Employees and society

Social responsibility

We are a leading player in the aviation industry underpinned by a strong team. To bring out the best in our employees, we create a working environment that is attractive, sustainable and marked by a sense of responsibility. This includes flexible working arrangements, high-quality training and development and comprehensive occupational health and safety. Standardized leadership values provide guidance and create a leadership culture based on trust and support that promotes sustainable and innovative thinking. The cornerstone of our corporate social responsibility is exchange and cooperation with science and research.

5.4 million euros for education

4.4 accidents per 1,000 employees

→ MTU as an employer
→ Occupational safety
→ Employee development
→ Diversity & inclusion
→ Corporate social responsibility
Responsible employment policy

MTU as an employer

We create an innovative and respectful working environment in which our employees can develop in the long term and deliver the best results for MTU. As an attractive and responsible employer, we also find the right people with exactly the right talent that we need. We are working on lots of exciting projects and tasks with which we are actively shaping the future of aviation. To do this, we rely on the expertise on the part of each and every one of us.

We are a driver of technology in the high-tech sector of aviation and want to help shape key changes. Our capability to innovate and remain competitive is key to our existing and potential employees perceiving us as an attractive employer. We draw on a global workforce of motivated and highly qualified employees who pull together to tackle tasks and challenges. Thanks in particular to the ramp-up of new engine programs as well as to automation and digitalization at the company, we are increasingly needing to grow our team of highly skilled professionals. To ensure our continued success, we want to attract the most talented individuals to MTU and create a working environment in which all our employees can perform at their best. We foster this environment with our respectful and cooperative leadership culture in which we recognize strong performance, promote flexible and digital working arrangements and welcome feedback. We offer our employees opportunities for long-term personal development, embrace diversity and inclusion, and protect our employees’ health and safety. That’s what makes us an internationally successful company.
MTU’s global workforce grew again in 2019, reaching 10,660 employees at the end of the year (2018: 9,731). This corresponds to an increase of 9.5 percent. Our MTU family has been growing and growing since 2016. The number of employees rose in all regions, most strongly in Europe (+9.8%). 9,938 employees were employed in Europe—and 83.8% of the total workforce is in Germany alone. The share of the workforce in North America was 6.8%. 92% of employment contracts were permanent in 2019.

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 the annual and long-term growth targets laid down in our corporate strategy. It also assists in efforts to achieve these 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.
Our contribution to the SDGs

The following UN Sustainable Development Goals (SDGs) are relevant to MTU’s human resources work: SDG 4 on “Quality education”; SDG 5 on “Gender equality”; and SDG 8 on “Decent work and economic growth.” Over the past five years, MTU has created almost 1,400 new, high-quality jobs across the Group and is pursuing the overall goal of conducting sustainable business. For us, this also includes offering all employees fair and secure working conditions.

We have a human resources strategy that we use to position MTU as a sustainable employer for existing and new employees alike. In 2019, we revised this strategy to further enhance the attractiveness and competitiveness of the company in the labor market. The aim of our efforts to further develop the stature of MTU as an employer is to secure the sustainability of our company, particularly to ease generational change at the German locations, and to utilize the potential of automation and digitalization for the ramp-up of the new engine programs. To this end, an internal team of experts has formulated specific goals to further enhance the MTU working environment and has drawn up fields of action to achieve them. This involves various “futurework@MTU” initiatives, such as knowledge transfer, new forms of collaboration, modern HR tools and the acquisition of expertise required for the future.

We have also introduced common leadership values and rolled them out across the Group in 2019: We transform, we empower, we create trust. These form the basis for a cooperative and coaching-oriented management style and collaboration that keeps MTU on the road to long-term success.
### Employees and society

**MTU Aero Engines AG – Sustainability Report 2019**

#### Employee groups by region

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Blue collar workers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>49.3%</td>
<td>49.4%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>50.9%</td>
<td>51.5%</td>
<td>49.7%</td>
</tr>
<tr>
<td>North America</td>
<td>49.1%</td>
<td>49.5%</td>
<td>47.9%</td>
</tr>
<tr>
<td><strong>White collar workers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>50.7%</td>
<td>50.6%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>49.1%</td>
<td>48.5%</td>
<td>50.3%</td>
</tr>
<tr>
<td>North America</td>
<td>50.9%</td>
<td>50.5%</td>
<td>52.1%</td>
</tr>
<tr>
<td><strong>Employees on temporary contracts</strong></td>
<td><strong>865</strong></td>
<td><strong>866</strong></td>
<td><strong>346</strong></td>
</tr>
<tr>
<td>Germany</td>
<td>706</td>
<td>701</td>
<td>346</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>154</td>
<td>154</td>
<td>–</td>
</tr>
<tr>
<td>North America</td>
<td>5</td>
<td>11</td>
<td>–</td>
</tr>
<tr>
<td><strong>Apprentices</strong></td>
<td><strong>293</strong></td>
<td><strong>306</strong></td>
<td><strong>298</strong></td>
</tr>
<tr>
<td>Germany</td>
<td>280</td>
<td>279</td>
<td>287</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>North America</td>
<td>13</td>
<td>27</td>
<td>11</td>
</tr>
<tr>
<td><strong>Temporary agency staff</strong></td>
<td><strong>395</strong></td>
<td><strong>514</strong></td>
<td><strong>579</strong></td>
</tr>
<tr>
<td>Germany</td>
<td>395</td>
<td>513</td>
<td>539</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>0</td>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>North America</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Blue-collar and white-collar employee groups measured as a proportion of the active workforce (employees with permanent or fixed-term contracts, temporary part-time employees on parental leave, excluding students, interns, trainees/apprentices, short-term holiday workers, temporary workers and employees from external companies); we have been collecting data on employees on temporary contracts for all regions since 2018.

Social working standards apply for all employees

As an employer, MTU shows responsibility towards its employees by creating long-term, secure employment based on key principles of corporate social responsibility. These 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
- Cooperation with employee representatives and labor unions
- Entitlement to appropriate remuneration
- Occupational health and safety
- Employee training and development

→ MTU Code of Conduct

Reporting procedures for suspected breaches of this Code of Conduct, statutory requirements, plus our internal company guidelines and our principle of zero tolerance are described in detail in the → Compliance and → Human rights chapters. The chapter on Human rights also details the anti-discrimination measures we take. 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, and we undertake to implement fair working conditions in accordance with the International Labour Organization’s (ILO’s) core labor standards.

We respect employees’ rights and safeguard their freedom of association through the Code of Conduct. When drafting employment contracts, we observe national statutory requirements as well as internal company agreements and notice periods as laid down by law. It is the duty of managers to ensure that company agreements are properly observed on a day-to-day basis in their areas of responsibility. In 2019, 98% of the people employed by the company in Germany were covered by collective agreements (e.g. collective bargaining agreements), a figure that stood at 85.7% worldwide in the same year.
We welcome feedback and ideas from our employees

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.

We carry out an employee survey at regular intervals at all of our larger locations to provide important impetus for the company’s ongoing development. This enables employees and managers to identify potential for improvements and ways to tap that potential. The next round of surveys is planned for 2021. Moreover, we have established further employee involvement forums at our sites around the world. These range from works meetings in Germany and townhall meetings in the United States to special instruments such as leadership feedback and team barometers. We use an idea management system to obtain and evaluate improvement suggestions from employees. Another way for employees to contribute is by submitting ideas for smart solutions as part of our regular Ideation Challenges. We take particularly promising suggestions and test their potential and feasibility in projects in our Inno Lab. In addition, in late 2019, we called on managers at certain hierarchical levels to work in interdisciplinary teams to develop a vision for MTU for 2040. We evaluated the ideas submitted as they were pitched, and selected two of the teams to present their visions to MTU's upper-level management. We will again review all submissions and follow up on valuable impetus.

Award-winning attractiveness as an employer

In comparative analyses with other companies, MTU received several employer awards again in 2019.

Certifications and rankings in 2019

- TOP Employer Germany
- Germany’s most attractive employers (Universum)
- Top employer for training (MTU Maintenance Hannover)
- TOP Employer Poland
- TOP Employer British Columbia (Canada)
- Canada’s Top Employers for Young People
- Canada’s Best Employer for Recent Graduates
- Top Company and Open Company on Kununu
- Women’s Career Index

→ More about MTU’s awards
The turnover rate remained at a low level again in 2019. Together, all the programs and measures we pursue help ensure that MTU remains an attractive employer.

We also regard our low staff turnover rate as yet another sign of high employee satisfaction. In the reporting year, this was 3.4% for the MTU Group (previous year: 4%). The high level of loyalty to our company is also reflected in employees’ length of service with the company. In Germany, we achieve an average length of service of around 14 years.

<table>
<thead>
<tr>
<th>Staff turnover</th>
<th>GRI 401-1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>No. of employees that left the company</td>
<td>289</td>
</tr>
<tr>
<td>Germany</td>
<td>192</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>37</td>
</tr>
<tr>
<td>North America</td>
<td>60</td>
</tr>
<tr>
<td>Turnover rate (%)</td>
<td>3.4</td>
</tr>
<tr>
<td>Germany</td>
<td>2.7</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>4.6</td>
</tr>
<tr>
<td>North America</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Turnover rate measured as a proportion of core workforce, annual average, figures include retirements; no data is available on new hires and turnover by age group. We report on new hires in the chapter on Diversity & Inclusion.
We reward performance with attractive remuneration and additional offers

For us, fair wages are part of an appreciative and respectful approach. The right to appropriate remuneration is one of the pillars of MTU’s Code of Conduct. A standardized, transparent compensation structure ensures that employees receive competitive remuneration that reflects their performance, regardless of gender or other characteristics against which discrimination occurs. The remuneration of pay-scale employees in Germany is based on collective bargaining agreements. Compensation for senior managers is tied to the company’s long-term performance.

MTU applies a consistent methodology 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 (milestone meeting) and at year-end (goal attainment meeting). All managers undergo performance reviews to evaluate achievement of their personal targets, and In 2019, 92.8% of all MTU employees worldwide received a regular appraisal of their performance (at least once a year).

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. The company has a pension scheme for all its employees, who can opt to top up the share contributed by the company themselves on a voluntary basis. This gives them the flexibility to manage their own pension funds as they see fit. At our international locations we offer a range of additional benefits such as private life insurance, health insurance and retirement planning support.

In addition to their salary, we offer our employees a wide range of social benefits such as a company pension scheme; in 2019, we invested EUR 114 million in such benefits.

MTU enables its employees to share in the company’s success. Each site does this using different regulations and programs. We also offer an annual employee stock option program in Germany (participation rate in 2019: 2,517 employees). Some of our international locations offer their own long-term bonus schemes, as in Rzeszów (Poland), or award annual bonuses, as is the case in Vancouver (Canada).
Enabling flexible and digital working

At MTU, we believe in teamwork. We recognize the specific needs and various life phases of our employees and respond to these by providing various offers and opportunities for flexible working through a range of part-time models and mobile working arrangements. This way, we help achieve a better work-life balance. Part-time work increased in the reporting year, accounting for 7.4% of employment (data collected only in Germany, 2018: 6.8%). The number of employees on parental leave in Germany in 2019 rose to 395 (2018: 324).

To put collaborative work at MTU on a more sustainable footing, we’re increasing our use of digital working models and plan to enhance them with a social intranet. Using new digital communications channels, we aim to promote knowledge exchange throughout the company and bring employees from different areas into contact with one another.

### Alternative working arrangements (Germany)

<table>
<thead>
<tr>
<th>GRI 102-8, 401-3</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part-time employees (in %)</td>
<td>7.4</td>
<td>6.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Employees on parental leave, total</td>
<td>395</td>
<td>324</td>
<td>311</td>
</tr>
<tr>
<td>Employees on parental leave, female</td>
<td>143</td>
<td>127</td>
<td>128</td>
</tr>
<tr>
<td>Employees on parental leave, male</td>
<td>252</td>
<td>197</td>
<td>183</td>
</tr>
</tbody>
</table>

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.

Our initiatives include

- Flexible working hours and flextime accounts
- Wide variety of part-time working arrangements
- Educational leave
- Teleworking
- Sabbaticals
- Part-time work for older employees
- Parental leave
- Job sharing
- Support for families (advice on arranging childcare, care services)
- Mobile working
Employees and society

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
Ensuring a high level of protection

**Occupational health and safety**

At MTU, our employees should have a safe and healthy environment in which to work. This forms a key part of our corporate social responsibility and is fundamental to our corporate success. High occupational safety standards and a company health management system lay the foundation for a capable workforce. We strive to develop and enhance our preventative occupational safety concept and employee health services on an ongoing basis. In 2019, we again achieved a high level of safety that exceeds the industry average by a significant margin.

MTU places a great deal of 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. Compliance with national statutory regulations on occupational safety is also embedded in the Code of Conduct as a mandatory minimum standard for all of our international subsidiaries. In addition, we have established an internal standard that lays down parameters, rules and KPI definitions applicable across all locations. A Group report is submitted to the Executive Board each quarter. Our occupational safety approach is not centralized, so all locations are responsible for implementing their own, which enables them to tailor it to their local needs and requirements. At the individual production sites, occupational safety is the responsibility of the site managers; occupational safety officers are appointed at the management level. 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.
Our contribution to the SDGs

A secondary objective of SDG 8 of the UN’s 2030 Agenda, “Decent work and economic growth,” calls on companies and organizations to support safe working environments for all employees. We consider this SDG to be relevant for MTU because we can help achieve it directly by implementing strict occupational safety standards and ongoing preventative measures.

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. The occupational safety management systems in place at the German sites are certified externally—in accordance with the international Occupational Health and Safety Assessment Series (OHSAS 18001) standard or the new ISO 45001 international standard for occupational health and safety management systems, to which we are already certified → MTU’s current certifications. Accordingly, 83.8% of the workspaces comply with an external standard; 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.

4.4 accidents per 1,000 employees

That is far above the industry average. At 4.4 per 1,000 employees in 2019, the number of reportable accidents at MTU was significantly below the metalworking industry average of 34 accidents per 1,000 employees.
We strive to prevent health and safety risks to our employees and third parties. To this end, we regularly assess workspaces for any risks and hazards they present for employees. Where necessary, we implement appropriate measures to prevent or at the very least minimize potential stresses. That also applies to workspaces occupied by temporary workers. 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 criteria and investigate them together with the affected employees/ temporary workers and their managers. Should the assessment reveal specific aspects pertaining to the cause of accidents, we will take further steps to increase safety precautions. In addition, the company has a system in place to record and evaluate near-misses at all production sites. We strongly encourage the workforce to report unsafe situations. Regular safety training for all employees and temporary workers is mandatory across the Group. We train all employees and temporary workers on health and safety matters specific to working life at MTU when they first start working at the company. In addition, managers receive repeated mandatory training on occupational safety. First-aiders are appointed and obligated to attend a refresher course every two years. The local technical departments carry out ongoing prevention work at the company’s sites through training sessions and information campaigns.

We achieve a high level of protection

High standards in occupational safety across the Group were again one of our annual corporate objectives in 2019. In addition, accident-free and low-stress workspaces form part of our IMS policy. In addition, each year we define maximum tolerance thresholds at each location for category 4 reportable workplace accidents (accidents that entail more than three days lost), ranging from 0 to 10. Regrettably, we were not able to meet this threshold at two production sites. With 47 reportable workplace accidents entailing more than three days lost across the Group, 2019 saw an increase over the previous year’s figure of 42. All production sites except for the one in Poland reported an increased number of accidents in the past financial year. Here, it should be noted that we employed more people across the Group than before. As in the previous year, the Group-wide accident rate was low in 2019 at 4.4 reportable workplace accidents per 1,000 employees (2018: 4.3). We have thus achieved a high level of safety compared to the average in the German metalworking industry (Wood and Metal Trade Association—BG Holz und Metall, data for 2018) of 34 accidents per 1,000 employees. As in previous years, there were no fatal accidents in 2019. We also record and analyze accidents involving temporary workers on our premises. Accidents among this group entailing more than three days lost dropped from 7 (2018) to 4 (2019). The accident rate (per thousand employees) has reduced from 5.5 to 3.6 as a result.
## Occupational safety

**GRI 403-9**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reportable workplace accidents (more than three days lost)</td>
<td>47</td>
<td>42</td>
<td>33</td>
</tr>
<tr>
<td>Non-reportable workplace accidents (1–3 days lost)</td>
<td>32</td>
<td>37</td>
<td>35</td>
</tr>
<tr>
<td>Non-reportable workplace accidents (requiring medical attention)</td>
<td>21</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Fatal workplace accidents</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Days lost as a result of reportable accident</td>
<td>1,226</td>
<td>922</td>
<td>486</td>
</tr>
<tr>
<td>Accident rate per 1,000 employees</td>
<td>4.4</td>
<td>4.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Workplace accidents temporary workers</td>
<td>4</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Fatal workplace accidents temporary workers</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Accident statistics relate to total workforce at fully consolidated sites including apprentices, interns, thesis students, doctoral candidates, students and holiday staff, employees on fixed-term contracts, and marginal workers. Workplace accidents do not include any commuting accidents. The day of the accident does not count as a day lost.

The marked increase in the number of days lost due to accidents is attributable to individual events involving particularly long absences. The total number of reportable workplace accidents in the Group is low. Analyses of accidents in 2019 show that the company has a very high level of technical and organizational safety with regard to its machines and equipment; accordingly, the accidents that arise tend to be related to behavior and less so to the operation of machines and equipment.

### We continue developing our safety culture

We derive proactive measures from regular risk assessments, routine inspections of workstations, and audits in production and administration. These measures continue to focus on promoting safety-conscious working so as to continuously refine the safety culture. They include, for example, regular awareness campaigns at the individual sites: in Munich, for example, on forklift traffic on the premises, and in Hannover on the use of personal protective equipment. In 2019, we also placed a stronger focus on workplace ergonomics with better equipment and on further lowering employees’ exposure to dust.
We have equipped all the forklifts in our Munich plant with “blue spots” so that pedestrians see them in good time. Robot-supported deburring workstations are now more ergonomic. In the redesign, we also furnished them with state-of-the-art suction devices, obviating the need for operators to wear protective masks.

Outlook

As a result of the greater number of days lost at the Munich site, we plan to launch a new occupational safety campaign to raise awareness of safe behavior in the workplace among production employees. In Hannover, we have started individual coaching sessions for shop foremen to support them in promoting safety-conscious behavior among their employees. We are continuing these measures in the offices.

Moreover, we are currently revising our reporting of occupational safety incidents to the Executive Board in order to ensure that this topic gets even greater attention at the management level. We will also standardize our accident reporting for temporary workers across all sites.
Health management

Health is a key success factor when it comes to overcoming corporate challenges. The only way for MTU to retain its strong, competitive position is with healthy—and hence motivated and high-performing—employees. We also want to integrate health more strongly into our processes and structures as part of our company health management (BGM) system, especially considering demographic change and the digitalized world of work. For years now, ergonomics management in particular has been growing in importance at our German locations. Accordingly, we are taking a closer look at workstations in production and implementing ergonomic measures in Industry 4.0 processes.

In Germany, we again surveyed our employees about the services offered under our BGM system. The feedback shows that our “People in Focus” information campaign in 2018 and 2019 raised awareness of our employee health services. In addition, compared to previous surveys, more employees stated that they had made use of the services (47% of the 2,500 respondents).

In Germany, the health rate for the reporting period remained on a comparable level with the previous year at 94.4%.

<table>
<thead>
<tr>
<th>Health rate</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>94.4%</td>
<td>94.6%</td>
<td>94.6%</td>
</tr>
</tbody>
</table>

Health services at the German sites cover occupational health and—at sites with a company doctor—emergency medicine and are responsible for general preventive measures. These services are available to all employees and temporary workers. Counseling services offer employees and temporary workers support with performance and work-related issues as well as mental health issues. In addition, all of our German locations 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 physiotherapy, ergonomics training and on-site vibration training.

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, including continued wages or salary for absences caused by illness or accidents as well as workplace reintegration. At our site in Rzeszów (Poland), the basic medical services on offer include a doctor who is on-site once a week, psychological support as needed, and sports club membership.
Information about the coronavirus pandemic

This sustainability report covers the 2019 financial year and is being published as the world fights against the coronavirus pandemic. People and companies are in a different situation today than they were in the reporting year. MTU is doing its part to help contain the pandemic and has taken numerous measures to protect its workforce. The current situation notwithstanding, we want to live up to our corporate social responsibility. You can find more information here.

GRI: 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9
Promoting lifelong learning

Employee development

Our success depends on the skills and expertise of our workforce. That’s why we believe our employees should be given every opportunity to give their best. In this time of societal change, we want to remain innovative and sustainable and have the right employees with the right skills in our ranks. That is why we promote lifelong learning in important phases of professional life and actively support our managers as they lead MTU to a successful future.

Innovative strength and competitiveness are key factors for success in the aviation industry. We firmly believe that continuous, intensive employee development is essential for MTU. This is why we are investing specifically in the training and development of our talent. In many areas in which we are active, aviation authorities prescribe additional qualification measures, such as mandatory training on human factors (failure through human error). The opportunities for personal and professional development of our employees also make us an attractive employer for new minds and our own talented individuals.

In addition to industry-specific vocational training and dual courses of study 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. Promoting vocational training opportunities and avenues for personal development for employees and managers is also enshrined in the MTU Principles and Group-wide HR strategy. In the reporting year, we signed off on a new human resources strategy, part of which is about helping us expand the personal development activities we offer. Among the strategy’s specific goals are autonomous learning, safeguarding our expertise, and building up future skills.

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

We actively support SDG 4 on “Quality education” from the UN’s 2030 Agenda for Sustainable Development. At this time of digital change, we are giving our employees the chance to improve their sustainable skills. High-quality employee development featuring attractive training opportunities plays an important part in helping us make the most of the opportunities that digitalization presents to secure our long-term position as a technology leader. In addition, we contribute to the SDG by training young people in various professions.

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). The directive applies to 83.8% of the total workforce. At our three 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, each employee receives an annual development plan.

That is how much we invested in employee training in 2019. To help our employees expand their knowledge and skill sets, we offer virtual self-study courses, technical training and soft skills workshops. These offers are available to all employees.

A welcome-on-board program provides new employees with important information about working at MTU. In the spirit of life-long learning, we then continue to support them in widening their know-how and developing their potential. We establish training requirements annually in a standard process (training interview or divisional / company-level interviews). Employees evaluate training courses they have completed in a personal meeting with their manager, or in some cases via a feedback form. A training history documents completed training and development courses. Training officers can be consulted at any time for advice on needs-focused training.
Digital learning worlds

New learning techniques play a part in the digital transformation of the company. We make our development opportunities attractive and sustainable via an online learning portal, which we systematically feed with new content and formats. Since 2019, our employees in Germany have had the option of completing courses in English, and we have also set up an e-learning platform for our employees in Poland that offers web-based training in English and Polish. Another advantage is that employees can organize how to develop their know-how themselves, in consultation with their manager. Many employees are using our digital learning programs: 48% have already participated in online training. We are also seeing good participation from colleagues in manufacturing.

In 2019, we continued our widespread investment in employee training. We invested EUR 5.4 million in training schemes Group-wide (2018: EUR 5.1 million). At 27,174, the total number of training days was slightly lower than in 2018, which is due to the increased use of short formats. On average, our employees each completed 2.5 days of training last year. At 16.1%, the proportion of women in training courses was somewhat higher than in 2018 and was above the Group-wide proportion of women of 14.7%.

<table>
<thead>
<tr>
<th>Employee training</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>GRI 404-1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training days (total)</td>
<td>27,174</td>
<td>29,468</td>
<td>21,971</td>
</tr>
<tr>
<td>Training days per employee (Group-wide)</td>
<td>2.5</td>
<td>3</td>
<td>2.3</td>
</tr>
<tr>
<td>Training days according to employee category (Germany) per manager</td>
<td>3.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training per employee category (Germany) per employee included in collective bargaining agreements</td>
<td>2.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of women in training courses (Group-wide)</td>
<td>16.1%</td>
<td>14.3%</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

Figures exclude Vericor (USA); we started recording training days by employee category in 2019 for Germany.
We act according to consistent leadership values

A focus in our employee development is on anchoring sustainable leadership skills in management. These skills will enable managers to work with their employees to shape MTU’s future successfully and actively. To ensure sustainable leadership behavior and an innovative corporate culture, we have established standardized, company-wide leadership values (we transform, we empower, we create trust). We introduced these in Germany in 2018 as part of a leadership value process and went on to hold an extensive series of “inspiration events” and departmental workshops in 2019. In spring 2019, we held launch events and related workshops to roll out our leadership values in Poland, the Netherlands and North America. The leadership values are thus now firmly established at all management levels in the Group. Under our corporate objectives for 2019, we resolved to see to it that the new leadership values are observed and that their effect on leadership culture is tangible in terms of performance. We are seeing positive signs that our leadership culture is evolving to place a greater focus on employees’ autonomy, fully foster their ideas and potential, inspire innovation, and create sustainable teams.

Our multifaceted approach to training our managers

We also offer development opportunities and programs across all hierarchical levels in order to identify and best cultivate new talent, while supporting our existing managers in their professional development. This involves not only a new Leadership Exploration Program for new managers, which was launched in 2019, but also a Development Center, which, by way of exercises and interviews, supports talented employees in honing their individual development plan for assuming a management position. These allow us to objectively evaluate talented individuals and promote their visibility throughout the company. Some 80% of new managers with leadership responsibilities appointed in 2019 had participated in Development Center activities. Specialist managers who are experts in their particular field but do not lead a team also receive assistance from a Development Center to prepare them for their role. In addition, every two years managers can take part in our International Leadership Program, which promotes a common understanding of leadership in a global corporate environment. A new round began in early 2019; participants included employees from our locations in Germany and abroad.

Our programs

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

- Development centers
- Business Challenge
- Leadership Exploration Program
- Management transition coaching
- Building on Talent / International Building on Talent
- International Leadership Program

We also offer programs for managers that are specific to the individual sites:

- Management development program, Ludwigsfelde (Germany)
- Management Growth, Rzeszów (Poland)
- Engineering Management (Shaping R&D Leadership), Rzeszów (Poland)
Establishing and preserving valuable expertise

Given the aging society in Germany, it is important for MTU to prepare to fill a large number of skilled and managerial positions over the coming decade. Our talent management approach also serves to ensure succession planning for those positions that are critical to our company’s success. There is a special trainee program for particularly promising graduates in areas in which too few potential managers work. A know-how buddy system and the exchange of expertise with the aid of knowledge maps help the company preserve valuable expertise and experience. At MTU Aero Engines North America, our U.S. engineering facility, we have a program for entry-level engineering graduates that rotates 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 pursue a master’s degree as part of their development plan. This location faces the special challenge of determining how to retain talented employees and help them grow.

Award-winning work with young talent

At MTU, training is a central component of securing promising young employees. We offer young people in Germany a solid grounding in ten different trades as part of a dual-track approach, while the places we offer for students taking dual 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 and environment days or through corporate social responsibility. → For examples, see the section about corporate social responsibility. We are not alone in recognizing the high quality of the training we provide: In 2019, the Hannover Chamber of Industry and Commerce awarded MTU Maintenance Hannover with the “Top employer for training” seal. And we were also particularly pleased that three of our Munich-based graduates were awarded the Bavarian State Prize by the Upper Bavarian government for their outstanding academic performance. They had trained to become qualified aircraft maintenance mechanics at MTU.

Apprentices have made up a constant proportion of MTU’s workforce for many years; last year they accounted for 2.8% of the total workforce (2018: 3.1%). As of the end of the year, MTU employed 293 apprentices. In addition, we offer practical courses of study in collaboration with selected vocational academies.

New local training opportunities

Also when it comes to establishing and expanding our locations, and the new appointments that come with that, it is essential to train our employees and provide them with a solid grounding in their field. In Hannover and Ludwigsfelde, metal workers seeking a lateral shift can gain additional qualifications and support our maintenance activities. In the course of the planned establishment of a new location in Eastern Europe, MTU Maintenance Serbia d.o.o, we signed a cooperation agreement with the Republic of Serbia. This agreement outlines the establishment of training for local aviation industry professionals following the dual-track system used in Germany.
We get involved

In an effort to attract potential recruits early on, numerous MTU sites take part in educational initiatives including:

- Training Night
- IdeenExpo science exhibition in Hannover
- Nature and Technology Days
- Teachers in Industry
- Girls’ Day
- EUROTEC
- Jugend forscht contest for young researchers
- Komm, mach MINT! (a German STEM initiative)
- Business4School

GRI: 103-2, 103-3, 404-1, 404-2

UNGC: 6
Enabling equality of opportunity

Diversity & inclusion

Diversity makes us more successful and is therefore an integral part of our corporate culture. We consider a diverse workforce to be a real asset. Different ideas and experiences broaden our horizons and make us more flexible and innovative. At MTU, we are always working to increase diversity and inclusion, championing a culture of impartiality.

We benefit from having a diverse workforce. Bringing different experiences, perspectives and employee backgrounds together in a team provides a springboard for the best ideas and concepts to emerge.

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. Everyone has the same opportunities regardless of their gender, ethnic origin, age, religion, disability or sexual orientation. → Code of Conduct

Promoting diversity is a key component of the corporate culture and business success that is enshrined in the MTU Principles. We firmly believe that a diverse workforce bolsters our innovative capabilities and competitiveness. Given the high complexity of engineering projects, it is advantageous to have mixed teams.

To ensure diversity and an inclusive working environment within the company, MTU embraces a corporate culture based on respect and appreciation that promotes fair and cooperative 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 on human rights.
As a signatory to the **UN Global Compact**, a unique sustainability initiative, we commit to preventing discrimination in the workplace. We are also committed to the following diversity and equality of opportunity initiatives:

- Charter of Diversity
- Munich Memorandum for Women in Management
- Komm, mach MINT! (a German STEM initiative)

Our contribution to the SDGs

Our commitment to diversity is an aspect of our responsibility to the UN's 2030 Agenda for Sustainable Development. In particular, this commitment will help achieve SDG 5 on “Gender equality.” MTU’s inclusion policy supports SDG 4 on “Quality Education” and SDG 8 on “Decent work and economic growth,” whose secondary objectives include promoting the participation of employees with disabilities.

→ Learn more about our contribution to the SDGs

We are committed to equality of leadership and gender

We want to create a culture of innovation within the company, aided by the promotion of a diverse and international workforce. We attach particular importance in this context to gender diversity in order to make better use of all our potential in the face of societal change and better position the company for the future. We see fostering female talent and equality of leadership as our greatest innovation potential. This view is supported by a recent ILO study that concluded that having more women in management positions enhances a company’s performance as its appeal as an employer. It follows that one of our key goals is to increase the proportion of women in management positions to 13% by 2022 for all management levels in Germany except the Executive Board level. We are pursuing a separate goal for the Executive Board: by 2022 the number of female members is to reach 25%. The Supervisory Board already has two female members each from the employee and shareholder sides.
14.7% proportion of women

Upward trend: MTU employed more women last year and the share of management positions held by women increased to 11.5%. We want to further increase this share in the future.

The Executive Board is kept regularly informed about the fostering of female talent and the measures that have been initiated. In addition, it presents a report on equality at the works meeting at German locations once a year. In Germany, the works council is involved in decisions subject to co-determination, such as flexible working time rules. We also offer internal and external training opportunities in gender equality.

The principal focus of our initiatives is to secure more female talent for the company and offer female employees greater support throughout their careers. A key part of this is our participation in mentoring programs, including:

- Cross-Mentoring Munich (a program organized by the City of Munich)
- Mentoring Program offered by the University of Stuttgart for Women in Studies and Research
- “Project U” project for female students of STEM subjects at Leibniz University Hannover
- Accelerated Leadership Mentorship Program offered by the Women in Leadership Foundation, Canada

<table>
<thead>
<tr>
<th>Proportion of women</th>
<th>GRI 102-8, 405-1</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td></td>
<td>11.5%</td>
<td>10.7%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Workforce</td>
<td></td>
<td>14.7%</td>
<td>14.4%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td>14.7%</td>
<td>14.2%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Rest of Europe</td>
<td></td>
<td>14.3%</td>
<td>15.3%</td>
<td>15.7%</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td>15.1%</td>
<td>15.6%</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

Measured as a proportion of the active workforce (employees with permanent or fixed-term contracts, temporary part-time employees on parental leave, excluding students, interns, trainees/apprentices, short-term holiday workers, temporary workers and employees from external companies) and recorded at the end of each year; we do not have figures on the proportion of women by employee group.

When it comes to the proportion of women in the workforce, we see an ongoing gentle upswing. The current share is 14.7%. In 2019, we also succeeded in once again increasing the proportion of women in management (11.5%). We believe we are on course to achieve our goal of 13% women in management by 2022.
We aim to take diversity aspects into account when filling new positions and selecting employees within MTU. In 2019, the proportion of women in the Development Center, a personal development program for talented employees with the potential to assume key roles, was 13.7% and thus greater than our current proportion of women in management positions. The share of new female employees across the workforce was 16.9%, slightly above the current rates for female employees in the workforce and in management positions.

Women with a science or technical degree have excellent career opportunities. An interview with Dr. Mihaela Sorina Seitz, Senior Manager, Advanced Materials at MTU, on supporting female STEM students. Read the interview here

In addition, we are rated annually by the Women’s Career Index (FKI), an external tool for evaluating career opportunities for women in business enterprises. In 2019, we once again achieved good results. Our placing sixth puts us among the best companies in Germany.

We want to incorporate our female employees’ experience more strongly into the decision-making process. At our headquarters we have established “New – Network of Engine Women” under the patronage of the Chief Technology Officer. This goes further than finding ways to better support female talent. It is also about having an interdisciplinary exchange and dialogue among employees and management with a view to identifying relevant pioneering topics and trends and developing suitable initiatives. In addition, we are a new 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.

Programs and initiatives (internal and external)

- Talent Management
- Development centers
- Network of Engine Women
- Munich Memorandum for Women in Management
- Cross-Mentoring Munich (a program organized by the City of Munich)
- Women in Leadership Foundation
- 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 MTU as an employer.

Creating a working environment in which everyone can realize their potential

As an early member of 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 diverse potential. We want to be a positive example of diversity, create a culture of impartiality and ensure all employees have equal opportunities 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. 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, participating regularly in Pink Shirt Day in Canada, for instance.

As part of our inclusion efforts, we recognize the importance of integrating employees with disabilities. In 2019, the proportion of our employees in Germany with disabilities was 5.1%, which meets statutory requirements. At our locations 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. New buildings at our locations, as the new canteen in Munich, are designed with universal access in mind.

We also believe in good relations between young and old, and we take age diversity into consideration in our company. We are meeting the challenges associated with the ageing 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 range of measures geared toward younger generations: Apprenticeships, trainee programs and development programs for high-potential employees (→ Employee development).

### Age groups

<table>
<thead>
<tr>
<th>GRI 405-1</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 years</td>
<td>18.2%</td>
<td>16.9%</td>
<td>14.9%</td>
</tr>
<tr>
<td>30 – 50 years</td>
<td>52.8%</td>
<td>52.4%</td>
<td>52.1%</td>
</tr>
<tr>
<td>&gt; 50 years</td>
<td>29.0%</td>
<td>30.7%</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

Measured as a proportion of the active workforce (employees with permanent or fixed-term contracts, temporary part-time employees on parental leave, excluding students, interns, trainees/apprentices, short-term holiday workers, temporary workers and employees from external companies) and recorded at the end of each year.

In this time of demographic change, we have succeeded in increasing age diversity at MTU and achieving a greater age mix. The proportion of employees under 30 has risen from 14.9% (2017) to 18.2% in the reporting year.
Cultural diversity provides us with opportunities

As a globally active company, we consider internationalization to be a key indicator of diversity. Our engine business has a global outlook, and having an intercultural workforce helps us to be successful in different markets. A study by the Bertelsmann Stiftung (2018) argued that cultural diversity among employees has a positive effect on a company's innovative strength. As a long-established player in the industry, we have strong roots in Germany, but our character draws on a variety of cultural backgrounds. Employees of 55 different nationalities work together in Germany alone. In the face of rising xenophobia, we take an unambiguous position and call on our employees, for instance as part of International Day for the Elimination of Racial Discrimination, to take an active stand in favor of diversity and equality. Various activities (International Leadership Program, International Building on Talent) help us to enhance the international nature of our business. → Find out more about our training programs

MTU is diverse: We have employees from 55 countries successfully working together in Germany and adding their individual cultural background to the mix.

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

UNGC: 6
Strengthening local communities

Corporate social responsibility

In all that we do to contribute to social development, our focus is on research and education. As we drive aviation technology forward, we rely on a new generation of skilled employees and an innovative business environment. In addition, we support social projects that have a local impact close to our sites.

We offer young people apprenticeships at MTU—for instance to become aircraft maintenance mechanics—in specially set up training workshops. In addition to technical qualifications, we place a focus on the development of methodological and social skills.

Corporate social responsibility is an integral part of the MTU Principles, one of which states: “MTU takes its responsibility for the environment and society seriously.” At many of our sites, we are a major local employer offering a wide variety of attractive jobs in a high-tech environment. This has a positive effect on the local employment situation, including in less economically successful regions such as Brandenburg, Germany. We also offer apprenticeships in various trades in Germany. We generally take a long-term approach to employment. In addition to training and developing our employees, we invest in the expansion of our plants, as we are currently doing in Munich, Ludwigsfelde, Hannover (Germany) and Rzeszów (Poland); in Serbia, we are planning to build a new repair shop. These investments strengthen the local economy and job market, and in turn have a positive effect on social aspects such as infrastructure and prosperity. We contribute to society through income tax, too.  

→ How we add value by steadily increasing shareholder value
Our contribution to the SDGs

Our commitment to social responsibility moves us closer to attaining several of the UN’s Sustainable Development Goals (SDGs). We see our corporate social responsibility as a contribution to achieving SDG 4 on “Quality education”; SDG 5 on “Gender equality”; and SDG 17 on “Partnerships for the goals.” With our educational initiatives, we are engaged in increasing the number of girls and women who pursue scientific and technical careers, thus improving equality of opportunity. We create equal access to high-quality education irrespective of gender or other characteristics. Through intensive collaboration with universities and research institutions on increasing eco-efficiency in aviation, we enter into partnerships aimed at achieving the common goals of sustainable development. Such collaborations are highly important, especially when it comes to new, groundbreaking technologies such as electric flight.

Learn more about our contribution to the SDGs

Our corporate social responsibility

As a company that engages heavily in research, our concept of corporate citizenship revolves around science and engineering initiatives. We seek out interaction and collaboration with the world of science and research and foster dialogue with young people and new talent.

New cohort of aviation experts: We had almost 300 apprentices on board with us at MTU 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.

We offer young people a solid grounding in various trades. In 2019, we had a total of 293 apprentices. That equates to 2.8% of the total Group-wide workforce. In Germany, where most of our apprenticeships take place, the share is 3.1%. Our integrated approach combines technical qualifications with methodological and social skills. It involves our apprentices in all aspects of the company, including health management, climate protection, social values and our no-blame culture. At our planned new site in Serbia, we want to establish a local training program for aviation industry specialists based on Germany’s dual-track system. 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. In addition, we participate in numerous educational projects and initiatives for children and young people (→ Diversity & inclusion, → Employee development).
Strong technology network

Collaborating with universities and research institutions is a mainstay of our research and development work and a key part of fulfilling our responsibility to society. We have built strategic alliances with research partners to foster links between universities and industry and to safeguard our capacity for innovation.

We run six scientific centers of competence at different universities across Germany, each with its own research focus. The German Aerospace Center (DLR) is building a test and simulation center for gas turbines in Augsburg, of which MTU will make intensive use. We want to use this center to validate numerical simulation processes (virtual engine) with experimental procedures in test cells in such a way that it is possible to draw up new designs in the future with considerably less testing. In addition, we co-founded Bauhaus Luftfahrt, a visionary think tank to address longer-term topics that pursues novel, unconventional, holistic and interdisciplinary research, bringing industry and science together under one roof. Among other things, the Bauhaus researchers devise visionary aircraft concepts and investigate ecological aspects and socio-political drivers in aviation. Collaboration with various Fraunhofer Institutes in Germany is a key area of activity in our cooperative ventures—particularly when it comes to production and materials technologies. With its broad spectrum of expertise, the Fraunhofer-Gesellschaft works on industry-related research contracts on our behalf.

→ Our technology network

We support the next generation of researchers and scientists

We run a series of sponsorship schemes at the University of Stuttgart and DLR that support young researchers for a number of years after they finish their degrees, and we provide financial backing for a Deutschlandstipendium, or “Germany Scholarship,” at Leibniz Universität Hannover and Technische Universität Braunschweig. Together with Technische Universität Braunschweig, we operate what is known as a maintenance laboratory to enable students to experience engine maintenance at our premises as part of their master’s studies. Our international locations also work together with selected universities and colleges in their regions: MTU Aero Engines Polska has established an alliance with the Lezajsk Technical School, and MTU Aero Engines North America has a partnership with the CREC Aerospace Academy. Our engineering subsidiary in the USA also financially supports the Eurotech scholarship program at the University of Connecticut.

Our long-term programs include a foundation through which we support highly talented young women studying scientific and technical disciplines. As well as providing financial grants, the MTU Studien-Stiftung offers personal advice and mentoring to help students get started with their careers.

MTU research experts give regular presentations and guest lectures at universities. We provide a significant proportion of the lectures for the engine technology course at the Brandenburg University of Technology (BTU) Cottbus. MTU has endowed a chair for aircraft engine structural mechanics at the University of Stuttgart as well. We also give national and international university groups the opportunity to gain insights into how an industrial company works. We offer trainee programs, dual vocational training, work placements for high school students, work experience for students and opportunities for writing bachelor’s/master’s/doctoral theses at our European sites. These are key factors on the labor market. In 2019, there were 523 students working with us as part of their undergraduate or postgraduate program, on work experience or as holiday staff.
Each year, MTU confers the **Wolfgang Heilmann Science Award** for outstanding achievements by talented young students performing research in the field of aircraft engines at the Karlsruhe Institute of Technology. We are also an industry sponsor of a prestigious German award for aerospace journalism that is awarded annually to non-specialist journalists for outstanding articles on aerospace trends and issues.

### How we get involved

We support various social institutions. These are generally charitable organizations, preferably with a social focus, to which we provide assistance in the form of financial or in-kind donations. A key factor in selecting recipients is a local/regional connection or a thematic link to our business. We prioritize support for specific projects over general institutional funding, which are selected and the support implemented independently by the MTU subsidiaries concerned on the basis of careful research. Internal guidelines govern the granting of donations and sponsorship, and a centrally managed clearance and approval process ensures that the rules are adhered to.

### Donations and sponsorship in 2019 (distribution in %)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>61.9%</td>
</tr>
<tr>
<td>Science/education</td>
<td>22.6%</td>
</tr>
<tr>
<td>Technology/environment</td>
<td>13.1%</td>
</tr>
<tr>
<td>Arts and culture</td>
<td>2.4%</td>
</tr>
</tbody>
</table>
Managers’ social day at the TurBienchen daycare center

As part of their social day, our Executive Board and managers created new attractions for the children at the TurBienchen daycare center, a parents’ initiative located adjacent to the Munich headquarters. MTU Executive Board members Michael Schreyögg (1st photo, right, clockwise), CEO Reiner Winkler (2nd photo, right) and Lars Wagner (3rd photo, left) were all in agreement: “As a company, MTU has a social responsibility to live up to, and action days like these are one of the ways we do that.”

In the reporting year, we supported over 80 projects and institutions. Together with regional partners, we also achieved local goals that we could not have met on our own. For example, MTU is committed to the Munich Business Climate Pact and makes a local contribution to sustainable development through e-mobility solutions. In the reporting year, we initiated a regional mobility forum at our Munich site in order to work together with politicians, industry and associations to improve local transport.

Examples of our social responsibility projects in 2019

• Luftfahrt ohne Grenzen (Wings of Help) e.V
• Sponsorship for childcare while schools are on vacation
• Funding of the TurBienchen e.V. child daycare center initiative, Munich
• Off-site deployment of MTU’s company fire department and doctor, Munich
• Munich Theater for Children charitable company
• Die Arche (The Ark)—a project devoted to improving the lives of children in Potsdam, near Berlin
• Cystic fibrosis charity run, Berlin
• Clinic Clowns e.V., Hannover
• MTULandia children’s playground, Rzeszów
• Hospice for Children, Rzeszów
• Adopt-a-Family, Rocky Hill
• Hands on Hartford Community Meals, East Hartford
Our sites commit in a wide variety of ways

Our employees do their bit, for example, by taking part in Pink Shirt Day in Canada (top left) or in the Plant-to-Plant Challenge in Germany (top right). Even our apprentices take on community projects. For example, they built a playground in the forest (bottom left) and collected trash in the neighborhood as part of the “Hannover ist putzmunter” clean-up day.

We welcome our employees’ voluntary efforts to support good causes. This is covered by an internal company agreement. Our apprentices volunteer in a variety of ways, for example by collecting returnable bottles from the break rooms and donating the deposit, or by clearing nearby streets of rubbish during a public action day. Our employees took part in the “Des mach ma!” action day organized by companies in Munich and in the social day organized by the Freiwilligenzentrum volunteering association in Hannover. In Rzeszów, MTU Aero Engines Polska celebrated the opening of the MTULandia children’s playground, which was built by employees in a long-term project supported by the city. In Rocky Hill, at our US location, employees support the local food bank with donations and help sort the food. In 2019, MTU employees once again took part in the Plant-to-Plant Challenge, this time cycling from the Ludwigsfelde site near Berlin to the Munich headquarters to raise funds for charity. Ten cents per kilometer ridden by the cyclists plus a donation from MTU added up to a total of over EUR 12,000 for charitable institutions. In addition, the company allows staff to undertake projects with the German Federal Agency for Technical Relief during their paid workday, and offers the services of lay justices for labor tribunals and social justice courts and of examiners for the Chamber of Industry and Commerce.
Information about the coronavirus pandemic

This sustainability report covers the 2019 financial year and is being published as the world fights against the coronavirus pandemic. People and companies are in a different situation today than they were in the reporting year. MTU is doing its part to help contain the pandemic and has taken numerous measures to protect its workforce. The current situation notwithstanding, we want to live up to our corporate social responsibility. You can find more information here.

GRI: 103-2, 103-3, 201-1

UNGC: 7