

DMG MORI

AKTIENGESELLSCHAFT



G R E E N T R A N S F O R M A T I O N

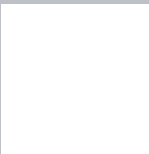
Sustainability Report 2023

CONTENT

This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its subsidiaries (hereinafter the group or DMG MORI AG). DMG MORI AG is part of the DMG MORI group (hereinafter DMG MORI or Global One Company) whose group parent company is the DMG MORI COMPANY LIMITED (hereinafter DMG MORI CO. LTD.). **GRI 2-2**

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ANNUAL REPORT 2023



Click here to get to the PDF of the Annual Report 2023 dmgmori.com/gb-en-2023

GREEN TRANSFORMATION – FOR PEOPLE AND THE ENVIRONMENT

Sustainability is an essential part of our corporate strategy and global mission. We are committed to acting responsibly and contributing towards this goal. The United Nations' Agenda 2030 provides guidance with 17 Sustainable Development Goals (SDGs). Besides environmental and climate protection, we at DMG MORI AG also focus on the satisfaction and well-being of our employees. We promote and encourage diversity and equal opportunities. We ensure compliance in all areas and are committed to the common good.

As a global technology leader, DMG MORI has placed Machining Transformation (MX) at the center of its activities. A key pillar in this area is Green Transformation (GX), which we actively promote using process integration, machine tool automation, and Digital Transformation (DX). GX has the potential to conserve global resources and thus protect the environment, as well as reducing the workload on people and creating opportunities for further development.

This is why DMG MORI AG takes holistic responsibility for resources across the entire value chain – from raw materials to recycling. Sustainability is thus fully integrated into all our corporate structures and processes. Our energy management system is certified to ISO 50001 and our environmental management to ISO 14001.

DMG MORI machines also help to protect the environment in a sustainable way during operation at the customer's site. New in 2023: Since the EMO Hannover 2023, we have been offering our customers our improved **GREENMODE** measures with a selection of up to 13 energy efficiency options – making energy savings of over 30 % possible.

All this has been made possible by our dedicated employees. They are changing our world with their ideas, openness and courage. As a team. You can read more about our joint journey – our Green Transformation – in this Sustainability Report. [GRI 2-22](#)



Alfred Geißler
CEO

Hirotake Kobayashi
Executive Board member

Michael Horn
Executive Board member

MISSION STATEMENT

As a global corporation continually striving to be the world's largest and most respected international manufacturer of turning centers, machining centers, mill-turn centers, grinders, additive manufacturing and processing automation,

we will:

- // enable our customers to maximize their potential and excel in their respective markets by continually striving to provide innovative, accurate, and trouble-free machines, automation systems, and digital technology at competitive prices;
- // increase our customers' productivity and efficiency through our latest developments in technology as manifested by our increasingly accurate and progressive manufacturing capabilities;
- // support our customers with our knowledgeable and responsive sales, applications, and service personnel.

As befits a worldwide corporation, we will:

- // foster a fair and open corporate culture, utilizing appropriate management initiatives;
- // play hard and be dynamic to enrich our private lives, study continuously and be open to advance our professional career, and work together and be innovative to bring innovation to workplace;
- // respect each other's opinions and continually develop through fair competition.

As profitability is a goal of all healthy business organizations and in keeping with the true nature of the machine tool industry, we will:

- // work to increase the value of our company, the investment of all shareholders knowledgeable of the true nature of the machine tool industry, and the prosperity of our partners;
- // always remember that the pricing of our products and services is an integral factor of the prosperity and longevity of the corporation;
- // generate suitable profits to ensure the cash flow necessary to provide for the healthy operation of our corporation, research and development, stable customer services, employee training and development, and the maintenance of safe and efficient manufacturing facilities.

As an industry leader and responsible corporate citizen, we will:

- // contribute our fair share to our local community and society;
- // conserve environmental resources at all times to preserve the global environment;
- // incorporate the highest standard of ethics while still encouraging an aggressive approach to our business activities.

OUR FRAMEWORK

MX – MACHINING TRANSFORMATION:
holistic Green Transformation (GX)
through Process Integration, Automation
and Digital Transformation (DX).

GREEN TRANS- FORMATION

PROCESS INTEGRATION

AUTOMATION

DIGITAL TRANS- FORMATION



The butterfly – machined on a DMU 50 – symbolizes the transformation and guides us through the four pillars of Machining Transformation (MX).

More information on MX at:
transform.dmgmori.com/en/

COMPANY PROFILE

DMG MORI is a leading global manufacturer of high-precision machine tools and is represented in 43 countries – with 116 sales and service locations, including 17 production plants.

In the “Global One Company”, more than 13,000 employees are driving the development of holistic solutions in the manufacturing industry. Under the guiding principle of Machining Transformation (MX), DMG MORI combines four pillars for the efficient, sustainable production of the future: Process Integration, Automation, Digital Transformation (DX) and Green Transformation (GX).

DMG MORI stands for innovation, quality and precision. Our portfolio covers sustainable Manufacturing Solutions based on the technologies Turning, Milling, Grinding, Boring as well as Ultrasonic, Lasertec and Additive Manufacturing. With technology integration, end-to-end automation and digitization solutions we make it possible to increase productivity and resource efficiency at the same time.

At our production sites worldwide, we realize holistic turnkey solutions for the main sectors of aerospace, automotive, die & mold, medical and semiconductor. With the DMG MORI Qualified Products (DMQP) partner program, we offer perfectly matched peripheral products from a single source. Our customer-oriented services cover the entire life cycle of a machine tool – including training, repair, maintenance and spare parts service.

01 // CORPORATE STRUCTURE OF DMG MORI AG



Further information on the corporate structure can be found in the [Annual Report 2023](#) on pages 7, 24 et seqq. and 27.

GRI 2-1, 2-6

SUSTAINABILITY STRATEGY AND MANAGEMENT

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Sustainability plays a key role when it comes to implementing our corporate strategy. Our group-wide DMG MORI [Mission Statement](#) reflects our pledge of responsibility towards the environment, society and our employees.

As a global technology leader, DMG MORI places Machining Transformation (MX) at the center of its activities. A key pillar of MX is Green Transformation (GX), as it has the potential to conserve global resources, thus protecting the environment, reducing the workload of people and creating future development opportunities.

With a high-level of process integration, holistic automation and digitization solutions, DMG MORI's machine tools can protect resources, climate and the environment and thus make a positive contribution to greater sustainability. Our holistic initiatives for resource-saving machine manufacturing and maximum production efficiency allow us to constantly set new standards. Responsibility is our watchword right from the start. Sustainability is a fundamental requirement for all processes – from the initial idea in development to procurement, production and operation at the customer's site, as well as recycling at the end of the machine's life cycle. Our 360° approach is supported by the systematic recording of specific indicators to validate and manage our measures, as well as by providing our employees with detailed information on sustainability issues and getting them involved in this area.

At DMG MORI AG, we are not only committed to environmental and climate protection but also to the satisfaction and well-being of our employees, as well as to diversity and equal opportunities. We ensure compliance in all areas and are committed to the common good with donations and various campaigns. The United Nations' Agenda 2030 provides guidance with 17 Sustainable Development Goals (SDGs).

The Sustainability Report contains the separate, non-financial Group Report 2023 and provides information on progress in implementing our sustainability strategy. We comply with the statutory requirements pursuant to sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB) and also go beyond this with a large number of voluntary disclosures. In doing so, we are guided by the standards of the Global Reporting Initiative (GRI). At DMG MORI AG, we are already carefully planning for the extensive, new legal requirements that we will initially apply for the 2024 reporting year and are successively aligning our sustainability report accordingly. For the disclosures required under HGB relating to concept results and key performance indicators (KPIs) in accordance with Section 289 (3) HGB, we are using the GRI's "topic standards", which continue to apply. In this way, we aim to ensure consistent reporting.

The Sustainability Report meets the reporting requirements set out in Article 8 of Regulation 2020/852/EU of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation 2019/2088/EU.

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[Climate and Environment](#)

In the GRI Content Index under “Element of non-financial reporting in accordance with HGB”, we present the delimitation or the legally required content.

We identify and define our sustainability issues using a materiality analysis. This takes into account internal perspectives, external stakeholders and impact on legal aspects. For this purpose, our DMG MORI sustainability coordinators have preselected topics, for example, from supplier guidelines or customer questionnaires, and discussed and defined them. We review our assessment of these topics annually. There were no changes in our evaluation in the reporting year.

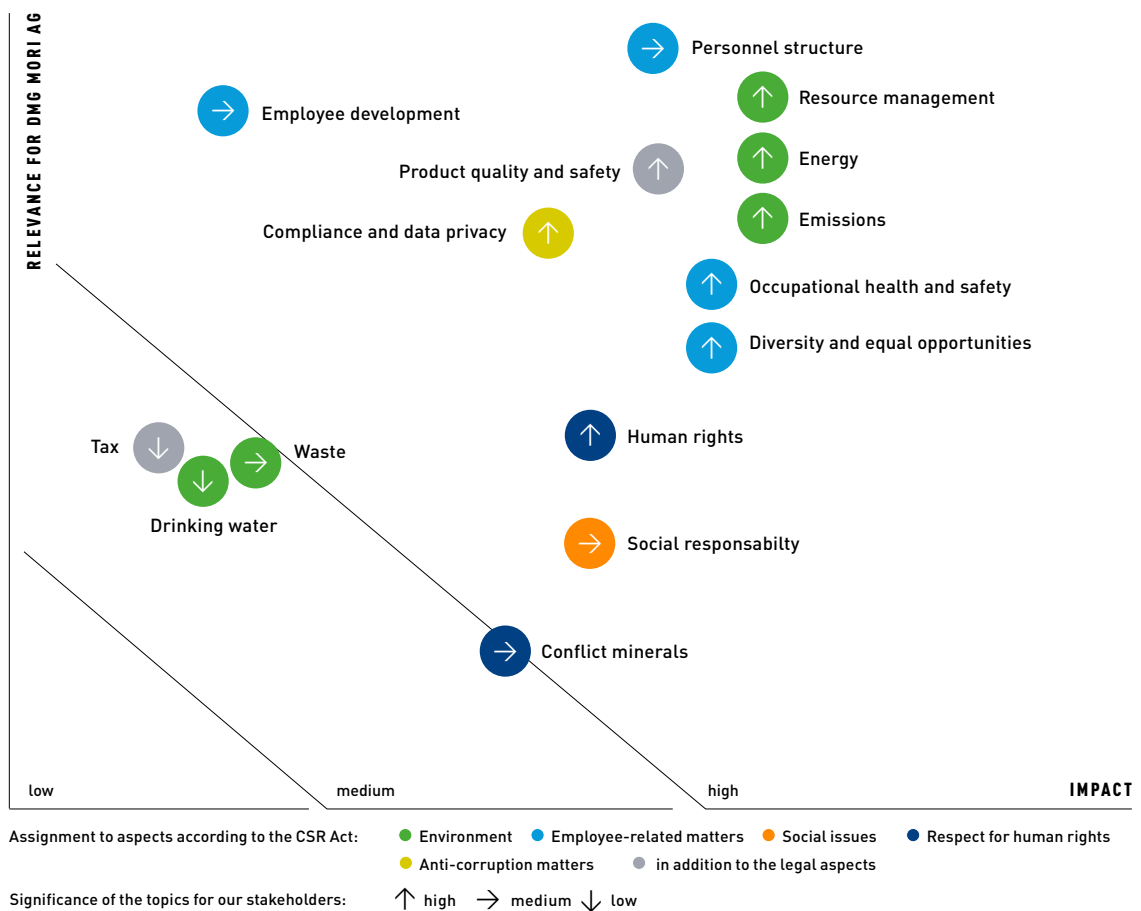
The materiality matrix is divided into the categories “low, medium and high materiality” and summarizes the assessment of the topics in three dimensions:

// Y-axis: Relevance for DMG MORI AG

// X-axis: Impact on environment, people and society

// Arrows: Importance to our stakeholders

02 // MATERIALITY MATRIX



Our Sustainability Report 2023 once again focuses on the topics in the “high materiality” category, which also form the basis of our sustainability management system. In addition, we describe the focus areas of this management system in our group-wide **“Corporate Responsibility”** manual.

We classify the fields of action along our entire value chain. Topics on which we have a direct influence are highlighted in black – for example through internal and external information, measures or concepts.

03 // VALUE CHAIN GRI 2-6

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

The goal of our sustainability strategy is to make the most positive contribution possible to people, society and environmental protection. Our business activities should not have any negative effects. In this context, we naturally take new legal requirements into account. In the reporting year, we continued to place particular focus on the EU taxonomy regulation in relation to sustainability as well as the Supply Chain Due Diligence Act.

page 16 et seqq.

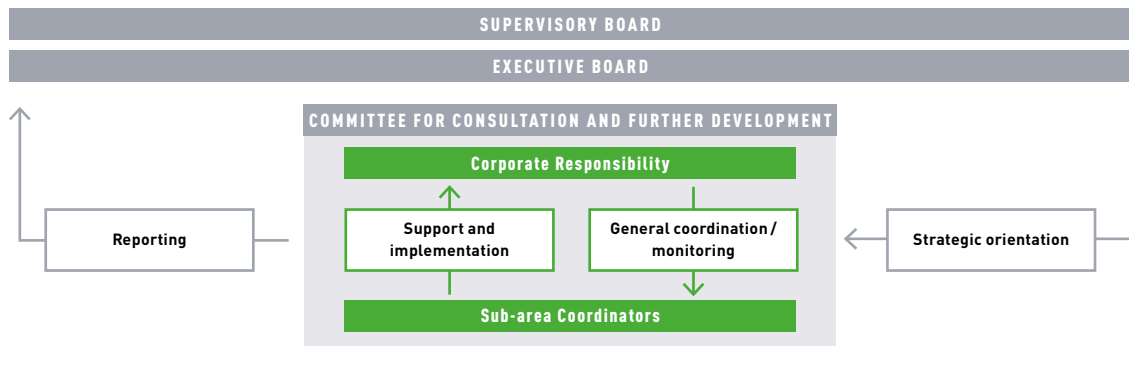
➤ Climate and Environment

page 38 et seqq.

➤ Partner and Supplier Management

The “Corporate Responsibility” department bundles the topics of sustainability and compliance and reports directly to the Executive Board as the highest decision-making body.

04 // SUSTAINABILITY MANAGEMENT GRI 2-13



VALUES GRI 2-13

DMG MORI AG is committed to clear principles and value standards. The “**DMG MORI Code of Conduct**” defines these, among others, in terms of key sustainability aspects such as employees, the environment and the supply chain. In our Code of Conduct, we describe the goals and rules we have set ourselves, which commit us to responsible, ethical and lawful behavior as well as sustainable value creation. The Code of Conduct thus forms the basis for our sustainability strategy and our sustainability management.

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

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

New employees always receive the company’s Code of Conduct during onboarding and must confirm receipt with binding effect. DMG MORI AG expects everyone to comply with and communicate the principles described therein. The same applies to our business partners, especially our suppliers.

Our managers should be a role model for our employees and actively exemplify our code. For this purpose, we organize e.g. training courses. Our “**Leading Principles**” also provide them with guidelines for a sustainable management culture.

STAKEHOLDER DIALOGUE

We engage in dialogue with our stakeholders. Their opinions, queries and comments provide our “Corporate Responsibility” management with vital impetus, while directly and indirectly affecting our actions. For this reason, continuous and constructive dialogue with them is laid down in our “Corporate Responsibility” manual and is actively supported. The company’s Code of Conduct forms the basis for our interactions with all our stakeholders.

The future development of our sustainability strategy is also supported by communication and close, trusting cooperation with employee representatives as well as with the interdisciplinary sustainability coordinators.

The sustainability coordinators have defined the “particularly relevant stakeholders” in the materiality analysis and review them regularly. Examples of relevant forms of dialogue with these stakeholders are also listed in the analysis. „DMG MORI ONE” provides us with an interactive platform for internal exchange with and between all employees and thus gives us direct feedback on various sustainability issues, allowing us, for example, to conduct targeted surveys. We also analyze the feedback from our stakeholders as well as comments on sustainability aspects in our social media channels. This shows that our stakeholders are interested in a wide range of issues. Overall, the results are in line with our materiality assessment.

05 // SIGNIFICANT STAKEHOLDERS & FORMS OF DIALOGUE



Questions? responsibility@dmgmori.com

Information! www.dmgmori-ag.com

Tweets. [@dmgmorieu](https://twitter.com/dmgmorieu)

¹We always keep all our stakeholders informed about relevant issues using appropriate measures such as press releases or internal announcements. Economic impacts are addressed in our financial reporting and Annual Report. In addition, our employees have access to regularly updated and detailed information on “DMG MORI ONE”.¹ **GRI 2-26**

page 44 ↗ **Employees**

Our wide range of communication initiatives contribute both internally and externally to firmly establishing sustainability in all the structures and processes of DMG MORI AG – in development and design processes, our purchasing strategy and production, as well as in administrative activities. In this way, we create transparency for our stakeholders.

WHISTLEBLOWER SYSTEM **GRI 2-26, 403-2**

We encourage all our stakeholders to immediately and anonymously report suspected violations of applicable regulations or of our DMG MORI guidelines. For this purpose, our Responsibility Helpdesk ↗ responsibility@dmgmori.com or an external lawyer of trust (ombudsman), Dr. Carsten Thiel von Herff LL.M. ↗ report-tvh.com, are available. Contact details can be found in our Code of Conduct, on “DMG MORI ONE” and on our website. Here we also provide further detailed information on the whistleblower system. This is because whistleblowers are a valuable and helpful source for us to uncover and stop possible misconduct and to take immediate remedial action to mitigate any consequences. We naturally protect them from any discriminatory or disciplinary measures and do not tolerate any retaliatory actions directed against the whistleblower. This whistleblower system also enables us to meet the complaints procedure requirements of the German Supply Chain Due Diligence Act.

MONITORING AND IMPROVEMENT **GRI 403-2**

We constantly review and improve all our current processes. Sustainability issues are an integral part of the annual questionnaires sent to management in order to promptly and effectively identify any need for action. In addition, the same escalation and reporting processes used in compliance also apply to sustainability.

Considering existing principles and measures (net risks), the risk assessment did not reveal any significant risks that meet the materiality criteria pursuant to Section 289c (3) Nos. 3 and 4 of the German Commercial Code (HGB). The risk assessment of sustainability issues is included in our Risk Assessment.

page 53 ↗ **Compliance**



COMMITMENT TO CLIMATE AND ENVIRONMENT

The non-profit organization “Carbon Disclosure Project” (CDP) awarded DMG MORI an “A-” rating in the reporting year. Every year, CDP evaluates the commitment of companies, municipalities and countries in the area of environmental and climate protection on the basis of an extensive catalog of criteria. ➤ www.cdp.net



BLUE COMPETENCE

We are a partner of the Blue Competence sustainability initiative of the German Mechanical Engineering Industry Association (VDMA). With our partnership, we are committed to compliance with the twelve sustainability principles of the mechanical and plant engineering industry. ➤ www.vdma.org/bluecompetence



ALLIANCE FOR DEVELOPMENT AND CLIMATE

We are voluntarily committed to implementing the UN Agenda 2030 and the Paris Climate Agreement. That is why we have been a member of the “Alliance for Development and Climate” since 2019. ➤ www.allianz-entwicklung-klima.de



COMMITMENT TO DIVERSITY

We are committed to an appreciative and prejudice-free organizational culture in the world of work. We made a voluntary commitment to this in 2019. ➤ www.charta-der-vielfalt.de



CEOS FOR RECYCLED PAPER

We support the “Pro Recycling Paper” initiative and the associated campaign “CEOs for recycled paper”. Since 2019, our German sites have been sourcing 100 % recycled DIN A3 and DIN A4 paper certified with the “Blue Angel” label. ➤ www.ceos-bekennen-farbe.de



DMU 65 monoBLOCK

GX has the potential to conserve global resources and thus protect the environment, relieve the workload of people and create opportunities for further development.

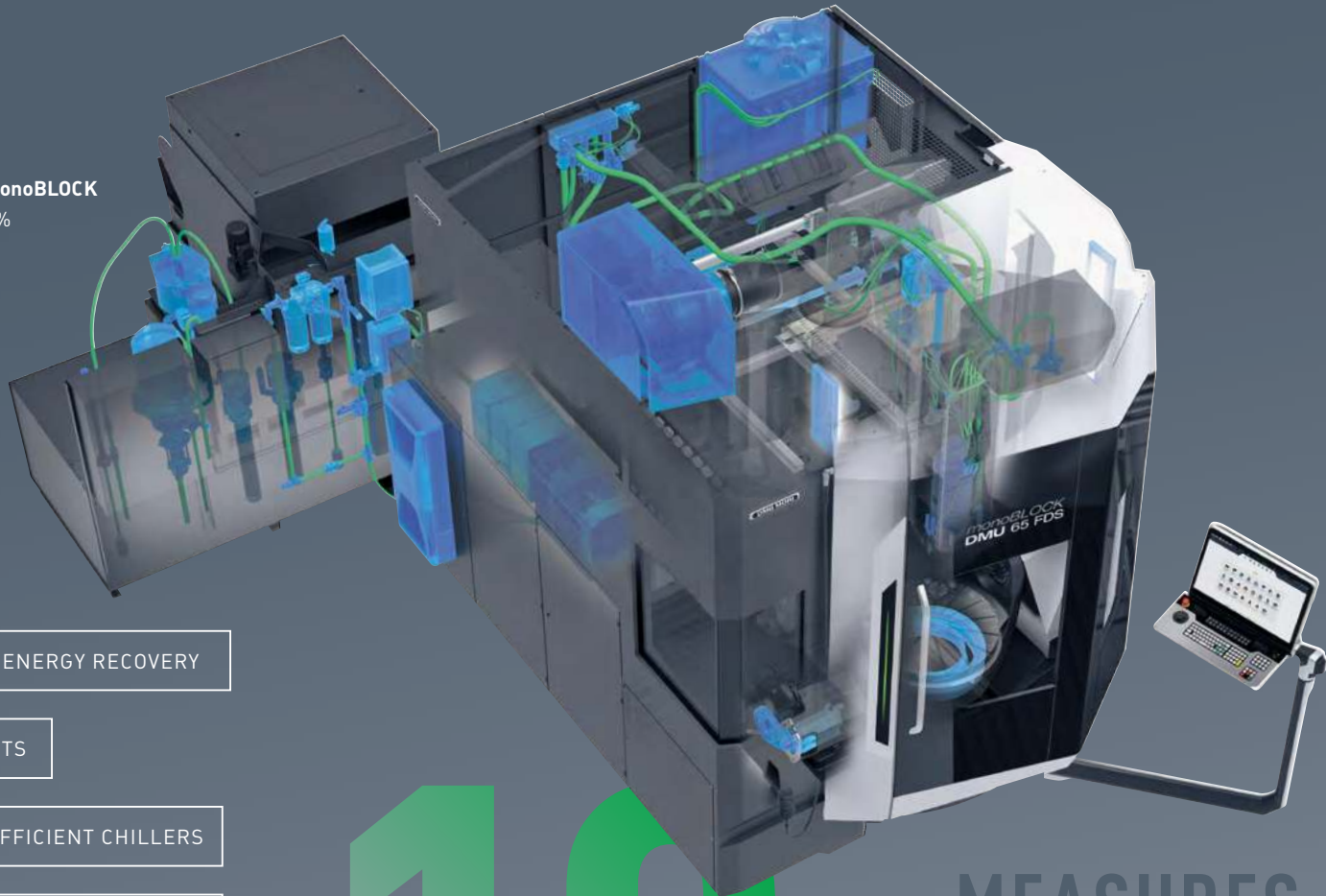
The GX approach is more than just reducing carbon emissions. Every process is optimized for sustainability – from development, procurement and production to recycling at the end of the machine life cycle.



GREEN TRANSFORMATION

DMG MORI is redefining energy efficiency in production with 13 GREENMODE measures.

DMU 65 FDS monoBLOCK
uses up to -36 %
less energy



1. BRAKING ENERGY RECOVERY

2. LED LIGHTS

3. HIGHLY EFFICIENT CHILLERS

4. ADVANCED AUTO SHUTDOWN

5. ADAPTIVE FEED CONTROL

6. ADVANCED ENERGY MONITORING

7. AIR LEAKAGE MONITORING

8. FREQUENCY-CONTROLLED PUMPS

9. *zero sludge*COOLANT

MEASURES

10. ADAPTIVE COOLANT FLOW

11. *zero*FOG MIST COLLECTOR

12. AI CHIP REMOVAL

13. BUSINESS BENEFIT OPTIMIZER (BBO)

GREEN TRANSFORMATION HIGHLIGHTS



More information on
GREENMODE at:
[www.youtube.com/
watch?v=iApUrSA5KNA](https://www.youtube.com/watch?v=iApUrSA5KNA)

CLIMATE AND ENVIRONMENT

GX – Green Transformation is a key pillar of our MX-Machining Transformation and has the potential to conserve global resources.

DMG MORI takes a holistic approach to its responsibility for resources across the entire value chain – from our suppliers to our product development, production and the operation of our machines at the customer's site, as well as the reconditioning or recycling of our machines. This is why we take a 360° approach – our goal is to minimize our climate and environmental footprint. We optimize our processes, consistently reduce emissions and maximize the benefit of the resources we use and our energy and environmental policy reflects our commitment to these goals. Our innovative products and services ensure high resource efficiency when later used by our customers. Here, we also focus on energy and emissions in all stages of a machine's life cycle.

With clearly defined targets and specific measures, we are helping to achieve the Paris Climate Agreement. Since September 2021, DMG MORI has committed itself to the goals of the „Science Based Targets“ initiative, which is aimed at limiting global warming to a maximum of 1.5°C. To achieve this, we plan on reducing our emissions in Scope 1 and 2 by 46.2% and in Scope 3 by at least 27.5% by 2030 (base year: 2019). In 2021, we also pledged to implement the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), thus following the recommendations for a voluntary and consistent disclosure of climate-related risks and opportunities.

➤ en.dmgmori-ag.com/corporate-responsibility/climate-and-environmental-protection

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

1. By 2030, we will reduce carbon emissions in line with our Science Based Targets by at least 2,037 tonnes every year in scope 1 and 2 as well as at least 22,186 tonnes in scope 3 (base year: 2019).
2. We will increase energy efficiency by 5% by the end of 2023 (measured variable: kWh/€ value added, base year: 2017). We have achieved this target.
3. We further expanded our energy monitoring concept at our European group sites by the end of 2023. We will now constantly update this as required.
4. By the end of 2023, we aim to save a further 10,000 MWh of energy on a project-related basis (base year: 2019). We have achieved this target and even exceeded it by 20%.
5. All European production sites will be certified according to the ISO 14001 standard by the end of 2023. We have achieved this target.
6. We aim to continuously increase resource efficiency by strengthening the circular economy.
7. We reduce the use of hazardous substances
8. We continuously reduce our amount of waste.
9. We continuously reduce our paper consumption.
10. We continuously reduce our fresh water consumption.

Targets for the individual sites are derived from these ten group targets and are reviewed annually by the respective executive in the management reviews and by the Executive Board in a central management review. In the reporting year, despite the expansion of our production network to include the Pinghu site (China) and the expansions in Seebach and Pleszew (Poland), we made good progress towards our targets for continuous improvement.

In our energy and environmental management system, we analyze energy consumption, emissions and environmentally relevant data, such as the waste balances of our sites, taking local factors into account. DMG MORI AG has been operating an energy management system in accordance with the ISO 50001 standard at all European production sites since 2015. In 2022, we expanded this to include an environmental management system in accordance with the ISO 14001 standard, which was also successfully certified. Both systems focus on the eight main sites (out of a total of 56) with the greatest environmental impact – our seven European production plants and the Geretsried site – as well as our vehicle fleet. Together, this corresponds to over 90 % of the group's global energy consumption. The effectiveness of the system was confirmed by DEKRA Certification GmbH in the reporting year. Our production plant in Pleszew (Poland) has been certified in accordance with the ISO 14001 standard since 2019.

We identify main causes and define targeted reduction measures. Our central energy and environmental management officer, Jan Budinsky, coordinates all relevant activities with the support of local teams and managers. We regularly provide our employees and service providers with guidelines on how to deal with energy and environmental issues, for example in annual training courses. Our employees also receive specific instructions and a detailed energy and environmental management manual.

Energy consumption within the organization comprises the purchased volumes of electricity, natural gas and liquefied petroleum gas as well as self-generated electricity at our eight largest sites and fuel consumption in our EU vehicle fleet.

06 // ENERGY CONSUMPTION WITHIN THE ORGANIZATION ^{1) 2)} GRI 302-1

in MWh	2023	2022	Changes against prev. year	
Fuel consumption	76,604	78,965	-2,361	-3 %
of which natural gas	21,082	25,085	-4,003	-16 %
of which liquid gas	218	261	-43	-17 %
of which fuel oil	2,004	533	1,471	-276 %
of which fuel	53,300	53,086	214	0 %
Electricity consumption	43,998	45,704	-1,706	-4 %
of which procured from the grid	41,122	43,651	-2,529	-6 %
of which self-generation from renewable sources	2,876	2,053	823	40 %
Energy consumption in total	120,602	124,669	-4,067	-3 %
Energy consumption per added value in kWh/€K	215	246	-31	-13 %

1) comprises all sites certified to ISO 50001: Germany (Bielefeld, Pfronte, Seebach, Geretsried, Idar-Oberstein); Italy (Brembate di Sopra, Tortona); Polen (Pleszew) and vehicle sheet; corresponding to over 90 % of DMG MORI AG's global energy consumption

2) Conversion factors for fuels: German Federal Office of Economics and Export Control (BAFA) 2023

In our production plants, we mainly use electricity for assembly processes and technical building equipment. We therefore invest in the most self-sufficient and sustainable power supply possible for our production plants, to increase security of supply and reduce greenhouse gas emissions. For many years, we have been generating renewable energy at almost all production plants and selected sales and service locations – mainly via photovoltaic systems.

In the reporting year, we started installing and commissioning new photovoltaic systems with a peak output of around 5 MWp. With 98 kWp, the first roof-mounted PV system at our Stipshausen site went into operation in May. In the third quarter, this was followed by a roof-mounted system with 2,961 kWp in Pfronten and a ground-mounted system with 1,915 kWp in Seebach. These new systems enabled us to increase our self-sufficiency level at these locations to an average of 30 % and thus achieve the target we set ourselves for 2023. In November 2023, we were able to complete a further roof-mounted PV system with another 400 kWp in Pleszew (Poland) which we successfully commissioned in January 2024. We aim to install further modules with an output of 3,011 kWp until 2026.

We need natural gas to provide space heating and, to some extent, to generate electricity in combined heat and power plants. We are continuously developing and implementing efficiency projects to further reduce our energy consumption.

In the future, we will save over 3,500 MWh of energy per year thanks to various energy-saving and efficiency measures. Together with the increased use of green electricity through the expansion of the PV systems, we will avoid over 3,500 tonnes of CO₂ in the future.

Further measures are already being planned and implemented for the current financial year – so we are well on the way to achieving our energy targets. We also actively encourage our employees to save energy wherever possible and to submit ideas via DMG MORI Improve, the main platform for our company suggestion scheme. Moreover, we announced the following 'DMG MORI energy-saving competitions' from 1 October 2022 to 31 March 2023.

// Competition 1 – Site-Challenge:

Which site saves the most energy compared to the same period last year?

// Competition 2 – Idea-Challenge:

€ 100 gift cards for the 3 best energy-saving ideas per month – submitted via DMG MORI Improve

The result: our plants saved an average of around 15 % energy compared to the same period last year – a total of 9,273 MWh – and with considerably higher sales. Our site in Bergamo (Italy) led the way with a reduction of 34 %. This was mainly due to improvements to the compressor and heating control system and the large circulator pumps. The winners were invited to have lunch at the staff canteen for a week. In addition, around 200 new ideas – specific suggestions – to improve sustainability were submitted via our DMG MORI Improve idea management system, some of which have already been implemented.

Fuel consumption at our eight largest sites accounts for 42 % of energy consumption. Energy consumption per unit of value added fell by -13 % to 215 kWh/€K in the reporting year – despite the expansion of our production and logistics capacities.

07 // GROUP-WIDE CARBON FOOTPRINT OF DMG MORI AG ^{1) 2)} GRI 305-1, 305-2, 305-3

in t CO ₂	Category	2023	2022	2019	Changes against prev. year	
					2022	2019
Scope 1		18,211	18,596	23,712	-2%	-23%
	Natural gas	3,937	4,621	7,475	-15%	-47%
	Fuel oil	653	375	188	74%	247%
	Liquid gas	47	53	78	-12%	-40%
	Gases	223	30	28	<100%	697%
Internal combustion processes	Coolant	831	84	7	<100%	<100%
	Pool		190	201		
Business trips with own vehicle	Leasing	12,521	13,243	15,735	-7%	-21%
Scope 2 ³⁾		4,264	9,521	24,793	-55%	-83%
	Electricity	3,668	9,028	24,244	-59%	-85%
	Electrical vehicles	11	-	-	-	-
External energy supply	District heating	585	493	549	19%	7%
Scope 3 Upstream ⁴⁾		386,894	446,531	385,559	-13%	0%
	Production material	347,731	404,174	339,422	-14%	2%
Category 1: Purchased goods and services	Paper	49	67	939	-26%	-95%
Category 3: Fuels and energy	e.g. fuel supply chain	6,537	8,018	9,511	-18%	-31%
Category 4: Upstream transports	e.g. ship and truck	18,302	21,272	17,864	-14%	2%
	Waste	144	104	127	38%	13%
Category 5: Waste	Water	33	23	62	43%	-47%
	Flights	3,397	2,861	4,339	19%	-22%
Category 6: Business trips ⁵⁾	Rental cars	429	467	835	-8%	-49%
Category 7: Employees commute ⁶⁾	e.g. cars	10,272	9,545	12,460	8%	-18%
Carbon Footprint of DMG MORI AG (Scopes 1, 2 & 3 Upstream)		409,370	474,648	434,064	-14%	-6%
Scope 3 Downstream ⁴⁾		450,079	399,223	501,870	13%	-10%
Category 9: Downstream transports and delivery	e.g. ship and truck	6,139	6,477	10,851	-5%	-43%
Category 11: Operation of sold products	Machines	420,132	370,670	463,959	13%	-9%
	e.g. steel and electronics					
Category 12: Machine recycling		23,807	22,076	27,060	8%	-12%
Total Carbon Footprint of DMG MORI AG		859,448	873,871	935,934	-2%	-8%

1) The carbon footprint includes all DMG MORI AG locations. The main change compared to the previous year is the start of production at our new plant in Pinghu, China. The carbon footprint was calculated using emission factors based on the DEFRA 2022 and 2023 database. Previous year's figures were calculated using emission factors that were current at the time they were recorded. Due to an update of the factors in the reporting year, there is only limited comparability with the previous year's values. Further emission factors have been added from the GEMIS, BAFA, EEA, World Bank, Ecolnvent and Ecolntransit databases. In addition to nitrogen trifluoride (NF₃), the six main greenhouse gases under the Kyoto Protocol were taken into account to calculate the CO₂ equivalents (CO₂e): Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrogen-containing hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆). Other emissions only occur in small amounts and are not reported separately. A simplified market-based approach is used to calculate Scope 2 emissions. Locations that purchase green electricity are included in the calculation with a CO₂ coefficient of zero. For all other locations, the average German CO₂ factor is used for simplification (source: EEA 2022). The only exception is our new production site in Pinghu, which is included in the calculation with the national factor due to the more CO₂-intensive electricity mix. Consumption figures for the month of December were partially extrapolated.

2) For upstream electricity emissions, an average value was assumed instead of country-specific emission factors. Losses from transport and distribution are not included. Compared to the Sustainability Report 2019, the upstream emissions of grey electricity are reported in Scope 3 (Category 3) instead of Scope 2. This shift has no impact on total emissions.

3) Based on the location-based approach, electricity consumption causes 25,080 tonnes of CO₂ (source: Association of Issuing Bodies, 2023). This does not take into account the fact that DMG MORI AG used 87.5% of its electricity from renewable sources in 2023.

4) The determination of Scope 3 emissions in some categories is based on previous year's data and corresponding extrapolations. Category 1 only includes materials used in production and paper. Other purchasing categories are not taken into account. For categories 1 and 4, the average emissions of materials and upstream transport of 6 reference machines without automation are approximated using a linear regression model with the list price as input parameter (1st tier supplier only). Category 9 is based on 4 reference machines as well as emission factors and average transport distances from 2019 (excluding Bulgaria and South America) Category 11 is based on 37 reference machines. Category 12 is based on 4 reference machines and only takes into account emissions from the recycling of steel, electronics and polymers.

5) Includes business trips by plane and rental car.

6) The modes of transportation used were determined in 2023 via an employee survey.

We also consistently reduce our emissions along the entire value chain. These are presented in the group-wide carbon footprint in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol), the internationally recognized standard for greenhouse gas reporting, and include:

Scope 1 & 2 emissions (share: 3%)

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

Scope 3 emissions (share: 97%)

- // purchase of production material
- // transport of machines to the customer
- // operation of our machines at the customer's site
- // machine recycling
- // employee business trips and work-related journeys

Overall, emissions decreased by -2% compared to the previous year – and this with sales growth of +6% and increased demand due to the start of production in Pinghu and the capacity expansions in Pleszew. Compared to the reference values of our "Science Based Targets" from 2019, carbon emissions fell by -8% in total.

Our **Company Carbon Footprint** and **Product Carbon Footprint** are calculated on the basis of the group-wide carbon footprint in accordance with the GHG Protocol. Our Company Carbon Footprint includes emissions from scope 1, scope 2 and scope 3 (categories 1 paper, 3, 5, 6 and 7). Our Product Carbon Footprint includes emissions from upstream processes along the supply chain, primarily from scope 3 (categories 1 purchasing materials and 4) as well as from downstream processes at the customer and at the end of the product life cycle (categories 9, 11 and 12). This is not a Product Carbon Footprint according to ISO 14067, which is based on a "Life Cycle Assessment" according to ISO 14040 and ISO 14044, but a summary of scope 3 categories that are not related to our production. Emissions associated with capital goods are not reported as they do not make a significant contribution to the overall emissions of DMG MORI AG.

Since 2021, we have been offsetting the previously unavoidable emissions from our **Company Carbon Footprint** and **Product Carbon Footprint** by investing in sustainable, certified projects. These are ex-post certificates, meaning that carbon savings have already taken place and have been verified as such. The projects are aimed exclusively at green infrastructure and are certified to high standards, including by the UN or WWF (World Wide Fund For Nature), and their effectiveness is confirmed. Their function and the amount of carbon saved are regularly checked by independent auditors.

Provisions for carbon offsetting (Scope 1, 2 and 3 upstream) amounting to 450,000 tonnes of CO₂ were already set aside at the beginning of 2023. We actually only used 409,370 tonnes of CO₂. The corresponding unused certificates of 40,631 tonnes of CO₂ are included in the provisions for the current financial year. Assuming the continuous avoidance and further reduction of emissions (Scope 1, 2 and 3 upstream), we estimate our total emissions in 2024 at 351,766 tonnes of CO₂. Accordingly, we made new provisions of 311,135 tonnes of CO₂ at the beginning of 2024.

GREENMODE – 13 ENERGY EFFICIENCY MEASURES

Our **GREENMODE** measures consistently increase the energy and resource efficiency of our machines (scope 3 downstream). At the EMO in Hanover, we demonstrated that energy savings of over 30% are possible during operation of our machine tools thanks to the use of innovative hardware and software components. Examples of the **GREENMODE** measures presented include the needs-based operation of machine components, the use of highly efficient cooling units and the adaptive supply of cooling lubricant.

DMG MORI products also conserve resources and the environment during operation at the customer's site. An example: With the **GREENMODE** measures, we were able to improve the energy efficiency of our new DMU 65 monoBLOCK 2nd Generation presented in the reporting year by 36 %. The effectiveness of our energy efficiency measures and our calculation methods has also been confirmed by the renowned TÜV SÜD Industrie Service GmbH: For the **GREENMODE** management system, DMG MORI was the first machine tool manufacturer in Germany to be awarded the TÜV SÜD EME certificate in January 2023.

We also increase our resource efficiency with high-level technology integration coupled with the outstanding quality and precision of our machines to maximize service life and minimize waste. With extensive automation and digitization solutions, our machines can run 24/7 with maximum efficiency – saving our customers even more resources. One example is the Digital Twin. This allows components to first be tested virtually, so that in any subsequent real manufacturing process the result is accurate the first time round.

Customers immediately benefit from our **GREENMODE** measures in two ways: They save resources and can apply e.g. for government subsidies for energy-efficient machines. We are happy to advise them in this area.

GREENTECH – OUR KNOW-HOW FOR GREEN TECHNOLOGIES

As a global innovation leader, DMG MORI is focusing on the production and further development of green technologies. Many of our customers manufacture highly innovative components on DMG MORI machines for wind turbines, hydropower plants, hydrogen electrolysis and electric mobility, among others. With modern manufacturing processes, such as additive manufacturing, products can also be manufactured with reduced weight, without any scrap as well as short transport routes, while conserving resources. At our DMG MORI Excellence Centers worldwide, we support customers with our combined know-how from the initial concept to the finished product.

RESOURCE MANAGEMENT

At DMG MORI AG, we use resources in a sustainable way. Resource management is a concept that is firmly anchored in our sustainability management and is part of our "Corporate Responsibility" manual. We do not directly source any conflict minerals.

page 53 et seqq. [↗ Compliance](#)

We actively manage the environmental impact of our business activities and our Code of Conduct requires all employees and business partners to ensure that their work has the least possible impact on the environment. Internally, we promote this awareness, e.g. by offering training courses.

Our employees can use our company suggestion scheme and Responsibility Helpdesk to make suggestions for improvement and share ideas, thereby actively improving our sustainability management. These ideas are then reviewed at short notice and implemented where possible.

When it comes to our products and their packaging, our aim is to minimize the use of resources as much as possible. High-level technology integration, for example, enables complex operations such as grinding or gear cutting to be carried out on a single machine instead of multiple ones. We also save material by adopting a stress-resistant structural design for our machines and using additively manufactured parts as well as recycled and recyclable materials. We are working on using a steadily increasing percentage of renewable, recyclable and recycled materials in our products and service. [†]In the material groups, castings and sheet metal parts for machine tools and services, 64 % recycled materials are used by weight (previous year: 48 %). According to our suppliers, these contain around 50% scrap steel in the cast iron. Overall, the average share of recycled materials in the products of all suppliers currently covered is 46 % (previous year: 34 %). [†]**GRI 301-2**

Our First Quality approach ensures that our products can sometimes be used reliably for 30 years or more. We also take care to ensure that wear parts can be easily repaired and individually replaced. In terms of sales, we were able to supply 25 % of replacement components in 2023 via our exchange parts management (previous year: 29 %). In this way, we avoid waste and conserve resources. In the event of a service call-out, we provide remote and therefore environmentally friendly assistance wherever possible. This is made possible by our digital solutions, such as our **myDMG MORI** customer portal or our DMG MORI **weKNOW**.

In addition, we refurbish and resell up to 600 high-quality used machines every year. In this way, we extend their product life cycles by many years. At the end of their life cycles, our machines are more than 99 % recyclable – an important contribution to the sustainable circular economy. Recycling-oriented product design is firmly anchored as a guideline in the development process.

According to the materiality analysis, the topics of waste and water are still not a priority for sustainability management and are only briefly explained here.

page 7 et seqq. [†]**Sustainability Strategy and Management**

However, due to the global water shortage, the pollution of the world's oceans and the generally high volume of waste, DMG MORI AG has set itself targets for the further reduction of fresh water consumption and the volume of waste. Our environmental management system ensures that all our sites implement the same high requirements in a standardized and transparent manner. At the same time, the process gives us the opportunity to uncover further potential for improvement.

We dispose of waste in a safe and environmentally friendly way using qualified companies, with waste separated by type and recycling method. In doing so, we comply with local requirements and classify waste as hazardous or non-hazardous in accordance with the relevant national laws.

In production, we only use limited amounts of drinking water during the test phase of the machines by using machining emulsion (water content: 90 %). If possible, we recycle used emulsion after use or dispose of it in an environmentally friendly way through qualified partners. Machining emulsion is usually also used later by our customers in producing workpieces. Metal recyclables from machining at DMG MORI AG are fed into a sustainable circular economy via our partner companies.

EU TAXONOMY

With the “European Green Deal”, the EU Commission has formulated the clear goal that the community of states should become climate-neutral by 2050. To achieve this, the EU Taxonomy Regulation came into force in June 2020 as an important element. The regulation defines and classifies ecologically sustainable – i.e. taxonomy-aligned – economic activities. Based on uniform requirements, companies thus assess the contribution of their economic activities to the following 6 defined environmental goals:

- // 1. climate change mitigation (CCM)
- // 2. climate change adaptation (CCA)
- // 3. sustainable use and protection of water and marine resources (WTR)
- // 4. transition to a circular economy (CE)
- // 5. pollution prevention and control (PPC)
- // 6. protection and restoration of biodiversity and ecosystems (BIO)

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

In accordance with the amendment to Delegated Regulation 2023/2486/EU, unlike in the previous year, the share of taxonomy-eligible and non-taxonomy-eligible economic activities in relation to turnover (I), capital expenditure (Capex, II) and operating expenditure (Opex, III) must continue to be reported for the environmental objectives “climate change mitigation” and “climate change adaptation” for the 2023 reporting year, as well as for the four additional environmental objectives “Sustainable use and protection of water and marine resources”, “Transition to a circular economy”, “Pollution prevention and control” and “Protection and restoration of biodiversity and ecosystems”. Taxonomy-eligible economic activities are those described in the “Climate and Environment Act”, regardless of whether that economic activity meets all of the specified technical evaluation criteria. Since the EU taxonomy is still under development and is only gradually being rolled out in the EU or continuously revised, the share of taxonomy-aligned (see Art. 1 No. 2 of the Delegated Regulation 2021/2178/EU – hereafter DR) economic activities must be stated only for the environmental goals “climate change mitigation” and “climate change adaptation” for the reporting year.

As in the previous year, our renewed analysis shows that DMG MORI AG’s activities do not fall under the “Climate Act” and accordingly do not represent a relevant source of greenhouse gas emissions: Our economic activities and the resulting significant turnover can be assigned to the NACE code (EU classification of economic activities) C.28.4 “Manufacture of machine tools”. In the EU taxonomy, the description of economic activity 3.6 “Manufacture of other low-CO₂ technologies” (CCM) contains a reference to this NACE code. Our analysis showed in the first step that although some activities of DMG MORI can be assigned to this economic activity 3.6 (CCM), according to the description it aims at a significant reduction of greenhouse gases. The products of DMG MORI AG are not primarily aimed at reducing greenhouse gas emissions. In the next step, we also used the

technical screening criteria for further ascertainment. According to this, a life cycle analysis of the greenhouse gas emissions and their comparison with the best-performing alternative solution is required. This is often not possible in the mechanical engineering sector, as there are mainly individual, customer-specific solutions and sufficiently detailed data from technologically similar third-party products is not available. It is therefore not possible to attribute the activities under 3.6 (CCM). For the four new environmental goals "Sustainable use and protection of water and marine resources", "Transition to a circular economy", "Pollution prevention and control" and "Protection and restoration of biodiversity and ecosystems", a screening was carried out to check whether there are overlaps between the relevant economic activities and the business model of DMG MORI AG. We have come to the conclusion that these economic activities are not consistent with the business model of DMG MORI AG.

I. TURNOVER

The share of taxonomy-eligible or taxonomy-aligned economic activities in total turnover is calculated as the portion of net sales derived from products and services related to these economic activities (numerator) divided by net sales (denominator). The denominator corresponds to consolidated net sales in accordance with IAS 1.82. Our analysis has shown that DMG MORI AG's economic activities are currently not covered by the EU taxonomy. Accordingly, the share of our turnover from taxonomy-eligible or taxonomy-aligned economic activities amounts to 0% in 2023. Thus, there are also no investment or operating expenses relating to assets or processes associated with economic activities within the meaning of the EU taxonomy (pursuant to Annex I No. 1.1.2.2. a), b) and No. 1.1.3.2 a), b) DR. Further details on sales revenues, capital expenditures and operating expenses can be found in the chapter [↗ Results of Operations, Financial Position and Net Worth](#) in table **B.19** of the Annual Report 2023.

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of the Annual Report

In order to classify DMG MORI AG's further environmental measures, we discuss individual, taxonomy-eligible and taxonomy-aligned capital and operating expenditures below.

page 16 et seq. [↗ Climate and Environment](#)

To allocate capex and opex, we identified the relevant purchases and measures and the primary related economic activities from Annex I of the "Climate Act". There is no assignment to Annex II. In this way, we ensure that no capex or opex is included more than once. The economic activities in Annex II of the Climate Act are subject to very specific criteria that clearly contribute to "climate change adaptation" by mitigating significant physical climate risks. Our investment and operating expenditure does not meet these criteria, which is why the following disclosures relate only to the environmental objective of "climate change mitigation".

II. CAPEX

The determination of the share of capital expenditures or capex is defined in the DR. The denominator comprises additions to property, plant and equipment (IAS 16), intangible assets (IAS 38) and rights of use in accordance with IFRS 16 during the reporting year before depreciation and revaluations. Additions from business combinations are also to be included (see Annex I No. 1.1 DR). Furthermore, additions to real estate (IAS 40) in accordance with Annex I No. 1.2.3.2 a) DR, which are held as financial investments, are to be included in the determination of the denominator. Since DMG MORI AG does not account for investment property in accordance with IAS 40, no values are included in the denominator for this purpose. The numerator corresponds to the capital expenditures included in the denominator in accordance with Annex I No. 1.1.2.2. c) DR, which relate to individual measures, such as the installation of charging stations for electric

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and 75 et seq. of the
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vehicles and of energy-efficient equipment. In determining the numerator, double counting was avoided by reviewing the internal key figure reporting and by a comparison with the individual financial statements of the group companies. In addition it was ensured that there were no significant overlaps in the activities relevant to capital expenditure. The total capital expenditures of the reporting year can be found in tables **c.29** and **c.30** in the notes to the **Consolidated Financial Statements** of the Annual Report 2023 and in the business report in the chapter **Investments**. DMG MORI AG has been paying attention to sustainability in its investment decisions for years. The high capital expenditures of recent years are paying off. For example, we operate solar parks at all European production locations for the production of green, regenerative energy. Around € 53.7 million (45.5%) (previous year: € 67.7 million; 57.1%) of taxonomy-eligible capital expenditures are attributable to the current reporting year. Of these, we identified € 3.1 million (2.7%) (previous year: € 5.0 million; 4.2%) as taxonomy-aligned. Taxonomy-eligible investments were identified for the economic activities "Transportation by motorcycles, passenger cars and light commercial vehicles (6.5)" (CCM), "Installation, maintenance and repair of energy-efficient equipment (7.3)" (CCM), and "Acquisition of real estate and exercise of ownership such real estate (7.7)" (CCM) from Annex I of the "Climate Act". Additions to property, plant and equipment include taxonomy-eligible and -aligned activities of € 0.1 million (0.1%) (previous year: € 0.2 million; 0.2%) for "Installation, maintenance and repair of charging stations for electric vehicles (7.4)" (CCM) which relate to remaining work on projects from the previous year. In addition, activities of € 3.0 million (2.6%) (previous year: € 4.8 million; 4.0%) for "Installation, maintenance and repair of renewable energy technologies (7.6)" (CCM) are included here which result from the completion of the installation of photovoltaic systems at our German production sites. Additions to intangible assets from business combinations and in connection with capex plans are not included.

III. OPEX

The determination of the share of operating expenses or opex is defined in the DR. The denominator includes all direct, non-capitalized costs related to research and development, building renovation, short-term leasing, maintenance and repair related to the maintenance of assets and property, plant and equipment (see Annex I. 1.1.3.1 DR). The numerator corresponds to the part of the operating expenses included in the denominator in accordance with No. 1.1.3.2 (c) of the Regulation that relate to individual measures, such as the maintenance or repair of energy-efficient equipment and the maintenance or repair of equipment for controlling the energy performance of buildings. Double counting in the determination of the meter was avoided by reviewing the internal key performance indicator reporting and by a comparison with the individual financial statements of the Group companies. In addition it was ensured that there were no significant overlaps in the activities relevant to operating expenses. We also pay attention to sustainability in our operating expenses and have already implemented numerous measures in recent years. A share of € 0.4 million (0.7%) (previous year: € 1.2 million; 2.7%) is attributable to the reporting year. Of this, none (previous year: € 0.1 million; <1%) are taxonomy-aligned as the projects in question were already completed in the previous year. Taxonomy-eligible opex was identified for the economic activity "Installation, maintenance and repair of energy-efficient equipment (7.3)" (CCM) in the amount of € 0.3 million (0.5%) (previous year: € 1.1 million; 2.4%) and for the category "Installation, maintenance and repair of equipment for the measurement, regulation and control of the energy performance of buildings (7.5)" (CCM) a share of € 0.1 million (0.2%) (previous year: € 0.1 million; 0.3%) from Annex I of the "Climate Act".

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

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If the technical criteria for a significant contribution were met, we additionally analyzed for each measure whether the 5 other defined environmental objectives [Climate and Environment](#) were significantly affected by the taxonomy-eligible economic activities. Only when the “Does Not Significantly Harm” (“DNSH”) criteria specified by the EU taxonomy are cumulatively met for an economic activity, impairment is ruled out.

For the capex (7.4, 7.6) (CCM) identified as taxonomy-aligned, the only specified DNSH criterion “climate change adaptation” is met. For this purpose, a climate risk and vulnerability assessment was conducted in accordance with Appendix A (Section I) of the “Climate Act” with respect to medium-term and long-term climate hazards for a period of 10 to 30 years. The assessment was performed on a site-specific basis for each potential taxonomy-aligned economic activity and taking into account all classified climate hazards (temperature, wind, water, solids) as well as subcategories from Annex A. If a climate hazard is relevant, in particular due to location conditions, a further climate simulation follows using the CMIP6 climate simulation of the IPCC WGI Interactive Atlas (baseline scenario: SSP 5-8.5, forecast corridor: 2041-2060, comparison period: 1850-1900). Taking into account the extent of damage and probability of occurrence, no significant climate risks were identified. Therefore, no adjustment measures are necessary.

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

To ensure compliance with the minimum safeguards, we identify and numerator potential risks or violations with suitable processes and systems established throughout the Group. Our measures involve our own company as well as our suppliers and cover the areas of human rights (including employee and consumer rights), corruption/bribery, taxation and fair competition. Our group-wide policies and training apply to these areas. Our group-wide risk assessment also serves to identify and minimize potential risks. Further foundations include in particular the requirements of the Supply Chain Sourcing Obligations Act, which came into force on January 1, 2023, and the associated UN Guiding Principles on Business and Human Rights, as well as the OECD Guidelines for Multinational Enterprises. Thus, in addition to the risk assessment, we also conduct a human rights

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impact assessment for ourselves and our suppliers. There are no indications that DMG MORI AG violates the minimum protection. Further information on respect for human rights at DMG MORI AG and along the entire value chain can be found in the chapters [Partner and Supplier Management](#) and [Compliance](#). DMG MORI AG is not affected by any economic activity in connection with energy production from fossil gas or nuclear energy (Template 1 as per table 11). For this reason, we do not disclose reporting forms 2 to 5 in accordance with this regulation. The detailed taxonomy-eligible and taxonomy-aligned values can be found in tables 08, 09 and 10.

08 // TAXONOMY TURNOVER

Financial year 2023	2023	Substantial contribution criteria								DNSH criteria [“Does Not Significantly Harm”]									
	Code (2)	Turnover (3)	Proportion of Turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		in € million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
Of which Enabling		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
Of which Transitional		0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0	-	-	-	-	-	-								0		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0	-	-	-	-	-	-								0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		2,498.6	100																
TOTAL		2,498.6	100																

09 // TAXONOMY CAPEX

Financial year 2023	2023	Substantial contribution criteria										DNSH criteria ["Does Not Significantly Harm"]							
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		in € million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of charging stations for electric vehicles	CCM 7.4	0.1	0.1	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3.0	2.6	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.0	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3.1	2.7	2.7	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	4.2		
Of which Enabling		3.1	2.7	2.7	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	4.2		
Of which Transitional		0	0	0													0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	16.2	13.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	8.1		
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0.7	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.5		
Acquisition of real estate and exercise of ownership of such real estate	CCM 7.7	33.7	28.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	44.3		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		50.6	42.8	42.8	0	0	0	0	0	-	-	-	-	-	-	-	52.9		
CapEx of Taxonomy eligible activities (A.1+A.2)		53.7	45.5	45.5	0	0	0	0	0	-	-	-	-	-	-	-	57.1		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		64.3	54.5																
TOTAL		118.0	100																

10 // TAXONOMY OPEX

Financial year 2023	2023	Substantial contribution criteria										DNSH criteria [“Does Not Significantly Harm”]							
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		in € million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of equipment for the measurement, regulation and control of the energy performance of buildings	CCM 7.5	0	0	N	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.3	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0	N	N	N	N	N	N	N	0.3		
Of which Enabling																			
Of which Transitional		0	0	0													0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0.3	0.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	2.4		
Installation, maintenance and repair of equipment for the measurement, regulation and control of the energy performance of buildings	CCM 7.5	0.1	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.4	0.7	0.7	0	0	0	0	0	-	-	-	-	-	-	-	2.4		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		0.4	0.7	0.7	0	0	0	0	0	-	-	-	-	-	-	-	2.7		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		45.5	99.3																
TOTAL		45.9	100																

11 // TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No



CTX beta TC
Grinding on turn-mill
machines

Process integration is an important pillar for sustainable, resource-saving production.

Workpieces that were previously machined successively by several machines can now be produced on one process-integrated machine, such as a 5-axis machine or a mill-turn center. This single clamping also makes it possible to achieve greater accuracy.



PROCESS INTEGRATION

Up to 300 % more productivity through complete processing instead of partial utilization of several machines.

+ REDUCED NUMBER OF MACHINES

+ HIGHER UTILIZATION OF THE INDIVIDUAL MACHINE

+ INCREASED SPINDLE HOURS

+ REDUCED CYCLE TIMES

+ HIGHER PROCESS ACCURACY



DMU 60 eVo

Worm shaft



More information on DMU 60 eVo at:

[en.dmgmori.com/products/machines/
milling/5-axis-milling/evo/dmu-60-fd-evo](https://en.dmgmori.com/products/machines/milling/5-axis-milling/evo/dmu-60-fd-evo)

HIGHLIGHTS

PRODUCT QUALITY AND SAFETY

All DMG MORI products are made to the highest quality and safety standards, which are reflected at every stage of our product development and production processes.

PRODUCT QUALITY

Quality is key to sustainability and customer satisfaction. In particular, customers expect from us the highest levels of accuracy, efficiency, reliability and durability. Our “First Quality” strategy allows us to implement a wide range of initiatives across the entire life cycle of our products: From development to after-sales service, all our activities are systematically geared towards the highest quality and hence maximum customer benefit. Three examples are:

- // 1. standardized components, interfaces and DMG MORI in-house components
- // 2. 36 months warranty on all MASTER spindles
- // 3. Use of state-of-the-art measurement and calibration methods for maximum precision

The central quality management department reports directly to the Executive Board. Every new development must also receive final market approval from the Executive Board after successfully passing demanding quality tests. In addition, quality is also a component of Executive Board remuneration.

[↗ Remuneration Report](#)

DMG MORI's general standards are: Our requirements go well beyond any statutory requirements. New products and software solutions undergo a multi-stage “Quality Gate” process during the development phase, which entails the close collaboration of service experts and suppliers. For new software, we conduct separate and integrated tests for each step, as well as automated and manual ones. These are carried out at our own software test center.

During final quality testing in serial production, every machine we produce is tested for more than 100 hours before it is delivered to our customers. In this way, we ensure the maximum availability of our products from day one. After delivery, more than 2,000 service experts worldwide are available to our customers 24/7.

All of our production plants are certified in accordance with the latest ISO 9001:2015 quality standard. We check the implementation and effectiveness of the relevant specifications through regular internal and external audits. In addition, our quality experts work together with our specialist departments to continuously develop innovative processes tailored specifically to our industry. After extensive testing, the best solutions are made available to all employees via our “conSense Global” central quality management platform and tailored to their individual jobs. All quality management manuals are also digitally bundled on the platform.

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SERVICE

Before our products leave our premises, we ensure that the ideal conditions for the delivery and installation of our machine tools are finalized at an early stage. Commissioning is solely carried out by qualified service experts. We provide our customers with a complete demonstration of how their machine will work efficiently, safely and economically when operated. Our free customer portal *myDMG MORI* provides our customers with comprehensive digital information about their machine at any time and allows them to create service requests quickly and easily. *myDMG MORI* enables direct contact with a personal service expert and instantly informs customers about service activities. Numerous service processes have been digitized and over 160,000 machines have been networked. Around 87 % of our customers in relevant markets already use digital access to our service experts and benefit from up to 70 % shorter response times. In addition, our customers can access all relevant documents on the operation of their DMG MORI machine in our online portal. Since 2021, DMG MORI has virtually stopped using paper machine documents. Exceptions are only made when required by law or at the explicit request of the customer. This saves around 6 million pages of paper per year.

We pool the know-how of our Service and Production experts on our “DMG MORI *weKNOW*” knowledge management platform. Over 1.5 million up-to-date articles are digitally available. We can solve over 50 % of our service queries over the phone or remotely via our DMG MORI NETservice, without the need for any on-site deployment. Our technicians can also access *weKNOW* during service call-outs, so that we always find the best solution for our customers. Our commitment to quality has paid off – in the reporting year, we recorded 3 % fewer service call-outs per machine under warranty than in the previous year.

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

Our high service orientation is also reflected in the customer satisfaction survey conducted in the reporting year: Over 95 % of customers said that they were satisfied with their purchase decision and would recommend DMG MORI to others.

PRODUCT SAFETY

Quality and safety go hand in hand. DMG MORI machine tools meet the highest safety requirements – we implement all relevant laws as well as the guidelines and standards specified by them. To achieve this, our R&D experts work closely together with in-house specialists, who receive regular training and are active in standards committees and trade associations. Moreover, we actively participate in national and international standards working groups (ISO, IEC) to describe the current state of the art and to define and further develop it.

Quality and safety are already elementary requirements in the design process. We involve our suppliers in our development process right from the start. Before being launched on the market, all of our products – machines, DMG MORI components, as well as automation and digitization solutions – must complete a six-stage design review process and pass various stress tests that far exceed customer requirements. We continuously review and optimize our “Design Review Process”

to ensure we always meet the latest requirements. We also receive major impetus for improving our product quality and safety through exchanges with sales and service staff as well as customers. [†]DMG MORI creates comprehensive safety concepts for all products based on a continuously updated risk assessment. This describes all potential hazards over the entire life cycle of our products, as well as measures taken to mitigate risks and is thus an essential requirement for protecting people's health. Unavoidable residual risks are described in product manuals and indicated by warning and information signs and messages on user terminals. We are in close contact with our customers in order to further reduce these residual risks. They, in turn, are responsible for ensuring that the machine is operated as intended and that the occupational health and safety requirements are met in their production department. [†] GRI 416-1

PRINCIPLES AND GUIDELINES

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

- // Machinery Directive 2006/42/EC
- // Low Voltage Directive 2014/35/EU
- // Electromagnetic Compatibility (EMC) Directive 2014/30/EU
- // Directive on the provision of pressure equipment 2014/68/EU
- // EU Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- // national and international product standards

DIGITAL SECURITY

In today's world, production is networked. This is why IT security and the security of our digital products are extremely important to us. Internally, we rely on a security-optimized organization of our IT to protect information and data within the group from theft, loss, unauthorized disclosure and unauthorized access or misuse. We achieve this through the use of extensive and modern security measures such as intelligent firewall systems with IDS/IPS, multi-factor authentication, innovative encryption solutions and AI-based anomaly detection. In addition, we regularly inform and educate our employees on the topic of cyber security.

Product security is a key component of our digitization strategy and the "security by design" principle applies to all our digital products: Security is an explicit requirement from the very start of the development process. We also recommend that our customers implement a multi-level IT security concept internally within their companies at various levels of their networks and systems. This means that individual protection mechanisms, such as firewalls or access controls, run in parallel and complement and support each other.



PH Cell 800
for up to 30 pallets

For additional unattended shifts or night and weekend shifts with just a few operators.

DMG MORI's automation portfolio includes systems for workpiece handling and the handling of pallets loaded with workpieces.

The spectrum ranges from automation solutions for individual machines to the integrated automation of complete production lines.



AUTOMATION

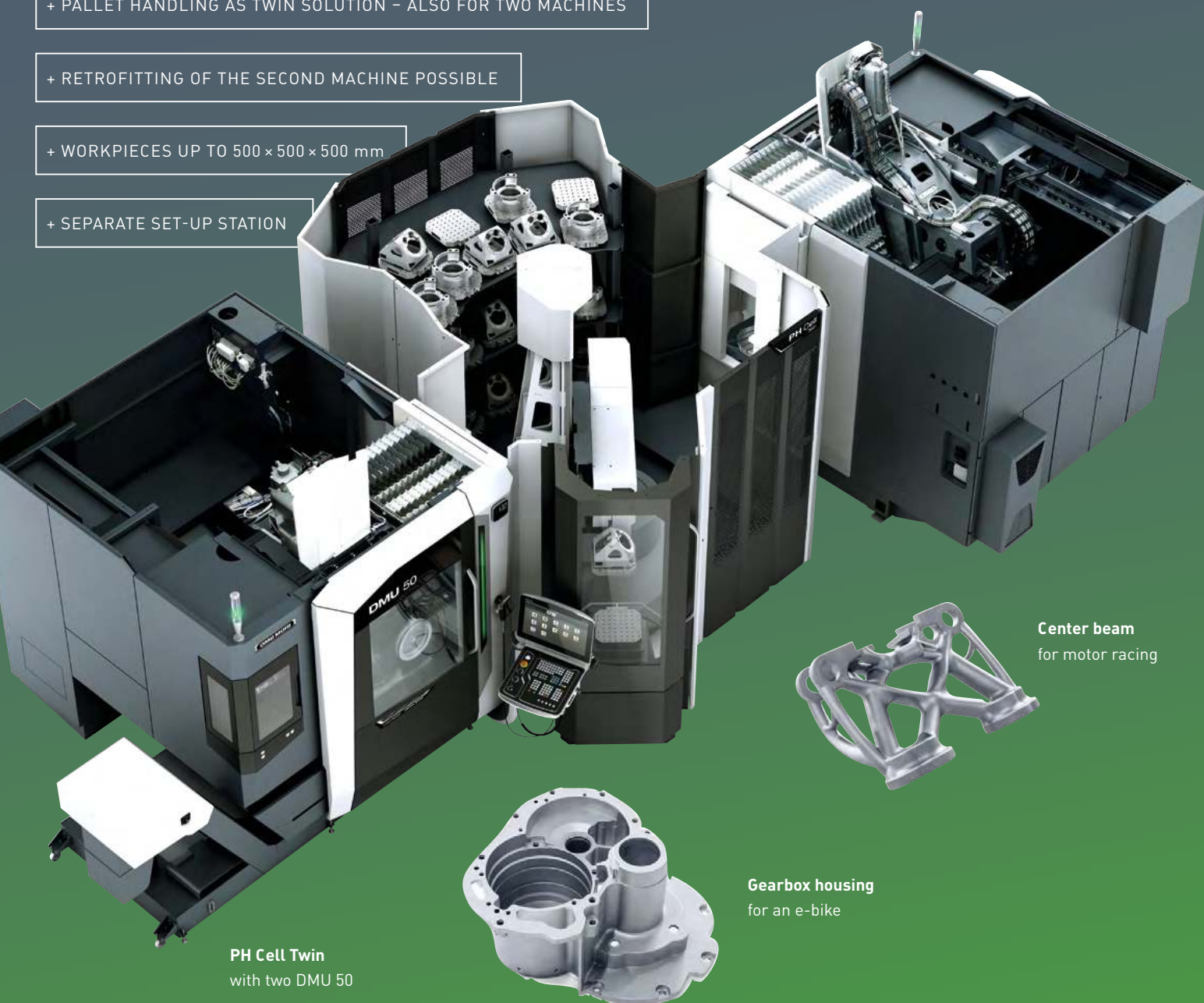
Modular and compact pallet handling for two machines.

+ PALLET HANDLING AS TWIN SOLUTION – ALSO FOR TWO MACHINES

+ RETROFITTING OF THE SECOND MACHINE POSSIBLE

+ WORKPIECES UP TO 500 × 500 × 500 mm

+ SEPARATE SET-UP STATION



More information on pallet handling at:

<https://en.dmgmori.com/products/automation/pallet-handling>

HIGHLIGHTS

PARTNER AND SUPPLIER MANAGEMENT

Our performance and thus our success largely depend on strong and reliable partnerships. Here, sustainability plays a key role.

ORGANIZATION

Partner and supplier management is an important part of our matrix organization.

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➤ Organization and Legal Corporate Structure

Purchasing at DMG MORI is globally organized and represented in key purchasing markets worldwide. Purchasing reports to the CEO. The department is divided into material group management for non-production material and – together with DMG MORI COMPANY LIMITED – material group management for production material. In this way, both companies benefit from improved cost structures as well as the use of synergies resulting from numerous group-wide projects. We regularly train our buyers in relevant compliance and sustainability issues. **GRI 2-6**

DMG MORI AG is committed to sustainability across our entire value chain. Our material quota is 52.9% – accordingly, our success largely depends on the performance of our partners and suppliers. Building more resilient, agile and sustainable supply chains is thus a key success factor. In the reporting year, continued focus was placed on implementing the requirements of the new Supply Chain Due Diligence Act, which came into force on 1 January 2023. Another focus was on strengthening our supply chains, as the impact of global uncertainties and the war in Ukraine on the supply of materials continued to be felt. **GRI 2-6, 403-7**

Compliance with environmental standards and social and legal requirements is a prerequisite for successful cooperation. Sustainability criteria are playing an increasingly important role in the evaluation and selection of our partners and suppliers. We expect them to follow our commitment to sustainability and in turn to pass on these requirements along their entire supply chain. This enables us to purchase production material as well as material and services worldwide in the required quality, at the best possible conditions and in a sustainable way. Sustainable procurement, the careful use of natural resources and energy-saving, environmentally friendly procedures are also defined in our purchasing guidelines and terms and conditions. Further information can be found on our website and our Purchasing portal. We also forge a personal, ongoing dialogue with our suppliers. **GRI 403-7**

↑ We already have a highly resilient supply chain – in addition to our global double-sourcing strategy, our current supplier portfolio is characterized by diversification and regionalization in different markets. We have a high degree of localization – in terms of value, 92% of goods come from Europe and 7% from Asia. Less than 1% of goods come from the Americas.

12 // MATERIAL COSTS by categories



We procure complex assemblies for our production from globally positioned system suppliers. These suppliers coordinate other sub-suppliers and are responsible for pre-assembly and thus represent the first stage of our supply chain. In the reporting year, we procured goods and services for our production almost exclusively from our approximately 2,370 current direct suppliers.¹ **GRI 2-6**

DIGITIZED PROCESSES

To further strengthen the resilience of our supply chains, our purchasing departments continuously look for new, high-performance suppliers. The initial selection of suitable suppliers takes place via the digital platform, Matchory. Matchory allows users to search for group-wide standardized criteria in real time through AI and big data-supported concepts as well as machine learning. This enables us to compare 100 times more suppliers worldwide per sourcing request and saves up to 85 % more time, ensures transparent, global supply chains from the outset, increases our flexibility and enables much faster response times.

Our sustainability requirements are uniformly integrated into the purchasing and supplier organization across the group via the “Integrity Next” and “SAP Ariba” digital platforms. In order to make the sustainability performance of our (potential) suppliers transparent and to be able to evaluate them accordingly, we rely on efficient, digitized processes. The four IT-supported phases are: **GRI 403-7**

// 01 – Registration:

Registration on our SAP Ariba purchasing platform is a prerequisite for participating in tenders. In this process, (potential) suppliers provide binding confirmation that they will comply with the company’s basic ethical and fundamental requirements, such as human rights and environmental protection as well as the rejection of forced and child labor. Of particular relevance here are the active suppliers for our core machine tool and service business, with whom we have been working for at least two years. All of these suppliers – i.e. 3,723 – are actively involved in “Integrity Next” monitoring.

The same applies to future suppliers – we will not consider working with them until our requirements have been met. A fixed escalation process is defined in the event of non-compliance or suspected non-compliance with one of our ethical or fundamental requirements. This governs further steps, either to define joint supplier development measures or to terminate the cooperation. **GRI 403-7**

// 02 – Tenders and awarding of contracts:

If our requirements are met, this increases the chances of being awarded contracts in tenders on our purchasing platform. By the end of 2023, 1,154 suppliers were already registered there, representing 65 % of the total purchasing volume. **GRI 403-7**

// 03 – Analysis and assessment:

In order to measure the sustainability performance of our suppliers as early as possible in the procurement process, we conduct an assessment via the “Integrity Next” platform. Digital questionnaires are used to obtain information about suppliers in order to make potential risk factors transparent, to check sustainability issues such as quality, environmental standards and social requirements, and to ensure compliance with regulatory requirements.

[†]We use this as a basis for defining specific improvement measures with our suppliers. In the reporting year, all of DMG MORI’s relevant suppliers of production and non-production materials, with whom we have been working for at least two years, were systematically included with regard to human rights and environmental protection.[†] **GRI 308-1, 403-7, 414-1**

After the self-disclosures have been validated, suppliers are promptly notified of any inadequate implementation or infringements in order to initiate improvement or corrective measures. Depending on the information available, close monitoring may be necessary. If there are serious reasons for discontinuing any further cooperation, the supplier will be blocked by the system. At the beginning of the reporting year, 79 suppliers with potential risks in relation to the Supply Chain Due Diligence Act were identified on the basis of the self-disclosures completed. Following a detailed review and close consultation with our partners, we were able to define measures and eliminate all risks. In this way, DMG MORI is helping to make sustainability transparent and actively raise its profile among its suppliers. **GRI 403-7**

// 04 – Risk management:

DMG MORI’s holistic supply chain risk management is based on its global double sourcing strategy as well as the use of digital tools – we use the “RISKMETHODS” early warning system to assess the risks of current direct suppliers. It provides real-time information on risks relating to creditworthiness, delivery performance and sustainability, such as violations of labor practices and human rights, as well as environmental aspects. The responsible parties are actively notified when risks occur. In the reporting year, we more than doubled the number of suppliers that we check using “RISKMETHODS”. We are now monitoring around 742 suppliers that account for around 79 % of our total purchasing volume. For these suppliers, the system reported 37 potential issues for the “violation of labor practices and human rights” indicator and 15 for the “environment” indicator in the reporting year. After closer examination, it was found that no further action was required or that the reports were not relevant because measures had already been initiated or older issues were being reported again. Our early warning system enables a risk assessment per criterion using reports and firstly, serves as a basis both for supplier meetings and future supplier development. Secondly, this assessment is included as a partial result in the overall supplier assessment. **GRI 403-7**

SUPPLY CHAIN DECARBONIZATION

Reducing our carbon emissions is a core objective of DMG MORI AG. As around 54 % of the emissions currently recorded in our carbon footprint are attributable to upstream processes in our supply chain, partner and supplier management plays a key role here.

page 16 et seqq. ↗ Climate and Environment

Our own targets, which have been reviewed and approved by the Science Based Targets initiative (SBTi), are used to define sub-targets for our supply chain, which have also been reviewed by the SBTi:

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

This is why we are asking our suppliers to be proactive and more transparent to us about their carbon emissions. Through active dialogue, our aim is to help them at an early stage and raise their awareness of the fact that we also maintain a sustainable and low-emission supply chain in procurement and expect the same from our partners. Using the “Integrity Next” digital platform, we support them by providing questionnaires for reporting and developing corresponding mitigation measures.

In order to provide our partners with the best possible support in implementing these measures and also to record our own emissions even more accurately, we have introduced a software solution that makes the carbon emissions of the items procured for our machine tools transparent. An automated comparison with various secondary databases allows us to determine the correct carbon emission factors for the materials used at product level. The software is used to calculate accurate results and works with a number of recognized calculation methods. This high level of transparency enables us to provide our suppliers of production materials with specific improvement recommendations and carbon reduction targets. **GRI 2-6**

From CAD-CAM solutions and post-processors through simulation with Digital Twin to fast programming with DMG MORI technology cycles – digital solutions support all process steps.



DIGITAL TRANSFORMATION

DMG MORI DIGITAL TWIN – complete simulation of the entire system including all interactions and control functions.

+ 40 % FASTER PRODUCTION RAMP-UP

+ UP TO 80 % FASTER PRODUCTION START

+ FASTER ON THE MARKET AND TO THE CUSTOMER

+ 100 % COLLISION-FREE COMMISSIONING

+ FASTER TO THE OPTIMUM

Digital Engineering
from DMG MORI

DIGITAL TRANSFORMATION HIGHLIGHTS



More information on
Digital Twin at:
youtu.be/n00QkRUzVZY

EMPLOYEES

We are a people-centered business. Which is why we are committed to the satisfaction, safety and well-being of our employees.

Qualified, motivated and satisfied employees are the basis for our success at DMG MORI AG. As an attractive employer, our HR strategy stands for training, diversity, equal opportunities, flexible and innovative working environments, personnel development, occupational safety and an extensive health management program. We offer attractive remuneration models and numerous benefits.

Our human resources management is strategically controlled by the Executive Board. At our production sites, we look after our staff via local HR departments. At our sales and service companies, this task is performed by our HR business partners. External studies and media frequently recognize our HR strategy – in 2023, for example, we received the “Company with a Future” award from Stern magazine and the Deutschlandtest seal from FOCUS for “Best Work-Life Balance”.

RECRUITING

Our personnel recruitment is based on a transparent selection process and naturally complies with all statutory requirements. We only assess applicants for a position on the basis of their professional and personal qualifications. Age, gender, religion or ethnic background do not play a role. Through maintaining a high level of data transparency, our aim is to avoid discrimination, child labor or the circumvention of statutory provisions. Hiring approval takes place in a multi-stage, digitally supported approval process with final confirmation by the Executive Board. These processes are reviewed on a regular basis by our Internal Audit department.

page 53 et seqq. [↗ Compliance](#)

As of 30 September 2023, we standardized our procedure for measuring headcount across the entire “Global One Company”, which led to an adjustment in the number of employees at DMG MORI AG. All figures in the Sustainability Report 2023 – including the reference values from earlier dates – are based on this revised counting method and are therefore not comparable with previous publications. Every employee is now counted in full.

As of 31 December 2023, there were 7,515 employees, including 294 apprentices. In the reporting year, DMG MORI AG hired 923 employees, which corresponds to a hiring rate of 12.9 %. New employees receive an extensive onboarding program tailored to their position, for example, with plant tours and product training, health and sports activities and information on our voluntary company pension scheme. A total of 674 employees left the group in the reporting year. The resulting fluctuation rate amounted to 9.4 %. The percentage of employees in key positions or junior staff (high potentials) who left our company (dysfunctional fluctuation) was 0.4 % in the reporting year. We ensure a seamless transfer of knowledge through structured succession planning. [GRI 401-1](#)

13 // EMPLOYEE STRUCTURE GRI 401-1

	2023	2022	Changes against prev. year
Total employees¹⁾	7,515	7,266	249
of whom employees	7,221	7,029	192
of whom apprentices	294	237	57
of whom national	4,708	4,536	172
of whom international	2,807	2,730	77
of whom Machine Tools segment	4,616	4,455	161
of whom Industrial Services segment	2,789	2,675	114
of whom Corporate Services segment	110	136	-26
Total agency workers²⁾	212	196	16
of whom Machine Tools segment	203	157	46
of whom Industrial Services segment	9	39	-30
of whom Corporate Services segment	0	0	–

1) The employee numbers are calculated on the basis of the company-internal headcount personnel statistics, which were adjusted in the reporting year 2023. The reference numbers from earlier points in time also correspond to the changed calculation method, so that comparability is ensured.

2) In 2023 a total of 51 agency workers was taken on as permanent employees.

FEEDBACK & SATISFACTION

Our group-wide “Mission Statement” forms the basis for our corporate culture, business practices and our DMG MORI Code of Conduct.

page 7 et seq. [↗ Sustainability Strategy and Management](#)

We also implemented our “Leading Principles” in 2018 and continue to apply them consistently. In order to accomplish our mission and achieve continuous improvement, we believe in an open feedback culture. This requires ongoing and transparent communication.

The **employee satisfaction analysis** also contributes to the further development of our feedback culture. We conducted these for the first time in 2018 and most recently in 2022. Employees at our German sites and our production plants in Italy and Poland were surveyed on a total of twelve topics – including working conditions, supervisor behavior, professional development and remuneration. The participation rate of 64 % is good, taking into account the high percentage of industrial employees. The results were analyzed in detail and key issues identified. Project teams are now developing individual improvement measures for each company and implementing them promptly together with local management teams. The next questionnaire is scheduled for 2024. At least once a year, the manager responsible also conducts a detailed employee appraisal.

BENEFITS

The company offers a number of benefits to build team spirit and a sense of belonging to the company, as well as to promote health and fitness, making it easier to achieve a good work-life balance. These include our employee days and events, a wide range of health and sports programs, sports competitions and company runs as well as many local services, such as a laundry service at our Bielefeld site. At all of our sites, employees can also lease a job bike – e-bike, city bike, racing bike or cargo bike – including an all-round protection package and also use the bike privately. To

make everyday life easier for our employees, we offer flexible working hours and the option of working from home, wherever this is individually possible. This **“Smart Flex Working”** model has been permanently established in a Group Works Agreement since 2020. In the reporting year, many processes and work steps were digitized. This saves paper and time – and increases transparency. We are also working on some initial automation solutions (“bots”) for highly standardized processes. This helps to reduce the workload of our employees and give them the time they need to focus more on complex, creative work.

We offer our employees attractive compensation packages. These are composed of basic salaries in line with the market and variable, performance-based payments.

For many years, DMG MORI AG has been a member of “Fair Company”, Germany’s largest and best-known employer initiative for junior staff. We regularly give students and interns the opportunity to familiarize themselves with day-to-day operations. Our focus is always on ensuring they learn new things and gain experience, while of course receiving a fair wage.

We comply with the Co-Determination and Works Constitution Act, including local regulations on employee co-determination. Our managers regularly engage in open dialogue with employee representatives so that the Group Works Council and local works councils receive information on relevant topics well in advance. Collective agreements such as collective labor agreements apply to around 65% of our employees. **GRI 2-30**

DIVERSITY AND EQUAL OPPORTUNITIES **GRI 405-1**

We practice diversity. The Executive Board of DMG MORI AG has defined the equal treatment and appreciation of all employees and applicants in the DMG MORI Code of Conduct and management guidelines – regardless of their nationality, ethnic background, gender, age, religion, sexual orientation or physical disability.

As a global group, our diversity enables us to respond individually to local and cultural differences and thus always treat our business partners with respect. We are constantly learning from each other and, in this respect, actively pursue close cultural interaction. We also promote diversity with specific measures such as the “Girls’ Day” for schoolgirls and the “MINTrelation” support initiative.

Even when it comes to planning working hours, we adapt to the needs of our employees. We offer our staff attractive partial retirement models, as we value the expertise of our older employees and want to keep them in the company for as long as possible. In the reporting year, 77 contracts existed under the partial retirement scheme. 132 employees with a severe disability worked at our German companies. This corresponds to a quota of 3%. DMG MORI AG pays around € 123,000 as a direct compensatory levy for the non-employment of severely disabled people. Around € 210,000 is also paid via chargeable benefits, for example to workshops for handicapped people.

DMG MORI AG has a balanced age structure (figure 11). The Supervisory Board is composed of five female (42%) and seven male (58%) members. The average age in the reporting year was 57. The Executive Board is composed of only male members. Since Alfred Geißler took over as CEO on

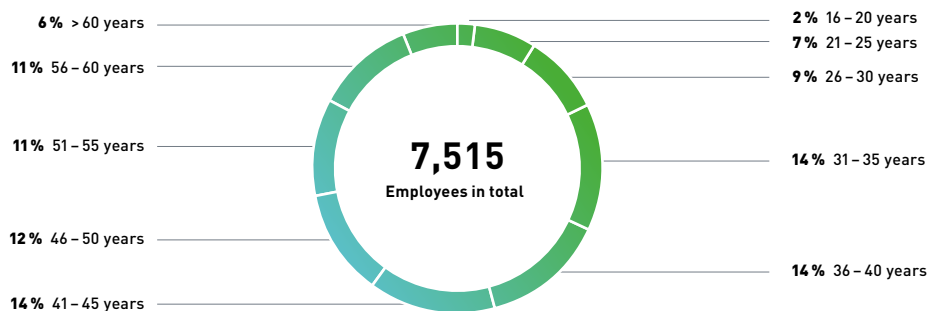
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26 May 2023, the average age of the Executive Board has been 54. Further information on the legal requirements regarding the proportion of women on the Supervisory Board and at the top management level can be found in the chapter ⁷ **Corporate Governance**.

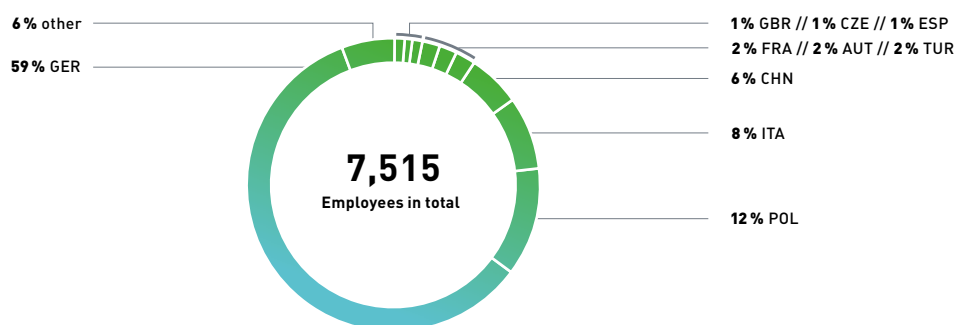
14 // EMPLOYEE CATEGORIES

	2023	2022	changes against
Total employees	7,515 (100 %)	7,266	249
of whom female	1,089 (14 %)	1,047	42
of whom male	6,426 (86 %)	6,219	207
Total managing directors	58 (100 %)	59	1
of whom female	1 (2 %)	1	–
of whom male	57 (98 %)	58	1
Total employees with supervisory function	388 (100 %)	389	1
of whom female	47 (12 %)	49	2
of whom male	341 (88 %)	340	1
Staff including apprentices	7,069 (100 %)	6,818	251
of whom female	1,041 (15 %)	997	44
of whom male	6,028 (85 %)	5,821	207

15 // AGE STRUCTURE



16 // NATIONALITIES



PERSONNEL DEVELOPMENT

Continuous learning is part of our corporate culture – from our demanding training program and extensive talent management to taking on apprentices and co-op program students. The qualification structure of our employees has been at a very high level for years: 97% of all employees have a qualification or are in training. We specifically promote young specialists in group-wide trainee programs – in particular potential managers and talented junior staff through our “High Potential Program”. In the reporting year, participants were able to benefit from modern training courses, carry out their own projects and present their results to the Executive Board.

We offer all our employees attractive, individualized and target group-oriented training programs. In the digitization sector, the DMG MORI DIGITAL ACADEMY works closely with our strategic partner, “Masterplan”. In a wide range of short videos, experts provide basic knowledge on digitization, New Work and other digital soft skills. Short quizzes, a motivating points and ranking system as well as certificates consolidate learning achievements in the long term.

In addition, more than 750 self-produced videos with internal company content are now also available on the learning platform, such as strategic information, detailed product videos or explanations of key projects. In this way, we share valuable know-how easily and digitally across the group. In the reporting year, more than 4,600 employees successfully learned with the platform and completed learning paths individually tailored to their jobs. They have already used over 500,000 videos for further training. Our apprentices also learn using Masterplan and produce their own videos. In this way, they pass on their knowledge to future junior staff and promote the exchange of knowledge between our training sites.

We also use digital learning tools in our production. With the no-code-manufacturing platform, TULIP, users can create their own apps in next to no time – intuitively and without programming knowledge. This enables our shop floor employees to digitize processes in their working environment themselves and to share their experience and knowledge transparently. Over 300 in-house-developed apps are already in use at our production plants.

At our TAKT Academy, we provide our employees with digital tools for data collection, evaluation, optimization and control in order to achieve corporate goals through successful optimization projects and to permanently establish them as an integral part of the process. To do this, we use the “Digital Lean Six Sigma” methodology:

- // **Digital:** Knowledge relating to the digitization of the company’s own value chain
- // **Lean:** Knowledge about waste elimination
- // **Six Sigma:** Transfer of new optimized states to a stable process

Next, our aim is to actively apply the knowledge acquired to the company’s own optimization projects and as a result, to develop further improvement processes. At the end of 2023, more than 680 employees from eleven different locations, including more than 35 managers, had been trained in the “Digital Lean Six Sigma” methodology.

17 // PERSONNEL DEVELOPMENT GRI 404-1

	2023	2022	changes against
Number of employees on further training courses	4,483	3,894	589
of whom female	558	359	199
of whom male	3,925	3,535	390
Cost of apprenticeships and further training	€ 13.8 million	€ 11.7 million	€ 2.1 million
Days for further training	15,447	18,325	-2,878

TRAINING

A good training program is the foundation for long-term success. From the outset, we build on an attractive, global concept with a digital focus. In the reporting year, DMG MORI was once again recognized by the renowned business magazine "Capital" as one of "Germany's Best Trainers 2023" and achieved 5 out of 5 stars in the areas of training and co-op programs.

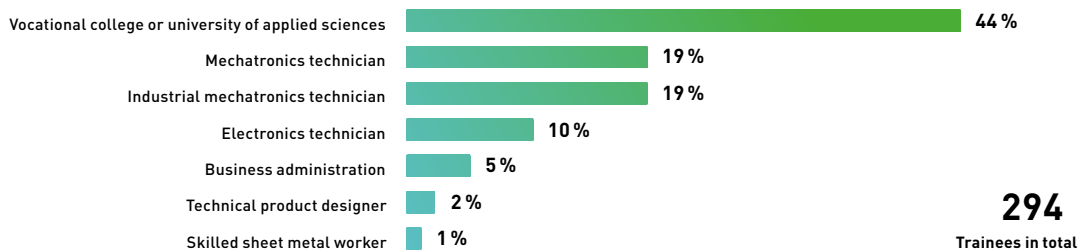
We provide training in a total of twelve professions and offer degree programs in cooperation with regional universities of applied sciences and vocational academies. We continuously review our offerings and adapt them in line with demand. One example: In the reporting year, we started training wholesale and foreign trade management assistants for the first time. We use modern learning concepts, which are also supported by digital tools such as the learning and work platform, MLS (Mobile Learning in Smart Factories), Masterplan and TULIP. Mobile devices are available to all apprentices for this purpose.

MLS provides apprentices with individual digital tasks that we create ourselves, some of which are cross-organizational and some site-specific. Thanks to practical contents and tasks, the system perfectly combines theory and practice. Other external learning opportunities can also be integrated. This allows apprentices to learn at their own pace. The trainer can also transparently monitor progress at any time.

To further consolidate our position as an attractive employer, we are investing in state-of-the-art learning environments. In the reporting year, we opened a new training center at DMG MORI in Seebach. Multifunctional project rooms with 50 modern training workstations are available on an area of around 1,000 m². This allows us to integrate innovative future technologies such as additive manufacturing, AI, the use of virtual reality and TULIP. We actively involve our apprentices in redesigning training areas and focus on their very individual experiences, requests and suggestions. In 2024, we will also start designing a new training center in Pfronten.

In the reporting year, we took on 188 new apprentices and trainees. 46 young specialists were taken on in permanent positions after successfully completing their training. A breakdown of training disciplines at DMG MORI AG is shown in figure 15.

18 // BREAKDOWN OF VOCATIONAL SPECIALIZATION AND STUDIES



OCCUPATIONAL SAFETY AND HEALTH

Occupational safety and health are central components of our global value creation system. We align our management system with national statutory occupational health and safety regulations and other relevant safety standards for all areas of activity, including the global labor and social standards of the International Labour Organization. We review compliance with these regulations by means of internal audits but have not yet opted for external certification.

page 45 et seqq.

An occupational health and safety management system is in place for our own employees, including field staff, temporary workers and contractors (5,793 out of 7,727 people, corresponding to 75%; ↗ table 13). This covers our international production plants and the German companies with country-specific legal requirements. These companies have their own health and safety committee, which under local law consists of, for example, a member of management and an employee representative. For organizational reasons, no other external or short-term employees are represented. The companies have their own health and safety committee, which is appointed in accordance with local law. The health and safety committee meets at least once a year, and four times a year at our German sites. It analyzes incidents, defines protective measures and reviews their implementation status.

Our local sites decide how to implement this management system individually. In Germany, in particular, there is an HSE management system (Health, Safety, Environment) based on the ISO 45001 standard. For organizational reasons, it is not possible to provide information on the coverage of external or short-term employees within the HSE management system.

New employees, temporary workers and employees from external companies, who carry out work on our premises receive all relevant health and safety training. To this end, we provide appropriate instruction, wherever possible as classroom training. The scope and level of detail of the training depends on the risk assessment of the respective job. Authorized and competent persons receive additional qualifications.

We provide first aid and fire protection facilities and every employee, including field staff and temporary workers, receives occupational medical support in all health and safety matters. Our company doctors provide advice on topics including occupational safety, hygiene and prevention, carry out compulsory, tendered and requested preventive medical checkups, offer vaccinations and arrange seminars.¹ GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-8

Our trained occupational safety specialists support managers in analyzing all work areas on our premises, including those of external companies, to identify and eliminate potential hazards. This applies, in particular, to reported incidents or concerns. Employees – both internal and external – can contact the relevant authorities or anonymously the external lawyer of trust (ombudsman) if they suspect that risks have not been eliminated.

page 7 et seqq. [↗ Sustainability Strategy and Management](#)

In order to minimize risks in production, we already pay attention to the safety and potential health implications of our products during their development. We also pass on these requirements to our partners and suppliers. For example, we expect the use of substances hazardous to health and the environment to be avoided or reduced in the upstream stages of the value chain, or that appropriate protective measures are taken.

page 38 et seqq. [↗ Partner and Supplier Management](#)

The “Corporate Mobility & Security” business unit is responsible for overarching safety and security measures, including ensuring the travel safety of our employees. When business trips involve travel to countries with increased security risks, the group maintains regular contact with those traveling.¹ [GRI 403-1, 403-2, 403-7](#)

HEALTH MANAGEMENT

For many years, we have been offering our employees a comprehensive range of activities at almost all production sites through our occupational health management (OHM) program – from fitness and sports programs through health days to soccer tournaments and ski races. Our focus has mainly been on structural and behavioral risk prevention, such as an ergonomic workplace design in the office and in production, additional courses on ergonomic posture, flu vaccinations and a shift towards healthy eating at our business restaurants. To promote physical activity, we are focusing on group-wide sports events, joint running groups, cooperation with fitness studios and have further expanded our range of charging stations for e-bikes. In addition, employees can lease a job bike – e-bike, city bike, racing bike or cargo bike, including an all-round protection package and also use the bike privately.

The “EGYM Wellpass” and “sportnavi” passes allow us to offer our employees in Germany all-inclusive sports and spa flat rates for fitness studios, swimming pools including saunas, yoga classes, dancing, climbing, massages and much more. More than 900 employees are already actively using these passes. DMG MORI AG covers more than 50 % of the monthly costs – and even up to 100 % for apprentices!¹ [GRI 403-6](#)

We provide our employees with detailed information about all offers and news in the area of occupational safety and health management on site, personally or through notices, as well as on “DMG MORI ONE”. Here, our OHM has its own area where we regularly post articles on health topics. Highlights in the reporting year were skin cancer screenings in Pfronten, Seebach and Bielefeld, as well as a DKMS type-testing campaign for stem cell donors.

We regularly prepare health reports and conduct one-on-one return to work interviews. With our measures and offers, we aim to promote the satisfaction, motivation and health of our employees and thus keep the sickness absence rate down. In the reporting year, this was 4.4 % and was thus, as in the previous year, below the latest industry average of 7.0 %. There were 187 commuting and work-related accidents in the reporting year. In relation to the total number of employees, this corresponds to a rate of 2.5 % (previous year: 2.9 %).¹ GRI 403-4, 403-6

NUTRITION

¹A healthy and balanced diet has a positive influence on the well-being and working capacity of our employees. At our business restaurants at the Bielefeld, Pfronten and Seebach sites, we have therefore been successfully working with the “Fresh & Healthy” concept since 2018. Our motto is: Good food for everyone. Regionality, seasonality and sustainability are top priorities:

- // convenience level below 10 %,
- // no flavor enhancers of any kind,
- // fresh and regional products,
- // daily changing menus – less meat consumption.¹ GRI 403-4

All meals are also available in recyclable “to-go” containers – ideal for part-time workers, for example, or as a ready-to-go dinner. DMG MORI AG has kept its ecological footprint as small as possible in recent years through modern concepts for cooling, ventilation and lighting and extensive renovations. The business restaurant at our Bielefeld site has been certified as a “climate-friendly business restaurant” since 2018. The business restaurant in Pfronten was also named one of “Germany’s best canteens 2023” in the group serving more than 400 meals a day. Three different categories were assessed: Responsibility, health and enjoyment. DMG MORI came third in the overall ranking and first in the “Responsibility” category.

COMPLIANCE

As a technology leader, we have a strong focus on compliance issues worldwide and take responsibility for our actions. With our established compliance organization, we also ensure that all employees comply with our rules.

Our group-wide „Mission Statement“ forms the basis for our corporate culture and business practices. To this end, we rely on a comprehensive compliance management system – based on responsibility, integrity, sustainability and the Code of Conduct of DMG MORI AG – with which we define rules and processes in order to respond readily and efficiently to company-specific risks, and to avoid or uncover compliance violations quickly and effectively, imposing the relevant sanctions. In this way, compliance contributes to our corporate success and is another area where we adopt a holistic approach and have a broad base.

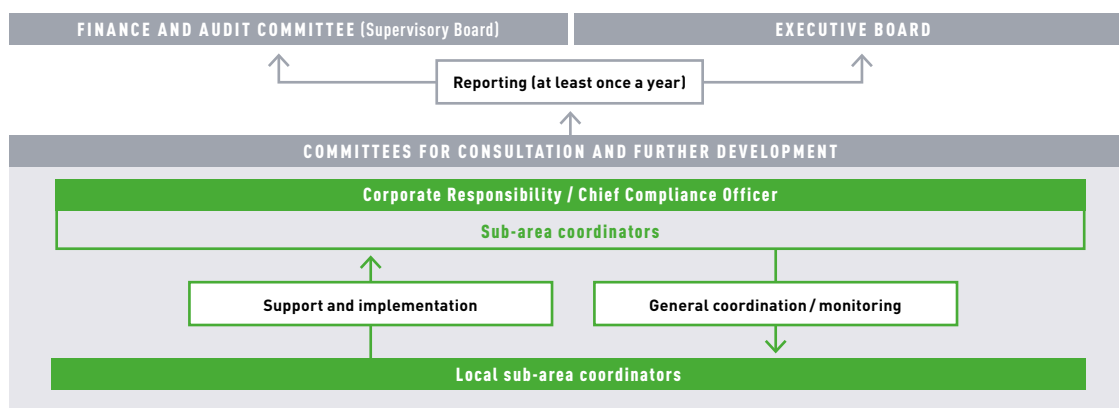
We have fully integrated seven sub-areas into our management system: // export control // tax compliance // anti-money laundering // data protection // IT security // anti-trust // anti-corruption

OUR GOALS

1. All new employees confirm the company's Code of Conduct in the reporting year: target achieved!
2. 80 % of employees complete the basic training course: 96 % achieved!
3. 80 % of Managing Directors and Chief Operating Officers have been trained by central Compliance Management within the past five years: 84 % achieved!
4. 80 % of the Managing Directors state in the annual group-wide self-assessment that they feel sufficiently informed by central Compliance Management: 100 % achieved!

All sub-areas were successfully tested in the 2019 financial year – since then, we have been carrying out selected individual efficiency checks on a regular basis.

19 // COMPLIANCE ORGANIZATION GRI 2-13



RISK MANAGEMENT

We systematically identify compliance and sustainability risks in a standardized way using our uniform group-wide risk assessment system. Compliance risks can potentially arise in all areas and companies if laws and regulations as well as internal corporate policies are disregarded. At least once a year, we carry out a scenario-based risk analysis for all sub-areas to improve our response times – in the reporting year, we even conducted two analyzes. We assess the company-specific risk situation locally using uniformly defined criteria for all operating group companies and review this centrally. In general, compliance and sustainability risks were manageable in the reporting year.

GRI 205-1, 403-2

GUIDELINE MANAGEMENT

The Executive Board is expressly committed to compliance in all areas and we use a guideline management system to ensure compliance with our rules. In order to permanently embed compliance guidelines in our corporate culture, we fully raise employee awareness of these guidelines on a regular basis through various channels, for example:

- // Executive Board information on current key requirements,
- // annual questionnaire to the Managing Directors on the need for information and action.

All regulations are readily available to all employees via “DMG MORI ONE”. We refer to the group-wide compliance guidelines in our Code of Conduct on our website. In addition, the group’s internal audit department, among others, acts as an independent staff unit to check compliance with guidelines. The compliance helpdesk and an external lawyer of trust (ombudsperson) are available to our stakeholders for queries, suggestions and concerns, for example, about illegal or unethical behaviour. **GRI 2-26**

page 7 et seqq.

➔ Sustainability Strategy and Management

DIGITAL WORKFLOW SYSTEM

Digital processes enable us to increase transparency and efficiency – also in the area of compliance. In our customer relationship management system (CRM), we assess customers for anti-money laundering risks. We use our digital workflow system to ensure the compliance of business transactions and processes and depending on the business transaction, certain processes and approvals are required here.

TRAINING CONCEPT

In addition to online seminars, the Chief Compliance Officer and central sub-area coordinators regularly provide in-person training on innovations and current topics, mainly to managing directors and other employees in key functions.

TRAINING CONCEPT (ONLINE SEMINARS)

- // Basic training for all employees
 - + focus: Code of Conduct of DMG MORI AG
 - + completion rate: >95 %¹⁾
 - + 1,197 hours in the reporting year²⁾ **GRI 412-2**
- // Data protection & EU-GDPR
 - + for all employees affected by EU-GDPR
 - + completion rate: >80 %³⁾
- // Information security
 - + completion rate: >75 %³⁾
- // Classification and handling of information
 - + completion rate: 75 %³⁾

1) of employees registered in the online seminar (excluding productions staff)

2) assumed average duration: 1 hour

3) of employees registered in the respective module

DATA PROTECTION AND INFORMATION SECURITY

We respect the personal rights of our employees and business partners and treat their data with the appropriate confidentiality and sensitivity. Data protection and information security are part of our integrated compliance management system and are managed centrally by our Group Data Protection Officer and the Head of IT Security. This ensures we comply with the requirements of the EU Data Protection Regulation and follow the ISO/IEC 27001 standard for information security.

The accelerating pace of digitization means that IT security is our highest priority and we are aware of the enormous challenges and risks facing us. To protect information and data within the group, we rely on comprehensive, up-to-date security measures such as multifactor authentication and audits as well as regular training for our employees.

page 33 et seqq.

[**Product Quality and Safety**](#)

HUMAN RIGHTS

The Executive Board is committed to respecting human rights in the Code of Conduct and in the "Modern Slavery Statement", which is published annually together with DMG MORI UK Limited.

page 7 et seqq.

[**Sustainability Strategy and Management**](#)

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

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

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

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

¹ On our website, we also published a policy statement on our human rights strategy for the first time in the reporting year. This is a summary of our expectations, areas for action and measures to respect human rights. ¹ **GRI 2-23**

As part of our integrated “Responsibility Approach”, all elements of our compliance management system also always apply to the area of human rights. With appropriate measures, such as our online seminars and classroom training in particular, we ensure that our high standards are also observed and applied within DMG MORI AG worldwide.

page 44 et seqq. ➤ **Employees**

In the reporting year, DMG MORI AG also again conducted a “Human Rights Impact Assessment” for our internal processes and those of our suppliers – based on the UN Guiding Principles on Business and Human Rights. Here, we identified and assessed country- and sector-specific human rights risks in order to develop targeted measures for further risk prevention. In the future, we will carry out this assessment annually and also monitor the effectiveness of the measures adopted in the previous year. **GRI 403-2**

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

We do not source any (conflict) minerals, such as gold, tantalum, tungsten or tin as raw materials. Conflict minerals can be problematic in procurement, as some of them come from mines in the Congo or neighboring countries, which can be used to finance armed conflicts and can thus lead to human rights violations. Due to our complex, multi-level and global supply chain, there is a certain risk that we may be indirectly confronted with legal violations or human rights abuses. We mainly counter this using appropriate due diligence processes. The “Integrity Next” platform has enabled us, for example, to standardize and digitize our supplier questionnaires, which has helped us to further improve our supply chain transparency.

page 38 et seqq. ➤ **Partner and Supplier Management**

ONE TEAM

The DMG MORI team is the basis of our success – and that is why we focus on the satisfaction, health and therefore the motivation of our employees.

We live team spirit. We strengthen the sense of togetherness and belonging to the company with numerous measures, such as employee days and events as well as a comprehensive range of health and sports programs, sports competitions and company runs.



EMPLOYEES

**We are committed to the
satisfaction, safety and
health of our employees.**

+ OVER 13,000 EMPLOYEES AROUND THE GLOBE

+ 59 NATIONALITIES

+ INTERNATIONAL EXCHANGE

+ HEALTH AND SPORTS PROGRAMS

+ MODERN WORKPLACES

ONE COMPANY



More information on
“DMG MORI Global One” at:

[en.dmgmori.com/company/
dmg-mori-sailing-team?tax=324290](https://en.dmgmori.com/company/dmg-mori-sailing-team?tax=324290)

EMPLOYEES
HIGHLIGHTS

SOCIAL AND LOCAL COMMITMENT

DMG MORI is committed to the world in which we live. We are an active part of society and, with numerous campaigns, donations and sponsorships, are dedicated to its prosperity and success.

Our responsibility towards society is part of our holistic sustainability strategy at DMG MORI AG. We are involved in a wide range of activities and are committed to helping people, society and our environment. This includes donations and sponsorships as well as close cooperation with universities, clubs and associations. We support our employees who do voluntary work – for example in the company fire department. We give them time off for operations, exercises and training. Flexible work organization and working hours make volunteer work easier.

With joint activities around our sites, we are a strong part of society. These include the “Trash Cleanup” challenge – in the Allgäu region and for the first time in Bielefeld in 2023, “City Cycling”, blood donation campaigns and various runs. We support schools and universities through donations, collaborations and a lively exchange of know-how and ideas. We are also involved in local associations and projects such as the German Engineering Federation (VDMA) and the German Machine Tool Builders’ Association (VDW). [GRI 2-28](#)

Our commitment focuses on community projects, education, science, art, culture, sports and in particular, the next generation. These areas are also defined in our group-wide donations and sponsorship policy as are our applicable processes and value limits. Our local managing directors know best where our donations are most needed and where they will actually benefit. That’s why they decide locally which projects we support. The Executive Board always reviews planned sponsorships at the beginning of a financial year. Donations and sponsorships made during the year are approved by the respective management or Executive Board via our digital workflow system. The “Corporate Responsibility” department checks donations and sponsorship activities on a random basis with regard to the funding purpose and amount as well as compliance with the approval processes. Local controlling monitors the annual budget. No donations are ever made to political or party-affiliated organizations or politicians. In legally permissible exceptions, the approval of the Executive Board is required.

In the financial year 2023, we spent around € 590,000 on donations and sponsorships. In the region of East Westphalia-Lippe, for example, DMG MORI has been involved for many years as a sponsor for the soccer club DSC Arminia Bielefeld – especially in developing young talent – and as a member of the East Westphalia Alliance. We have also been supporting the WorldSkills initiatives for many years. New in 2023 – we are also now a skills sponsor for WorldSkills Europe. This year, a large part of our donations went to the Nachwuchsstiftung Maschinenbau (Youth Education and Development Foundation for Machine Building).

Our group parent company, DMG MORI COMPANY LIMITED, is also active in the area of donations and sponsorships. In 2023, its main focus was on the DMG MORI Sailing Team, the Japanese National Orchestra (JNO), Nara Women’s University and Mahoroba Vineyard. Further information can be found in the annual [Integrated Report](#) of DMG MORI COMPANY LIMITED.

GRI CONTENT INDEX

DMG MORI AG has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards. In addition, the demarcation of the non-financial report in accordance with German Commercial Code (HGB) is marked.

20 // GRI CONTENT INDEX

GRI standard	GRI disclosures	Pages in the Sustainability Report 2023	Pages in the Annual Report 2023	Element of non-financial reporting in accordance with HGB
GRI 1 Foundation 2021	FOUNDATION			
	GENERAL DISCLOSURES			
	ORGANIZATION AND REPORTING PRACTICES			
	2-1 Organizational details	6	7, 27, 29 et seq.	
	2-2 Entities included in the organization's sustainability reporting ¹⁾	2, 60-62, 63	219-221	
	2-3 Reporting period, frequency and contact point ²⁾	60-62, 64		
	2-4 Restatements of information ³⁾	60-62		
	ACTIVITIES AND WORKERS			
	2-6 Activities, value chain and other business relationships	6, 9, 38 et seq., 41	7, 24-27, 29 et seq., 58-62	
	GOVERNANCE			
	2-9 Governance structure and composition		11-17, 33-39	
	2-10 Nomination and selection of the highest governance body		33-39	
	2-11 Chair of the highest governance body		222	
	2-13 Delegation of responsibility for managing impacts	10, 53		
	2-14 Role of the highest governance body in sustainability reporting		11-17	
	2-15 Conflicts of interest		15, 38 et seq., 222-224	
	2-17 Collective knowledge of the highest governance body		11-17, 39	
	STRATEGY, POLICIES AND PRACTICES			
	2-22 Statement on sustainable development strategy	3	18 et seq.	
	2-23 Policy commitments ⁴⁾	56, 60-62		
	2-26 Mechanisms for seeking advice and raising concerns	12, 54		
	2-28 Membership associations	59		
	STAKEHOLDER ENGAGEMENT			
GRI 2 General Disclosures 2021	2-29 Approach to stakeholder engagement	11		sec. 289c para. 3
	2-30 Collective bargaining agreements	46		

1) All fully consolidated companies are included in the Sustainability Report ²⁾ Annual Report 2023, page 227 et seqq. Individual deviations are described at the appropriate points in the report.

The consolidation process follows that of financial reporting. The central departments ensure the consolidation of the information.

2) The Sustainability Report is published annually (publication: 20 March 2024) and covers the financial year from 1 January to 31 December 2023.

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

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

5) No use or emission of ozone-depleting substances could be identified at DMG MOR AG.

6) Suppliers are reviewed according to risk ²⁾ Partner and Supplier Management, page 37 et seq. A targeted breakdown by new suppliers is therefore no longer carried out.

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

20 // GRI CONTENT INDEX

GRI standard	GRI disclosures	Pages in the Sustainability Report 2023	Pages in the Annual Report 2023	Element of non-financial reporting in accordance with HGB
MATERIAL TOPICS				
CATEGORY: ECONOMIC				
	Anti-Corruption			sec. 289c para. 2 no. 5
Concept according to HGB	Concept description	8 et seq., 12, 38-41		sec. 289c para. 3
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	54		sec. 289c para. 3
CATEGORY: ENVIRONMENTAL				
	Materials			sec. 289c para. 2 no. 1
Concept according to HGB	Concept description	8 et seq., 12, 38-41		sec. 289c para. 3
GRI 301: Materials 2016	301-2 Recycled input materials used	22		sec. 289c para. 3
	Energy			sec. 289c para. 2 no. 1
Concept according to HGB	Concept description	8 et seq., 12, 38-41		sec. 289c para. 3
GRI 302: Energy 2016	302-1 Energy consumption within the organization	17		sec. 289c para. 3
	Emissions			sec. 289c para. 2 no. 1
Concept according to HGB	Concept description	8 et seq., 12, 38-41		sec. 289c para. 3
	305-1 Direct (Scope 1) GHG emissions	19		sec. 289c para. 3
	305-2 Energy indirect (Scope 2) GHG emissions	19		sec. 289c para. 3
	305-3 Other indirect (Scope 3) GHG emissions	19		sec. 289c para. 3
GRI 305: Emissionen 2016	305-6 Emissions of ozone-depleting substances (ODS) ⁵⁾	60-62		sec. 289c para. 3
	Supplier environmental assessment			sec. 289c para. 2 no. 1
Concept according to HGB	Concept description	8 et seq., 12, 38-41		sec. 289c para. 3
Supplier environmental assessment	Suppliers that were screened using environmental criteria ⁶⁾			sec. 289c para. 3
CATEGORY: SOCIAL				
	Employment			sec. 289c para. 2 no. 2
Concept according to HGB	Concept description	8 et seq., 12, 44-47		sec. 289c para. 3
GRI 401: Employment 2016	401-1 New employee hires and employee turnover ⁷⁾	44 et seq.		sec. 289c para. 3
	Occupational health and safety			sec. 289c para. 2 no. 2
Concept according to HGB	Concept description	8 et seq., 12, 44-47		sec. 289c para. 3
	403-1 Occupational health and safety management system	50 et seq.		
	403-2 Hazard identification, risk assessment, and incident investigation	12, 50 et seq., 54, 56		
	403-3 Occupational health services	50		
	403-4 Worker participation, consultation, and communication on occupational health and safety	50-52		
	403-5 Worker training on occupational health and safety	50		
	403-6 Promotion of worker health	51 et seq.		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	38-40, 51		
GRI 403: Occupational health and safety 2018	403-8 Workers covered by an occupational health and safety management system	50		sec. 289c para. 3

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20 // GRI CONTENT INDEX

GRI standard	GRI disclosures	Pages in the Sustainability Report 2023	Pages in the Annual Report 2023	Element of non-financial reporting in accordance with HGB
	Training and education			sec. 289c para. 2 no. 2
Concept according to HGB	Concept description	8 et seq., 12, 44-52		sec. 289c para. 3
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee ⁷⁾	49		sec. 289c para. 3
	Diversity and equal opportunity			sec. 289c para. 2 no. 2
Concept according to HGB	Concept description	8 et seq., 12, 44-47		sec. 289c para. 3
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees ⁷⁾	46 et seq.		sec. 289c para. 3
	Human rights assessment			sec. 289c para. 2 no. 4
Concept according to HGB	Concept description	8 et seq., 12, 38-41, 44, 55 et seq.		sec. 289c para. 3
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	55		sec. 289c para. 3
	Supplier social assessment			sec. 289c para. 2 no. 4
Concept according to HGB	Concept description	8 et seq., 12, 38-41		sec. 289c para. 3
Supplier social assessment	Suppliers that were screened using social criteria ⁷⁾	40		sec. 289c para. 3
	Customer health and safety			
Concept according to HGB	Concept description	8 et seq., 12, 33-35		sec. 289c para. 3
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	35		sec. 289c para. 3
IN ADDITION TO THE GRI: PRESENTATION OF SOCIAL ENGAGEMENT				sec. 289c para. 2 no. 3
Concept according to HGB	Concept description	8 et seq., 12, 59		sec. 289c para. 3
	Amount of donations and sponsorships	59		sec. 289c para. 3
IN ADDITION TO THE GRI: PRESENTATION OF ADDITIONAL MINIMUM ELEMENTS OF THE NON-FINANCIAL REPORT				
	Presentation of the business model	6	24-31, 54-62	sec. 289c para. 1
	Identification of material aspects	8 et seq.		sec. 289c para. 3
	Results of the risk assessment	12		sec. 289c para. 3 nos. 3-4
	Information on the framework used	7		sec. 289d
	EU taxonomy according to Article 8 of Regulation 2020/852/EU	23-29		

1) All fully consolidated companies are included in the Sustainability Report ²⁾ Annual Report 2023, page 227 et seqq. Individual deviations are described at the appropriate points in the report.

The consolidation process follows that of financial reporting. The central departments ensure the consolidation of the information.

2) The Sustainability Report is published annually (publication: 20 March 2024) and covers the financial year from 1 January to 31 December 2023.

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

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

5) No use or emission of ozone-depleting substances could be identified at DMG MOR AG.

6) Suppliers are reviewed according to risk ²⁾ Partner and Supplier Management, page 37 et seq. A targeted breakdown by new suppliers is therefore no longer carried out.

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which are based on current estimates of the management regarding future developments. Such statements are based on the management's current expectations and specific assumptions. They are subject to risks, uncertainties and other factors, as well as to the effects of the war in Ukraine or of other geopolitical conflicts, that could cause the actual circumstances including the results of operations, financial position and net worth of DMG MORI AKTIENGESELLSCHAFT to differ materially from or be more negative than those expressly or implicitly assumed or described in these statements. The business activities of DMG MORI AKTIENGESELLSCHAFT are subject to a range of risks and uncertainties, which may likewise render a forward-looking statement, estimate or forecast inaccurate.

DMG MORI AKTIENGESELLSCHAFT is strongly affected, in particular, by changes in general economic and business conditions (including margin developments in the most important business areas as well as the consequences of a recession) as these have a direct effect on processes, suppliers and customers. Due to their differences, not all business areas are affected to the same extent by changes in the economic environment; significant differences exist with respect to the timing and extent of the effects of any such changes. This effect is further intensified by the fact that, as a global entity, DMG MORI AKTIENGESELLSCHAFT operates in various markets with very different economic rates of growth. Uncertainties arise inter alia from the risk that customers may delay or cancel orders or they may become insolvent or that prices become further depressed by a persistently unfavorable market environment than that which we are expecting at the current time; developments on the financial markets, including fluctuations in interest rates and exchange rates, in the price of raw materials, in borrowing and equity margins as well as financial assets in general; growing volatility on the capital markets and a deterioration in the conditions for the credit business as well as a deterioration in the future economic success of the core business areas in which we operate; challenges in integrating major acquisitions and in implementing joint ventures and achieving the expected synergy effects and other essential portfolio measures; the introduction of competing products or technology by other companies or the entry onto the market of new competitors; a change in the dynamics of competition (primarily on developing markets); a lack of acceptance of new products and services in customer target groups of DMG MORI; changes in corporate strategy; interruptions in the supply chain, including the inability of a third party, for example due to natural catastrophes, to supply pre-fabricated parts, components or services on schedule; the outcome of public investigations and associated legal disputes as well as other measures of public bodies; the potential effects of these investigations and proceedings on the business of DMG MORI AKTIENGESELLSCHAFT and various other factors.

Should one of these factors of uncertainty or other unforeseeable event occur, or should the assumptions on which these statements are based prove incorrect, the actual results may differ materially from the results stated, expected, anticipated, intended, planned, aimed at, estimated or projected in these statements. DMG MORI AKTIENGESELLSCHAFT neither intends to nor does DMG MORI AKTIENGESELLSCHAFT assume any separate obligation to update any forward-looking statements to reflect any change in events or developments occurring after the end of the reporting period. Forward-looking statements must not be understood as a guarantee or as assurances of future developments or events contained therein.

There are two companies using the name "DMG MORI": DMG MORI AKTIENGESELLSCHAFT with registered office in Bielefeld, Germany, and DMG MORI COMPANY LIMITED with registered office in Tokyo, Japan. DMG MORI AKTIENGESELLSCHAFT is an affiliated company of DMG MORI COMPANY LIMITED. This report refers exclusively to DMG MORI AKTIENGESELLSCHAFT. If reference is made in this report to the "group" or "DMG MORI AG", this refers exclusively to DMG MORI AKTIENGESELLSCHAFT and its controlled companies within the meaning of Section 17 of the German Stock Corporate Act (Aktiengesetz – AktG). If reference is made to "DMG MORI" or "Global One Company", this refers to the joint activities of DMG MORI COMPANY LIMITED and DMG MORI AKTIENGESELLSCHAFT including all subsidiary companies.

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RESSOURCE CONSERVATION

For sustainability reasons, DMG MORI AKTIENGESELLSCHAFT has been offering sustainability reports only digitally since 2021.

All financial reports are available at:

➤ en.dmgmori-ag.com/investor-relations/financial-reports

We will also gladly send you the interactive PDF file, please let us know your e-mail address at: ➤ press@dmgmori.com

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