German Economics Minister Robert Habeck.

During these times of transformation and in light of the complex challenges facing us, we are keen to exchange knowledge and information, provide orientation and create transparency about our role in the sustainable development of society and the economy. To this end, we maintain an open and proactive dialogue with key stakeholder groups. This stakeholder dialogue increases confidence and trust in MTU, raising acceptance for our business activities. It also gives us the opportunity to respond to suggestions, expectations and feedback, act on new topics in good time and thus better assess how our business activities affect society and the environment → [Materiality analysis](#).

MTU's stakeholder groups

Employees

Topics

- Health and safety
- Career and advanced training opportunities
- Compensation and benefits
- Work-life balance
- Diversity and equality of opportunity
- Co-determination
-
-

Forms of dialogue

- MTUnet (Social Intranet) and contact (employee magazine)
- Employee surveys (PulsCheck)
- Need-based information from the HR department
- Dialog and information events
- Company suggestion scheme
- Individual consulting sessions
- Online learning portal
- Welcome on Board program

Business partners and customers

Topics

- Product quality and safety
- Sustainable technologies
- Product fuel efficiency
- Human rights
- Compliance

Forms of dialogue

- Voice of the customer
- Trade fairs
- Corporate communications media channels

Suppliers

Topics

- Product quality and safety
- Environmental protection
- Responsible sourcing
- Compliance with MTU standards

Forms of dialogue

- Supplier portal
 - Audits
 - Supplier surveys
 - Supplier Days
-

Capital market

Topics

- Product innovation/eco-efficiency
- Responsible corporate governance
- Human rights
- Compliance
- Climate protection
- Risk management
- Supplier management

Forms of dialogue

- Annual General Meeting
- Conferences and roadshows
- Investor discussions
- Trade fairs
- Ratings
- Financial communications

Science and research

Topics

- Developing new technologies
- Promoting research and teaching
- Networking between industry and research
- Study of engineering and scientific disciplines
- Recruiting

Forms of dialogue

- Joint research projects
- Work in MTU centers of excellence
- Trade fairs
- Visits from university student groups
- Presentations/discussions at universities

Media

Topics

- Innovation and technologies
- Aviation sector/eco-efficiency
- MTU as an employer
- Financial issues
- Site development
- Compliance

Forms of dialogue

- Press releases
 - Press conferences and briefings
 - Plant tours
 - Internet / social media
 - Trade fairs
 - Studies
-

Region

Topics

- Social commitment
- Climate protection
- MTU as an employer
- Site development
- Compliance

Forms of dialogue

- Community partnerships
- Internet / social media
- Plant tours
- Stakeholder survey
- Museum open house days

Politics and public agencies

Topics

- Developing and promoting technology
- Climate protection, eco-efficiency
- Political frameworks and regulations
- Mobility concepts
- Site development
- Demographic change
- Globalization
- Compliance

Forms of dialogue

- Parliamentary evening
- Plant visits
- Trade fairs
- Political discussions
- Background talks
- Visits by political delegations

Associations and organizations

Topics

- Eco-efficiency
- Promoting innovation and technology
- Economic and labor policies
-
-

Forms of dialogue

- Meetings and committees
 - Participation in forums and events
 - Studies
 - Expert discussions
 - Cooperations with NGOs
-

Topics and dialogue formats

We provide information about the challenges, developments and technologies relating to sustainable aviation. Our focus is on achieving zero-emission aviation in the long term. The central topic of stakeholder dialogue in 2022 was again climate action in aviation, especially the realignment of our Claire technology agenda with the long-term goal of zero emissions. We presented this new agenda to the public at the ILA air show in Berlin. The dialogue on climate will focus on our innovative Water-Enhanced Turbofan and Flying Fuel Cell propulsion concepts, the role of sustainable aviation fuels, and the reduction of CO₂ emissions in production. We have also provided information on social issues, with a focus on cultural topics such as New Work, hybrid working and diversity.



For our stakeholder dialogue, we use our own formats and platforms as well as public forums: (clockwise) Virtual Annual General Meeting in April. Peter Kameritsch speaks at MTU's Capital Markets Day. The Parliamentary State Secretary to the Federal Minister for Digital and Transport, Oliver Luksic, talking with Lars Wagner at the ILA. Chief Program Officer Michael Schreyögg received Dr. Marie-Agnes Strack-Zimmermann, Chairwoman of the Defense Committee in the German Bundestag.

Communication with our stakeholders takes place over various channels and platforms so we can incorporate their interests and feedback. This dialogue is mostly tailored to the target group or a specific topic. We pursue this dialogue regularly, with the actual frequency determined by the need for communication and/or information.

We give our employees the opportunity to provide feedback and to participate. Surveys such as our regular PulseCheck allow us to obtain the latest views and opinions from the workforce. Special formats such as Ideation Challenges let us gather employee ideas about certain topics. → [More information under Research & development](#) We have established channels for specific sustainability topics on our social intranet, which offer an opportunity for interactive discussion.

We want to engage more closely with our customers on sustainability issues. For this, we will look to the existing Voice of the Customer tool, which Maintenance currently uses for regular customer feedback. Integration is planned for 2023.

Our social media posts increasingly feature sustainability topics. MTU channels have recorded increasing numbers of followers; at the end of 2022, there were 125,500. We posted regularly on all channels, using the hashtags #MTUFamily, #FutureOfAviation and #Sustainability. [Overview of our social media channels](#)

At our sites, we pursue a direct dialogue with the general public—for instance, with community representatives, neighbors and other interest groups—with a view to providing information about the potential effects of our business activities on our immediate environment. In the reporting year, we held an information event for the neighborhood about the geothermal project at our Munich site.

Online survey about sustainability

Our website invites stakeholders to rate and discuss our sustainability management and its goals. The results are incorporated into the annual assessment of the issues for MTU.

HOW DO YOU RATE SUSTAINABILITY AT MTU?

Reliable information for the capital market

We aim to provide comprehensive and reliable information about MTU as a sustainable investment. 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. 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.

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. In 2022, the main topics of the dialogue were emissions-free flight, sustainable aviation fuels, sustainable production and infrastructure, and promoting innovation. 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, as of the beginning of 2022, 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 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](#)

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UNGC: 10
