



Policy Statement

ON THE PROTECTION OF HUMAN RIGHTS AT MTU AERO ENGINES



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Preamble

Over the decades, MTU Aero Engines¹ (MTU) has built up an excellent reputation as a responsible company.

Our products and services are successful worldwide, and our customers and business partners trust us. However, our products and services, and our business activities as a whole, also have a potential impact on the climate and the environment, and thus on people's living conditions. For this reason, at MTU we observe not only human rights but also environmental due diligence obligations at our group companies and throughout our supply and value chain.

MTU has committed itself to the principles of the UN Global Compact and regards the protection of human rights as an essential component of its sustainable corporate governance and part of its social, ecological and corporate responsibility. We are committed to upholding human rights and to complying with them. Our commitments to comply with the

- United Nations Universal Declaration of Human Rights,
- Core Labor Standards of the International Labor Organization (ILO),
- 10 Principles of the UN Global Compact,
- UN Guiding Principles on Business and Human Rights and the UN Declaration on Human Rights.
- UN Sustainable Development Goals (SDG 5/8)

are intended to make this clear.

These guidelines and principles are the foundation of our business activities. We respect the personality and dignity of every individual and reject any form of discrimination. We treat our employees with respect and appreciation. We live a trusting, transparent and open cooperation environment at our worldwide locations. Fair working conditions, equal opportunities for all employees and freedom of assembly and association are of particular importance to us. In our company, we ensure that human rights are respected at all locations, also within the framework of local regulations. We make this clear in our Principles of Conduct, which are binding for all employees at our sites worldwide and for which our employees are regularly trained. Compliance with the Code of Conduct and ethical principles is also anchored in the MTU Principles.

Respect for human rights is not limited to activities within our own business unit, but also applies to the conduct of our suppliers, service providers and other business partners in our supply chain (hereinafter collectively referred to as "suppliers"). The Code of Conduct for MTU Suppliers includes compliance with international human rights conventions and also describes our human rights and environmental

¹ MTU Aero Engines" refers to MTU Aero Engines AG and the controlled MTU group companies

expectations. As a basic element of cooperation with our direct suppliers, the Code of Conduct for MTU Suppliers is an integral part of our procurement contracts.

1. Scope

MTU is fully committed to respecting and protecting human rights through this Statement of Principles. At MTU, the principles set out in this statement are an integral part of our systems and processes. Our definition of human rights also includes environmental aspects, which may ultimately have an impact on human rights.

MTU's management is responsible for ensuring that the principles, measures and requirements defined in this Statement of Principles are implemented in the appropriate areas of our own business activities. This includes identifying, preventing and remedying any possible negative impact of our business activities on human rights. When working with suppliers, we also expect them to share our values and the commitment outlined in this statement.

2. Human rights and working conditions

Human rights are rights that derive from and are based on human dignity. Rights that are inalienable, indivisible and indispensable. They are available to all people, regardless of where they live and regardless of how they live. Our definition of human rights also includes aspects of environmental and climate protection that can have an impact on human rights. At MTU, we are fully committed to human rights and attach particular importance to good and safe working conditions, both at our own group companies and at our suppliers. We respect internationally recognized human rights and reject all exploitative working conditions.

- Prohibition of child labor

MTU vehemently and consistently rejects unlawful child labor in any form.

We are convinced that children need access to education in order to be able to develop without the risk of entering the workforce too early in their development. The dignity of children must be respected, and their safety and health must be protected. If we employ minors, e.g. in the context of apprenticeships, we comply with the ILO core labor standards, especially with regard to the minimum age.

- Prohibition of forced labor

MTU rejects unlawful forced labor in any form.

Employment relationships in our companies are always voluntary and can be terminated by employees at any time of their own free will, taking into account statutory or otherwise reasonable time limits. We vehemently reject forced labor, unlawful compulsory labor performed involuntarily, e.g. because of intimidation or

the threat of disadvantage, and any other form of modern slavery in accordance with the ILO core labor standards.

- Freedom of association

At MTU, we have a strong culture of collective co-determination.

Our employees are free to belong to trade unions or to form collective bargaining units and to agree on regulations for their working conditions within the framework of collective bargaining.

We maintain a cooperation with employee representatives that is based on trust and mutual respect.

Even in the event of controversial positions, our aim is to reach equally good agreements for the company and the employees. At our sites where there is no collective bargaining units, we also engage in dialog with employees on their concerns.

- Reasonable remuneration / working hours

MTU is committed to fair working conditions, appropriate compensation and working hours.

MTU applies the principle of equal pay for work of equal value regardless of gender. We offer our employees appropriate and performance-related remuneration. Our remuneration principles are at least in line with the respective national statutory standards/collective agreements or the level of the industry benchmarks. At many of our global locations, we also provide additional benefits.

We ensure that our employees have appropriate working hours, rest periods and regular recreational leave, and that at least the ILO core labor standards apply as a benchmark for this.

- Discrimination / Equal opportunities / Training and qualification

MTU is committed to equal opportunities for all employees.

We do not discriminate on the basis of ancestry, age, social origin, gender, sexual identity, health status, disability, religious or political worldview, or language, and we establish uniform working conditions for our employees. No one is excluded or given preference because of such characteristics.

Diversity is an integral part of our corporate culture and is anchored in our mission statement. We stand for fair dealings with one another, are committed to equal opportunities and take a stand against discrimination in working life. We have established these principles in our globally applicable Code of Conduct. We are also a signatory to the Diversity Charter in Germany and a partner company of the Impact of Diversity.

MTU supports and promotes vocational learning and qualification for its employees.

We enable education and professional training for all employees as the key to securing competitiveness and innovation, job security and employability. In this way, we enable a high level of performance and high-quality work.

- Corporate Security

The physical protection of our plant sites and the people who work there is important to us.

Security measures are planned and implemented taking into account local conditions. We work cooperatively with security authorities.

Where we do not carry out security measures ourselves, we select external security providers very carefully and ensure the legality of the actions of the security personnel deployed on our behalf through contractual obligations and appropriate monitoring.

- Occupational safety / health and safety at work

The health of our employees is a top priority for MTU.

We ensure occupational health and safety at the workplace in compliance with national regulations as a minimum standard. The workplaces are set up in accordance with legal and generally recognized safety and occupational health regulations. Our workplaces are designed in such a way that the work can be performed without accidents and with little strain. Our aim is to minimize the impact on the safety and health of employees and third parties as far as possible and to achieve continuous improvements in this respect. Managers at all levels ensure compliance with occupational health and safety regulations in accordance with applicable laws, ordinances, agreements and technical rules. They act as role models in this respect.

Our employees are called upon to actively engage in appropriate occupational health and safety activities.

We also support our employees with numerous offers and measures to maintain their physical and mental health. We also expect our suppliers to eliminate health and safety risks for employees at their workplaces as far as possible.

3. Environmental and climate protection

At MTU, we are committed to our responsibility to protect the climate and the environment.

We are aware that our products and services and our production and procurement processes potentially have an impact on the climate, the environment and the living conditions of people. Harmful impacts on the environment or climate can negatively affect human rights. To eliminate or, at least, mitigate this wherever possible, we have defined environment-related due diligence obligations that we observe in our own Group companies as well as in our cooperation with suppliers.

MTU has environmental management systems in place to ensure compliance with applicable environmental regulations at our production sites. In addition, we regularly analyze the environmental performance of our sites and strive to continuously improve it. This involves optimizing the use of natural resources such as water, energy and raw materials in an efficient and sustainable manner, and avoiding or, at least, mitigating risks that could impact human rights wherever possible. We aim to achieve far-reaching reductions in the climate impact and fuel consumption of aviation engines in several stages. The goal of our technology and product development is zero-emission flying.

We also expect our suppliers to pursue sustainable and active climate protection, for example by increasing energy efficiency or generating or purchasing energy from renewable sources, and to use natural resources efficiently and sustainably.

4. Protecting human rights at MTU

We strive to avoid negative impacts of our business activities on human rights and the environment where it is feasible. We continuously review our business activities - both in our own business area and at our direct suppliers - for human rights risks or environmental risks relevant in this context in order to define and implement preventive measures with regard to identified risks at an early stage. We classify human rights and environment-related² risks under various elements of the risk inventory of our corporate risk management process. In terms of methodology, approach and evaluation, the human rights and environment-related risk analysis is based on MTU's corporate risk analysis.

Based on the existing risk assessments, we consider the aspects described above under items 2 and 3 to be relevant risk areas for our activities in our own business area.

The assessment of human rights and environmental risks associated with the business activities of our suppliers includes country- and product group-related aspects. In addition, the risk categories from the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) are included and used as a basis for analyzing, weighting, and prioritizing the probability of occurrence and extent of damage for each category and supplier. The ESG assessment of an external provider is also included in this process.

Respect for human rights is an essential aspect for MTU with regard to cooperation with our suppliers. The Code of Conduct for MTU Suppliers, which includes compliance with international human rights conventions, forms a basic element of cooperation as a preventive measure and is an integral part of our procurement contracts.

² Environmental risks or due diligence obligations means those within the meaning of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)

MTU's own business activities focus on Germany, Europe and North America. Against the background of the general regulations laid down by the respective legislatures in these regions and society's deep-rooted commitment to human rights, and taking into account the special aviation-specific regulations and official monitoring that go beyond these, we consider the probability of material violations of human rights and environmental obligations occurring in MTU's own business unit to be low.

A detailed assessment and weighting of these risks both for our own business area and for our direct and indirect suppliers is currently taking place. Any priority risks identified will be published in an updated version of this statement.

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

5. Reporting human rights violations

We do not tolerate human rights abuses.

We have established an internet-based whistleblowing system ("iTrust") as a central element for tips or complaints. This system is available at all times to all our own employees, but also to employees of our suppliers and other third parties, so that they can provide confidential tips - anonymously if they wish - on possible breaches of regulations, including human rights violations.

The MTU Compliance Office is responsible for processing reports received in this way, confirming receipt of the report and, if necessary, requesting additional, necessary and relevant information from the whistleblower. The Compliance Office initiates or coordinates the further course of action. This includes both the clarification of the facts and the coordination of necessary, suitable and appropriate remedial measures. If necessary, the report will be passed on to appropriate bodies (e.g. investigating authorities, supplier contact points, etc.).

In addition to iTrust, direct communication channels (such as e-mail, telephone or personal contact) are available for reporting breaches of regulations to the Compliance Office, managers, contact persons from the HR department or employee representatives. In addition, site-specific reporting points have been set up.

6. Measures

Our risk management system for the protection of human rights is set up in such a way that violations of human rights and environmental due diligence obligations can be identified and minimized as much as possible. We act according to the principle of "prevent - detect - respond". Unfortunately, violations can never be completely

prevented. If we are informed of events that give rise to suspicion of possible misconduct, we investigate them immediately and try to find solutions. This applies to all violations of rules, but also, in particular, to human rights violations.

For us, communication is the first tool on the road to clarifying the situation and ensuring respect for human rights in the future. This is particularly true for our supply chain. If we receive substantiated knowledge of a violation in our supply chain, we seek dialog with our suppliers and those affected. If necessary, we use contractually agreed rights to clarify possible violations and, if necessary, define and implement remedial measures. Contractual termination rights remain as a last option if the respective supplier does not take sufficient measures to prevent, end or minimize the extent of human rights violations.

7. Reporting and documentation

Human rights are a significant issue and affect all of us at MTU. Responsibility for sustainability management lies with the Executive Board. To underscore this, the role of Chief Sustainability Officer (CSO) has been created at Executive Board level. Above all, the CSO defines MTU's positioning with regard to the sustainability strategy and its objectives.

As a central function for monitoring risk management with regard to human rights violations, the Management Board has appointed a Human Rights Officer. The Human Rights Officer monitors risk management for the protection of human rights, assists in the preparation of any reports and documentation, and regularly informs the Management Board in this regard.

In addition, sustainability management, in general, is shaped by an interdisciplinary, cross-location team known as the Corporate Responsibility Board (CR Board). The CR Board is responsible for developing the group's strategy on sustainability issues and assessing the risks associated with the impact of MTU's business activities on third parties. Selected material sustainability issues, such as measures to ensure compliance with human rights, form part of our non-financial reporting in the Annual Report.

Munich, February 1, 2023

Lars Wagner
Chief Executive Officer

Peter Kameritsch
Member of the Executive Board
Chief Financial Officer & Chief Information
Officer

Dr. Silke Maurer
Member of the Executive Board
Chief Operating Officer

Michael Schreyögg
Member of the Executive Board
Chief Program Officer

(The original signed declaration is available)