



TRANSFORMING AVIATION



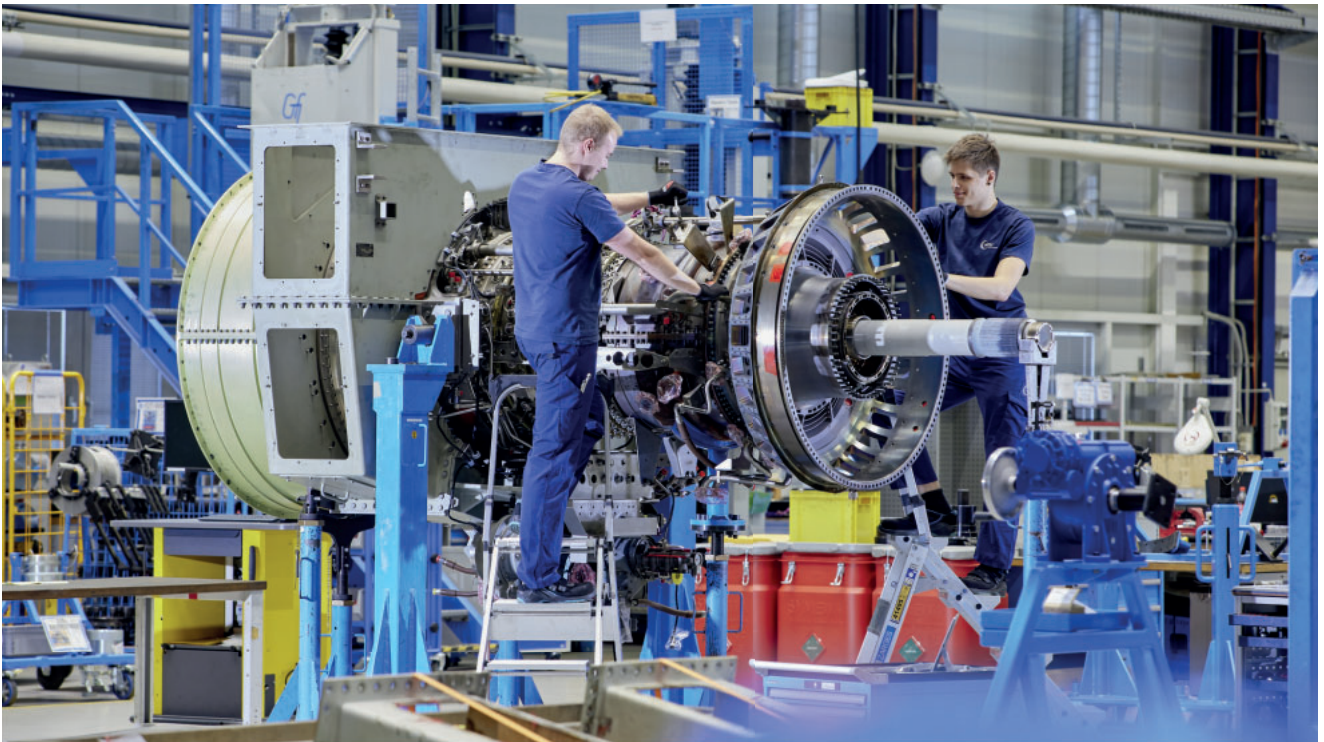
Sustainability Report

MTU AERO ENGINES AG
BUSINESS YEAR 2022

READY FOR THE FUTURE

Collaboration and leadership

Good collaboration and reliable leadership are important pillars of our success. We encourage the commitment of our employees and support our managers in exercising their responsibility. In this way, we strengthen cohesion within MTU.



Teamwork makes us more successful. And it flourishes in a working environment that inspires and connects people.



What makes us at MTU strong is not just our operational performance and high degree of financial stability, but the dependable nature of our collaboration and management. Trusting collaboration and a willingness to embrace change are the main drivers of an innovative, modern corporate culture. Further developing our corporate culture has been an overarching MTU goal since 2022 and is a defined part of our Innovative Culture project. To ensure our long-term success and innovative strength, we rely on a culture that is open to change in order to handle accelerated developments, such as digitalization, or pressing challenges, such as climate change, and to profitably seize the opportunities and potential that emerge from them. Forward-looking, intensive training of our workforce, the promotion of diversity, and a safe and inclusive working environment pave the way for each and every employee to develop to the best of their abilities and keep MTU on the path to success.

Fast Facts: #MTUfamily

A GLOBAL TEAM



11,273

employees helped MTU achieve success in 2022.

HIGH LEVEL OF CONFIDENCE



91 %

of employees firmly believe in MTU's future.

STRONG COHESION



5.8 %

turnover rate: Our specialists and managers stay on board.

Attractive and sustainable: MTU as employer

Responsibility for employment issues lies with the Executive Board. The CEO is also the Director of Labor Relations. MTU's human resources department sets policy in line with our corporate strategy. It also assists in efforts to achieve our long-term corporate and growth targets. The full Executive Board receives regular reports on human resources policy. Responsibility for successful implementation lies with local human resources departments and the respective technical departments and managers.

The aim of our HR strategy is to address relevant changes and developments in the world of work and position the company as an attractive and sustainable employer for existing and new employees alike. As a best-in-class employer, we create the conditions for profitable corporate growth, a pillar of MTU's strategy. In our case, that means we act in an employee-oriented manner with an increasingly diverse workforce, overcome increasing complexity with confidence, and are present on the German and international labor markets as an attractive employer.

MTU, get ready!

We are taking off for the future. As part of our Innovative Culture project to strengthen our corporate culture, in 2022 we established a maturity index for the first time. Based on a survey of employees in the defined focus areas of Innovative Culture, we identified specific points where we need to take action in the further development of our corporate culture. Our focus will be on the digital mindset and greater decision-making authority among employees ("empowered organization"). The index will be determined annually.

Our global MTU team

Employees by region



GRI 102-8: Total workforce of fully consolidated sites as at the end of 2022; proportion of female employees measured against active workforce. For composition of workforce sizes and scope of consolidation, see the [GRI Index](#).

At the end of 2022, our workforce comprised 11,273 employees at all fully consolidated sites, a further increase over the previous year (2021: 10,508). The increase is spread across all regions, but can be seen in particular at our sites in Munich, Germany; Rzeszów, Poland; and Nova Pazova, Serbia. At 93.1%, the majority of MTU's total workforce continued to be located in Europe, with a full 81.2% of the total workforce in Germany; 6.9% of the workforce was employed in North America. We are committed to long-term employment contracts, and the proportion of permanent employment contracts at MTU is traditionally very high. In the reporting year, it stood at 93.5% (2021: 93.7%).

The turnover rate is down again compared with the previous year. This is because turnover was higher last year, when we had to adjust our staff capacity in light of the economic crisis caused by the coronavirus pandemic. The degree of loyalty to our company remains high, with an average length of service of around 14.6 years (Germany, measured in terms of active workforce).

Staff turnover

GRI 401-1

	2022	2021	2020
No. of employees that left the company	540	609	385
Turnover rate (%)	5.8	6.8	4.2

Turnover rate measured as a proportion of core workforce, annual average, figures include retirements; data broken down by age group is not available. We report on new hires in the chapter on Diversity & inclusion. Figures on staff turnover by region in accordance with GRI are presented in the Notes.

Social and labor standards established

As an employer, we show responsibility toward our employees, protect their rights and requirements, and create long-term, secure employment on the basis of corporate social responsibility. Our social and labor standards are defined in a Group-wide Code of Conduct and incorporate:

- Observance of human rights
- Equality of opportunity in the workplace
- Dealings with suppliers, customers and business partners in industrial relations
- Collaboration with employee representatives and labor unions
- Entitlement to appropriate remuneration
- Occupational health and safety
- Employee training and development

→ [MTU Code of Conduct](#)

The reporting procedures in the event of suspected breaches of our Code of Conduct, statutory requirements, plus our internal company guidelines and our principle of zero tolerance are described under → [Compliance](#) and → [Human rights](#). Details of the anti-discrimination measures we take can be found under Human rights. As a signatory to the [UN Global Compact](#), we are committed to observing its principles of respect for human rights and equal treatment in the workplace. We are also committed to fair working conditions in accordance with the [International Labour Organization's \(ILO's\) core labor standards](#).

At the beginning of 2023, MTU adopted a [Policy Statement on the Protection of Human Rights](#). → [Human rights](#)

MTU protects employees' rights and safeguards their freedom of association through the Code of Conduct. When drafting employment contracts, we observe national statutory requirements, collective agreements such as collective bargaining agreements, as well as internal company agreements and notice periods as laid down by law. Managers ensure that company agreements are implemented and observed on a day-to-day basis in their areas of responsibility. In 2022, 91% of the people employed by the company in Germany were covered by collective agreements (e.g. collective bargaining agreements), a figure that stood at 77% worldwide in the same year.

The relationships we form with our employees are based on respect and trust and we take their concerns into account: in accordance with the German Works Constitution Act (Betriebsverfassungsgesetz), MTU's sites in Germany have works councils that maintain regular, open and trust-based dialogue with management. The German sites also have a Group works council that handles Group-related issues. At the company's sites in Poland and Canada, elected employee representatives support the interests of the workforce in dealings with management. In addition, the interests of employees are represented on the Supervisory Board, where seats are filled on the basis of parity.

Leadership and collaboration as a dialogue

The MTU leadership values (“We transform,” “We empower,” “We create trust”) form a shared basis for managers’ values and conduct and shape our leadership culture. They promote collaboration at all levels, provide orientation and formulate expectations for leadership behavior. We thoroughly prepare and train our managers for their tasks and constantly provide them with inspiration. [These offers are detailed under Employee development.](#)

GAUGING THE MOOD ON COMMITMENT AND LEADERSHIP



77%

In 2022, we achieved this index value for commitment and leadership in the two PulseCheck surveys. For 2023, we have revised our feedback landscape to include complementary tools.

We carry out an employee survey at regular intervals at all of our larger sites to provide important impetus for the company’s ongoing development. We see the results as an important yardstick for successful collaboration and leadership. We use the PulseChecks survey format at regular intervals to determine the current mood in the organization at the German sites. All employees are surveyed on various topics such as commitment, information, leadership, team, perspective and mobile working. The feedback on the topics of commitment and leadership is incorporated into an index value; this was taken into account as an ESG-relevant (ESG=environmental, social and governance) indicator for the variable compensation of Executive Board and executives in 2022. The index value includes the agree responses (“Agree fully” to “Agree somewhat”). The value from the two PulseChecks was around 77% of the responses and thus above the target of 75%. In addition, on average 91% of employees reported a high level of trust and confidence in MTU.

We also conduct regular surveys at our sites outside Germany, such as MTU Aero Engines Polska. Moreover, further employee involvement forums are established at our sites around the world. These range from works meetings in Germany and townhall meetings in the United States to special instruments. We have revised the feedback landscape, which from 2023 onward will consist of further building blocks in addition to the PulseCheck.

We use our idea management system to obtain and evaluate improvement suggestions from employees. In 2022, the participation rate was 24%. In addition, we regularly initiate in-house Ideation Challenges on predefined tasks in order to utilize the ideas of our employees. The ideas and concepts submitted are evaluated by a jury. We take particularly promising suggestions and test their potential and feasibility in projects in our [Inno Lab](#), an in-house MTU innovation hub.

We have established a consistent methodology for feedback and for evaluating performance at all levels of the hierarchy, from senior managers to employees included in collective bargaining agreements. The performance criteria are based on corporate, center or departmental objectives and are designed to measure how employees and managers contribute to reaching these objectives. Goal attainment is discussed during the year in milestone meetings and at year-end in goal attainment meetings. All managers undergo performance reviews to evaluate achievement of their personal targets, and in 2022, 94.4% of all MTU employees worldwide received a regular appraisal of their performance (at least once a year).

AWARD-WINNING EMPLOYER



→ [Overview of awards](#)

In comparative analyses with other companies, MTU again received several awards in 2022, including Top Employer in Germany and Top Employer in Poland as well as a commendation from the Women's Career Index.

Attractive compensation and benefits

For us, fair wages are part of an appreciative and respectful approach. Our employees' right to appropriate remuneration is enshrined as a pillar of MTU's Code of Conduct. Employee wages at all our sites are above the legally stipulated local minimum wage. We reexamine our remuneration structures regularly.

MTU ensures that employees receive competitive remuneration that reflects their performance, regardless of gender or other characteristics against which discrimination occurs. In addition to the Code of Conduct, this has been enshrined as an essential working condition in a Policy [Statement on the Protection of Human Rights](#) since 2023. The remuneration of pay-scale employees in Germany is based on collective bargaining agreements. Variable compensation for senior managers is tied to MTU's long-term performance.

We offer a broad range of additional perquisites. In addition to the statutory obligations, in Germany these include accident insurance, profit-sharing, family-related services, mobility benefits, a healthcare service and training opportunities. In addition to the employer's contributions, all employees can make a personal contribution to the company pension plan. At our international sites we offer a range of benefits such as private life insurance, health insurance and retirement planning support.

SOCIAL BENEFITS IN 2022



145 m euros

In addition to their salary, we offer our employees a wide range of social benefits such as a company pension scheme and support services.

We enable our employees to share in the company's success. Each site does this using different regulations and programs. For our German sites, we offer an annual employee share program (participation rate 2022: 42.6%), with which we also aim to strengthen the entrepreneurship of our employees and their loyalty to MTU. Some of our international sites offer their own long-term bonus schemes, as in Rzeszów (Poland), or award annual bonuses, as is the case in Vancouver (Canada).

Also in 2022, we restructured a social fund, originally established in connection with the Covid-19 pandemic. Since then, the funds have been donated to MTU employees who find themselves in financial difficulties through no fault of their own, and to humanitarian causes outside the company.

Alternative working arrangements (Germany)

GRI 102-8, 401-3

	2022	2021	2020
Part-time employees (in %)	8.1	7.4	7.6
Employees on parental leave	537	478	416

The right to parental leave in Germany is governed by the German Parental Allowances and Parental Leave Act, which applies to the entire workforce. The legislation stipulates that any employee has a right to time off—regardless of their gender. Given discrepancies between national legal considerations, we do not consider it useful to consolidate these figures at the Group level. Figures on part-time work and parental leave by gender in accordance with GRI are presented in [the Notes](#).

We recognize the specific needs and various life phases of our employees and offer various options for individuals to shape their working hours and how their work is organized. These include, for example, a range of part-time models, mobile working and sabbaticals. This way, we create attractive conditions at MTU and help our employees achieve a better work-life balance.

Offerings to promote work-life balance

- Flexible working hours and flextime accounts
- Wide variety of part-time working arrangements
- Educational leave
- Mobile working
- Teleworking
- Sabbaticals
- Part-time work for older employees
- Parental leave
- Job sharing
- Support for families (advice on arranging childcare, care services)
- Collectively agreed leave to look after children and relatives in need of care
- Collectively agreed time off for special personal occasions (e.g. wedding, change of residence, deaths in the family)

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GRI: 102-8, 102-12, 102-16, 102-41, 102-43, 103-2, 103-3, 201-3, 401-1, 401-2, 401-3, 404-3, 405-2

UNGC: 3, 6

DUTY OF CARE AS AN EMPLOYER

Human rights

We respect the human rights of our employees and have enshrined this in our company by means of various instruments. Beyond this commitment, we aim to prevent the violation of human rights at MTU.



MTU respects the internationally proclaimed human rights set out in the United Nations' Universal Declaration of Human Rights and enforces and protects these rights within its sphere of influence. Our [Code of Conduct](#) stresses that respect for human rights is an essential part of MTU's corporate social responsibility. We also respect and support the fundamental principles of the International Labour Organization ([Core labor standards of the International Labour Organization \(ILO\)](#)) and are a signatory to the [UN Global Compact](#), Principle 6 of which aims to uphold human rights.

We are conscious of our responsibility as a company with global operations, and aim to carry out our due diligence with regard to human rights. In particular, we pursue the goal of preventing human rights violations that could affect employees (zero-tolerance principle).

We view the respecting of human rights principles as a Group-wide issue that goes beyond social labor standards and basic labor rights for employees to include [sustainable supplier management](#) and trade compliance standards for [responsible international trade](#).

Code of Conduct addresses human rights

MTU sees it as its duty to respect the individuality and dignity of each and every person, maintain equality of opportunity in the workplace and prevent discrimination. The protection of human rights, the right to appropriate remuneration, as well as recognition of regulations governing employee and union representation under labor and works constitution law, are implemented Group-wide through the Code of Conduct. As an employer, we create fair working conditions based on legally binding employment contracts with appropriate remuneration. This includes the right to unionize and to adopt collective agreements. Our zero-tolerance approach to violations is also a fundamental component of our Code of Conduct.

Compliance with the Code of Conduct and ethical principles is enshrined in the MTU Principles. In addition, we comply with statutory requirements; in Germany, for example, MTU must honor the [General Act on Equal Treatment \(AGG\)](#). Also in Germany, we have worked with employee representatives to enact internal guidelines on fair and cooperative conduct that are designed to prevent bullying, sexual harassment and discrimination. They also stipulate a systematic process for handling complaints.

When they join the company, new employees are informed about the regulations laid down in the Code of Conduct and—in Germany—in the General Act on Equal Treatment (AGG), and they undertake to comply with these requirements. In addition, we provide regular training on the Code of Conduct at all company's sites and for all hierarchical levels. In 2021, we redesigned the training on the Code of Conduct and in the reporting year, we continued the e-learning program, in which 3,131 employees took part last year. → [More about MTU's Code of Conduct and associated training under Compliance](#)

Reporting channels for stakeholders

Reporting procedures have been established to ensure that we can systematically follow up on all complaints or reports of human rights infringements. Employees and external stakeholders can make reports to the Compliance Officer as a confidential contact point in the Group, or anonymously via the web-based [iTrust reporting system](#), available in multiple languages. This applies to all human rights concerns. → [See Compliance for information about handling reports](#)

In addition, points of contact for employees have been set up at each site, about which we provide information on-site. For example, in compliance with legal regulations such as the AGG in Germany, trained personnel at each site are identified as the contact points for complaints regarding discrimination. At MTU Maintenance Canada, employees can file a formal complaint with human resources management in cases of discrimination. They also have the right to go beyond the company and make a formal complaint to the BC Human Rights Tribunal. At MTU Aero Engines Polska, this function is carried out by a person elected by the employees. What's more, employees can also report grievances to managers, the works council or the head of human resources. The Executive Board is informed about infringements depending on the severity of their impact. In cases of substantiated complaints, we take appropriate action to find a solution. → [More information about the collaboration between management and the works council in the chapter Collaboration and leadership](#)

POSITIVE WORKING ENVIRONMENT



0 incidents or substantiated complaints regarding discrimination were recorded in 2022. We see this as a sign of good collaboration at MTU.

No site had an identified case of discrimination or received a substantiated complaint in 2022 as defined by the respective anti-discrimination legislation in effect there.

Human rights risk management revised

We strive to avoid negative impacts of our business activities on human rights as far as possible. We continuously review our business activities for human rights risks in order to define and implement preventive measures at an early stage. We classify human rights risks under various elements of the risk inventory of our corporate risk management process. Regarding its methodology, approach and assessment, our human rights risk analysis is based on MTU's corporate risk analysis.

MTU's own business activities are conducted mainly in Germany, the EU and North America. We assume a low probability of occurrence for significant violations of human rights in our own business area, as these regions have regulations set by the respective legislators and a commitment to human rights that is rooted in society. In addition, the aviation sector has its own specific regulations and regulatory oversight.

Accordingly, we have identified no MTU business location that we must consider at significant risk of child, forced or compulsory labor, or at which the freedom of association and right to collective bargaining could be compromised.

If we identify a violation of obligations relating to human rights, we will immediately take appropriate measures to end this violation, prevent it in the future or minimize its extent.

Policy Statement on the Protection of Human Rights adopted

Germany's Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which took effect there in 2023, calls for responsible management to protect human rights both internally and externally for the supply chain. In the reporting year, MTU prepared the implementation of the legal requirements.

At the beginning of 2023, the MTU Executive Board signed a [Policy Statement on the Protection of Human Rights](#) that applies to the entire MTU Group. This policy statement sets out MTU's understanding of human rights and responsibilities and underpins the company's zero-tolerance approach to violations.

Executive Board appoints Human Rights Officer

In response to this legislation, the Executive Board will also appoint a Human Rights Officer as a central function, who will start work in 2023. The Human Rights Officer monitors risk management for the protection of human rights and regularly reports to the Executive Board. In addition, the definition of human rights has been expanded to include aspects of environmental protection and climate action, as these can have an impact on human rights.

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GRI: [103-2](#), [103-3](#), [406-1](#), [407-1](#), [408-1](#), [409-1](#)

UNGC: [1-6](#)

ADEQUATELY PROTECTING EMPLOYEES

Occupational health and safety

At MTU, our employees should have a safe and healthy environment in which to work. This is in line with our social responsibility and is expressed in strict occupational safety standards, company health management and a preventive approach.



Personal protective equipment is important for occupational safety. This includes protective shoes, protective goggles and hearing protection, all provided by MTU.



MTU places great importance on the safety of its employees. Occupational safety and employee health are enshrined as one of the key principles of corporate social responsibility in MTU's [Group-wide Code of Conduct](#), which stipulates that workplaces must be set up in accordance with statutory and generally recognized occupational health and safety regulations. In addition, we have established an internal standard that lays down parameters, rules and KPI definitions applicable across all sites. A Group report on workplace accidents is submitted to the Executive Board each quarter. Our occupational safety approach is not centralized; local implementation addresses the requirements at each site. At the individual production sites, occupational safety is the responsibility of the site managers; responsibility for this lies with appointed managers. Local technical departments take action on occupational safety issues on-site and report regularly to their site management. The workforce at the company's production sites in Germany, Poland and Canada is represented in locally organized occupational safety committees, the composition of which includes employee representatives.

Occupational safety forms part of our [integrated management system \(IMS\) policy](#) and is regularly reviewed and improved. At the European production sites, workplace regulations that are mandatory for all employees contain important safety rules pertaining to accident prevention, fire protection and what to do in the event of workplace or commuting accidents.

Certified occupational safety management

The occupational safety management systems in place at the German sites are certified externally in accordance with the ISO 45001 international standard for occupational health and safety management systems. → [MTU's current certifications](#) All workspaces in the company are part of our IMS based on the principle that "safety takes priority in what we do." This includes the workspaces occupied by temporary workers, who are included in occupational safety measures in the same way as permanent employees. A management system based on the ISO 45001 standard has been established at the new production site in Serbia, which started operations at the end of 2022.

We strive to prevent health and safety risks to our employees and third parties. Workplaces are regularly assessed for any risks and hazards they present for employees. If potential burdens or hazards are identified, we take measures to eliminate them or reduce them to a minimum.

With the aim of permanently reducing the number of accidents and reaching a level of safety that aspires to prevent any accidents whatsoever, the local occupational safety officers record all accidents according to uniform categories (categories 1–5, near miss to fatal accident) and investigate them together with the affected employees / temporary workers and their manager. Should the assessment reveal specific aspects pertaining to the cause of accidents, we will take further steps to increase safety precautions. In the same way, near misses are recorded and evaluated. We strongly encourage the workforce to report unsafe situations. Safety training at least once a year is mandatory for all employees throughout the Group; for production employees, it is sometimes held monthly. We train all employees and temporary workers on health and safety matters when they first start working at MTU. In addition, managers receive repeated mandatory training on occupational safety. First-aiders are appointed and obligated to attend a refresher course every two years. Additional functions are fire safety assistants and safety officers. The local technical departments carry out ongoing prevention work at the company's sites through training sessions or information campaigns.

HIGH LEVEL OF SAFETY



5.4 Accidents

This rate for lost-time accidents per 1,000 employees also mean a safe working environment for 2022. By comparison, the industry average is 33.1 accidents*.

*Category 4, more than 3 days lost, German metalworking industry

Accident-free and low-stress workspaces form part of our IMS policy. We define annual tolerance thresholds for workplace accidents at our production sites. This cumulative value for accidents with absence represents a tolerable accident rate at the site. The threshold ranged from 0 to 14 for 2022, depending on the site, and was met at one of the five production sites. Looking at the MTU Group as a whole, 63 lost-time accidents (category 3 and 4 accidents involving at least one day lost, excluding commuting accidents) were recorded in the reporting year. This means accident figures fell slightly and the Group-wide accident rate fell from the previous year's 6.2 reportable workplace accidents per 1,000 employees to 5.4. The accident rate is low overall and below the industry average for the German metalworking industry (33.1 accidents per 1,000 employees for accidents entailing more than three days lost [category 4], as recorded by Wood and Metal Trade Association—BG Holz und Metall in the data for 2021). The total days lost also decreased, totaling 470 days for 2022 (2021: 820 days). As in previous years, there were no occupational accidents resulting in death.

Workplace accidents and days lost

GRI 403-9

	2022	2021	2020	2019
Workplace accidents with absence (categories 3 and 4)	63	67	50	83
Fatal workplace accidents (category 5)	0	0	0	0
Accident rate per 1,000 employees (categories 3 and 4)	5.4	6.2	4.8	7.5
Days lost (after accidents categories 3 and 4)	470	820	679	1,226

The accident statistics relate to the total workforce, including temporary agency workers. Exception: The recording of category 3 accidents for temporary agency workers began in 2021. Accidents while commuting are not included and the day of the accident does not count as a day lost. For composition of workforce sizes, see the [GRI Index](#). Contractor accidents are excluded. No accidents in case of mobile working are included. Workplace accidents were corrected for 2021 at the Vancouver site. In contrast to previous years, the accident rate is reported for all reportable accidents (category 3 and 4) as a percentage of the total workforce and temporary workers.

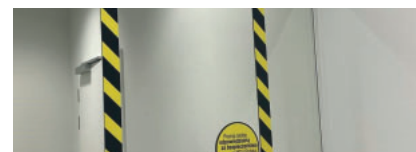
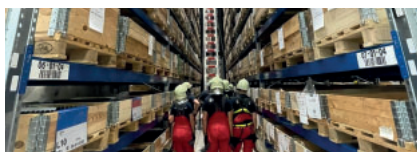
All accidents are recorded and evaluated. The analyses of accidents show that, overall, MTU has a very high level of technical and organizational safety with regard to its machines and equipment. The accidents that do occur are frequently related to behavior and less so to the operation of machines and equipment. Most often, these are cuts or puncture wounds.

Prevention of great importance in occupational safety

The occupational safety specialists on-site derive proactive measures from regularly updated risk assessments, routine inspections of workstations, and audits in production and administration. We also use findings from such analyses and from the evaluation of existing workstations for the ergonomic and safe design of new workspaces.

The aim is to promote safety-conscious behavior among employees and to further develop the safety culture. Another focus was on high standards of ergonomic workplace design, e.g. through the introduction of technical tools. Measures are site-specific. In 2022, they included:

- Safety First awareness campaign (Munich)
- Employee survey on risk assessment (Munich)
- Health and safety day and driver training for employees (Ludwigsfelde)
- Walk-throughs for order and cleanliness, occupational safety in the shop (Hannover)
- Safety mirrors (Rzeszów)



Drills were held at the logistics center in Ludwigsfelde together with the fire department to prepare for an emergency. At the Erding and Munich sites, an action day on the prevention of cuts was held for the first time in 2022 as part of Safety First. At the Rzeszów site in Poland, mirrors in the bathrooms are to serve as a reminder of people's own responsibility for safety on the site.

Health management at the company

Health management includes a service at the German sites that covers occupational health and—at sites with a company doctor—emergency medicine and is responsible for general preventive measures. This service is available to all employees and temporary workers.

Health rate

	2022	2021	2020
Germany	93.5%	94.9%	94.8%

Counseling services offer employees and temporary workers support with maintaining their overall work performance as well as for mental health issues. In addition, all of our German sites offer supplementary in-house and external services. This includes in-house case managers, who provide advice for employees returning to work following a long absence, as a result of sickness or an accident for instance, to ensure that they get the best possible support with their reintegration. External providers offer a comprehensive support package for family-related matters. Additional benefits offered by MTU include fitness centers, which are run either in-house or by external partners, as well as on-site physiotherapy and ergonomics training.

Blood and stem-cell donation at MTU in Munich



In the fall of 2022, we worked together with the Bavarian Red Cross and Aktion Knochenmarkspende (AKB) to create an opportunity for blood donations and stem-cell typing at MTU. The offer was received, and many employees donated blood or had themselves typed for a possible stem-cell donation.

Our employees outside of Germany can also take advantage of permanent health services. Employees in Vancouver, Canada, have access to a free Employee Assistance Program. It offers a wide variety of support services on topics such as financial planning for healthcare costs, mental health, and personal or family counselling, as well as advice on equipping workspaces in a way that promotes good health. MTU Aero Engines North America offers its employees health and welfare benefits in the form of various health insurances or workplace reintegration after a long period off work. At our site in Rzeszów, Poland, the basic medical services on offer include a doctor who is on-site once a week as well as psychological support as needed. Furthermore, employees can take part in an additional offer; last year, the online project Together for Health was continued.

If employees experience financial hardship as a result of personal illness or illness in the family, they can draw on assistance from MTU's social fund, which pools funds from executives, the Executive Board and the Supervisory Board.

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TRAINING AND DEVELOPMENT AS A SUCCESS FACTOR

Employee development

We promote a model of lifelong learning for all and support our management in their role as managers of change to strengthen MTU's performance for the future.



As part of a train-the-trainer program, vocational school teachers from the Stara Pazova Technical School in Serbia learn about dual-track training at MTU in Munich. We are training specialists for our new location, MTU Maintenance Serbia, in line with German standards.



Innovative strength and competitiveness are key factors for success in our industry. In addition, current challenges such as climate change are causing profound changes in aviation. We are playing an active part in this transformation and shaping the future of aviation. This is the vision described in our MTU Principles. That is why we train and qualify our employees in specific important future fields such as the development of new propulsion concepts for emissions-free flight, digitalization, innovative production technologies, and new, agile working methods.

We are convinced that continuous, intensive employee development is essential for long-term success. This is why MTU is investing specifically in the training and development of its talented employees. In times of change, the company is expanding its leadership skills to include forward-looking management concepts such as change leadership in order to support change, reinforce personal responsibility and the ability to act, and convey trust and stability. Continuous personal and professional development of our employees also makes us an attractive employer for new hires and our own talented individuals. "We empower" is one of our global leadership values.

Fast Facts: #PropelledByLearning

INVESTING IN THE FUTURE



5.4

million euros is how much we invested in training our employees.

TIME FOR EDUCATION



2.0

days is how long our employees spent in training on average.

CULTIVATING TALENT



95

apprentices started their careers at MTU.

all figures at year-end 2022

In addition to industry-specific vocational training and dual work-study programs aimed at building up knowledge over the long term, we support and promote the development of all our employees—this is a key principle of corporate social responsibility as defined in the company's [Code of Conduct](#). In many areas of our business activities, aviation authorities prescribe additional qualification measures, such as mandatory training on human factors (failure through human error). Promoting training and development as well as avenues for personal development for employees and managers is also enshrined in the MTU Principles and in our HR strategy. In addition, starting in 2023, a target has been set in the area of training (average training days per employee), which will be included in the variable compensation of Executive Board members and executives. This ESG (environmental, social and governance) goal underlines how we see training our employees as a success factor for MTU's future.

The head of human resources is responsible for the training and development of employees Group-wide. The full Executive Board receives an annual update on training indicators and discusses selected training initiatives.

We invest in our employees and their skills

The huge significance of training and development is reflected in the scale of opportunities we offer and how much we invest in them. This is based on our Group-wide works agreement in Germany, which guarantees access to training for all employees and requires management to conduct an interview with each employee once a year to discuss their development opportunities (training interview). This directive applies to 81.2% of the total workforce. At our sites in Germany, the works council is also involved in employee training in accordance with the German Works Constitution Act (Betriebsverfassungsgesetz) and has a say in the annual training and development program. International sites have their own regulations; at MTU Aero Engines North America, for example, an annual development plan is agreed with all employees.

We support our employees with a wide range of offerings to continuously develop their skills in the spirit of lifelong learning. Training needs are determined annually in a regular process in an interview between manager and employee or via departmental/company interviews by the in-house training team. A training history documents completed training and development courses. Training officers are on hand to answer questions relating to needs-focused training.

An online learning portal is the cornerstone for expanding multimedia learning. Increased use of digital and hybrid learning formats should ensure and flexibly support the training of specialists at all levels in the context of remote working. The portal gives employees the opportunity to organize their own development in consultation with their manager. The training team relies on a rolling training program in order to be able to respond each year to changing needs within the company as well as to outside requirements. Our Future Readiness Program, with the aim of promoting the digital mindset in the workforce, is an additional, open offering through which employees can find information, exchange ideas and network.

Employee training GRI 404-1

	2022	2021	2020
Training days (total)	29,613	21,141	17,717
Training days per employee (Group-wide)	2.6	2.0	1.6
Training days according to employee category per manager	2.9	2.4	2.1
Training days per employee category per employee	2.6	2.0	1.6
Proportion of women in training courses	18.2%	16.0%	16.3%

Data on training days for 2022 exclude the Rzeszów site in Poland due to a lack of data availability in the IT system; the site will be included in the report again starting in 2023.

In 2022, we again continued our extensive investment in employee training. The cost of all in-house and external training activities (without apprenticeships) throughout the Group stood at EUR 5.4 million (2021: EUR 4.2 million). This increase is mainly due to the fact that more and costlier training courses could be held in person again; moreover, numerous training courses that had been postponed due to the coronavirus pandemic were held. The number of training days was also up on the previous year at 29,613 days (2021: 21,141), as was the average number of training days at 2.6 per employee (2021: 2.0).

Strengthening leadership skills in times of change

Change leadership has become an important skill for managers. That is why MTU is pushing ahead with developing its managers so they become companions and drivers in change situations in order to strengthen the company's future performance. Especially in times of change, the MTU leadership values ("We create trust", "We empower", "We transform") take on even more relevance as a shared basis for managers' values and conduct. The values are intended to provide orientation and formulate expectations for leadership behavior. To this end, we have further consolidated this leadership values process across various formats.

Virtual "leadership nuggets" on selected leadership topics provide managers with fresh momentum for their everyday leadership. A Leadership Forum regularly provides relevant information on key leadership topics, such as hybrid leadership or trust in times of crisis. Large in-person group events, the Change Leadership Days, provide a platform for inspiration and exchange. A change team in the human resources department supports managers locally in implementing changes in their work situations and provides assistance with company-wide change processes such as the Innovative Culture project.

MTU also offers development opportunities and programs across all levels in order to identify and best cultivate new talent, while supporting our existing managers in their professional development. A key tool is the Development Center, which, by way of exercises and interviews, supports high-potential employees in honing their individual development plan for assuming a management position. The process defined as part of the Development Center is designed to objectively evaluate talented individuals and promote their visibility throughout the company. In addition to Development Centers throughout Germany, an international Development Center was also held in the reporting year. Some 91% of new managers with leadership responsibilities appointed in 2022 had participated in Development Center activities; this means we have achieved a high penetration rate with this format.

Talent management also comprises a mentoring program for potential candidates from the German sites offering professional and personal development as well as cross-hierarchical and cross-divisional exchange and networking. Potential candidates are employees with the potential to take on a professional or disciplinary management role. Being designated as having potential is the first step toward participation in the talent management process.

MTU also offers new and experienced managers the opportunity to receive management transition or pit-stop coaching with optional reflection and sparring components.

Our programs

We have numerous Group-wide initiatives that we use to develop our managers and support them both professionally and personally:

- Development Center
- Management transition coaching
- First Leadership Program
- Building on Talent/International Building on Talent
- International Leadership Program

In addition, there are site-specific offerings for managers, such as "Let's leadership together" run by MTU Aero Engines Polska.

A boost for newcomers

At our MTU Aero Engines North America site, we have a rotation program for entry-level graduates that takes them through a variety of departments focusing on different areas of engineering. Moreover, we cover a certain portion of tuition fees for employees there who return to university to obtain a master's degree as part of their development plan. In Germany, we offer an 18-month junior entry and trainee program called JET, which provides comprehensive insights into MTU and its structures and processes, and prepares trainees for their future position.

Top-flight apprenticing at MTU

For us, vocational training is a central component of securing promising young employees. In Germany, we offer a solid grounding in ten different trades as part of a dual work-study approach, while the places we offer for students taking dual-track courses of study offer different specializations. We pursue a holistic approach that goes beyond specialist topics to also cover social and ecological aspects, for instance through health, occupational safety and environment days or through corporate social responsibility. → [For examples, see the section about Corporate social responsibility](#) In 2022, we took on 95 young people as apprentices at MTU in Germany.

Our new apprentices start their careers



Apprentices have made up a constant proportion of MTU's workforce for many years; in 2022 they accounted for 2.9% of the total workforce (2021: 3.3%); in Germany, where most of our apprenticeships take place, the share was 3.4%. As of the end of the year, MTU employed a total of 330 apprentices (2021: 349).

BUDDING AVIATION EXPERTS



330

apprentices were on board with us last year. They complete a two-to-three-year apprenticeship based on Germany's dual-track system or an 18-month on-the-job training course at our site in Canada.

In addition to apprenticeships, MTU also collaborates with German vocational academies in Stuttgart, Ravensburg and Berlin as well as with Baden-Wuerttemberg Cooperative State University to offer practical courses of study in business administration, information technology, mechanical engineering and business engineering. What's more, we participate in numerous educational projects and initiatives for children and young people. → [Corporate social responsibility](#)

For the new site, MTU Maintenance Serbia d.o.o, the company has established a training concept based on the dual system used in Germany in collaboration with the Aviation Academy Belgrade. To achieve a high level of qualification for the new employees and prepare them for working with the specific requirements of aviation, a large number of them are completing several months of on-the-job training at MTU's German sites.

Services & tools

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GRI: [103-2, 103-3, 404-1, 404-2](#)

UNGC: [6](#)

UNLOCKING THE FULL POTENTIAL

Diversity and inclusion

Different ideas and experiences broaden our horizons and make us more flexible and innovative. That's why we promote diversity and inclusion through an appreciative and inclusive corporate culture.



Aviation is still a male-dominated industry. We want that to change, and we actively promote gender diversity.



Diversity promotes innovation and is therefore important for the future of aviation and for our business success. Given the high complexity of engineering projects, it is advantageous to have mixed teams, which strengthen collaboration. As an employer, diversity makes us more attractive to new talent and is a part of our corporate social responsibility.

Promoting diversity is a key component of our corporate culture and is enshrined in the MTU Principles. To ensure an inclusive working environment within the company, MTU embraces a corporate culture based on respect and appreciation that promotes fair and cooperative conduct. MTU is actively committed to equality of opportunity and equal treatment of all employees and takes a clear stand against discrimination in the workplace. We have laid down these principles in our globally applicable Code of Conduct. We want to assign employees to positions in accordance with their skills, abilities and performance. All our employees are given the same opportunities regardless of their gender, ethnic origin, age, religion, disability or sexual orientation & identity. → [Code of Conduct](#) We have processes in place that allow breaches of the Code of Conduct or of internal guidelines to be reported to designated points of contact. → [These are laid out in detail in the chapter Human rights](#). What's more, as a signatory to the UN Global Compact sustainability initiative, MTU has committed to preventing discrimination in the workplace.

Fast Facts: #WeAreMore

WOMEN ON BOARD



16.4%

of our employees are women—and we want to expand gender diversity further.

FROM ALL OVER THE WORLD



83

nationalities are represented in our workforce. That's a lot of different cultural backgrounds.

YOUNG AND OLD



4

generations work hand in hand at MTU, from baby boomers to Gen Z. That means new ideas paired with a lot of experience.

Focus topic: Diversity

How do employees experience diversity and inclusion at MTU? What was it that encouraged women working in STEM jobs at MTU to pursue this career? And how does our new Executive Board member Dr. Silke Maurer see it?

MORE IN OUR SPOTLIGHT

MTU's commitment to diversity and equality of opportunity is also demonstrated by its status as a signatory to the [Diversity Charter](#) and as a partner company of the [Impact of Diversity](#). MTU supports the Impact of Diversity because it breaks through traditional behavior patterns and opens people up to new ideas. We also presented the Impact of Diversity Award 2022 for the "Female STEM Performance in Companies" category. This category honors companies that are particularly successful in attracting a large share of women to STEM jobs and in advancing diversity in their organization. We also support various research projects on diversity and inclusion, and we exchange information with experts, organizations and networks on this topic.



With the **Innovative Culture** project, we want to develop our corporate culture in seven fields of action. Cultural change also refers specifically to the promotion and use of individuals' diversity to overcome challenges for MTU and leverage innovation potential. Companies with high gender or ethnic diversity are more successful—the likelihood of achieving above-average profitability is 25–36% higher. This was the finding of the international study "Diversity Wins – How Inclusion Matters" by the management consultants at McKinsey (2020).



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

“Our company stands for **diversity and equal opportunity**. The aviation sector is an international industry that connects people and cultures. We believe that a diverse team helps promote our **innovative power and collaboration**, thereby securing our **competitiveness**. We position ourselves clearly **against discrimination** in the professional world. **Equal opportunity**, regardless of gender, ethnicity, origin, age, religion, disability or sexual orientation, is the basis for our respectful corporate culture, which we strengthen and further develop through a large number of individual measures.”

Diversity concept takes various aspects into account

Our diversity concept takes into account various aspects such as gender, cultural background, age and experience, disability, and sexual orientation and identity. The MTU Diversity Officer is responsible for diversity issues throughout the Group and reports directly to the Senior Vice President, Human Resources. They work closely with HR policy/strategy and are in continuous communication with local HR departments to support the needs of local employees. The aim is to actively develop and strengthen diversity within MTU. We provide regular updates on diversity and inclusion in our internal media and via our social media channels. We use training courses and presentations to draw the attention of employees and managers to the positive effects of diversity and an inclusive working environment at MTU, and to raise awareness of unconscious bias and for a working environment free of discrimination.

We support employee resource groups (ERGs), i.e., self-organized networks and groups of employees that promote a diverse, inclusive work atmosphere. These networks offer employees a way to make their concerns visible and provide impetus for collaboration within the company. This helps us better incorporate diverse experiences and perspectives from the workforce into our decision-making. There is, for example, a Network of Engine Women (NEW) founded under the auspices of MTU’s then Chief Technology Officer and now CEO, Lars Wagner, as well as informal networks such as the Young Professionals or a network of Spanish-speaking employees.

Female empowerment: Increasing the proportion of women at all levels

Aviation has always offered numerous career opportunities of a technical nature and is still dominated by men. We consciously focus on change and actively promote the inclusion of gender diversity. For management levels below the Executive Board, the target was 13% at the German sites by mid-2022. As of the reporting date of June 30, 2022, the share was 12.3%. MTU has not yet been able to realize potential equally in all areas of the company, and has not been able to fill succession positions with female high-potential employees to the extent hoped for. We expect our various initiatives to get more women into leadership to have a greater impact in the medium term. In addition, almost one-third (28.3%) of the Development Centers in 2022 were attended by women, which makes us confident that we will be able to further increase the proportion of women in management in the future. The Development Center is a personal development program for high-potential employees. The Executive Board has set a new target of 15% for the first management level below the Executive Board and 20% for the second management level below the Executive Board by June 30, 2027.

We had set a separate goal for the Executive Board of having at least one female member. With the appointment of Dr. Silke Maurer as Chief Operating Officer as of February 1, 2023, we have achieved this goal, originally set for June 30, 2022. The Supervisory Board has two female members each on the employee and shareholder sides. [More information available in MTU's corporate governance report for 2022 \(p. 128\)](#)

PROPORTION OF WOMEN



16.4%

We are getting more women excited about our tech world. The proportion of women at MTU has risen steadily in recent years—a development that we want to continue to drive forward.

The Executive Board is kept regularly informed about the measures that have been initiated to promote equality of opportunity as well as gender diversity. In addition, it presents a report on equality at the works meeting at the German sites once a year. In Germany, the works council is involved in decisions subject to co-determination, such as flexible working time rules.

The principal focus of our initiatives is to secure more female employees for the company, identify and promote female talent, and offer female employees greater support throughout their careers. To this end, we participate in mentoring programs, including:

- Cross-Mentoring Munich Program
 - Mentoring Program offered by the University of Stuttgart for women studying and in research
 - “Project U” project for female students of STEM subjects at Leibniz University Hannover
-

Proportion of women

GRI 102-8, 405-1

	2022	2021	2020
Workforce	16.4%	15.6%	15.1%
Managers	12.9%	11.8%	11.3%
Apprentices	15.8%	14.9%	16.7%
New hires	21.7%	20.5%	21.5%

Share of women in the workforce and in management positions as a proportion of the active workforce for trainees/apprentices, relating to total workforce; recorded at the end of each year; we do not have figures on the proportion of women by employee group. The proportion of women in new hires by region is shown in the Notes.

When it comes to the proportion of women in the workforce, we see an ongoing upswing over recent years. The current share is 16.4%. We succeeded in increasing the Group-wide proportion of women in management slightly to 12.9% by the end of 2022. We actively consider diversity and equality of opportunity when filling positions and selecting new employees. Women made up 21.7% of new hires across all hierarchical levels, which is higher than the current proportion of women in the company. Of the employees completing an apprenticeship at MTU, 15.8% were women.



For the past ten years, the [Women's Career Index \(FKi\)](#) has been honoring employers who have made a special contribution to diversity and inclusion projects on a national and international level. We are delighted that we have again been selected as one of the top 10 award-winning companies in 2022. At the same time, we know that we still have a lot to do.

In addition, we are involved in educational initiatives aimed specifically at young female talent. For instance, we are a project partner in Komm, mach MINT!, a German STEM initiative that aims to inspire more women to pursue qualifications and careers in the fields of science, technology, engineering and mathematics. The Women Researchers Camp, organized by the Bavarian Business Education Association, has also been an integral part of our promotion of young female talent for years. Each year, we give female school students an insight into the working world of female engineers and research at our company.

Programs and initiatives (in-house and external)

- Network of Engine Women
- [Munich Memorandum for Women in Management](#)
- [Cross-Mentoring Munich Program](#)
- [The MTU “Studienstiftung” foundation for female students in scientific and technical fields](#)
- [Girls’ Day](#)
- [The Lower Saxony Technical Internship \(“Niedersachsen Technikum”\)](#)
- [Komm, mach MINT! \(a German STEM initiative\)](#)

We have a range of offers open to all employees to improve their work-life balance, including flexible working hours, services to assist families and mobile working opportunities. → [More information under Collaboration and leadership](#)

Everyone is welcome



As an early signatory to the Charter of Diversity, MTU has for years been committed to creating a working environment that is free from prejudice, one that recognizes and supports people’s diverse potential. We want to be a positive example of diversity, create a culture of impartiality and ensure all employees have equality of opportunity in the workplace. This approach is inclusive of employees who identify themselves as lesbian, gay, transgender or intersex. We embrace diversity and welcome all employees who wish to enhance the company. Every person should be able to openly declare their sexual orientation or gender identity without experiencing any disadvantages as a result.

Individual talent should be able to unfold within a respectful and appreciative environment with an emphasis on solid performance and personal commitment. We support public initiatives to prevent bullying and discrimination, for instance by participating regularly in Pink Shirt Day in Canada, and we positioning ourselves against homophobia during Pride Month. We also express our appreciation for our employees in inclusive language, which we use in our internal and external corporate communications.

As part of our inclusion efforts, we recognize the importance of integrating employees with disabilities. In 2022, the proportion of our employees in Germany with disabilities was 4.6%. At our sites in Germany, we have elected representatives for employees with severe disabilities as well as dedicated inclusion officers who act as points of contact for issues relating to disability. Our sites, and especially new buildings, are designed with accessibility in mind.

Wisdom meets youth: Productively combining experience and impetus

Cross-generational collaboration makes it possible to combine valuable experience and new impetus in a productive way. This is why we believe in good relations between young and old, and we take age diversity into consideration in our company. At our company, four generations work hand in hand—from baby boomers to Gen Z, the youngest generation to enter the job market. We are meeting the challenges associated with our aging workforce in Germany and the fact that people are working longer from career entry to retirement. To secure the long-term performance of our employees, we operate a company health management system → [Occupational health and safety](#). Employees in every age group receive equal access to training and development. We offer a variety of career opportunities geared toward younger generations: Apprenticeships, dual work-study programs, trainee programs and development programs for high-potential employees → [Employee development](#). The interests and needs of young employees in particular are also represented by an elected youth and apprenticeship council. New recruits and young talent can exchange information via the in-house “Young Professionals” network.

Age groups GRI 405-1

	2022	2021	2020
< 30 years	17.3%	16.2%	16.4%
30 - 50 years	55.8%	55.1%	53.7%
> 50 years	26.9%	28.6%	29.9%

Measured in terms of active workforce, at year-end in each case; for composition of workforce sizes, see the [GRI Index](#)

Inclusion of diverse cultural backgrounds

WE ARE INTERNATIONAL



83

is the number of nationalities represented by our employees. They work successfully together and enrich our teams with their individual cultural backgrounds.

As a globally active company, we consider internationalization to be a key dimension of diversity. Our engine business has a global outlook, and having an intercultural workforce helps us to succeed in different markets. We promote internationality in our workforce and intercultural understanding, e.g. through intercultural training and cross-site dialogue formats. → [Learn more about our training programs here](#) Secondments to our international sites form an important part of our HR policy for promoting intercultural skills. In the reporting year, some 70 employees were working for MTU abroad. Apprentices are also given the opportunity to gain international professional experience.

We have strong roots in Germany, but our character draws on a variety of cultural backgrounds: our employees represent 83 different nationalities. We take an active stand against xenophobia and in favor of diversity and equality of opportunity, for instance as part of the International Day for the Elimination of Racial Discrimination.

Services & tools

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GRI: 102-8, 102-12, 103-2, 103-3, 401-1, 405-1

UNGC: 6
