

**RESPONSIBLE.  
RESILIENT.  
RESOURCEFUL.**

**Responsible. Resilient. Resourceful.** These three “R’s” say a lot about us and the opportunities our business holds.

**RESPONSIBLE**

stands for our focus on sustainability principles: We reduce emissions, develop low-consumption technologies, and enable the series production of climate-friendly products. This makes us a trailblazer for a largely CO<sub>2</sub>-neutral society.

**RESILIENT**

means we have the strength to withstand economic headwinds. Even during difficult times, our customers still invest. This is because our solutions have them well prepared for the transformation toward sustainability, e-mobility, and automation.

**RESOURCEFUL**

perfectly captures the spirit of the people in the Dürr Group. They think independently and develop tailor-made solutions for the customers’ requirements.

**123**

LOCATIONS IN 32 COUNTRIES

**€4,314.1**

MILLION IN SALES



**18,514**

EMPLOYEES

**~30,000**

SUPPLIERS WORLDWIDE

# THE YEAR 2022 IN FIGURES



## 16.8%

TAXONOMY-ALIGNED SALES



## €136.5

MILLION R&D EXPENDITURE



## €1,915

MILLION SUSTAINABLE FINANCING VOLUME



## 11

YEARS AVERAGE LENGTH OF SERVICE

### CLIMATE TARGETS 2030:

## -70%

SCOPE 1 AND 2 EMISSIONS



## -15%

SCOPE 3 EMISSIONS



## €1.094

MILLION DONATIONS AND SPONSORSHIPS



## -51%

SCOPE 1 AND 2 EMISSIONS (COMPARED TO 2019 BASE-YEAR LEVEL)



## 2,669

MWH SELF-GENERATION OF ENERGY FROM PHOTOVOLTAICS



## 17%

PROPORTION OF FEMALE EMPLOYEES

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**Dr. Jochen Weyrauch,**  
CEO of Dürr AG

# FOREWORD TO THE 2022 SUSTAINABILITY REPORT

## Dear Readers,

There is no time for procrastination in the fight against climate change – thus, climate protection is the most urgent task of our time. We at the Dürr Group are aware of this. In 2022, we put the implementation of our climate strategy at the center of our sustainability activities.

Even though our climate targets are ambitious, we have made a great deal of progress. Our Scope 1 and Scope 2 greenhouse gas emissions dropped by 43% year-on-year and by as much as 51% compared to 2019. The pivotal factors in this were, among other things, investments of over €22 million in sustainable buildings, energy-efficiency measures, and self-generated electricity. Furthermore, we substantially lowered the energy intensity of our business, using 12% less energy per €1 million of sales than in 2021. By switching to green electricity and employing solar power in many places, we were able to increase the share of renewables in the electricity mix from 9% in the previous year to almost 70%. We want to continue on this path in 2023, for instance by using even more green electricity and commissioning further photovoltaic systems.

We make an even greater contribution to sustainability by providing energy- and resource-efficient technologies for our customers. Many users of our products want to reduce their ecological footprint. They seek alternatives to the use of fossil fuels in order to achieve

climate-neutral production. We have the expertise required for this: We can already build carbon-free paint shops today that run on green electricity instead of fossil fuels. Through our sustainable technologies, we enable climate-friendly production processes and support customers in attaining their own climate goals even faster.

In addition, we are an important partner to our customers when it comes to the series production of sustainable products for a largely carbon-free society. One example: More and more houses are being built using timber as a climate-friendly material. HOMAG can deliver complete factories for the automated production of timber construction elements. It enables customers to erect even large buildings and entire residential complexes efficiently using this natural material. We also make an important contribution in battery production and low-emission mobility. We offer coating lines for manufacturing electrodes for lithium-

ion batteries, which are mainly used in electric vehicles. Here, for the first time, we exceeded the €100 million order intake threshold in 2022. Since the e-mobility market will gain further momentum, creating the need for additional battery factories, there is potential for expansion to between €300 and €500 million. In the areas of automated test systems for e-drives and production systems for solar modules, we are also well equipped, as a technology leader, to support our customers in manufacturing sustainable products.

It goes without saying that we also keep an eye on social sustainability. The respect and protection of human rights, in particular, is a top priority for us

– both in our own business arena and in dealing with our suppliers and business partners around the world. In 2022, we implemented the requirements of the German Supply Chain Due Diligence Act and appointed a Human Rights Officer. We work hand in hand with our suppliers and support them in improving their social and environmental standards. Our aim is to create a common understanding of sustainability along our global supply chain. After all, major social challenges such as the international protection of human and labor rights can only be

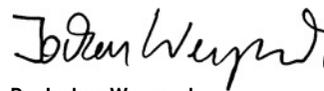
tackled if everyone pulls together. With this in mind, I want to emphasize our commitment to the United Nations Global Compact and our ambition to contribute to the 17 UN Sustainable Development Goals.

International cooperation was also the topic of the OneVision project at the Dürr Group: Together with over 800 employees from around the world, we defined our values, mission, and vision for the future as well as our social purpose. This participatory approach reflects our belief that participation and transparency are key principles of good corporate culture. You can find more information about the new corporate statement on page 10. Suffice to say here that sustainability also plays a key part in this regard.

In 2023, we will continue to step up our commitment to ecological and social sustainability. We will use our innovative strength to develop trend-setting solutions for our customers and contribute to the sustainable transformation of the economy. In doing so, I am counting in particular on the commitment of the Dürr Group's 18,700-plus employees. With their curiosity, resourcefulness, and dedication, they are pivotal to our company's success.

In this report, we provide in-depth information on sustainability at the Dürr Group and demonstrate our progress in achieving our goals. I want to encourage you to send us your feedback or suggestions on this. We look forward to hearing from you!

Best wishes



**Dr. Jochen Weyrauch**  
CEO

Bietigheim-Bissingen, June 20, 2023

**The respect and protection of human rights is a top priority for us.**

**We enable climate-friendly production processes through our sustainable technologies.**

# BOARD OF MANAGEMENT OF DÜRR AG



**Dr. Jochen Weyrauch (56)**  
CEO

**Dietmar Heinrich (59)**  
CFO

# THE DÜRR GROUP

The Dürr Group is a global leader in mechanical and plant engineering with extensive expertise in automation, digitalization, and energy efficiency. Our machines, systems, and services stand for economical and sustainable production processes. In 2022, we generated 46% of our sales from the automotive industry and 37% from producers of furniture and timber houses. The remaining sales were distributed among sectors such as mechanical engineering, chemicals, pharmaceuticals, medical devices, and electrical engineering.

We operate from 123 locations in 32 countries. As of December 31, 2022, we had 18,514 employees. Our business extends globally, especially with our Dürr, Schenck, and HOMAG brands. In addition to North America and Western Europe, we are also strongly represented in the emerging markets. These accounted for 38% of our order intake and 42% of our sales in fiscal 2022. At year-end 2022, 34% of the workforce were employed in the emerging markets. Almost 2,400 employees work in Shanghai alone, including around 370 external staff.

We control the Group's global operations from our lead sites in Germany. The Dürr Campus in Bietigheim-Bissingen (approx. 2,300 employees) is the Group's corporate headquarters and also the head office of Paint and Final Assembly Systems, Application Technology, and Clean Technology Systems. From the Darmstadt location (around 515 employees), we coordinate the operations of Measuring and Process Systems. At the HOMAG Group head office in Schopfloch (approx. 1,800 employees), we manage the business activities of Woodworking Machinery and Systems.

## DÜRR SYSTEMS SUBGROUP

The Dürr Systems subgroup stands for paint shops, robot technologies for the automated application of paint, sealants and adhesives, environmental technology, final assembly, testing and filling technology, noise abatement systems and coating systems for battery electrodes, testing systems for electric and hybrid drives, and production systems for medical products.

## SCHENCK SUBGROUP

The Schenck subgroup offers balancing and diagnostic technology as well as solutions for the automated filling of refrigerators, air-conditioning systems and heat pumps with refrigerants.

## HOMAG SUBGROUP

The HOMAG Group is the world's leading supplier of woodworking machinery and systems, for example, in the production of furniture and in timber house construction.

**DÜRR GROUP: 5 GLOBAL DIVISIONS**

Paint and Final Assembly Systems	Application Technology	Clean Technology Systems	Measuring and Process Systems	Woodworking Machinery and Systems
<ul style="list-style-type: none"> <li>▪ Paint shops</li> <li>▪ Final assembly systems</li> <li>▪ Testing and filling technology for the automotive industry</li> <li>▪ Assembly and test systems for medical devices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Paint application technology</li> <li>▪ Gluing technology</li> <li>▪ Sealing technology</li> </ul>	<ul style="list-style-type: none"> <li>▪ Air pollution control</li> <li>▪ Noise abatement systems</li> <li>▪ Coating systems for battery electrodes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balancing equipment</li> <li>▪ Diagnostic technology</li> <li>▪ Industrial filling technology</li> <li>▪ Tooling systems</li> </ul>	<ul style="list-style-type: none"> <li>▪ Machinery and equipment for the woodworking industry</li> </ul>
				

The Dürr Group consists of Dürr AG and its subsidiaries. An overview of all subsidiaries and investments can be found in the [Annual Report 2022, from page 243](#).

Dürr AG has its registered offices in Stuttgart, Germany and is registered with the local court in Stuttgart, Germany (HRB 13677). Its business address is Carl-Benz-Straße 34 in 74321 Bietigheim-Bissingen, Germany. Dürr AG is one of the 100 largest listed companies in Germany and is included in the MDAX.

### BUSINESS MODEL

Our core competence is the → **engineering** of efficient production technology. We offer our customers a full range of options from individual machines to turnkey manufacturing systems. In this context, our offering in digital networking and control of production systems is becoming increasingly important. Our technologies and services are designed to help our customers achieve efficient and sustainable production by focusing on the following primary factors:

- digitalization and technological innovation
- development of material-efficient, energy-saving, and low-emission products
- planning, engineering, and order processing know-how
- a comprehensive range of services for the entire life cycle of our products
- global presence, proximity to customers in all market regions

We operate in niche markets, where we are either the market leader or among the largest suppliers, with market shares ranging from 15% to 55%. In 2022, 57% of Group sales came from mechanical engineering and 43% from plant engineering.

### SELECTED BUSINESS FIGURES

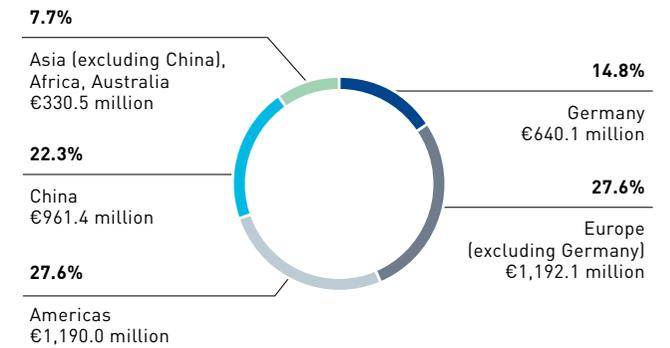
in € million	2022	2021	2020
Incoming orders	5,008.4	4,291.0	3,283.2
Sales	4,314.1	3,536.7	3,324.8
EBIT (earnings before interest, income taxes, and income from investments)	205.9	175.7	11.1
Research and development expenses	-136.5	-123.9	-107.7
Capital expenditure (net of acquisitions)	138.5	107.8	76.4
Personnel expenses	-1,316.6	-1,170.4	-1,051.9

### SALES DEVELOPMENT

Sales rose by 22.0% to a new record of €4,314.1 million in 2022. The two halves of the year were very disparate, however: While revenue recognition was initially severely hampered by supply chain constraints and the lockdowns in China, the situation gradually improved in the second half of the year. The high sales were driven by significant increases in all divisions, with double-digit growth rates achieved almost everywhere.

The highest sales of €961.4 million were generated in China, representing 22.3% of total sales. Sales in the USA amounted to €934.0 million, or 21.7%, followed by Germany with €640.1 million, or 14.8%.

### CONSOLIDATED SALES BY SALES REGION (AS OF DEC. 31)



**€ 4,314.1 MILLION**  
SALES IN 2022

# ONE VISION

In 2022, we developed a new corporate statement for the Dürr Group as part of the One Vision project. The corporate statement is an important building block for our future. The priority here is to create a common corporate culture that gives our actions both a basis and direction, and moves the Group forward as a whole.

Read more about the new corporate statement in the current [ECO magazine](#).

## VISION

With our sustainable solutions, we achieve excellence in resource efficiency in mechanical and plant engineering. For our customers, the society and the environment.

## PURPOSE

We assume responsibility for the next generation.

We combine economic efficiency and environmental sustainability in industry and craftsmanship.

Our solutions enable the safe and resource-efficient production of goods that billions of people use every day.

## MISSION

### PEOPLE

The people in our company take center stage and are the most important success factor. We offer them attractive jobs and support them in their further development and in taking on responsibility. We appreciate diversity and individuality, and we integrate everyone within the company.

### INNOVATION

Technological leadership forms the basis of our market-leading position. Developing sustainable and highly efficient production processes is an integral part of our DNA.

### CUSTOMER SOLUTIONS

We enable our customers to be successful through leading-edge solutions, future-oriented digital expertise, reliable order execution, and comprehensive service. In doing so, we focus on proximity to our customers and on the skills of our experts.

### MARKET GROWTH

Our economic success is the foundation for investments in new business fields with good opportunities for profitable growth. To this end, we focus both on our own innovations and on acquisitions.

### SUSTAINABILITY

We reduce our environmental impact and support our customers in making their production processes sustainable. In addition, we enable the manufacture of products for a climate-neutral society. We promote culture, education, and social cohesion in the areas surrounding our sites.

## VALUES

We stay **CURIOUS**.

We show **COURAGE**.

We embody **TRUST**.

We **COOPERATE** as a team.

We demonstrate **RESPECT**.

We assume **RESPONSIBILITY**.



The Dürr Group operates globally in the market through its three brands: Dürr, Schenck, and HOMAG.



# STRATEGY AND ORGANIZATION

With the 2030 Agenda adopted in 2015, the United Nations has opted for a comprehensive environmental and social reform program to take decisive steps toward sustainable development within 15 years. The 2030 Agenda contains 17 → Sustainable Development Goals (SDGs) with a total of 169 targets.

We have identified eight SDGs that map the key impacts caused by the Dürr Group's business activities and corporate strategy. Derived from this, our aim is to systematically expand our positive contribution to these goals by continuously improving our business practices and products, seizing new opportunities while effectively limiting our negative impact.



# SUSTAINABLE PRODUCTION PROCESSES FOR CLIMATE-FRIENDLY PRODUCTS

Our corporate strategy is oriented to both profitability and growth. It aims to act on opportunities in established core business as well as in new or high-growth business areas. Sustainability is becoming increasingly important as a business driver and as a guiding principle for our actions. It is therefore a central component of the corporate strategy. In the following, you will learn more about our strategic positioning as a partner for sustainable production processes and as an enabler for the manufacture of e-cars, timber houses, and other climate-friendly products. A comprehensive presentation of the corporate strategy is provided in the [Annual Report 2022, from page 30](#).

## Corporate strategy

We are strategically orienting our business activities to three primary trends that are of high relevance for our customers: sustainability, electromobility, and automation.

### Sustainability

Sustainability has emerged as the most important trend in our markets. Many customers want to reduce their ecological footprint and are looking for alternatives to fossil fuels in order to decarbonize their operations. The energy crisis, triggered by the war in Ukraine, and the demands of the climate protection movement have further intensified this reorientation. As a mechanical and plant engineering company, we are an important enabler for the sustainable transformation of production processes for our customers. Over the next few years, our expertise in energy and material efficiency will continue to grow in importance and be a central driver of our business. This is because, looking forward, operators will invest even more in the environmental and climate compatibility of their plants.

We are not only improving the sustainability of production processes but also supporting our customers by offering them technologies for the production of sustainable products for a largely CO<sub>2</sub>-neutral society. A good example is the expansion of the Construction Elements Solutions business area by our Group subsidiary HOMAG, which is one of the largest suppliers of systems for the production of construction elements for timber

houses. Building with timber is not only climate-friendly, but can also be easily automated. This is a simple means of creating affordable housing and helping to solve one of the most urgent problems faced by urban societies.

### Electromobility

Electromobility enables the compatibility of individual mobility and climate protection. We support the automotive industry in the transformation process towards e-mobility by providing efficient production facilities for the resource-saving large-scale production of battery vehicles. Electromobility clearly offers opportunities for the Dürr Group: It requires high investments by our customers in new production technologies and the conversion of existing plants. At the same time, the emergence of new producers of electric vehicles is widening our customer base. Almost half of our order intake in automotive business is already attributable to production technology for electric vehicles, and this business is expected to continue to grow in the future. Our product range – and, hence, also our sales potential – is somewhat larger for electric cars than for conventional vehicles, since we are also active in the field of battery production technology.

**Automation**

Automation ensures the future viability of production companies in the face of increasingly pressing shortages of skilled labor. We are continuing to expand our position in this area, and are specifically tapping into industries in which particularly high-performance automation solutions are required due to the large quantities and high quality requirements involved. Examples include the high-speed production of medical technology plastic products, automated test stands for electric motors, and the production of solar modules.

**STRATEGIC FIELDS AND ENABLERS**

We have identified five strategic fields that are critical for achieving our goals and expanding our leadership in the global market: glocal (global/local), technology leadership, digitalization, efficiency, and life cycle services. We have also defined four enablers, i.e. supporting functions, which are particularly important for the successful implementation of the strategy: These are mergers & acquisitions, sustainability management, finance management, and people development. The following paragraph provides information on sustainability management. An overview of all strategic fields and enablers is provided in the [Annual Report 2022, from page 32](#).

**Sustainability management as an enabler**

We are increasingly being guided by the principles of sustainable business in order to do justice to our responsibility toward society and the environment as well as the requirements of customers, investors, employees, and other → **stakeholders**. At the same time, we are convinced that, as a partner for sustainable production processes, we only have credibility if we, for our part, act responsibly. The expansion of sustainability management within the Group ensures that we meet regulatory and stakeholder requirements and are one of the leading companies in our industry in terms of sustainability. For further information, please refer to the → **“Sustainability management”** section.

**STRATEGIC FIELDS AND ENABLERS**



GLOCAL	TECHNOLOGY LEADERSHIP	DIGITAL@DÜRR	EFFICIENCY	LIFE CYCLE SERVICES
<ul style="list-style-type: none"> <li>Global business with local supply chain</li> <li>Strong regional setup (Europe, Asia, North America)</li> </ul>	<ul style="list-style-type: none"> <li>Most efficient &amp; sustainable products</li> <li>Rethinking production processes</li> <li>Highest quality</li> </ul>	<ul style="list-style-type: none"> <li>Software as differentiator</li> <li>From smart apps to MES and whole ecosystems</li> <li>Internal digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>Drive synergies, esp. scale, processes</li> <li>Lean and agile organization</li> <li>Optimize global footprint</li> </ul>	<ul style="list-style-type: none"> <li>Leverage vast installed base</li> <li>Whole range of consulting, training, support</li> <li>Predictive &amp; fast</li> <li>&gt; 30% of sales</li> </ul>

**5% – 6%**  
CAGR SALES REVENUE

**≥ 8%**  
BY 2024 EBIT MARGIN

**≥ 25%**  
BY 2024 ROCE

<b>Enablers:</b>	<b>Mergers &amp; Acquisitions</b>	<b>Sustainability Management</b>	<b>Finance Management</b>	<b>People Development</b>
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**Sustainability approach**

We take a holistic view of the topic of sustainability. Five fields of action form the structure for sustainability management in the Dürr Group. Our economic activities are consistent with environmental and social issues as well as responsible corporate governance.

**Management and governance**

Our corporate activities are focused on profitable growth and on future-oriented business areas and sectors. In the process, we observe the principles of good → **corporate governance**.

**Products and services**

As a global innovation and technology leader, we develop low-consumption and low-emission products for various industrial sectors. As a partner, we support our customers in making their production processes sustainable and reducing their ecological footprint.



**Value creation and supply chain**

In our own business operations, we consistently pursue measures to reduce our environmental footprint. At the same time, we focus on a transparent and sustainable supply chain.

**Employees and qualification**

Our company considers itself an attractive and fair employer that offers its employees a wide range of opportunities for career development and advancement.

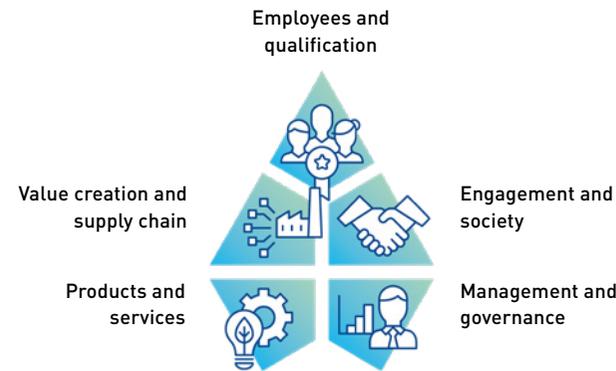
**Engagement and society**

We contribute to society through social engagement, partnerships, and participation in global sustainability initiatives.

The holistic approach of our sustainability activities and the five fields of action are reflected as segments of a leaf in our “Dürr Group Sustainability” logo. For each field of action, we have defined strategic goals (→ “Sustainability goals”).



**OUR FIVE FIELDS OF ACTION**



**Materiality analysis**

In order to determine which sustainability topics are particularly relevant for the Dürr Group and its → **stakeholders**, we carried out a comprehensive → **materiality analysis** in the year 2020. The business criticality of various non-financial matters was determined on the basis of discussions with specialized departments, interviews with managers and a management workshop. In addition, the importance of the topics was analyzed from the perspective of selected stakeholders. For this purpose, we held 20 internal discussions with responsible persons from the Investor Relations and Sales departments of the various divisions. In addition, we conducted an international survey of a representative sample of employees, in which 360 persons

participated. We compared the results from this internal survey with the views of various stakeholders based on a media analysis. At the same time, we assessed the impact of our business activities on the economy, the environment and society, and had them validated by external sustainability experts.

In 2021, we further specified our materiality analysis. Since then, we have classified the issue of environmental and climate protection as material. The change comes as environmental protection – in particular climate protection – has continued to grow in importance in politics, business and society, and in the perception of our stakeholders. In addition, we see a higher relevance of the topic of “sustainable supply chain” for our stakeholders, especially against the backdrop of the German [Supply Chain Due Diligence Act \(LkSG\)](#), which came into force on January 1, 2023. In 2023, we will comprehensively revise our materiality analysis with regard to the requirements of the → [Corporate Sustainability Reporting Directive \(CSRD\)](#). With the involvement of various stakeholders, we will create the basis for the selection of our key sustainability issues and thus for the further development of our sustainability management.

The following materiality matrix illustrates our 20 sustainability topics that we currently consider important, their allocation to the five fields of action, their relevance from a stakeholder perspective, and their impact on the economy, the environment, and society.

**MATERIALITY MATRIX 2022**



**Management and Governance**

- 1 Compliance and anti-corruption
- 2 Profitable growth and financial stability
- 3 Sustainable businesses
- 4 Privacy protection and information security
- 5 Corporate governance
- 6 Emergency management and crisis management



**Products and Services**

- 7 Sustainable products and systems
- 8 Life cycle services
- 9 Digitalization and automation
- 10 Technology and innovation leadership
- 11 Customer satisfaction and relationships



**Value Creation and Supply Chain**

- 12 Sustainable supply chain
- 13 Environmental and climate protection



**Employees and Qualification**

- 14 Attractive employer and fair working conditions
- 15 Health and safety
- 16 People development and further training
- 17 Global collaboration and diversity



**Engagement and Society**

- 18 Association work and partnerships
- 19 Global initiatives and commitment
- 20 Donations and sponsorship

○ **material topics in keeping with Section 289c of the German Commercial Code (HGB)**

# Sustainability management

## CORPORATE SUSTAINABILITY

The Corporate Sustainability (CS) department bundles and coordinates sustainability activities in the Dürr Group. CS provides an interface for → ESG issues between the different specialist departments. These include in particular environmental and climate protection, sustainable products and services, sustainable supply chain, human rights, employee concerns, occupational safety, and social commitment. The CEO of Dürr AG, Dr. Jochen Weyrauch, has overall responsibility for CS. The department supports the Board of Management in developing and establishing company-wide structures and processes for sustainability management. This includes the implementation of the sustainability approach, the alignment of Group-wide sustainability goals and the coordination of corresponding measures.

## SUSTAINABILITY COUNCIL

The Sustainability Council is the central decision-making body for sustainability issues in the Dürr Group. Its members adopt sustainability strategies and objectives, track the Group's progress toward meeting them and support the implementation. In 2022, the group of participants was expanded to include representatives from the three areas of Distribution Logistics, Corporate Accounting & Controlling, and Corporate Internal Audit & Internal Controls. The CEO of Dürr AG chairs the Sustainability Council.

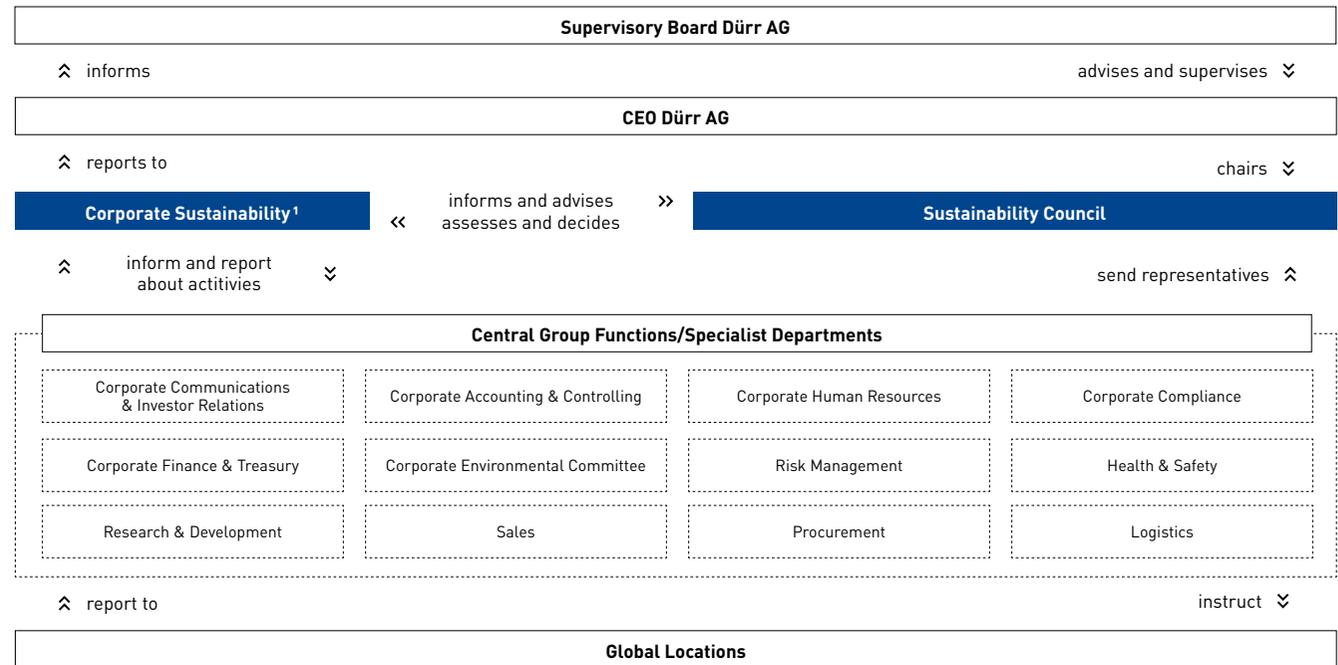
The Sustainability Council last met in November 2022. Topics on the agenda were climate protection, human rights, responsible supply chain, and green corporate finance. The participants were given an overview of which climate protection measures have already been successfully implemented and which are in the

planning stage. In addition, the [Sustainable Finance Framework](#), measures to implement the German Supply Chain Due Diligence Act (LkSG), and the Dürr Group's new Human Rights Officer were presented. For the year 2023, two meetings of the Sustainability Council are planned. The main topics will be the new reporting requirements of the CSRD, the implementation of the climate strategy, and due diligence obligations under the Supply Chain Act.

The Supervisory Board advises and supports the Board of Management on sustainability issues and appointed one of its members, Dr. Anja Schuler, as a sustainability expert.

The Sustainability Council invites the sustainability expert to its meetings on a case-by-case basis. The members of the Supervisory Board and the Sustainability Council attended a sustainability-specific training seminar in June 2022, thus enhancing their relevant competencies. For July 2023, an internal further training seminar on future sustainability reporting is planned. In addition, some Supervisory Board members took part in various external training events, including on the topics of EU Taxonomy and the Supply Chain Act.

### RESPONSIBILITY AND ORGANIZATION IN THE AREA OF SUSTAINABILITY



<sup>1</sup> The Human Rights Officer is part of the Corporate Sustainability department and reports directly to the Board of Management of Dürr AG.

## Sustainability opportunities and risks

Our strategy is to manage the risks associated with our entrepreneurial actions so as to achieve a balanced ratio to the opportunities. To this end, we make use of a risk management system that also integrates various sustainability aspects. It is deployed throughout the Group, tailored to the global mechanical and plant engineering business and covers all specific risks, provided they are identifiable and sufficiently concrete and exceed a certain materiality threshold. Non-quantifiable strategic risks are recorded separately. Further information on the Dürr Group's risk management system can be found in the [Annual Report 2022, from page 104](#).

### TRANSITORY OPPORTUNITIES AND RISKS

The reduction of greenhouse gases and adaptation to global warming mainly offer opportunities for the Dürr Group in new or growing market segments. For example, we offer technologies for manufacturing products that play an important role in the transition to a largely CO<sub>2</sub>-neutral society. Examples include production systems for electric cars or elements for timber house construction. At the same time, we see an opportunity for our business in the increasing demands of our customers for energy-efficient and resource-saving production technologies.

Conversely, these developments may also lead to risks. In the short term, stricter norms and standards will have an impact on our business. Potential emission limits, CO<sub>2</sub> pricing or the introduction of a Europe-wide CO<sub>2</sub> limit offset, as well as rising costs for energy and raw materials are potential risks that we are monitoring closely. If required, we take appropriate measures.

Potential and actual human rights risks exist in our supply chain and within our own business area. Against the backdrop of the new Supply Chain Act, we have expanded our risk management system. We identify, assess, and prioritize human rights and environmental risks on an annual basis and when circumstances require. We derive prevention and remediation measures from our risk analysis in order to respect human rights and to prevent violations. For more information on dealing with human rights risks, please refer to the → [“Sustainable supply chain”](#) and → [“Attractive employer and fair working conditions”](#) sections.

We are adapting to the increasing requirements for transparency in sustainability reporting. Among other things, we are intensifying our sustainability communication with the capital market and on our website, and we are also expanding our sustainability reporting. In 2021, we reported for the first time on taxonomy-aligned sales revenue, capital expenditures (CapEx), and operating expenses (OpEx) in accordance with the requirements of the → [EU Taxonomy](#), thus positioning ourselves as a pioneer. We continued reporting in 2022 and improved our internal processes for the collection of performance indicators. However, we continue to take a critical view on the fact that the EU Taxonomy, which is part of the European Union's → [Green Deal](#), leads to greatly increased administrative expenditure, as it requires extensive collection of information and key figures on “green” business activities. For further information, please refer to the → [“Pioneer in EU Taxonomy”](#) section. In 2023, we will create the preconditions for reporting in accordance with the new CSRD, the application of which will be mandatory for the Dürr Group from 2024. In order to meet the new reporting requirements, we will review our existing responsibilities, processes and structures, and adapt them, if necessary.

### PHYSICAL ENVIRONMENTAL AND CLIMATE RISKS

We have already identified potential harm to relevant locations due to physical climate risks by means of climate scenario and vulnerability analyses in the past. We updated them in the 2022 fiscal year based on data from the Intergovernmental Panel on Climate Change (IPCC). The analyses are based on the → [Shared Socioeconomic Pathway \(SSP\) scenarios](#) SSP245 and SSP585 and include short-, medium-, and long-term climate hazards. Identified local damage potential was checked for relevance and, if necessary, mitigation measures were initiated and documented. In 2023, we started to extend the analysis of physical climate risks to further Dürr Group locations and to assess the damage potential with the support of an insurer. In the process, we systematically considered, among other things, climate-related risks that may arise from floods, tropical cyclones, rising sea levels, weather-related fire hazards, extreme aridity and droughts, heat stress, and extreme precipitations.

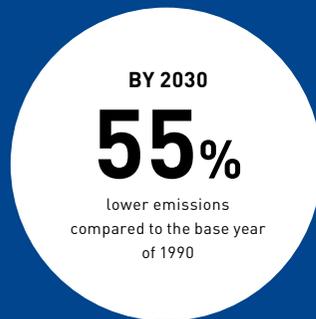
For the fiscal year 2023, we plan to improve the analysis and disclosure of climate-related aspects in accordance with → [TCFD recommendations](#) in order to meet the increasing requirements of the financial market. Our medium-term goal is to extend the analysis to the entire value chain. This enables us to even better assess the impact of climate risks on our business processes.

# Climate strategy

The Dürr Group is committed to the European Green Deal and therefore adopted a comprehensive climate strategy in 2021.

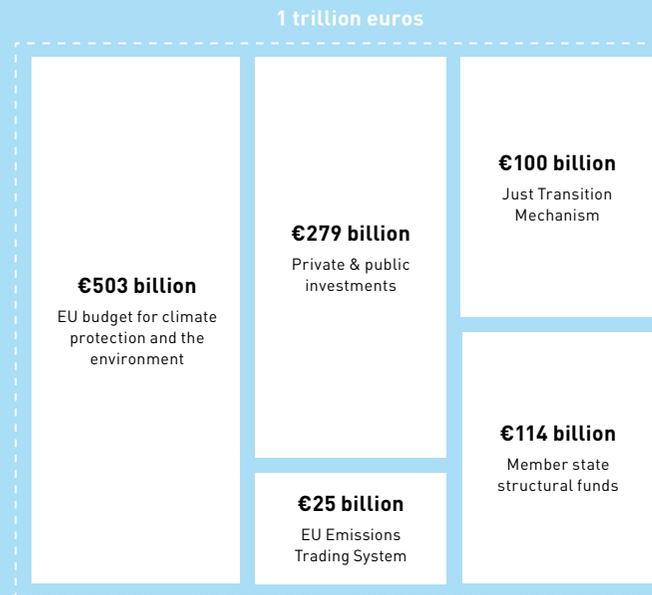
## THE "FIT FOR 55" PACKAGE

The EU wants to make its laws fit for the new climate targets through new and reformed directives and regulations.



## 1 TRILLION EUROS FOR CLIMATE PROTECTION

A third of the investments from the NextGenerationEU recovery package and from the EU's seven-year budget will go toward the Green Deal. Added to that are resources from other funds. In total, the economy has funding worth just over one trillion euros available for climate protection.



## MAKING EUROPE CLIMATE-NEUTRAL BY 2050

The European Green Deal is designed to strengthen Europe and support a fair, competitive, and ecological transformation. It comprises eight fields of action:



## THE FAST ROUTE TO CLIMATE PROTECTION

- EU milestones
- Dürr Group milestones



## OUR 2030 CLIMATE STRATEGY

The Dürr Group has used sound, standardized approaches for developing its climate strategy. We have thus created transparency, defined targets and had them scientifically validated. This has allowed us to derive the necessary measures. Our credo: invest rather than compensate.

### FIVE PILLARS FOR CLIMATE PROTECTION

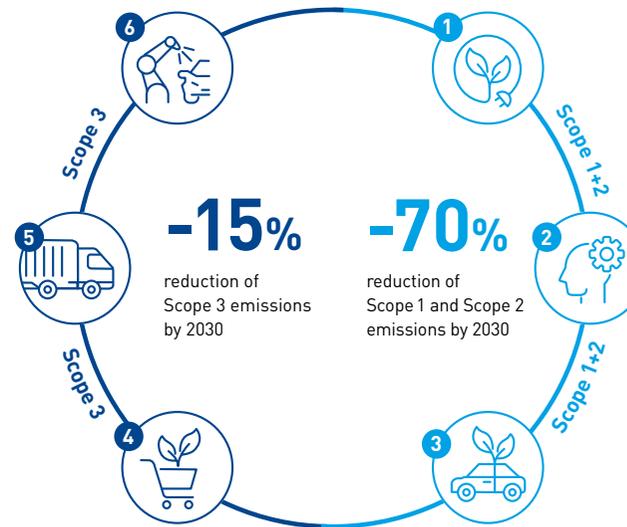
The Dürr Group is fully committed to its responsibility for climate protection.

<h1>1</h1> <p>We are committed to the decisions of the <b>Paris Climate Agreement</b>.</p>	<h1>2</h1> <p>Application of the <b>Greenhouse Gas Protocol</b> as a standardized approach for calculating emissions</p>
<h1>3</h1> <p>Validation of targets by the <b>Science Based Targets initiative (SBTi)</b></p>	<h1>4</h1> <p>Science-based climate strategy in line with the <b>1.5°C target</b></p>
<h1>5</h1> <p><b>Invest rather than compensate.</b> As things stand today, climate certificates are no option.</p>	

### OUR MEASURES FOR DECARBONIZATION

There are six levers for a significant reduction of emissions from our own business activities (Scope 1 and 2) as well as from the upstream and downstream value chain (suppliers, logistics, and products, Scope 3).

- 6 Products**
  - Sustainable products**  
Increase of resource and energy efficiency of our customers
  - Green sources**  
Switch from fossil to green energy sources
  - Green portfolio**  
Enabler for e-mobility and solid wood construction
- 5 Logistics**
  - Transport modes**  
Shift toward green modes of transport
  - Order placement**  
CO<sub>2</sub> footprint as basis for order placements
- 4 Procurement**
  - Supplier training**  
Supplier training on environmental goals
  - Supply chain finance program**  
Financial incentives for green suppliers



- 1 Energy**
  - Green electricity**  
100% at all locations worldwide by 2023
  - Energy efficiency**  
1–2% p.a. increase of energy efficiency
  - Self-generation of electricity**  
Investments in photovoltaic systems
- 2 Awareness**
  - Idea collection**  
Employee involvement and rewards
  - Communication**  
Internal and external stakeholder dialog
- 3 Mobility**
  - Company fleet**  
CO<sub>2</sub>-neutral fleet in Germany by 2030
  - Staff commuting**  
Offers to incentivize emission reductions

<p><b>June 2021</b> The European Climate Law comes into force.</p>	<p><b>July 2021</b> Package of proposals on the climate-friendly restructuring of the European economy. The EU Parliament and the member states agree on a legislative package.</p>	<p><b>from June 2021</b> The consumption data already available forms the basis for further data collections, analyses, and calculations in accordance with the Greenhouse Gas Protocol.</p>	<p><b>November 2021</b> Dürr presents the Group-wide 2030 climate strategy, sets ambitious, science-based targets, and takes comprehensive measures to reduce greenhouse gas emissions.</p>	<p><b>January 2022</b> The Dürr Group's climate targets are validated and approved by the Science Based Targets initiative (SBTi).</p>	<p><b>by December 2023</b> Global switch to green energy</p>	<p><b>by 2030</b> The EU is to reduce its emissions by at least 55% compared to 1990.</p>	<p><b>by 2030</b> A zero-emission vehicle fleet is to be in use at the German sites. Scope 3 emissions are to be cut by 15%, and Scope 1 and Scope 2 emissions by 70%.</p>	<p><b>by 2050</b> Climate neutrality</p>	<p><b>by 2050</b> Climate neutrality</p>
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## OUR CLIMATE PROTECTION MEASURES AT A GLANCE

In 2022, our focus was on implementing the Group-wide climate strategy. We implemented measures to reduce greenhouse gas emissions at numerous sites in Germany and abroad. This has already enabled us to make an important difference in a short time and significantly improve our environmental footprint: Compared with the previous year, Scope 1 and Scope 2 emissions fell by 43%, and by as much as 51% compared to the base year 2019.

### ENERGY

#### Purchase of green electricity

In 2022, we converted the locations in Germany, India, Canada, Mexico, Brazil, and the United States to green electricity. All other sites will follow in 2023.

#### Purchase of green gas

We have been using natural gas as a transitional solution for supplying heat in Germany. This has been made carbon-neutral since the beginning of 2022 by means of externally audited certificates from our energy supplier. However, our goal is to gradually minimize gas consumption and switch to alternative technologies. For example, at our site in Holzbronn (Germany), we began replacing the existing heating system with air-source heat pumps in May 2023.

#### Energy efficiency

We are further reducing our energy requirements by refurbishing existing buildings to improve energy efficiency and by converting lighting, heating, compressed air, ventilation, and air conditioning to low-consumption technology. At our German sites in Lemgo and Herzebrock, for example, we installed daylight control systems, in Beinasco (Italy) modern heating systems were installed, and in Darmstadt (Germany) we continued roof renovations on older factory buildings as planned.

#### Renewable energy generation

In 2022, factory and office buildings in Bietigheim-Bissingen, Schopfloch and Holzbronn as well as Barcelona (Spain) were equipped with photovoltaic systems. In the spring of 2023, we put further plants into operation in Lemgo and Port Elizabeth (South Africa). In the second half of 2023, photovoltaic systems will be installed at further locations in Germany. This is expected to increase the total installed capacity of all photovoltaic systems in the Dürr Group to approximately 5.0 MWp by the end of 2023.

2,669

MWH OF ELECTRICITY

were generated by our photovoltaic systems worldwide in 2022.

~70%

of which was used for our own consumption.



Photovoltaic system in Schopfloch



Solar filling station in Freiberg

#### Solar filling station at Teamtechnik

The Group subsidiary Teamtechnik not only supplies assembly and function testing systems for e-mobility components, but has also been focusing on sustainability in its internal operations for a long time. There has been a self-sufficient solar filling station for over 10 years at the headquarters in Freiberg am Neckar: Over 450,000 kilowatt hours of green energy are generated annually via the photovoltaic systems on the hall roofs and stored in a high-performance battery, which supplies the charging points for the fleet's more than 20 hybrid and e-vehicles.



### Energy summit Holzbronn

Sustainable construction and a clean, secure energy supply: These topics were the focus of the first in-house energy summit in July 2022. A cross-location team consisting of responsible persons from facility management, sustainability, and corporate security exchanged views on technologies for regenerative energy generation, energy-efficient building technology, and corresponding building standards. Another meeting was held in November 2022. The team discussed the conditions for the use of wind power together with representatives of the relevant authorities.

### Sustainable construction

In new construction projects, we use energy-efficient building technology and the sustainable building material wood, wherever possible. In 2023, we will adopt a corresponding Europe-wide guideline for sustainable construction in the Dürr Group.

## MOBILITY

### Expansion of the charging infrastructure

We further expanded the charging infrastructure for battery-powered vehicles at our sites in 2022. Charging stations for electric company cars went into operation in many places, for example in Bietigheim-Bissingen, Püttlingen, Herzebrock, Pfalzgrafenweiler, Lemgo and Schopfloch. The charging stations are often also available to our employees for charging their private vehicles. Since the beginning of 2023, parking spaces with charging facilities have also been available for the e-bikes and e-scooters of our employees at the Bietigheim-Bissingen site.

Charging station in Bietigheim-Bissingen

### Electric vehicle fleet

In 2022, we updated our Germany-wide company car policy, which accelerates the switch to fully electric vehicles. By 2030 at the latest, we will gradually convert the entire fleet of company vehicles in Germany to alternative power trains.



## AWARENESS

### Communication

We continuously strengthen the environmental and climate awareness of our employees through information and reporting on the intranet. We use training to raise awareness of the topic of sustainability among new employees and prospective managers.



“denkBAR” (“Thinking Bar”) meeting point on the campus in Bietigheim-Bissingen

### Collection of ideas

For three days in November 2022, the Dürr Group focused on ideas for environmental and climate protection. More than 700 employees throughout Germany took part in a so-called Ideation Jam. A total of 350 ideas for more sustainability in the product range and at our locations were submitted, discussed and further developed during the online brainstorming session. Some suggestions are already being implemented, including the installation of motion detectors for energy-saving lighting control in Püttlingen and the use of mugs instead of disposable cups in Darmstadt. We tied the campaign to a fundraiser to promote climate-resilient forests: We provided €17,500 to protect 35,000 m<sup>2</sup> of native forest from the effects of climate change.

**-51%**

fewer Scope 1 and Scope 2 emissions than in 2019

**-12%**

lower energy intensity than in 2021

**9 times**

more green electricity sourced than in 2021

## THE COMMON TARGET IS 1.5°C

Climate change is one of the greatest and most pressing challenges of our time. Global warming of more than 1.5°C above pre-industrial levels would result in significant risks and irreversible damage to our natural habitats, ecosystems and biodiversity.

For that reason, the global community has set itself a clear climate protection target with the adoption of the → **Paris Climate Agreement**: Global warming must be limited to well below 2°C, preferably to a maximum of 1.5°C. This requires politics, business, and society to act in a united, fast and effective manner.

## AMBITIOUS CLIMATE STRATEGY WITH SCIENCE-BASED TARGETS

We also take responsibility for the future of our planet: In November 2021, we adopted a climate strategy with ambitious, science-based climate protection targets. The fact that we have thus embarked on the right path, including from the perspective of climate science, was confirmed in January 2022 by the → **Science Based Targets initiative (SBTi)**. The SBTi examines the effectiveness of reduction targets based on the latest scientific findings. According to the SBTi, the Dürr Group's climate targets contribute to achieving the → **1.5°C target** – and can thus be officially designated as "Science Based Targets." In addition, we have underscored our commitment by signing the **Business Ambition for 1.5°C** and participating in the global **Race to Zero** initiative. Over the next two years, we plan to review our climate strategy and climate targets in light of the latest climate science findings and adjust them as necessary.

## COMPREHENSIVE GREENHOUSE GAS BALANCE IN ACCORDANCE WITH THE GREENHOUSE GAS PROTOCOL

The basis of our climate strategy is a greenhouse gas balance drawn up in 2021 in accordance with the requirements of the → **Greenhouse Gas Protocol (GHG Protocol)**. The GHG Protocol is the world's leading standard for carbon accounting and classifies greenhouse gas emissions into three so-called scopes:

**Scope 1** comprises all direct emissions generated by fuel combustion in our own facilities. This also includes the emissions of our global vehicle fleet.

**Scope 2** are all emissions associated with the purchase of energy, such as electricity and district heating.

**Scope 3** includes emissions from the upstream and downstream value chain.

→ **Greenhouse gases** are atmospheric gases that trap heat in the atmosphere, thus contributing to the increase in global average temperature. Their respective → **Global Warming Potential (GWP)** indicates the impact of greenhouse gases on the climate compared to the impact of carbon dioxide. In order to improve comparability, all greenhouse gas emissions were converted into so-called → **CO<sub>2</sub> equivalents (CO<sub>2</sub>e)**.

## GLOBAL CLIMATE PROTECTION INITIATIVES



We describe the methodology and our approach to carbon accounting in detail in our ["Methodology Paper"](#).

## SCOPE 1 AND SCOPE 2

### Information on greenhouse gas emissions

The Scope 2 emissions published are based on specific information provided by our energy suppliers (market-based).

Compared to the previous year, our Scope 1 and Scope 2 emissions decreased by 43%. Compared to the 2019 base year, the decrease was 51%, thus exceeding our target of a 40% reduction compared to 2019. A key reason for the significantly lower CO<sub>2</sub> emissions in 2022 was the improved energy mix with reduced use of fossil fuels and a higher proportion of green electricity. By switching to green electricity at our German sites, we have saved around 70% of CO<sub>2</sub>e emissions on a comparable basis (→ market-based vs. → location-based) in 2022. Since 2021, we have had our Scope 1 and Scope 2 emissions validated by independent auditors as part of a limited assurance review.

### KEY FIGURES FOR CO<sub>2</sub>e EMISSIONS IN SCOPE 1 AND SCOPE 2

	2022	2021	Change compared to previous year in %	Change compared to the base year (2019) in %
<b>CO<sub>2</sub>e emissions (in t)</b>				
Scope 1: Direct emissions (heating oil, gas, and vehicle fleet)	17,825	25,553	-30.2	-36.4
Scope 2: Indirect emissions <sup>1</sup> (electricity, district heating)	9,937	22,819	-56.5	-65.3
<b>Total Scope 1 and 2 emissions</b>	<b>27,762</b>	<b>48,372</b>	<b>-42.6</b>	<b>-51.0</b>

<sup>1</sup> Market-based: Calculation based on specific information from our energy providers. Scope 2 emissions calculated using the location-based emission factors: 29,892 tons of CO<sub>2</sub>e

### KEY FIGURES FOR CO<sub>2</sub>e INTENSITY IN SCOPE 1 AND SCOPE 2

	2022	2021	Change compared to previous year in %	Change compared to the base year (2019) in %
<b>CO<sub>2</sub>e intensity (in t per €1 million in sales)</b>				
Scope 1: Direct emissions (heating oil, gas, and vehicle fleet)	4.1	7.2	-42.8	-42.2
Scope 2: Indirect emissions <sup>1</sup> (electricity, district heating)	2.3	6.5	-64,3	-68,5
<b>Total Scope 1 and 2 emissions</b>	<b>6.4</b>	<b>13.7</b>	<b>-52.9</b>	<b>-55.5</b>

<sup>1</sup> Market-based: Calculation based on specific information from our energy providers

### Our goal: 70% fewer emissions in Scope 1 and Scope 2

In our climate strategy, we have set ourselves the target of reducing the environmental footprint of our own locations, i.e. our Scope 1 and Scope 2 emissions, by 70% by 2030 compared to the 2019 base-year level. This is to be achieved primarily by investing in climate-friendly technologies and buildings, by switching completely to electricity from renewable energy sources, and by generating our own renewable energies. Because: The guiding theme of our new climate strategy is "invest rather than compensate." Instead of compensating emissions by payments, we prefer to invest in climate-friendly technologies such as photovoltaics in order to minimize greenhouse gas emissions. Selected measures to reduce our Scope 1 and 2 emissions are presented in the section entitled → "Our climate protection measures at a glance".

**“INVEST RATHER THAN COMPENSATE”**

IS THE GUIDING THEME OF OUR CLIMATE STRATEGY

**SCOPE 3**

**Information on greenhouse gas emissions**

We identified the most relevant Scope 3 categories for the Dürr Group in a materiality analysis. On this basis, greenhouse gas emissions were calculated in detail for the following categories: 3.1 Purchased goods and services, 3.4 Upstream transportation and distribution, 3.6 Business travel, 3.7 Employee commuting, and 3.11 Use of sold products. For the remaining categories, we have made assumptions and estimates.

~80%

OF GREENHOUSE GAS EMISSIONS WERE ATTRIBUTABLE TO THE USE PHASE OF OUR PRODUCTS IN 2022

In 2022, the Dürr Group’s Scope 3 emissions amounted to around 6.5 million metric tons of CO<sub>2</sub>e, 20.2% below the value in the 2019 base year. 79.7% of greenhouse gas emissions were attributable to the use phase of our products (base year 2019: 88.3%). At 17.7%, the share of upstream emissions from the purchase of goods and services was significantly lower than the share from the use phase, but has shown a disproportionate increase compared to the purchase volume since the base year (9.9%). Greenhouse gas emissions from the transportation and distribution of goods contributed 1.5% of Scope 3 emissions in 2022 (base year 2019: 1.0%).

Indirect emissions from the use of sold products (Scope 3.11) are subject to significant fluctuations, as they depend on the technical parameters and climatic conditions of the location of a few large-scale projects. On average, approximately 77% of the Dürr Group’s Scope 3 emissions are attributable to equipment in painting technology as well as in exhaust air and waste gas purification. In contrast, machines and systems in the final assembly, medical technology, balancing and diagnostic technology, and woodworking technology business areas are less emissions-intensive and show lower annual fluctuations. In 2022, greenhouse gas emissions from the use of our sold products were reduced in all divisions. One of the reasons for this was the increased demand from our

customers for low-emission technologies. In addition, relatively few large-scale paint shops were commissioned, so that absolute emissions in the paint shop sector were reduced by around one third.

Indirect emissions related to purchased goods and services (Scope 3.1) increased by around 43% compared to the 2019 base year. The disproportionate increase in greenhouse gas emissions compared to the purchasing volume (just under 20%) is due to the higher procurement share of emission-intensive materials and supplier parts in 2022.

We continue to regard emissions from the disposal and treatment of sold products at the end of their life cycle as not material. Life cycle greenhouse gas balances for representative products have shown that only very low emissions are generated during the disassembly of our machines and systems. Our machines and systems are mainly made of steel, aluminum, and copper. This usually ensures a high level of recyclability. We have therefore refrained from calculating these emissions separately in 2022 as well.

For further details on CO<sub>2</sub>e emissions, please refer to our [Methodology Paper](#).

**KEY FIGURES FOR CO<sub>2</sub>e EMISSIONS IN SCOPE 3<sup>1</sup>**

	2022	2021	Change compared to previous year in %	Change compared to the base year (2019) in %
<b>CO<sub>2</sub>e emissions (in t)</b>				
3.1 Purchased goods and services	1,149,959	1,032,276	11.4	43.0
3.2 Capital goods	40,788	33,183	22.9	76.6
3.3 Fuel and energy-related emissions (not included in Scope 1 or Scope 2)	8,955	7,690	16.5	31.6
3.4 Upstream transportation and distribution	94,391	92,439	2.1	16.4
3.5 Waste	238	225	5.6	-8.9
3.6 Business travel	10,072	6,219	62.0	-46.0
3.7 Employee commuting	11,483	6,774	69.5	-40.3
3.11 Use of sold products	5,163,031	7,090,053 <sup>2</sup>	-27.2	-27.9
<b>Total Scope 3 emissions</b>	<b>6,478,917</b>	<b>8,268,860</b>	<b>-21.6</b>	<b>-20.2</b>

<sup>1</sup> The main sources for emission factors for the conversion of activity data (energy consumption) into CO<sub>2</sub>e emissions are the German Association of the Automotive Industry (VDA), the International Renewable Energy Agency (IRENA), the Department of Business, Energy and Industrial Strategy (DBEIS), the Department for Environmental, Food & Rural Affairs (DEFRA), the Climate Action Tracker (CAT), the European Environmental Agency (EEA) and the German Association of Freight Forwarding and Logistics (DSLVL).

<sup>2</sup> Adjustment due to changes in the date of initial commissioning for selected machines and systems.

**Our goal: 15% fewer emissions in the upstream and downstream value chain (Scope 3)**

As a machine and plant manufacturer, our greatest leverage for reducing greenhouse gas emissions is to reduce the energy consumption of our machines and systems in the use phase. In our climate strategy, we have set ourselves the target of reducing emissions from the upstream and downstream value chain by at least 15% by 2030 compared to the base year 2019. This depends to a large extent on the willingness of customers to use the resource-conserving, energy-efficient and low-emission technologies offered by us. In addition, emissions from our machines and systems can be reduced considerably if → **green electricity** instead of gas and conventional electricity is used for operation. Therefore, the electrification of our products is one focus of our R&D agenda.

In the future, we also intend to increasingly work toward climate protection with our suppliers (upstream supply chain). We are working on a Group-wide concept to take the environmental impact of our suppliers into account in the purchasing processes. For high-risk suppliers, we use self-assessment questionnaires throughout the Group that include, among others, information on environmental management certification. Furthermore, all suppliers of the Dürr Group are contractually obliged to comply with environmental laws and standards, based on our Supplier Code of Conduct. In addition, potential high-risk suppliers have been required to complete an e-learning module on the topic of sustainability

since 2022. Among other things, it provides information on the Dürr Group's climate strategy and our expectations from business partners regarding compliance with environmental and climate protection standards. From 2023, the concept is to be complemented by a program that offers financial incentives for business partners using climate-friendly processes.

In the logistics division, we plan to change the calculation of greenhouse gas emissions from the → **spend-based method** to the more accurate → **distance-based method** in 2023. To that end, we established a process in 2022 for measuring and analyzing the greenhouse gas emissions generated by logistics processes. In the future, it will be used to report the transportation emissions per project and customer order at the German locations of the Dürr Systems subgroup. We also defined approaches to more climate-friendly logistics, which are to be translated into concrete measures from 2023. For example, transport by air freight is to be avoided wherever possible and low-emission means of transport are to be chosen. The carbon footprint of logistics partners will also play a role when awarding future contracts. Furthermore, we plan to establish a Code of Conduct for our transport service providers and develop a strategy for more sustainable packaging by 2024.



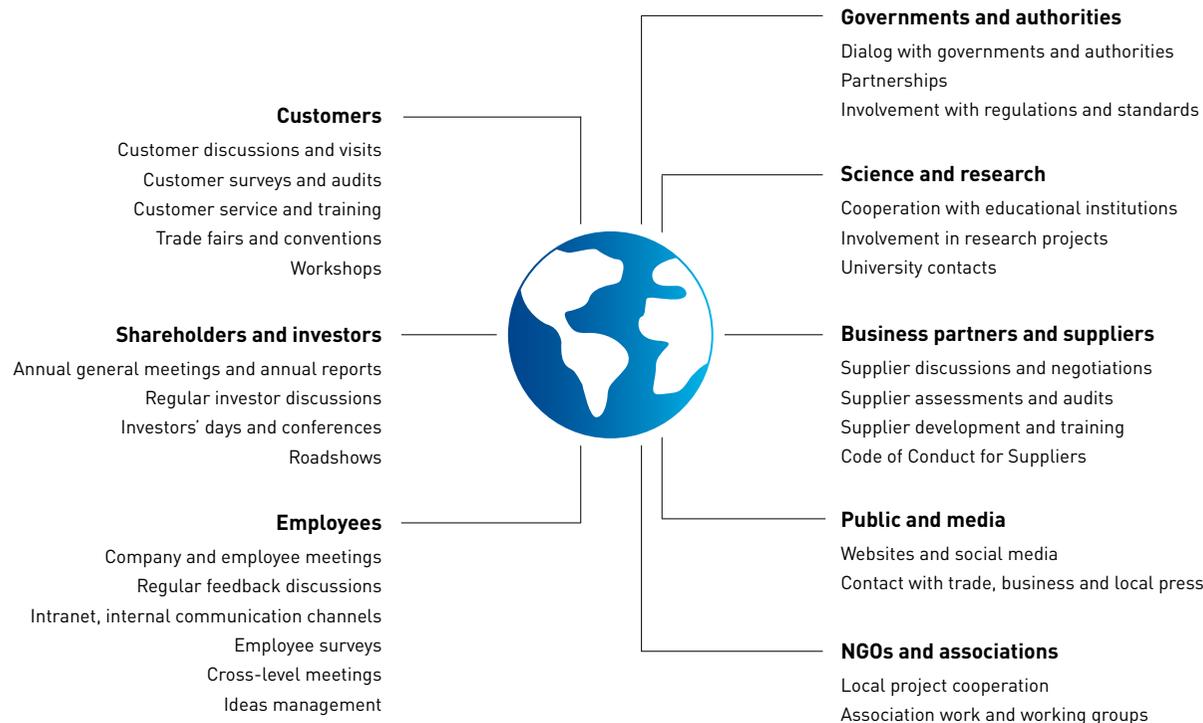
We save no  
**energy,**  
we save no  
**time,**  
we save no  
**resources...**  
when it comes to  
what truly counts:  
**climate  
protection.**

**WE TAKE RESPONSIBILITY** With our 2030 climate strategy, we want to help achieve the 1.5°C target set out in the Paris Climate Agreement. Keen to find out how?

[Discover more now.](#)

## Dialog with stakeholders

### STAKEHOLDER ENGAGEMENT



Within the scope of our business activities, we engage in a lively exchange of views with various → **stakeholders** in society. We rely on strong relations based on a spirit of mutual trust with our stakeholders in order to identify their expectations in a timely manner and prepare for changes. We consider representatives of groups on whose satisfaction we are particularly dependent for the success of our company to be strategically important stakeholders. These include primarily:

- Employees
- Customers
- Business partners and suppliers
- Shareholders and other investors, lenders

Our stakeholders also include governments and authorities, local residents, the media, science and research, and selected → **non-governmental organizations (NGOs)**. Our stakeholders' expectations are diverse and differ depending on the group.

We are in contact with our stakeholders through various channels and with varying frequency. Employees are involved via the intranet as well as company and employee meetings, and communicate with the company management in the form of breakfast meetings and often also on an informal basis. We also regularly conduct a detailed employee survey, asking them about their satisfaction within the company. The next global survey will take place in the fall of 2023. In October 2022, we also introduced a uniform ideas management system under the name of "Spark", which strengthens exchange across departments and locations, and opportunities for employees to participate. For more information, please refer to the → "**Employees and Qualification**" chapter.

Customers and business partners are regularly surveyed on their experience and satisfaction with the Dürr Group via the Customer Experience department. For more information, please refer to the → "**Customer Experience**" section. We are in close contact with our

suppliers through our purchasing organization. In order to raise awareness of human rights and sustainability in the supply chain among our purchasing employees worldwide, we are successively adding relevant content to existing training courses. For more information, please refer to the section entitled → **“Human rights due diligence in the supply chain.”**

The interest of our investors in sustainability and climate issues continued to increase in 2022. Investors attend annual general meetings, Investors' Days and other capital market events, receive information letters and are welcomed as guests at our company. A Capital Markets Day was held in November 2022, during which our guests visited HOMAG in Schopfloch and Teamtechnik in Freiberg, besides the Group headquarters in Bietigheim-Bissingen. We also participated in several investment conferences specifically for sustainably oriented investors.

We are actively involved in the political process and are in direct dialog with governments and authorities. As set out in our Group-wide Code of Conduct, we do not participate in party-political activities and do not make any direct or indirect political donations to persons running for or holding office or to political parties. For 2022, we are not aware of any violations of the aforementioned regulations. We do not engage in active lobbying, but we are involved as a member in various industry associations, including the German Engineering Federation (VDMA). Our involvement in 2022 included, for example, the Blue Competence initiative and a project group on → **Sustainable Finance**. Furthermore, we gave presentations at VDMA events on the topics of EU Taxonomy as well as sustainability concept and reporting. We provided a total

of €1,405 thousand for memberships in relevant associations in 2022. Moreover, we are a member of the “Group of Experts on Coal Mine Methane and Just Transition” of the United Nations Economic Commission for Europe (UNECE) and provide support on topics such as the efficient, sustainable transition from a coal-based to a non-coal-based economy.

We cooperate in various ways with research institutes and universities. In 2022, for example, we conducted life-cycle greenhouse gas balances for selected machines and systems with the Fraunhofer Institute for Building Physics (IBP) with a view to the EU Taxonomy. Our HOMAG subgroup is part of the Black Forest Campus, a center for teaching, research, and technology transfer between companies from the Freudenstadt region and the University of Stuttgart. HOMAG is also part of the research project “Software-Defined Manufacturing for the Automotive and Supplier Industry (SDM4FZI)” at the University of Stuttgart. Also with the University of Stuttgart, HOMAG is conducting a project to investigate the potential of direct current technology for industrial production plants. Dürr Systems is collaborating with the Fraunhofer Institute for Manufacturing Engineering and Automation (IPA) in a project on similarity assessment of CAD models. In addition, we cooperate with universities on case studies, trade fair events, and technical presentations. For example, we gave a guest lecture at the “18th Global Conference on Sustainable Manufacturing,” an event organized by the Technical University of Berlin and the Fraunhofer Institute for Production Systems and Design Technology (IPK). Our collaboration with scientific institutes and development partners contributes to R&D work based on the latest scientific knowledge.

As a member of the [UN United Nations Global Compact](#), the world's largest initiative for responsible corporate governance, we are committed to the ten principles in the areas of human rights, labor standards, environment and anti-corruption, and to the central principles of corporate sustainability based on relevant UN conventions. For further information, please refer to the section entitled → **“Global commitment.”**

In 2022, Dürr Group companies were members of the following organizations, among others:

- Promotional Association for the German Academy of Science and Engineering
- Association of Arts and Culture of the German Economy
- SEF – Smart Electronic Factory
- Donors' Association for the Promotion of Humanities and Sciences in Germany
- VDMA – Mechanical Engineering Industry Association
- ZVEI – Electrical and Electronics Manufacturers' Association

## Customer Experience

The satisfaction of our customers is the highest standard that we can apply to our products and services. We aim to not only meet, but to exceed our customers' expectations and create an all-around positive customer experience. In order to evaluate the impressions, experiences and lessons learned that customers have with our products and services, the Dürr Group has been pursuing a comprehensive Customer Experience (CX) program since 2013.

The CX team reports directly to the CEO of the Dürr AG and organizes global customer surveys in the Dürr Systems, Schenck and HOMAG subgroups. In addition to online surveys, the CX team also conducts personal feedback interviews, either by telephone or on site. In 2022, we conducted more than 300 feedback interviews with our customers worldwide.

Since 2022, the CX team has also offered in-house workshops. Participation is open to employees from departments or companies that want to understand their customers even better, identify further potential for improving products, processes and services, or tap into new markets. The focus is on the individual needs, motivations, expectations and challenges of customers, as well as the question of how customers can be supported even better. The workshops take place with the participation of relevant departments, for example sales, marketing or product

management, and are based on customer interviews conducted in advance. In the workshops, various methods and tools are used to analyze customers, products and markets in detail and to identify concrete approaches for improvement measures along the customer journey. The result is a comprehensive CX scorecard.

The aim of the CX program is to analyze customer experiences with our products and services and to gather feedback for improvement measures that will have a positive impact on the satisfaction of our customers. One important indicator is the Dürr Promoter Score (DPS), a company-specific version of the Net Promoter Score. This indicator measures the extent to which customers would recommend a product or service to others.

In 2022, we once again achieved a high level of satisfaction among our customers throughout the Group. In the country-specific evaluation in the Dürr Systems subgroup, customers in China took the leading position, followed by customers in Germany and Brazil. Particularly highlighted were the expertise of the employees, the collaboration based on mutual trust and reliability, and the quality of the products. We want to continue to improve in the areas of communication with customers, spare parts and delivery processes, and flexibility in relation to customer requirements.



The CX team has been offering in-house workshops since 2022.

> 300

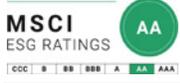
FEEDBACK DISCUSSIONS WITH CUSTOMERS IN 2022

## Sustainability ratings

Our commitment to greater sustainability in the company and among our customers is becoming increasingly popular in the sustainability-oriented financial market. We are actively working to improve our sustainability performance and report on it. In this way, we meet the increasing transparency requirements of the capital market and provide ESG rating agencies with current data. We are continuously incorporating the feedback from the ratings into the further development of our sustainability activities.

Since 2019, we have already linked all medium- to long-term components of our corporate financing with a sustainability rating (→ **“Financing volume of €1.9 billion with ESG components”**). We have continued this best practice with our → **“Sustainable Finance Framework”** published in November 2022. We have set ourselves the goal of achieving Prime status in the ISS ESG Corporate Rating by 2025 at the latest. This would place us among the best companies in our peer group. In addition, the ISS ESG sustainability rating is included in the long-term variable compensation for the Board of Management. For further information, please refer to the → **“Responsible corporate governance”** section.

### OVERVIEW: SUSTAINABILITY RATINGS (AS OF: MAY 31, 2023)

	Current rating	Rating previous year
	72 out of 100 points Gold medal	66 out of 100 points Silver medal
	Climate Change: “B” Water: “B-” [Scale: A to D-]	Climate Change: “C” Water: “B-” [Scale: A to D-]
	Rating: “AA” [Scale: AAA to CCC]	Rating: “AA” [Scale: AAA to CCC]
	Rating: “C” [Scale: A+ to D-]	Rating: “C-” [Scale: A+ to D-]
	23.2 out of 100 points “medium risk”	26.3 out of 100 points “medium risk”

At the end of 2022, we achieved Gold status in the EcoVadis rating for the first time with a score of 72 points. This places the Dürr Group in the top 3% of all companies in the industry rated by EcoVadis. The reasons for raising the rating were improvements in the areas of labor and human rights as well as sustainable procurement. This means that we have improved our EcoVadis rating by a total of 17 points within the last three years.

In its assessment, the sustainability rating agency EcoVadis takes account of the areas of environment, labor and human rights, as well as ethics and sustainable procurement. The respective results are weighted differently, with industry affiliation playing a role. Based on 21 evaluation criteria, a maximum score of 100 points can be achieved. The assessment takes into account aspects such as energy and water consumption, CO<sub>2</sub> emissions, anti-corruption measures and the social practices of suppliers.



The Dürr Group currently has a sustainability score of 72 points in the EcoVadis rating, which corresponds to Gold status.



Our aim is to give equal consideration to economic, ecological, and social aspects in our business activities.



# MANAGEMENT AND GOVERNANCE

Our business activities are focused on profitable growth, future-oriented businesses, and industries as well as responsible corporate governance.

We therefore consider integrity and legality to be central components of our corporate culture. We manage our company in a forward-looking, responsible, and risk-conscious manner – in classical management, in legal matters and in financing.



**SDG 8.5**  
Decent work and equal pay for work of equal value

Our economic activities are consistent with ecological and social concerns as well as responsible corporate governance. In doing so, we go beyond compliance with the law and have imposed extensive voluntary commitments on ourselves. We respect internationally recognized human rights, stand up for fair working conditions and offer an attractive working environment with a wide range of company benefits.



**SDG 16.5**  
Reduce corruption and bribery in all its forms

Our corporate principles are based on a clear commitment to compliance with legal requirements and ethical standards. We are committed to fair competition and reject any form of corruption, extortion or bribery. With regular mandatory training, we educate our workforce on compliance and anti-corruption and follow relevant anti-corruption guidelines when selecting our business partners.

# Climate, facts, and emotions

DR. JOCHEN WEYRAUCH MEETS HANNAH HELMKE

The fight against climate change is the biggest task humanity is facing today. To address this challenge, companies need new and, at times, unusual ideas. That is why Dürr CEO Dr. Jochen Weyrauch is meeting entrepreneur Hannah Helmke. Together with her team at her company, right°, the 34-year-old founder has developed a calculation model designed to push corporations to lower their CO<sub>2</sub> emissions. This is a dialog about the power of facts and emotions.

RECORDED BY: HEIMO FISCHER — PHOTOS: SASCHA FEUSTER



## HANNAH HELMKE

The entrepreneur, who was born in 1988, studied psychology and international business. Before setting up right°, she worked for an IT service provider and for Deutsche Post/DHL.

## DR. JOCHEN WEYRAUCH

The industrial engineer has spent many years in the automotive industry as well as in other industrial sectors and has also worked as a private equity consultant. Weyrauch has been on Dürr AG's Board of Management since 2017, taking over as Chair in 2022.

**Jochen Weyrauch** Good to have you here today and to have this conversation. I want to know more about your company, which is called right°. You offer a software tool that shows businesses, without the shadow of a doubt, how strong their climate impact is. That's an important topic. It's a burning issue not only for us but also for our shareholders and customers. How did this business idea come about?

**Hannah Helmke** Even more than ten years ago, I was wondering how it might be possible to bring a better understanding of the effects of climate change into the business world. That's when

## ABOUT RIGHT°

At the core of the company right° is a model that calculates how strong the impact of a business is on the climate. By giving a simple °C figure, it answers the question of how much the earth's temperature would rise if the whole world had the same climate performance as this company. The benchmark for good or poor performance is the temperature target set out in the Paris Climate Agreement. It states that the temperature rise due to human activity is to be limited to a maximum of 1.5°C compared to pre-industrial levels. If a company's impact on the climate is substantially above this figure, it is not deemed to be future-proof.

The model is based on current findings from climate science. It includes a climate model that is also used by the Intergovernmental Panel on Climate Change (IPCC). The fundamental method has undergone an assessment process to verify its scientific quality. Customers can use a basic version of this software free of charge. To receive a more comprehensive analysis, they need to buy a license.

I came across a paper by the major bank HSBC. It explained why there are also financial risks associated with the continued burning of fossil fuels. I was thrilled. Someone had finally captured the essence of the matter in clear terms for the capital markets. This led to the idea of developing a scientifically robust calculation model that companies could use at any time to measure their exposure to climate risks. When I was working for my employer at the time, I didn't manage to get the project off the ground. However, I was so driven by this idea that I saw no other option but to set up my own company.

**W** What did the founding process look like? You built the company with a partner. Was there a distribution of tasks?

**H** I set up the company with Sebastian Müller, who is also my life partner. We share the idea of being free to shape our lives. We see having our own company as the highest level of freedom. During the founding stage, Sebastian initially continued to work as a lawyer. When we felt the company was giving us enough security, he left the law firm and got involved full-time.

**W** Don't these conditions make it hard to separate your professional and private lives?

**H** It wasn't easy to start with. We were living and working in an industrial loft apartment in Frankfurt. Sometimes, we had corporate events there with 60 people. During that time, we blocked off our open-plan sleeping area. When the guests and catering staff had gone, we noticed how difficult it was for us to switch back to our private life. Over time, we have learned to deal with it better.

**W** Climate change is seen as the biggest problem of our time. Many people feel powerless, whereas you proactively approach companies. What exactly do you offer?

**H** We show companies by how many degrees the earth's temperature would rise if the whole world acted like them. When we tell managing directors that their company does not meet the temperature target set out in the Paris Climate Agreement, we appeal to their sense of ambition. They might react with anger or annoyance. These emotions are important. We use them to open doors in order to have an objective conversation and change people's way of thinking.

**W** Since 2022, we at the Dürr Group have been buying only green electricity in Germany, and from this year onward, we will be doing so worldwide. We are also expanding our use of photovoltaics, and soon we will be driving only electric company cars. So your calculation model could enable our company to see, at any point, how effective a certain measure is in conforming with the global 1.5°C target?

**H** Exactly. And depending on the sector, this is what it takes for some decision makers to understand that they need to adapt their business model so as not to jeopardize their company's future.

**W** With your business idea you are taking an objective approach, while also emphasizing emotions as the driver of human behavior. What do you think about climate activists who act emotionally and sometimes radically?

**H** It's not for me to judge this. The people in Germany who are currently fighting for an immediate abandonment of fossil fuels feel helpless and are trying to deal with their anger. I understand that because I'm often angry myself — since so many things could go so much better. However, I have decided to turn my anger into constructive energy in order to improve a system that I think needs improving.

**W** I agree with most of what you're saying. While even justified protest must have limits, I do think that emotions are often what set things in motion and pave the way for objective arguments. And if I understand you correctly, this is how you want to change our economic system from the inside.

**H** Exactly. There is no point fighting against the system, but we must instead learn to work with it. This is also why I try to understand how companies and managers tick. On this note, I want to ask you a question: How does climate change affect your personal behavior?

**W** I admit that the choices I make in my personal life are not always totally sustainable. I eat meat and I'm a passionate recreational pilot. But the topic has been on my mind for a while now, both as a private individual and as a CEO.

**H** In terms of climate, this is a now-or-never moment. In your position, you can achieve a great deal. What do you want your time as a company head to represent one day?

**W** I think this time will be marked by our development toward a sustainable company. After all, Dürr has products that are powerful levers. Paint shops account for almost half the greenhouse gas emissions generated in an automotive factory. Today, it is technically feasible to reduce these emissions to zero by converting plants from gas to green electricity. In Hungary, we are currently building the first climate-neutral painting line. Of course, it is ultimately our customers who decide if they want to invest in a clean plant.

**H** So should your actions be guided by your customers or do you want to be in the driving seat?

**W** We have set ourselves the target of reducing the carbon emissions of our supply chain and the emissions generated by the use of our products by at least 15 percent by 2030. To achieve this, we might have to turn down projects if the requested systems don't meet modern environmental standards.

**H** Did you once want to set up your own company, too?

**W** Yes, but a different type from yours. After finishing high school, I spent some time thinking about opening a motorbike shop in Paris. But I soon abandoned that idea. Afterwards, I still took entrepreneurial risks. In the mid-2000s, I bought a part of the company I was managing at the time and ran it for several years. After that, I worked as a self-employed consultant in the private equity sector.

**H** You indicated earlier that you think about the effects of climate change a lot. Do you also see this issue as an intellectual challenge?

**W** Absolutely! I love learning. I'm also keen to learn from young people in our company. These conversations often get straight to the heart of the matter. I like that. For me, another intellectual challenge in this context is the use of digital tools. They give us clues as to how we can further reduce our greenhouse gas emissions. The importance of this is demonstrated by your business model — by the way, I want to ask you another question about this: Where do you see yourself in five years' time? Do you have a vision?

**H** Sure. We want to be the standard that is used to measure, control, and communicate the impact companies have on the climate. Plus, the vision Sebastian and I have is that, in five years' time, we can fully live out our personal freedom and independence through and with right°.



“I’m often angry myself — since so many things could go so much better.”

Entrepreneur Hannah Helmke during the conversation in Frankfurt.

# CORPORATE RESPONSIBILITY AS THE BASIS FOR OUR ACTIONS

Sustainability is an important part of our strategy – whether in product development and procurement issues, employment, production, or financing. In addition, it is important to us to further strengthen our credibility as an employer, an issuer on the capital market and as a participant in public life, by taking a responsible approach to our → [stakeholders](#) and resources, and observing the principles of → [corporate citizenship](#), → [compliance](#) and → [corporate governance](#).

## Responsible corporate governance

Dürr AG, as the holding company of the Dürr Group, is a stock corporation under German law. Its most important permanent bodies are the two-member Board of Management and the twelve-member Supervisory Board. Directly below the Board level is Senior Executive Management, which consists of the heads of the five divisions. Dürr AG is guided by the German

Corporate Governance Code (GCGC), which contains rules and recommendations for the responsible management and control of companies listed on the stock exchange. Further information can be found in the chapter [„Corporate Governance“ of the Annual Report 2022, from page 70](#) and at [www.durr-group.com/en](http://www.durr-group.com/en).

## BOARD OF MANAGEMENT

On January 1, 2022, Dr. Jochen Weyrauch took over the position of CEO at Dürr AG, prior to which he had been Deputy CEO. His appointment has a term expiring on December 31, 2026. Dr. Weyrauch succeeded Ralf W. Dieter, who had handed over his role as CEO in the interests of an orderly succession path and left Dürr AG on December 31, 2021. During the year 2022, the Supervisory Board extended until September 30, 2026, the appointment of CFO Dietmar Heinrich, who has been a member of the Board of Management since August 2020.

## SUPERVISORY BOARD

In accordance with the German Co-determination Act, the Supervisory Board of Dürr AG is composed of an equal number of six shareholder representatives and six employee representatives. The Supervisory Board has been chaired by Gerhard Federer since 2020. According to the opinion of the Supervisory Board, seven members of the Supervisory Board, including Mr. Federer, are independent. This means that the proportion of independent members is 58%. The Supervisory Board has formed four committees from among its members:

- Personnel committee/Executive committee: four members (75% of whom are independent)
- Audit committee: six members (50% of whom are independent)
- Mediation committee: four members (50% of whom are independent)
- Nomination committee: three members (66% of whom are independent)

The Supervisory Board has not established a Sustainability committee, as it believes that a separate committee would not be compatible with the fact that sustainability ultimately affects the entire business activities of the Dürr Group. As of January 1, 2023, the Supervisory Board appointed its member Dr. Anja Schuler as a sustainability expert; in addition, the Audit committee regularly deals with sustainability issues.

### PROPORTION OF WOMEN AT MANAGEMENT LEVEL AND ON THE SUPERVISORY BOARD

Four women have been members of the Supervisory Board of Dürr AG since the elections in 2016. This corresponds to a women's quota of 33%, which fulfills the 30% minimum quota required by law.

The Board of Management of Dürr AG consists of two men. In its resolution adopted on May 13, 2022, the Supervisory Board formulated the target of appointing a woman to the Board of Management by June 30, 2027, at the latest. In 2022, the Supervisory Board carefully considered the option of expanding the Board of Management but found no need to do so. The Supervisory Board will continue to review this option going forward. If it resolves to expand the Board of Management in the future or if a successor for an existing member needs to be appointed, the Supervisory Board will favor the appointment of a woman provided that the requirements in terms of qualification and personality are met. Until the current Supervisory Board resolution became effective, the corresponding resolution adopted in 2017 applied. This did not contain a target for increasing the proportion of women on the Board of Management since no new appointments were envisaged at the time and the service contracts of the Board of Management members had relatively long terms.

The Board of Management's resolution adopted in May 2022 sets out that, going forward, one woman is to be part of the first senior management level below the Board of Management, and two women are to be part of the second level. The deadline for achieving these targets is June 30, 2027. As of December 31, 2022, there were no women at these first or second senior management levels. The previous resolution adopted by the Board of Management in 2017 had set the targets for the proportion of women in senior management positions at 0% for the first level and 20% for the second level below the Board of Management. The deadline for achieving those targets was June 30, 2022. At that time, the first senior management level below the Board of Management consisted of ten men and no women, while the second level comprised eight men and one woman. When considering our target achievement, account must be taken of the fact that Dürr AG, being a management holding company, has a relatively small number of employees and senior managers. Consequently, a single personnel change can be equivalent to a change of over 10 percentage points. Going forward, when selecting candidates for senior management positions, we will focus more keenly on the targeted appointment of women in order to achieve our goals.

# 15%

IS THE SHARE OF ESG TARGETS IN THE  
SHORT-TERM, VARIABLE BOARD OF  
MANAGEMENT REMUNERATION FROM 2023

### COMPENSATION FOR THE BOARD OF MANAGEMENT AND SUSTAINABILITY IN 2022

The remuneration system applied in 2022 included a sustainability component in the short-term incentive (STI), i.e. in the short-term variable compensation. 10% of the STI compensation depended on the achievement of ESG targets. For 2022, the Supervisory Board had set four ESG sub-targets, each of which had a weighting of 25%. One of the sub-targets was oriented to the ESG rating by EcoVadis, while the other three were related to environmental, social, and governance aspects. The EcoVadis rating improved to 72 points in 2022, reaching Gold status (previous rating: 66 points). The climate strategy (environmental) sub-target indicated a reduction of 28,921 tons of CO<sub>2</sub>e emissions or 51% in Scope 1 and Scope 2 in 2022, compared to 2019. The third sub-target (social) was to be assessed on the basis of the results of an employee survey. However, this was postponed until September 2023, as it was not possible to ensure that all employees worldwide were able to participate in the same way at the planned time due to the Covid-19 pandemic. As a result, this sub-target was assigned 0% target achievement. The fourth sub-target (governance) related to sustainable supply chains. 80% of the high-risk suppliers active in 2022 signed the Dürr Group's Supplier Code of Conduct and 60% carried out a supplier self-assessment. Total achievement of the four ESG sub-targets came to 112.5% in 2022. Information on the compensation for the Board of Management for the fiscal year 2022 and the underlying remuneration system can be found in the Compensation Report in the [Annual Report 2022, from page 124](#).

## 2023: NEW REMUNERATION SYSTEM WITH MORE EXTENSIVE SUSTAINABILITY COMPONENT

In February 2023, the Supervisory Board of Dürr AG approved a new system for the compensation for the Board of Management that is based even more strongly than before on the sustainability performance of the Dürr Group. The new system was approved by the annual general meeting on May 12, 2023, with a majority of 87.3% and has applied retroactively since January 1, 2023. The current contracts with the members of the Board of Management were adjusted accordingly; the level of target compensation remained unchanged compared to the previous system.

The new remuneration system helps to align profitable growth with sustainable management in the best possible way. In contrast to the previous system, there is now also a sustainability component in the long-term variable remuneration (LTI), and sustainability targets are weighted more heavily than before in the short-term variable remuneration. This supports a balanced consideration of the criteria relevant for variable remuneration: earnings, performance, and sustainable development. Under the new system, the fixed, non-performance-related remuneration for the Board of Management continues to be made up of the fixed annual salary, the company pension, and fringe benefits.

### ESG targets for short-term variable remuneration (STI)

As a performance-related bonus, the STI is based on financial and non-financial results for the respective fiscal year. With the introduction of the new remuneration system, the weighting of ESG targets in the calculation of the STI was increased to 15% in fiscal year 2023 (previously: 10%), in order to attach greater importance to the aspects of sustainable management, and social and environmental responsibility. The other criteria relevant for the STI will be weighted as follows in 2023: operating EBIT margin 40%, free cash flow 30%, strategy targets 15%. As a general rule,

the Supervisory Board can select the ESG targets for the STI from the environmental, social, and governance areas. The targets and the associated performance criteria and methods for performance measurement are defined for each member of the Board of Management before the start of each fiscal year. Performance criteria may be, for example, customer and employee satisfaction, ESG ratings, energy efficiency, diversity, or occupational health and safety. For ESG, total target achievement is calculated on the basis of average target achievement for the individual performance criteria. In 2023, the ESG targets relevant to the STI relate specifically to two areas: firstly, employee satisfaction, or rather, the results of this year's employee survey, and secondly, occupational health and safety, or rather, the number of work-related accidents.

### ESG targets for long-term variable remuneration (LTI)

The LTI is based on a performance share plan and is focused on sustainable growth. The calculation of the LTI payout amount is based on four different performance parameters. In the remuneration system in place since the beginning of 2023, this also includes the achievement of a defined ESG target during the three-year term of the respective LTI tranche. The other performance parameters are (1.) the development of Dürr's share price between grant and payment of the LTI, (2.) the average operating EBIT margin over the three fiscal years from the grant year, and (3.) the total shareholder return (TSR) relative to a defined peer group. Prior to the beginning of the respective tranche, the Supervisory Board defines the content and number of ESG targets relevant for the LTI, also determining values for the minimum and maximum target achievement ("threshold" and "maximum"); the Supervisory Board proceeds similarly with the performance criterion of operating EBIT margin. The ESG target relevant for the LTI tranche from 2023 to 2025 refers to the ESG rating carried out for Dürr AG by the consulting firm Institutional Shareholder Services Inc. (ISS).

## Sustainability component in the remuneration of other senior managers

A detailed presentation of the remuneration system for the Board of Management in effect since January 1, 2023, can be found at [www.durr-group.com/en](http://www.durr-group.com/en) as well as in the convening text for the annual general meeting of Dürr AG held on May 12, 2023. The remuneration of the Boards of Management of the lead companies of the three subgroups (Dürr Systems AG, HOMAG Group AG, Carl Schenck AG) also includes a sustainability component as of 2023. In 2024, we will take the next step and integrate a sustainability component into the remuneration of other senior managers.

## Tax strategy

Taxes are an important source of income for the state and a prerequisite for public spending. Companies are obliged to comply with the respective tax laws and to apply relevant tax practices. This basic principle provides the framework for how Dürr Group companies deal with taxes in the countries in which they operate.

The [tax strategy](#) of the Dürr Group is embedded in the Compliance Management System (CMS) and the [Code of Conduct](#) for employees. It is reviewed annually by the Board of Management. The Chief Financial Officer and the Head of Corporate Tax are responsible for the fulfillment of tax obligations. Significant tax issues and projects are regularly presented to the Board of Management for information or approval. Tax reporting within the framework of the annual report is audited by an independent auditing firm. In addition, the tax returns filed are regularly audited by the respective local tax authorities. Transfer prices within the Dürr Group are always based on the [arm's length principle](#) and comply with the applicable legal provisions. This is clearly stipulated in our corresponding corporate guidelines.

Appropriate internal precautionary measures and control procedures are designed to guarantee compliance with the respective tax laws and to avoid penalties and a loss of reputation for the company. In line with the Code of Conduct, every transaction must have a sound legal and economic basis. This precludes artificial tax structures. Examples of such arrangements would be the absence of commercial purposes or the allocation of taxable income to locations where there are no underlying activities. Both our employees and third parties can inform us about suspicions or specific incidents of tax fraud using the various compliance reporting channels.

In order to incorporate the views of various stakeholders in the decision-making process, we seek the views of external experts where appropriate. We also strive to achieve a good and trusting collaboration with the tax authorities and other stakeholders. If the interpretation of tax laws is unclear, we actively seek an assessment from the tax authorities in order to be in a better position to assess any risks. In addition, the Dürr Group regularly provides the relevant tax authorities with the so-called → **country-by-country reporting**. Further information on the subject of taxes can be found in the [Annual Report 2022, from page 109](#).

OUR WHISTLEBLOWING HOTLINE:

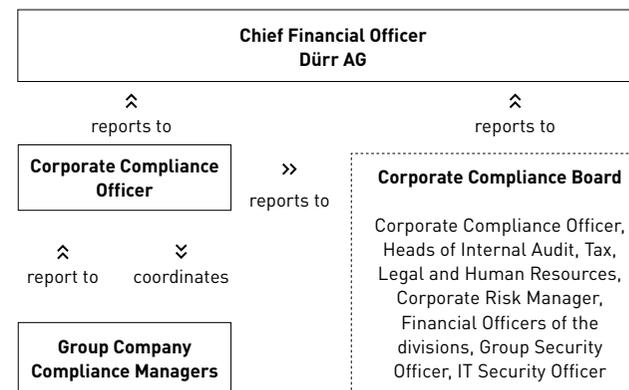
## THE DÜRR GROUP INTEGRITY LINE

## Compliance and anti-corruption

→ **Compliance** and integrity play a vital role in our business success, so it is essential that all employees comply with applicable law and ethical standards in their daily business activities. Our aim is to avoid any violation of compliance rules in our company.

The central body of our compliance organization is the Corporate Compliance Board, whose responsibilities include defining and further developing the compliance management system (CMS). Local Group Company Compliance Managers in the Group companies support the employees in meeting compliance requirements. The Corporate Compliance Officer coordinates all operational compliance issues at Group level. He is the contact person in the event of potential compliance violations and has been responsible since August 2022 for notifying the Chief Financial Officer and the Corporate Compliance Board of any concrete grounds for suspicion. The board examines the need for further steps on a case-by-case basis.

### COMPLIANCE ORGANIZATION



Our Compliance Management System provides a framework for action so that all activities in business operations can be carried out in accordance with the law and internal requirements. The three elements of prevention, early detection, and response are core components of the CMS. A Group-wide company directive on compliance defines responsibilities, communication channels, and measures. An anti-corruption company directive for the Group also provides our employees with rules of conduct for their dealings with business partners and in the event of conflicts of interest. The risk of corruption is also addressed by regulations such as the separation of functions, approval procedures, and the four-eyes principle. The selection and commissioning of business partners for sales-related services and the handling of donations are further compliance-relevant topics that are regulated in Group-wide company directives.

Employees, business partners, and third parties who suspect legal violations, for example corruption or money laundering, or violations of our [Code of Conduct](#) can contact us through various channels – anonymously, if they wish. One option is the [Dürr Group Integrity Line](#), our whistleblowing hotline. Reports are reviewed by the Corporate Compliance Officer, who initiates further steps in justified cases and coordinates measures in consultation with the various departments. The section [→ “Dürr Group Integrity Line”](#) contains further information on our whistleblowing system.

In 2022, the Corporate Compliance Officer received 28 tips (previous year: 38), including on potential conflicts of interest, IT security, and personnel issues. In one case, the suspicion of a violation of anti-corruption regulations was confirmed. As a consequence, appropriate personnel and organizational steps were taken (previous year: no confirmed cases of corruption).

Our training courses are designed to substantially contribute to the avoidance of compliance violations. They include onboarding events for new employees, online compliance training courses, and training on data privacy. These trainings are mandatory for all employees, and refresher courses must be completed every two years. In 2022, we trained nearly 17,900 employees on compliance and data privacy (previous year: nearly 5,800). The increase is the result of both the two-year training cycle and the revision of the online compliance training in the previous year. As a result, some of the training courses that were scheduled for 2021 had been postponed to 2022. All managers and particularly exposed functional areas, such as sales and

purchasing, must complete in-depth training in the advanced modules “Protection against corruption”, “Fair competition”, and “Payment fraud” every three years. In 2022, there were 870 attendances in “Protection against corruption” (previous year: 488), 871 attendances in “Fair competition” (previous year: 508) and 289 attendances in “Payment fraud” (previous year: 915). In addition, we carried out ad-hoc internal audits in Mexico and Italy to clarify potentially compliance-relevant issues. For the year 2023, we plan to conduct 25 internal audits, both at our foreign subsidiaries and at our central functions, for example in purchasing.

We also take compliance and integrity into account when selecting our business partners. For the sake of successful collaboration, we require that they share our understanding of responsible corporate governance. In addition to the relevant anti-corruption requirements, we implement other policies, including a contractual provision governing sales-related services, which provides for the screening of business partners. Further due diligence obligations in dealing with business partners are set out in a guideline on the prevention of money laundering and terrorist financing. We comply with the legal requirements for auditing business partners in the form of business partner checks in the central purchasing department. In coordination with Corporate Compliance, sanctions lists, embargoes, ongoing proceedings, and international press databases are reviewed. If there are restrictions or negative reports on our suppliers, we decide on a case-by-case basis and take individual remedial action.

## Corporate Security

The protection of our corporate activities against risks and disruptions is the task of the central Corporate Security function. On the basis of a company directive, it protects our employees as well as information and assets from damage. We regard economic protection as part of our integrated management system and responsible corporate governance aimed at safeguarding and preserving corporate assets. Risk management reduces company-related security risks, which are bundled in the risk field “Enterprise Security & Information Security”, worldwide and at individual sites.

In 2022, we implemented further measures to improve site security. We updated existing protection concepts on the basis of a site security framework. In new construction projects at home and abroad, we have already integrated aspects of site and information security into the planning phase. For example, we implemented a risk-based protection concept at the new plant of our Schenck subgroup, which was opened at the Noida site in India in March 2023.

We also continued the development of a uniform emergency and crisis management system. In this way, we aim to increase the protection of our employees and our corporate assets as well as strengthen the resilience of the company. The measures of [→ Business Continuity Management](#) are intended to prevent the interruption of critical processes and projects and to facilitate a rapid restart of activities in the event of an incident. Our focus in 2022 was on expanding the capabilities of our site-specific

emergency teams and preparing → **business impact analyses** and business continuity plans. As of December 31, 2022, a total of 24 production sites had an emergency team. This means that 65% of all relevant production sites are already integrated into the Group-wide emergency and crisis organization. Implementation at the remaining sites is underway.

The Group crisis management team continued to manage global measures in order to provide protection against the coronavirus pandemic in 2022. For further information, please refer to the → **“Occupational health and safety”** section. In addition, the Group crisis management team coordinated measures to guide the Group through the energy crisis resulting from the war in Ukraine.

## Information and data security

More and more companies are exposed to threats from the internet, thus facing a variety of security challenges. Examples of IT risks are data loss, hacking, virus attacks or availability failures. We protect information, business secrets, and know-how of our own company and of business partners against unauthorized access, unauthorized disclosure, misuse, theft, and loss. Our Group-wide Information Security Management System (ISMS) is based on the ISO 27001 standard and takes into account national, international and industry-specific regulations. We have established specifications for the ISMS and adapted them to the specific requirements of the business units in unit-specific workshops.

In addition, we are having our sites successively certified in accordance with the requirements of the “VDA Information Security Assessment” (TISAX® certification). For 2023, we plan to re-certify all German sites that are active in the automotive business, as well as carry out further TISAX® certifications at foreign sites. By the end of 2023, we will have implemented TISAX® certifications at 10 sites across the Group.

In 2022, we took further measures to protect our IT infrastructure even better from threats. This included setting up up-to-date firewall and antivirus programs, back-up servers and redundant data lines. In 2022, we had to deal with cyber threats, for example ransomware attacks, once again. We addressed the threat in cross-divisional workshops and developed action plans to counter it. The measures were documented in emergency plans.

### DATA PROTECTION

By the company directive “Protection of personal data,” we fulfill the requirements for the processing of personal data as defined by the EU General Data Protection Regulation and reduce the risk of violations. The Board of Management of the respective Group company is responsible for the topic of data protection. Each of these Boards appoints a person responsible for data protection.

The cross-functional team Data Protection was set up in order to comply with data protection laws and to promote a comprehensive exchange of experience and best practice

approaches on the subject of data protection. The team is tasked with ensuring a uniform level of data protection throughout the Group. In addition, all employees receive comprehensive and regular training on the topic of data privacy (→ **“Compliance and anti-corruption”**). In 2022, there were no reportable incidents or substantiated complaints from external parties or supervisory authorities regarding the violation of customer data protection. In the course of a detailed external compliance check focusing on data protection, we also had the status of our data protection management system in the Dürr Systems subgroup independently determined. Based on this, we will implement further data protection measures.

## Sustainable corporate financing

Dürr AG has made a name for itself as a pioneer in sustainable financing. Since 2019, we have linked all new components of our corporate financing with medium- to long-term horizons to a sustainability component. The design is derived from the reduction targets for greenhouse gas emissions defined in our climate strategy and the development of our EcoVadis and ISS ESG sustainability ratings. This means that our financing costs will rise or fall depending on how we perform in the ESG areas of environmental, social, and governance aspects. With a → **„Sustainable Finance Framework”** published in November 2022, we have once again underlined our pioneering role in the field of sustainable financing.

€1.9 BILLION

OF FINANCING IS LINKED  
TO A SUSTAINABILITY COMPONENT

# WITHIN THE FRAMEWORK OF SUSTAINABILITY

In order to be able to launch sustainable financing instruments more quickly, the Dürr Group has laid down the basic principles for this in a framework. Christian Aue, Head of Treasury, and Hanjo Hermann, Head of Corporate Sustainability, answer the most important questions regarding the new Sustainable Finance Framework.

TEXT: HEIMO FISCHER — PHOTO: SASCHA FEUSTER



The Sustainable Finance Framework links sustainability and financing strategy and was therefore developed on a cross-departmental basis. The interdisciplinary team from left to right: Hanjo Hermann, Daniel Mayer, Simon Engelhard, Marie-Claire Schmid, and Christian Aue.

## Why has the Dürr Group adopted a framework for green financing?

**Aue** We want to make the principles of our sustainable corporate financing transparent for the capital market. This includes, for example, the question of which sustainability goals we want to be measured against when we issue Schuldschein loans or bonds with a sustainability component.

**Hermann** With the Sustainable Finance Framework, we are also driving forward the transformation within our own company. That's because the principles set out in the framework enable us to use the money in areas in which we want to become more sustainable. Examples include measures to increase energy efficiency and the expansion of our self-generated electricity.

## How can a Schuldschein loan be sustainable?

**A** We conclude an additional agreement with the Schuldschein buyers: We link the interest on our financing to specific sustainability goals, such as the reduction of our CO<sub>2</sub> emissions. If we achieve the goals, we will pay less interest. This is not only great for us and the environment. Our investors see that we are on the right track when it comes to sustainability — a key component of our strategy — which, in turn, is positive for the Group. If we fail to meet our sustainability goals, we will have to pay more interest. Then the investors are compensated, so to speak, for the fact that we do not meet a target agreed with them.

## Why are green financing instruments so important for companies like the Dürr Group?

**H** The market for green investments has been growing significantly for years. Investors are increasingly looking for investment opportunities in sustainable business sectors. However, demand is rising not only from private and institutional investors, but also from commercial banks. These are attaching increasing importance to a credit portfolio with the lowest possible climate and environmental risks.

**A** The fact that we are transparent about the sustainable projects in which our funds are invested meets with great approval from the capital market. We expect increased demand for future financing, which should have a positive impact on conditions.

**Other companies have already adopted a sustainable finance framework. What is so special about the Dürr Group's framework?**

**H** We are one of the first companies to comply with the new rules of the EU Taxonomy Regulation, which has been in force since 2022. In simplified terms, it represents a Europe-wide classification system that specifies criteria for environmentally

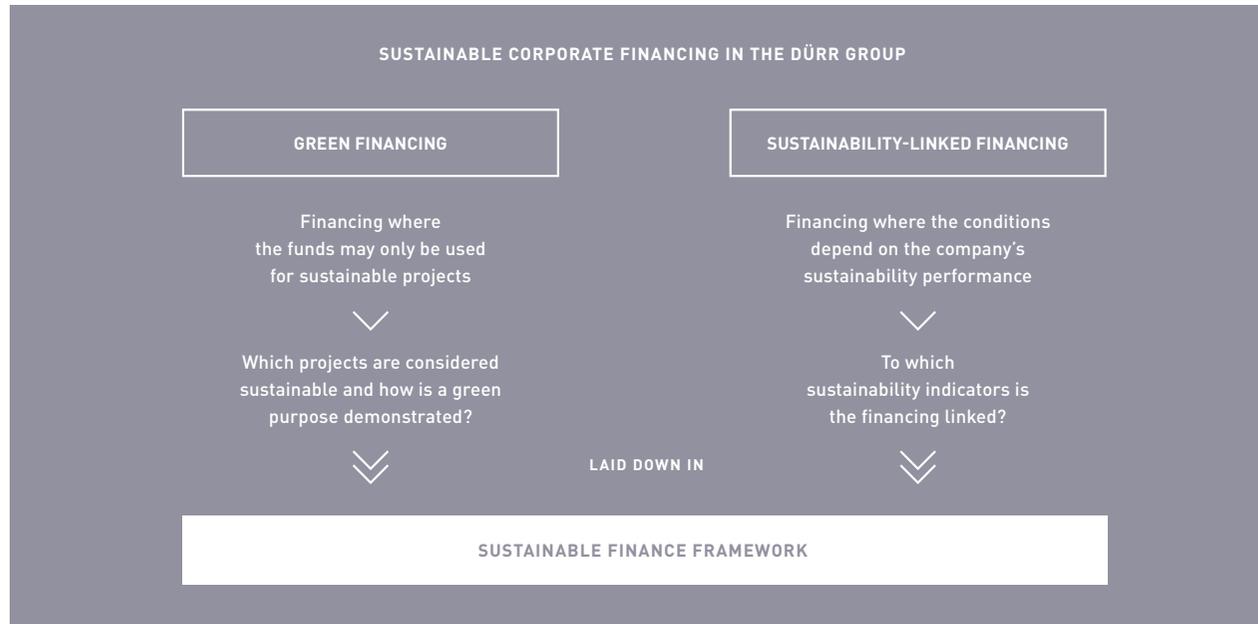
sustainable business activities, thus enabling external parties to see how sustainably a company is operating. The associated duty to report does mean considerably more effort. However, we see this as an opportunity because it allows us to show how much we have already initiated in the area of sustainability and what we are still planning to do.

**Where do the proceeds from green financing go?**

**A** Our Sustainable Finance Framework stipulates that these proceeds may only be used for projects that comply with the Taxonomy Regulation. These may be photovoltaic systems on the roofs of our buildings, but also the development of sustainable

**72 POINTS**

were awarded to the Dürr Group in the EcoVadis sustainability rating, to which the company's financing instruments with a total volume of €1.4 billion are linked. The better the rating, the lower the interest rates. The Dürr Group has achieved Gold status in the EcoVadis rating, placing it among the top 3% of all companies assessed.



products for our customers. Examples include machine technology for the construction of climate-friendly timber houses and coating systems for the production of batteries such as those required for e-cars. We will report annually on how we use the proceeds from green financing. This is also provided for by our new framework.

**The Dürr Group intends to help customers reduce their carbon footprint with its products. How high is the demand for particularly sustainable solutions?**

**H** For a long time, most customers focused on the short-term return on an investment. We have been noticing a shift in attitude for two years now, with more and more customers wanting to know how sustainable a technology is and how it performs over its entire life cycle in terms of CO<sub>2</sub> emissions. This is particularly true for large automotive manufacturers, which now clearly demand sustainable action from their suppliers.

**Thank you for the interview.**

## Sustainable Finance Framework

We continued to drive our efforts in the area of → **Sustainable Finance** in 2022 and published a ↗ **Sustainable Finance Framework** for the first time. It provides the framework for future sustainable corporate financing and specifies how sustainable financing instruments, such as green bonds and Schuldschein loans, are to be used. We have thus created an important prerequisite for being able to raise funds on the financial market for environmental and climate protection projects or the development of sustainable products. The projects include, for example, the construction of energy-efficient buildings as well as the installation of photovoltaic systems and charging stations for e-cars at the locations. In addition, we have determined three sustainability indicators that can be embedded in the financing, for example as part of an interest rate adjustment. A target value known as the Sustainability Performance Target (SPT) was defined for each indicator. One example of this are the reduction targets for greenhouse gas emissions embedded in our climate strategy. In addition, we are committed to improving the sustainability rating prepared by the ISS ESG sustainability agency. Our aim

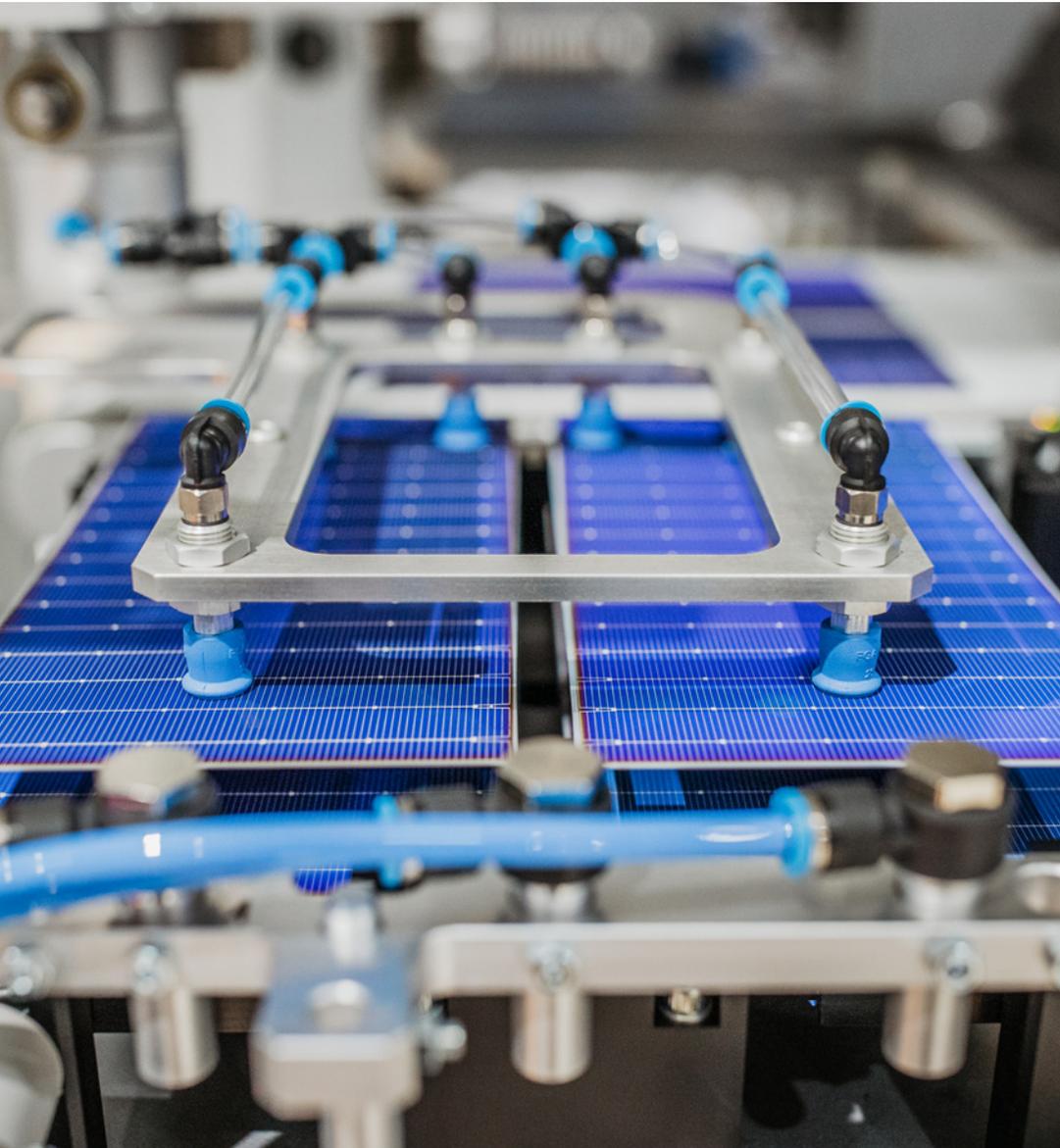
is to achieve Prime status by 2025 at the latest, thus joining the circle of the best companies in the mechanical and plant engineering industry. By means of the framework, we offer attractive green investment opportunities to external lenders and align corporate financing even better with our sustainability strategy. The sustainability agency ISS ESG acts as a → **Second Party Opinion Provider**. ISS ESG has verified that the framework is compliant with common standards and confirmed that the SPTs set are demanding and material for the Dürr Group.

### Financing volume of €1.9 billion with ESG components

To date, we have linked a total of four → **Schuldschein loans**, a → **syndicated loan** and a → **convertible bond** as well as further → **bilateral guarantee lines** to our sustainability performance. This results in a total financing volume of around €1,915 million, the interest on which is dependent on our EcoVadis sustainability rating or the ISS ESG Corporate Rating.

By continuously improving our ratings, we benefit from a more favorable interest rate for our sustainable financing instruments. We invest the financial resources saved in climate protection projects at our sites, for example in energy efficiency measures and the self-generation of renewable energies. For our new Schuldschein loan issued in spring 2023 and for the convertible bond, we have opted for a one-time final interest rate adjustment in the form of a malus. We have thus once again underlined our ambitions in the area of sustainability and are following standard practice on the bond market.





We offer high-performance systems that automatically connect solar cells to rows – the so-called strings.



# PRODUCTS AND SERVICES

Our sustainable products and services are characterized by reliability, efficiency, and resource conservation. With our technologies, we help customers achieve their sustainability and climate protection goals and reduce their environmental footprint. As a global innovation and technology leader, we set standards and use digitalization to reduce the energy and material consumption of our products.



**SDG 9.4**  
Efficient use of clean and environmentally compatible technologies and industrial processes

As an innovation and technology leader, we have a direct impact on the development and provision of clean and environmentally sound technologies. Through our R&D activities and production technology, for example, we ensure greater energy efficiency and resource conservation in various industrial sectors. In addition, we are making an important contribution to the transformation toward a climate-neutral society in growth sectors such as electromobility and sustainable construction with timber.



**SDG 12.2**  
Sustainable management and efficient use of natural resources

For our customers, we are a partner for sustainable production processes. In this context, the efficient use of natural resources is an essential building block for greater sustainability. Through our service activities, we ensure the longevity of our products and extend their useful life. We thus contribute to the circular economy, conserve valuable resources and reduce our ecological footprint.

# TRAILBLAZER FOR SUSTAINABLE TRANSFORMATION

Many manufacturing companies have set targets for the decarbonization of their production and want to reduce their dependence on fossil fuels. To that end, they are seeking the support of their suppliers. Our development work therefore focuses on the low-emission operation of our plants, the electrification of production processes, the processing of sustainable materials, and exhaust air purification.

We also collaborate with some customers on life-cycle analyses. In doing so, we measure how sustainable our plants are over a longer period of time, from the procurement of primary products to their disposal. Under the → [EU Taxonomy](#), we have expanded the preparation of life-cycle analyses. In 2023, we are planning to release a scientific publication together with the Fraunhofer Institute for Building Physics (IBP) on the methodical implementation of life-cycle analyses. For further information, please refer to the section entitled → [“Pioneer in EU Taxonomy”](#).

## Product safety

Innovations are intended to make products more environmentally compatible. But sustainability also requires that products are safe. While the safety features of products are largely prescribed by technical standards and legal regulations, we always go the extra mile in order to satisfy our customers.

Overall responsibility for product safety lies with the respective management of the individual Group companies. Each Group company ensures that risks relating to product safety are identified at an early stage and avoided. A Group-wide company directive defines legal principles, procedural steps, responsibilities, and communication channels in the area of product safety. In the individual companies, additional process instructions and local responsibilities were introduced as required, going beyond the Group-wide framework requirements.

Our machines and systems meet the applicable legal and regulatory requirements. Examples of EU directives by which our actions are guided are the Machinery Directive, the ATEX Directive or the Pressure Equipment Directive. In addition, our machines and systems comply with the relevant technical standards, such as DIN EN 12100 and DIN EN 60204. Furthermore, our products are provided with all the necessary test labels.

We use a conformity assessment process to ensure that our machines and systems meet the applicable requirements before they go on sale. In the EU, this is the CE conformity assessment process. It comprises various steps, including the identification of the relevant legal specifications and requirements in each case, the performance of risk assessments, tests and inspections, the documentation of measured values, the issuing of a CE declaration of conformity, and a corresponding CE marking on the product. We thus help to ensure the safety of our customers and prevent possible damage or accidents.

We believe that product safety begins as early as the development stage. To this end, we use risk assessments such as Failure Mode and Effects Analysis (FMEA) or the Finite Element Method (FEM) to identify potential risks at an early stage. The analysis of the hazard as well as the selection of the safety elements and their documentation are supported by tools. Noise emissions are reduced as far as possible during product development. It is as early as in the test field that we measure, analyze and document the noise emission of a machine according to standardized procedures. Depending on the design, noise-reduced components are used or supplementary soundproofing devices are installed.

All employees in production receive in-depth training to guarantee the safety of the products. We also instruct our customers in the safe operation of our machines and systems during handover. With these instructions on proper operation and use, which take place as part of the handover training, we create the conditions for our customers to be able to implement the safety specifications in their daily work. Furthermore, we provide detailed operating instructions and – if necessary – safety data sheets on hazardous substances for all delivered machines and their components.

By means of a clearly defined product monitoring process, we ensure the safe operation of the machines and systems we sell to our customers during the utilization phase. In the event that safety risks or accidents occur at customers' sites, there is a defined reporting process in place in each subgroup. We are also in constant contact with our customers through our service and sales departments. We carefully analyze all incidents and take corrective action as needed.

# 7,172

INDIVIDUAL PATENTS REFLECT OUR  
INNOVATIVE STRENGTH

## SPECIFICATIONS FOR SUBSTANCES OF CONCERN AND HAZARDOUS SUBSTANCES

In 2021, we established a Group-wide and cross-functional team of experts. It is tasked with establishing processes and structures to ensure compliance with Regulation (EC) No. 1907/2006 (REACH). To that end, a process has been developed for the Group-wide identification of → **SVHC substances** and their registration in the → **SCIP database** of the European Chemicals Agency (ECHA).

## Innovation and technology

With our research and development (R&D) work, we want to support the transformation to a climate-neutral society. That is why we focus on the development of energy- and resource-efficient products and production processes. A key role is played by digital applications, which incorporate our experience with customers' processes. In addition, we want our innovations to be modular and globally applicable. For successful development work, we rely on the close collaboration of our R&D departments with sales and purchasing.

Responsibility for R&D lies with the individual divisions. Processes and detailed issues relating to their R&D work are governed by guidelines. There is also a cross-functional team, "R&D/Technology/Digital," which coordinates cross-functional R&D activities and promotes the use of best-practice solutions

across divisional boundaries. The team reports directly to the CEO. The development of new solutions represents around 70% of our R&D expenditure, with just under 30% going toward maintaining existing products. Our R&D work focuses on concrete solutions. Basic research is inherently of minor importance in our business.

### R&D KEY FIGURES

	2022	2021	2020
R&D expenditure (in € million)	-136.5	-123.9	-107.7
of which for external R&D services (in € million)	-60.1	-54.5	-45.9
Group R&D ratio (in % of sales)	3.2	3.5	3.2
Grant public research funds (in € million)	2.4	1.9	0.3
% of R&D expenditure	1.8	1.6	0.3
R&D employees (Dec. 31)	971	922	795
% of the number of employees	5.2	5.2	4.8

### NEW DEVELOPMENTS AND PATENTS

In 2022, our R&D work resulted in 74 product innovations. As of December 31, 2022, we had 7,172 individual patents divided among 1,429 patent families (Dec. 31, 2021: 7,341 and 1,403). As in previous years, the Application Technology division accounted for the largest number of patents. The costs for protecting our intellectual property amounted to €10.2 million (previous year: €10.0 million).

Further information on our R&D focus can be found in the [Annual Report 2022, from page 37](#).

# HEINZ DÜRR AWARD



HEINZ DÜRR AWARD 2022 INNOVATION CUSTOMER EXPERIENCE SUSTAINABILITY

The employees of the Dürr Group have already developed many forward-looking ideas. We encourage them to do so – for example with the Heinz Dürr Award. Since 2001, the award has been presented every year in various categories and is endowed with €7,500 each.

In 2022, a prize was awarded in the “Sustainability” category for a technology for exhaust air purification:

- **Sorpt.X LC:** During the production of lithium-ion batteries, the most important component of electric vehicles, various solvents are used in the coating system. With Sorpt.X LC, these solvents can be removed from the exhaust air, recovering over 99% of them. Without recovery, the exhaust air would have to be thermally cleaned, which would result in additional CO<sub>2</sub> emissions. The Dürr technology enables the reduction of solvent consumption, which reduces costs in production while conserving resources.

We awarded prizes to three other projects in the “Innovation” category:

- **Software DXQ3D:** The DXQ3D onsite process simulation software developed by a Dürr team functions like a virtual test center. The digital tool allows optimizing the thicknesses of paint layers on car bodies in advance in such a way that the number of paint test runs can be reduced. The otherwise time-consuming process for parameterization thus becomes more efficient and sustainable.

- **Parametric Design:** In the “Parametric Design” project, another Dürr team developed standard configuration models for a whole range of products. As a result, 3D models and drawings no longer have to be created manually. When designing a product to customer order, a product configurator is populated instead, and the model adjusts automatically. If necessary, it can be edited manually afterwards. This reduces the risk of errors.

- **Digital tools for the sales process:** A joint award was presented to teams from HOMAG and the HOMAG subsidiary Schuler Consulting respectively. Both developed digital tools for the sales process. One tool, the iVP (intelligent Virtual Platform), is used to digitalize the pre-sales process in HOMAG’s machinery and equipment sales. The other tool is the Solution Finder, which is particularly well suited for the seller’s first visit to the customer. With only a few mouse clicks, the seller is able to create a holistic solution tailored to the customer. It includes technology concept, 2D and 3D layout, investment volume, number of employees, space requirements, energy costs, and manufacturing costs per part.

In addition, we presented an award to a project in the “Customer Experience” category. The awards are traditionally presented by the patron and Honorary Chairman of the Supervisory Board, Dr.-Ing. E. h. Heinz Dürr. The award is an important part of the Group’s culture of innovation.



[Discover more now.](#)

We  can already build paint shops today that operate entirely with electrical  energy and  without fossil fuels.

# Greenabler.

With new technologies, Dürr is paving the way for the climate-neutral painting of cars. The company is focusing on the intelligent use of energy and the electrification of the plant.

TEXT: HEIMO FISCHER — PHOTOS: DÜRR

Paint does not make a car faster or easier to maneuver, but no one will deny that it enhances the beauty of a vehicle. That is why manufacturers spend a lot of effort on this production stage. The car body is cleaned, passed through a dip bath, then it is painted several times and dried in between. No wonder that the paint shop accounts for more than 40 percent of the energy required in an automotive plant. But this also means that, being a paint shop manufacturer, Dürr can make a major contribution to reducing greenhouse gas emissions in the automotive industry by offering the right technologies.



The EcoProBooth enables a reduction in energy consumption of up to 75% compared to a conventional paint booth with a wet scrubber.



UP TO  
**19%**

### in energy savings

were achieved by Dürr in a customer project by optimizing the heat and cold supply in the paint shop.



**40%**

### less CO<sub>2</sub>

is produced in the entire paint shop when Dürr's electric oven is operated with green electricity.

For years, the company has been specifically developing technologies that enable its customers to produce in the most sustainable way possible. Dietmar Wieland is a Senior Manager in the research and development team and has been working for Dürr since 1991. He has been dealing with the topic of energy efficiency for just as long. "This continues to be one of the most important drivers of innovation," the development engineer says. Particularly in view of the high energy prices, automotive manufacturers have a great interest in keeping their operating costs under control.

Another current focus is on the electrification of all process steps during painting. This gives customers the opportunity to become independent of gas as a fossil fuel and to operate their plant in a climate-friendly way by using green electricity. "Many automakers have set themselves the aim of achieving a carbon-neutral production," Wieland says. "We support them in this effort with the right solutions." For a German customer, Dürr is currently building the first completely electrified paint shop that can be operated with zero emissions using green electricity. From the paint booth to application technology and digital applications: In every area, the customer relies on the latest innovations from the mechanical and plant engineering firm. Even car body ovens and exhaust-air purification systems are heated with electricity instead of gas.

### Intelligent paint drying process

The use of the electrically powered **EcoInCure** oven alone can reduce the CO<sub>2</sub> emissions of the entire paint shop by 40 percent when using green electricity. And that is not the only advantage of the new generation of ovens. "By means of air flow simulations, we observed that the car body dries faster when it is heated from the inside out," Wieland reports. To allow the hot air for curing the paint to flow specifically through the opening for the windshield, the car bodies pass through the oven tunnel transversely, resulting in optimal heat transfer to parts that are difficult to access. This is

## How is green electricity generated?

The shift to regenerative energy is playing a key role in the reduction of climate-damaging greenhouse gases. Unlike fossil fuels such as coal, oil, or natural gas, the generation of green electricity results in less or even zero carbon emissions. Here are the most important renewable energy sources at a glance:

### Wind power

Wind power stations harness the upward force generated by the wind flowing past the rotor blades, thus causing the turbine to rotate. A generator converts the force produced by this rotary motion into electric energy.

### Hydro power

In hydroelectric power stations, the kinetic energy of the flowing water is first transferred to a turbine and then to a generator that finally converts it into electricity. With pumped-storage power plants, it is even possible to harness the power of water to store energy.

### Geothermal power

The extremely high temperatures in the Earth's interior heat up its upper layers and subterranean water reservoirs. This energy source is tapped through drilling and then used for electricity, and heat generation in particular.

### Solar power

Photovoltaic modules installed on roofs or in open spaces come with semiconductors such as silicon that convert solar light into electricity. Thermal energy for heating or hot water production can also be generated from solar radiation.

### Biomass

In biogas plants, special bacteria help to produce gases from plants, organic waste, wood, or liquid manure. In a next step, the biogas is burnt to produce electricity. Biomass is the allrounder among the renewables: It can serve as a basis for producing electric and thermal energy, as well as fuel.

particularly helpful in the case of EVs, as the electrically powered vehicles are reinforced underneath the door threshold on account of their large battery. These so-called rocker panels dry much better in the **EcolnCure**.

### Burning without flame

When drying the car bodies, exhaust air is produced that contains pollutants in the form of solvents. In order to protect people and the environment, the exhaust air must be cleaned before it is released into the open air. One proven method is combustion — effective, but not optimal if a system is to be operated in a particularly eco-friendly manner. After all, the combustion process consumes a lot of energy, and gas is generally used for this purpose. In addition, the open flame produces unwanted by-products such as nitrogen oxides. But there is another solution. With the **Oxi.X RV** exhaust-air purification system, Dürr has an electric and flameless alternative in its portfolio.

A heat bed consisting of ceramic particles stores large amounts of energy during combustion. Once an electric heater has raised the operating temperature to 900 degrees, the combustion of the pollutants proceeds largely autothermally, i.e. in a self-sustained

manner. “This means very little heat needs to be supplied from outside,” Wieland explains. The amount of electricity needed to start the system can easily be covered from renewable sources.

### Green nervous system for the paint shop

As a systems supplier, Dürr looks not only at individual processes and products on the way to a sustainable paint shop, but also at the plant as a whole. The latest result and a milestone in energy efficiency: **EcoQPower**, a combined heating and cooling system individually optimized for each paint shop.

In automotive plants, energy has so far been provided centrally and often based on a blanket approach. “This results in most process steps being supplied with the same temperature level — even though it is not needed by all of them,” says the 59-year-old. In the case of the hot water supply of a paint shop, for example, the particularly high heat requirement of the intermediate ovens is taken into account, which is around 80°C. However, the high-temperature water is then also used to supply ventilation systems, which only need to heat the room air to 21°C.

So why not supply each process step with only the amount of energy and the temperature level that is actually needed? **EcoQPower** can do just that. Cooling and heat are generated in a decentralized manner in the paint shop using electricity. Moreover, the intelligent system prevents the loss of energy. For example, in cathodic dip-coating, paint is applied using an electric current, generating heat that has remained unused until now. **EcoQPower** uses these and other waste heat sources, supplying other areas of the paint shop with the recovered energy.

Before the Dürr specialists equip a new paint shop with **EcoQPower**, they have to investigate the climatic conditions of the location. After all, it is hotter and more humid in a tropical region than in Scandinavia. The necessary statistics are provided by weather stations. In addition, data such as production quantity and vehicle



Once the **Oxi.X RV** exhaust-air purification system has reached its operating temperature, it is energetically self-sustaining.

type are included in the calculation. This overall picture provides an indication of how the energy flows need to be interconnected in order to achieve the most efficient operation. On this basis, heat pumps, hot and cold water tanks, and cooling towers are installed. They are interconnected by intelligent software — and the paint shop’s green nervous system is ready.

**EcoQPower** has enabled Dürr to reduce the energy consumption of a paint shop by up to 19 percent. This largely compensates for the additional costs of electricity, which is a more expensive energy source. “Even at locations that are climatically ideal for operating a paint shop, we can achieve energy savings in the double-digit range,” says Wieland, summarizing the potential of the innovative system.

“Many automakers have set themselves the aim of achieving a carbon-neutral production.”

DIETMAR WIELAND,  
SENIOR MANAGER IN DÜRR’S R&D TEAM

## Sustainable products and systems

The use of our products and systems has a significant impact on the environment. For instance, the operation of large-scale paint shops usually requires a high input of energy, resources, and materials. We are therefore working specifically on reducing the negative environmental impact of our products, for example by using less energy, materials and space, and reducing noise emissions. Digital technologies are becoming increasingly important in this process, as they can be used to analyze and optimize the consumption of resources as well as the need for fresh air in production. We are continuously working to further improve the energy efficiency of our products.

By reducing the environmental footprint of our products, we help our customers achieve their sustainability goals – whether in decarbonization, waste prevention or resource consumption. We are convinced that this function will continue to gain strategic importance as a sustainability enabler. We therefore expect that in addition to focusing on costs and production efficiency, customers will increasingly consider which technology provider contributes most to the achievement of sustainability goals when awarding their orders.

### PAINTING TECHNOLOGY: ENVIRONMENTALLY ORIENTED INNOVATIONS

The paint shop is the area of automotive production that is particularly important for decarbonization. After all, more than 40% of the energy required by automakers in their plants are used in the painting process. Examples of energy-intensive processes include drying the car bodies and air-conditioning the

paint booths. In recent years, we have introduced innovations that can reduce the energy consumption of the entire paint shop by up to 66%. In a reference project in China, we succeeded in significantly reducing energy and resource requirements compared with the state of the art. The following reductions were achieved per car body:

- the energy requirement fell from around 800 kWh to 400 kWh
- VOC emissions fell from 3.0 kg to 0.75 kg
- fresh water consumption fell from 1.5 m<sup>3</sup> to less than 0.5 m<sup>3</sup> and
- the process waste water volume fell from 0.8 m<sup>3</sup> to 0.3 m<sup>3</sup>

Paint and Final Assembly Systems has developed **EcoQPower**, an intelligent energy network, i.e., a combined heating-cooling system individually optimized for each paint shop. In this way, the energy consumption of a paint shop can be significantly reduced. This network, in conjunction with our electrified car body oven **EcoInCure** and the **Oxi.X** RV exhaust-air purification system (→ **“Environmental technology: fewer emissions for clean exhaust air”**), enables paint shop operation to be fully electric and – when using → **green electricity** – CO<sub>2</sub>-neutral.

With the “paint shop of the future,” we have developed an innovative combination of particularly environmentally compatible components. The central component is the **EcoProBooth**, a pioneering paint booth that sets standards in energy consumption and efficiency. The **EcoProBooth** has a highly recirculated air rate, thanks to its low energy needs with a ratio of recirculated air to fresh air of 95:5. In this way, it is possible to reduce energy consumption by up to 75% compared to a classic paint booth with wet separation.

Another material-efficient and energy-saving innovation is the **EcoPaintJet** robot-based application system. In this process, 100% of the paint reaches the intended surface – → **overspray**

is completely avoided when the paint is applied. For example, decorative stripes or contrasting colors can be applied fully automatically. Since the **EcoPaintJet** offers high-precision and razor-sharp painting, two-color cars no longer have to be masked using film before painting. This saves nearly 50 minutes of time and around 15 m<sup>2</sup> of film and tape per vehicle. In addition to paint savings of around 25%, energy consumption in the painting process can also be reduced by over 50% compared to conventional processes. This technology received several awards in 2022, for example the Automotive News PACE Award, the Surface Technology Award of the Fraunhofer Institute for Manufacturing Engineering and Automation (IPA), and the BMW Group Supplier Innovation Award in the Sustainability category.

### BATTERY MANUFACTURING TECHNOLOGY: ELECTRODE COATING, BATTERY ASSEMBLY AND TESTING

Lithium-ion batteries are a key technology in electric mobility. We are represented in this important future-oriented market with innovative systems for coating electrodes. As a supplier of complete lines, we supply coating technology as well as dryers and solvent recovery systems. We have an innovative technology for simultaneous coating of both electrode sides, which ensures maximum production efficiency and reduced energy consumption.

The range is complemented by fully automated solutions in cell and battery assembly. In addition to technologies for bonding battery cells and modules, our product portfolio includes the application of a thermal interface material as well as solutions for testing battery modules and packs.

For solvent recovery in the production of lithium-ion batteries, we have developed a process that allows over 99% of the solvents used in coating to be recovered. After the treatment, just over 95% of this can be returned to the process, reducing emissions to less than one milligram per cubic meter.

### TECHNOLOGY FOR ELECTROMOBILITY: TEST STANDS AND BALANCING SYSTEMS

In addition to battery manufacturing technology, we offer other technologies for the construction of electric cars. These include systems for testing completely assembled electric and hybrid drives from our Group subsidiary Teamtechnik. The test stands are used to test mechanical and fluidic variables, the electrical properties and the efficiency of the e-drive in a highly automated manner. Safety tests also play an important role in electromobility. In particular, high-voltage circuits in electric vehicles are the focus of tests at the end of the assembly line. Modular testing systems from Dürr can be used to ensure that no risks, such as dangerous short circuits, will result from the high-voltage circuits in battery vehicles.

The subsidiary Schenck RoTec supports the production of electric motors, for example with the eTEN0 balancing system, which measures and compensates for imbalances in electric armatures for electric drives. Schenck RoTec also offers the Centrio spin test stand for material tests on electric motors. This enables automotive manufacturers to determine the maximum rotational loads to which their aggregates may be subjected.

### RENEWABLE ENERGY TECHNOLOGY: ENABLING ENERGY TRANSITION

Extending the use of renewable energies is of central importance for energy transition. We manufacture important technologies for this purpose. For example, we produce stringer systems for the solar industry. These connect individual solar cells together to form → **strings**, which are then used to manufacture solar modules.

Biogas is produced by fermenting biowaste, for example in waste water treatment plants and landfills. In order to use it efficiently and feed it into the natural gas grid, it has to be purified and refined. We offer purification systems for the treatment of biogas.

We also offer technologies for generating electricity from geothermal and solar thermal energy or from heat generated by the combustion of renewable fuels. The → **ORC (Organic Rankine Cycle) technology** from Dürr Cyplan® suitable for this purpose is already being used in various industries for climate-friendly and decentralized power generation. In this process, the thermal energy generated in industrial processes is converted into green electricity and, if applicable, useful heat.

### ENVIRONMENTAL TECHNOLOGY: FEWER EMISSIONS FOR CLEAN EXHAUST AIR

From the chemical and pharmaceutical industries to plastics production and the food industry: During the manufacture of many products, pollutants may be released that are harmful to humans and the environment. As the world market leader in industrial exhaust air purification technology, the Clean Technology Systems division contributes to the reduction of emissions in many industrial sectors.

Our exhaust-air purification systems render volatile organic compounds (VOCs) harmless. These are released, for example, during the processing of solvents contained in paints and coatings. Substances with unpleasant odors are also treated using exhaust-air purification systems, as is exhaust air from the chemical industry that contains substances such as chlorine, bromine, fluoride, sulfur and nitrogen. Carcinogenic formaldehydes, too, are removed from exhaust air using Dürr technology. With our oxidation plants installed worldwide, our customers are able to reduce their greenhouse gas emissions by a total of around 100 million metric tons per year. This corresponds to about half of the industrial greenhouse gas emissions of the Federal Republic of Germany in 2021.

An example of thermal processes for exhaust-air purification is the flameless regenerative thermal oxidizer (RTO) with the Oxi.X RV technology. The system can be operated with electricity and achieves VOC exhaust-air purification levels of up to 99.7% – thanks to flameless operation and without generating thermal nitrogen oxides (NO<sub>x</sub>).

## ENABLER

FOR SUSTAINABLE MANAGEMENT

## WOODWORKING TECHNOLOGY: MACHINERY FOR FURNITURE PRODUCTION AND TIMBER HOUSE CONSTRUCTION

The trend favoring use of timber in construction is being driven by several advantages, including, for example, climate-friendliness, rapid regrowth of the raw material and the swifter completion of buildings. HOMAG offers a variety of solutions for processing the sustainable material wood. The portfolio includes machines for the production of prefabricated house components, room modules, windows, doors and stairs, as well as equipment for solid wood optimization and high-frequency presses for the production of cross-laminated timber boards. They are used, for example, in the production of furniture, kitchens as well as parquet and laminate flooring. Our core products include panel dividing and through-feed saws, CNC processing centers, drilling machines, sanders, edge banding machines, as well as handling and storage systems.

## DIGITALIZATION/INDUSTRIAL INTERNET OF THINGS (IIOT)

Software solutions are a growing part of our product range. This enables us to keep pace with the ongoing digitalization of production processes. Our digital product range includes, for example, manufacturing execution systems (→ **MES**) for centralized factory control and analytics applications, which often work with artificial intelligence. Their areas of application include quality control, root cause analysis, and predictive maintenance. Our digital solutions are developed in digital factories at Dürr Systems, Schenck, and the HOMAG Group. The activities of the three digital factories are coordinated by a cross-functional team. Moreover, there are standardized development processes and tools, a common innovation agenda, and a systematic exchange of applications and development results.

One product example is the intelligent control software **DXQenergy.management**, which can be used to identify potential savings in paint shops. The software is not only an innovative tool for dynamic monitoring and analysis of energy and media consumption, but also enables optimization of overall energy use by comparing consumption values and production data. With sophisticated analysis functions and various visualizations, **DXQenergy.management** identifies potential savings and thus enables consumption-optimized production while maintaining overall plant effectiveness. **DXQenergy.management** thus makes an important contribution to greater transparency and sustainability in paint shops.

## CONTRIBUTION TO THE CIRCULAR ECONOMY AND TO THE SERVICE BUSINESS

As early as during the production of our machines and systems, we keep the entire life cycle in mind. This ranges from the procurement of raw materials, through production and use, to recycling or disposal. When developing products, we focus on properties such as environmental compatibility, reparability, and longevity in line with the → **circular economy**. Through services such as modernization, modifications and general overhauls as well as the provision of spare parts, we increase the useful life of our products. This extends their service life, saves material and resources, and reduces the ecological footprint.

With an average service life of our machines and systems generally well over 10 years, our service business plays a significant role. Our strategic goal is for the service business to contribute at least 30% to sales. For this purpose, we are aligning our services along the entire life cycle of our products and are increasingly offering data-based digital services such as preventive maintenance. We are also expanding our → **brownfield business** by offering plant modernizations, with an increasing

focus on improving the ecological footprint. Our range of services includes plant modernization and optimization, audits of plant productivity and energy efficiency, software updates as well as training, maintenance, repair, and spare parts supply. Digital services such as remote analysis, maintenance assistance, and performance checks are becoming increasingly important.

The spare parts and modernization business is operated on a Group-wide basis. In 2022, the Application Technology division alone carried out almost 5,300 repairs with a total of around 10,200 components, including dosing pumps, valve units, turbines, and → **atomizers**. Repairs and general overhauls are also part of our range of services at HOMAG and Schenck. At HOMAG, this primarily relates to the preparation of gluing aggregates. In 2022, around 6,600 components were repaired and around 3,600 factory overhauled components were sold. The Balancing Technology business segment of Schenck carried out around 800 repairs with a total of around 1,200 components worldwide in 2022. These include measuring devices, measuring systems, high-performance gears, spindles, and special assemblies. In the Tooling business segment, the corresponding figures are much higher due to the technical wear and tear on tools caused by their use: In 2022, around 3,700 repairs were carried out on tool systems used by customers, with more than 73,200 spare parts provided. Depending on the operating conditions, the continued service of tool systems can be ensured for one to ten years by means of overhaul and repair.

# Pioneer in EU Taxonomy

With our taxonomy-aligned products, services, and investments, we contribute to the climate-friendly transformation of the economy.

The Dürr Group sees the shift towards greater sustainability as an opportunity. With the Taxonomy Regulation, the European Union (EU) has developed a classification system for environmentally sustainable economic activities, thus creating uniform criteria for companies.

## BACKGROUND AND GOALS

With the European Green Deal, the EU has set itself the goal of becoming climate neutral by 2050. In order to finance the measures required and to make the economic and financial system in the EU more sustainable, capital flows are to be directed toward sustainable investments. To this end, the European Commission (EU Commission) has developed the → [Action Plan on Financing Sustainable Growth](#). The core element of the action plan is the EU Taxonomy Regulation.

According to the EU Taxonomy Regulation, economic activities are “taxonomy-eligible” if they potentially contribute to the achievement of one of the following six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a → [circular economy](#), (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

- 1 **Climate change mitigation**
- 2 **Climate change adaptation**
- 3 **Sustainable use and protection of water and marine resources**
- 4 **Transition to a circular economy**
- 5 **Pollution prevention and control**
- 6 **Protection and restoration of biodiversity and ecosystems**

In addition, economic activities are “environmentally sustainable” or “taxonomy-aligned” according to the taxonomy specifications, if the taxonomy-eligible economic activities

- substantially contribute to the achievement of one or more of the six environmental objectives listed (Substantial Contribution)
- do not significantly harm the achievement of the five other EU environmental objectives (Do No Significant Harm, DNSH), and
- ensure compliance with minimum social safeguards (Minimum Safeguards).

At the time of publication of this report, the EU only had criteria for the first two environmental objectives, so that information must only be provided on the significant contribution to these environmental objectives for fiscal year 2022.

At the time this report was published, the EU Taxonomy Regulation and the Delegated Acts adopted in this context contained terms and wordings that are subject to uncertainty in terms of interpretation and for which clarifications had not been published in every case. In such cases, we have identified and explained the assumptions made in this report.

## IMPLEMENTATION OF THE TAXONOMY REQUIREMENTS

The Dürr Group had already voluntarily reported on taxonomy-eligible and taxonomy-aligned sales revenues, capital expenditures (CapEx), and operating expenditures (OpEx) for the 2021 fiscal year, beyond the legally required disclosures. This means we had already created the organizational and content-related prerequisites for the Group-wide implementation of the taxonomy requirements in the previous year. Further discussions and analysis were conducted in 2022 to validate our statements. As a result, we have not made any significant changes to the interpretation, the relevant economic activities, and the methodology of data collection compared with the previous year. Large portions of the Dürr Group's business activities are still not directly covered by the taxonomy requirements, as the current version of the EU Taxonomy Regulation is not directly aimed at the mechanical engineering sector and the supplier industry.

## BUSINESS ACTIVITIES OF THE DÜRR GROUP

Our business activities make a significant contribution to reducing global greenhouse gas emissions in two respects. Firstly, we develop and market low-emission technologies for sustainable production processes. When used by our customers, these enable significant reductions in greenhouse gas emissions over the entire life cycle of the product. With the help of many of our technologies, customers can therefore achieve significantly lower emission levels compared to the best performing reference technologies predominantly available on the market. Examples include selected technologies for resource-conserving automotive painting and systems for exhaust-gas and exhaust-air purification. Secondly, we offer technologies for manufacturing climate-friendly products, for example solutions for producing batteries for electric vehicles or machines for the industrial production of timber houses. Against this backdrop, the Dürr Group has a key role to play in the sustainable transformation of sectors such as automotive production, woodworking, mechanical engineering, chemicals, pharmaceuticals, and electrical engineering.

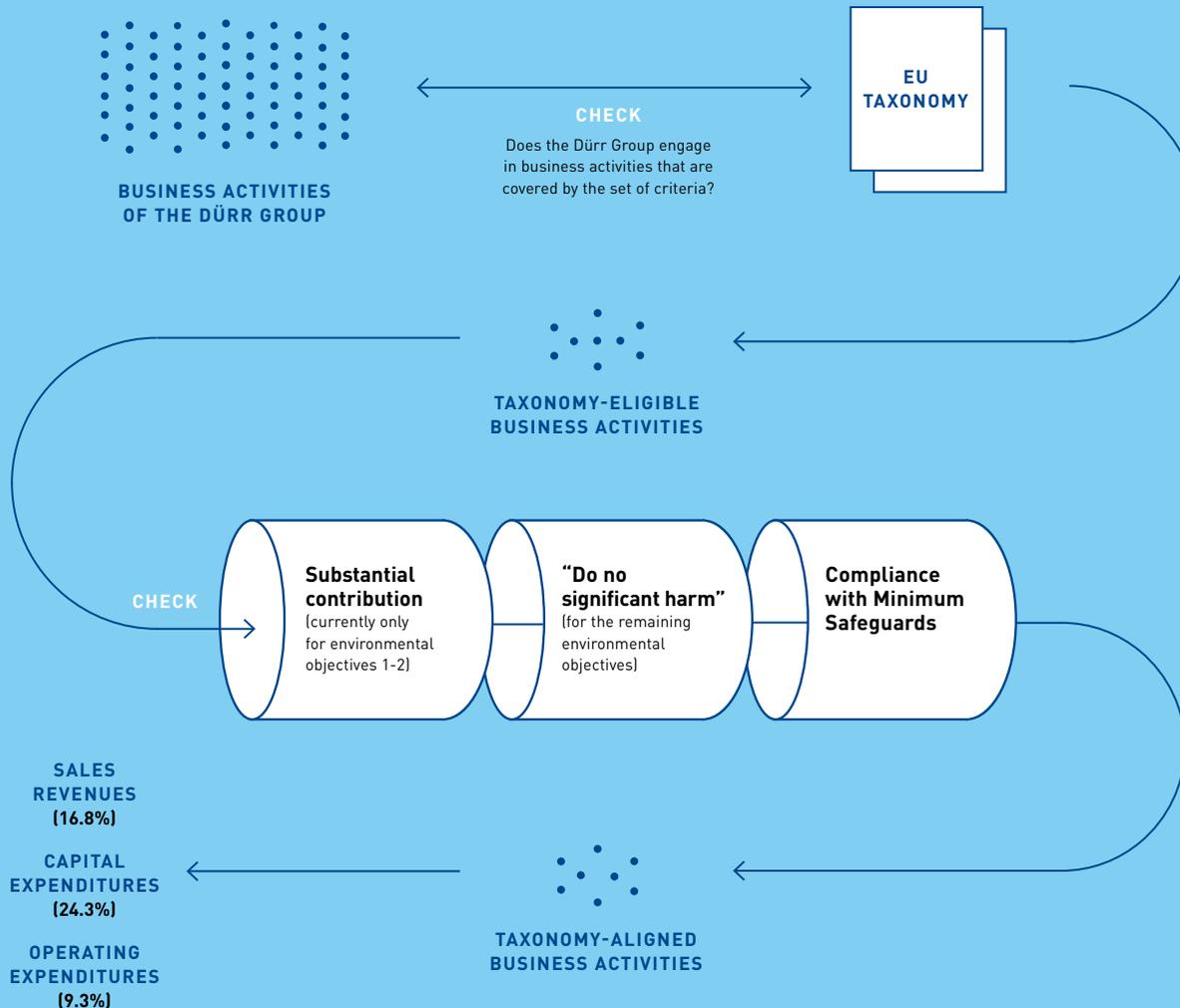
As part of our climate strategy, we are also pursuing the goal of making the Dürr Group's infrastructure sustainable. This includes, among other things, investments in energy-efficient buildings and their technical equipment, the increased use of systems for the generation of renewable energies, and the expansion of our electric vehicle fleet and charging infrastructure.

## ECONOMIC ACTIVITY "3.6 MANUFACTURE OF OTHER LOW CARBON TECHNOLOGIES"

The economic activity "3.6 Manufacture of other low carbon technologies" is of particular relevance to the Dürr Group. It includes activities for the production of technologies that aim at and demonstrably achieve substantial reductions in greenhouse gas emissions in other sectors of the economy compared to the best performing alternative technology available on the market.

From the Dürr Group's perspective, a substantial reduction means a decrease in greenhouse gas emissions in the use phase by at least 20%. Such a substantial reduction can usually only be achieved by a technological leap and not by continuous improvements. We have therefore set the value of 20% as the minimum level for a substantial reduction in greenhouse gas emissions. As a reference standard, we base it on the technology commonly used in the market at the time of publication of this report. The reference technology is thus the best performing alternative technology predominantly available on the market.

## EU TAXONOMY: METHODOLOGY AND PROCESS



## RELEVANT ECONOMIC ACTIVITIES FOR THE DÜRR GROUP

The following economic activities defined by the EU Taxonomy have been identified for the recognition and assignment of sales revenues, capital expenditures, and operating expenses of the Dürr Group:

- 3.1 Manufacture of renewable energy technologies
- 3.6 Manufacture of other low carbon technologies
- 4.11 Storage of thermal energy

In addition, the following economic activities have been identified for the recognition and assignment of taxonomy-eligible capital expenditures and operating expenses of the Dürr Group:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings

## IDENTIFICATION OF TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

For the 2022 fiscal year, the following business activities of the Dürr Group have accordingly been identified for the recognition and assignment of taxonomy-eligible sales revenues, capital expenditures, and operating expenses:

### 1. Painting technology

Despite significant technological leaps in recent years, modern paint shops continue to be among the biggest energy consumers in the production of automobiles. In particular, paint application and drying of the car bodies are responsible for the majority of energy and resource consumption in paint shops. We offer solutions with above-average energy-efficiency and resource savings that we classify as taxonomy-eligible due to the significant savings of emissions. Examples include solutions for dry separation of → **overspray** during paint application, our new, intelligent **EcoQPower** energy network, and the **EcoPaintJet** overspray-free application system. For further information, please refer to the section entitled → “**Sustainable products and systems**”.

### 2. Battery manufacturing technology

The Dürr Group offers specific technologies for producing rechargeable battery packs and accumulators for the transportation sector as well as stationary or decentralized energy storage systems. The Dürr Group also offers technical solutions for various process steps in the battery production value chain. These primarily include our coating technology, dryers, and solvent recovery systems for the production of battery electrodes, as well as assembly and testing technology for lithium-ion cells and for battery modules and packs. Furthermore, we provide gluing application technologies for battery systems. Our

corresponding business activities thus aim to significantly reduce life-cycle emissions in the transportation and energy sectors, so that our technologies support the EU's key objectives with regard to accelerated introduction of low-emission modes of transport and decarbonizing the energy sector.

### 3. Technology for electromobility

The Dürr Group manufactures technologies specifically used in the production of electric motors for the transportation sector. Specifically, we develop and supply equipment for filling electric vehicles with highly specific refrigerants, balancing and spin-test systems for rotors in electric drives, and modular end-of-line test stands for electric drives. Thus, our business activities in the area of “technology for electromobility” are aimed at significantly reducing life-cycle emissions in the transportation sector.

### 4. Renewable energy technology

The Dürr Group manufactures technologies for renewable energies. These include, in particular, machines and systems for producing → **strings** for solar cells, cleaning systems for biogas purification, and technologies for generating electricity from thermal energy during the combustion of renewable fuels or from geothermal or solar thermal energy.

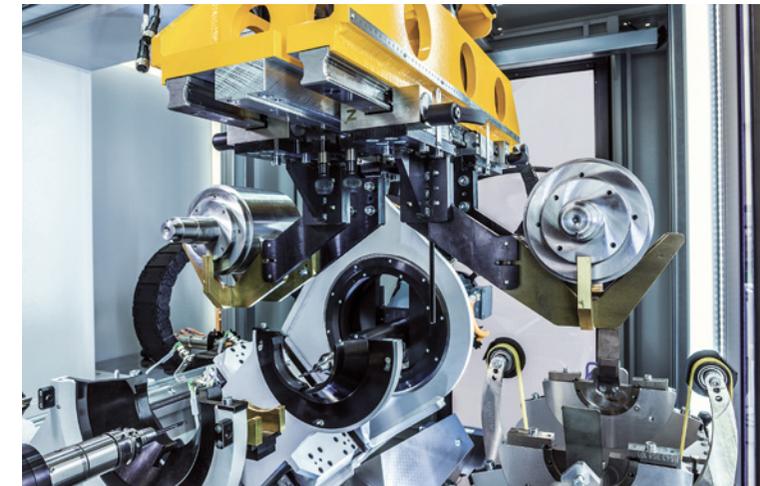
### 5. Environmental technology

The Dürr Group makes a substantial contribution to reducing emissions in various industrial sectors through environmental technology systems. We develop and supply modern plant technologies that enable efficient disposal of waste gases and residues, and reduce energy consumption in the use phase. In addition, other Dürr environmental technology systems ensure substantial savings in greenhouse gas emissions, which regularly exceed 20%. Our range of technologies includes systems for

flameless regenerative thermal oxidation and recuperative thermal oxidation, catalytic filter element systems, high-pressure catalytic systems as well as selected sorptive processes and plants for VOC concentration.

### 6. Woodworking technology

The Dürr Group produces technologies for the solid wood manufacturing sector that are specifically used for the industrial production of timber construction elements as well as timber windows and doors. These technologies include machines and systems for manufacturing cross laminated timber, for the fully automated production and insulation of wall and ceiling elements of timber houses, and for the production of timber windows and doors. Thus, our technologies are aimed at significantly reducing life-cycle emissions in the building sector.



We drive the energy transition forward through our balancing technology.

## IDENTIFICATION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

According to the EU Taxonomy Regulation, taxonomy-eligible economic activities are to be classified as taxonomy-aligned if they make a substantial contribution to the achievement of one or more environmental objectives, do not significantly harm any of the other environmental objectives, and ensure compliance with minimum safeguards in the context of the economic activities.

For further information on the proof of the significant contribution of our technologies as well as on the verification of DNSH criteria and compliance with minimum social standards, please refer to the [Annual Report 2022, from page 42](#).



We offer production technology for timber construction elements and complete modules for houses.

## PERFORMANCE INDICATORS ACCORDING TO THE EU TAXONOMY REGULATION

In the following, we provide information on our Group-wide taxonomy-eligible and taxonomy-aligned sales revenues, CapEx, and OpEx in accordance with the EU Taxonomy for the 2022 and 2021 fiscal years. Taking into account the technical screening criteria, taxonomy-eligible and taxonomy-aligned sales revenues and OpEx of the Dürr Group regularly correspond to each other. In the case of CapEx, it is possible that taxonomy-eligible and taxonomy-aligned economic activities differ in their results.

### TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED SALES REVENUES, CAPITAL EXPENDITURES (CAPEX), OPERATING EXPENSES (OPEX)

	Taxonomy-eligible share 2022 (%)	Taxonomy-aligned share 2022 (%)	Taxonomy-eligible share 2021 (%)	Taxonomy-aligned share 2021 (%)
Sales revenues	16.8	16.8	14.1 <sup>1</sup>	14.1 <sup>1</sup>
CapEx	54.0	24.3	38.1 <sup>2</sup>	25.1 <sup>2</sup>
OpEx	9.3	9.3	8.1	8.1

<sup>1</sup> Adjustment of the previous year's figure from 15.1% to 14.1% due to new findings.

<sup>2</sup> Adjustment of the taxonomy-aligned previous year's figure from 25.5% to 25.1% and of the taxonomy-eligible previous year's figure from 29.4% to 38.1% due to new findings.

### Sales revenues

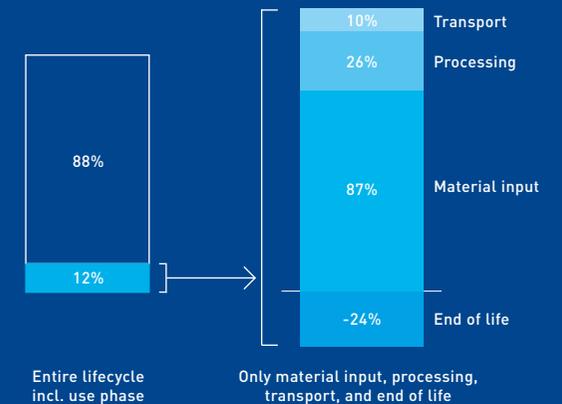
In the 2022 fiscal year, taxonomy-eligible sales revenues again corresponded to taxonomy-aligned sales revenues. Compared to the previous year, these increased by 45.4% to €726.6 million. The share of taxonomy-eligible or taxonomy-aligned sales revenues in Group sales also increased and amounted to 16.8% in the 2022 financial year (previous year: 14.1%). This was due in particular to activities in the context of economic activity "3.6 Manufacture of other low carbon technologies." The woodworking technology sector recorded strong growth in this area. In addition, increasing

## PREPARATION OF LIFE-CYCLE ANALYSES

The → **technical screening criteria** for economic activity 3.6 describe requirements for the quantification of life-cycle greenhouse gas emissions. For the 2022 fiscal year, we commissioned the Fraunhofer Institute for Building Physics (IBP) to prepare science-based life-cycle greenhouse gas balances based on the ISO 14067 standard for representative machines and systems. The complete product life cycle ("cradle-to-grave") was analyzed and the life-cycle phases material input, processing, transport, use phase, and end of life were taken into account. The eco-balance was calculated according to ISO 14040/14044. In assessing the life-cycle emissions of goods manufactured with our machines and systems, we relied on published data and analyses from recognized scientific organizations.

### LIFE-CYCLE ANALYSIS: "ECODRYSCRUBBER"

Carbon footprint per system, relative



# 16.8%

SHARE OF TAXONOMY-ALIGNED  
SALES REVENUES

# 24.3%

SHARE OF TAXONOMY-ALIGNED  
CAPITAL EXPENDITURES

# 9.3%

SHARE OF TAXONOMY-ALIGNED  
OPERATING EXPENDITURES

Further details on the composition of environmentally sustainable sales revenues, capital expenditures, and operating expenses are provided in the [Annual Report 2022, from page 49](#).

demand in the growth market of battery production technology led to a rise in the Dürr Group's taxonomy-aligned sales revenues.

### Capital expenditures

In the 2022 fiscal year, 24.3% of our investments complied with the requirements of the EU Taxonomy Regulation on taxonomy-aligned capital expenditures (previous year: 25.1%). This resulted mainly from the expenses for the current investment program at HOMAG, which are assigned to economic activity "7.7 Acquisition and ownership of buildings." In addition, capitalized development costs in the areas of battery production technology and painting technology caused an increase in environmentally sustainable CapEx in the context of economic activity "3.6 Manufacture of other low carbon technologies."

### Operating expenses

As in the previous year, taxonomy-eligible OpEx corresponded to taxonomy-aligned OpEx, amounting to €12.9 million. This means an increase of €3.0 million compared to fiscal year 2021. The taxonomy-eligible or taxonomy-aligned share of the Dürr Group's relevant OpEx in accordance with the Taxonomy Regulation amounted to 9.3% in the year under review (previous year: 8.1%). An important component were non-capitalizable expenses for research and development, which contributed 93% to the taxonomy-eligible or taxonomy-aligned OpEx (previous year: 90%).

## OUTLOOK EU SOCIAL TAXONOMY

The Platform on Sustainable Finance (PSF), which advises the EU Commission on the expansion of the EU Taxonomy, published its [Final Report](#) on Social Taxonomy on February 28, 2022. In this way, the EU plans to extend the existing EU Taxonomy as a classification system for environmentally sustainable economic activities to social objectives. In addition to economic activities aimed at avoiding or overcoming negative social impacts, economic activities that provide access to housing, health care, transport, and telecommunications are also addressed. At the time this report was published, it was not yet clear whether and in what specific form the Social Taxonomy would be implemented. However, due to the increasing importance of social aspects in public perception and sustainability reporting, the Dürr Group already started to separately record economic activities with social relevance in 2022. These include technologies for creating affordable and environmentally sustainable housing, automated systems for assembling medical technology products, and purification systems for exhaust air and exhaust gas that are harmful to the environment and health. With these activities, the Dürr Group generated sales of more than €600 million in the 2022 fiscal year, which corresponds to a share of sales of about 15%.

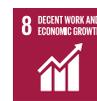


At the Dürr Group, we are continuously working to make our value creation processes more sustainable.



# VALUE CREATION AND SUPPLY CHAIN

Our overarching ecological objective is to reduce environmental and climate impacts associated with our business activities. This relates not only to the production sites, but also to the entire value chain, whose individual segments have varying degrees of impact on our environmental footprint. At the same time, we ensure a transparent and sustainable supply chain and establish processes to respect human rights in our purchasing structures.



**SDG 8.7**  
**Eradicate forced labor, end modern slavery, human trafficking and child labor**



**SDG 13.2**  
**Integrate climate protection measures into strategies and planning**

As a global employer, we have an impact on regional employment as well as a decent and safe working environment in our communities. Respecting human rights and ensuring fair working conditions are therefore the basis of our corporate responsibility. A binding component of the contracts with suppliers is our globally applicable Supplier Code, which explicitly requires compliance with human rights. As part of audits, we check compliance with social and environmental standards in our global supply chains.

Climate change is one of the greatest and most pressing challenges of our time. With our climate strategy, we have made a pledge to contribute to the achievement of the 1.5°C target under the Paris Climate Agreement. Our goals by 2030 are: 70% reduction in GHG emissions at our own sites (Scope 1 and Scope 2) and 15% reduction in GHG emissions in our upstream and downstream value chain (Scope 3) compared to the base year 2019.

# REDUCING ENVIRONMENTAL IMPACT AND PROMOTING SOCIAL JUSTICE

Protecting the environment and the climate is central to preserving the foundations of our existence. We strive to continuously improve our environmental and climate footprint and align our processes, products, and services accordingly. Our goal is to reduce negative impacts on the environment and climate.

## Environmental and energy management systems

We implement various measures for the reduction of negative environmental impacts resulting from our own business activities. We reduce our own ecological footprint through investments, for example in photovoltaic systems, energy efficiency measures, and sustainable new buildings, as well as through certified environmental and energy management

systems. We have set ourselves the goal of obtaining certification for the environmental management systems of all locations with production or assembly facilities or with a technical center and where hazardous substances are regularly handled. These certifications are based on the environmental management standard ISO 14001. Almost 60% of the relevant locations<sup>1</sup> are already certified according to this standard. Our German production sites regularly conduct energy audits in accordance with DIN EN 16247-1 or have a certified energy management system according to ISO 50001. This means that around 40% of the relevant sites<sup>1</sup> are certified with regard to energy management. We are working to continuously increase the level of certification. An overview of certifications held can be found at [www.durr-group.com/en](https://www.durr-group.com/en) under Sustainability/Documents, Ratings, Certificates.

## ENVIRONMENTAL AND ENERGY MANAGEMENT CERTIFICATIONS (AS OF DEC. 31)

	Absolute	Relevant sites <sup>1</sup> (in %)
Sites with production, assembly or technical center and/or hazardous substances	48	100
of which sites with environmental management certified to ISO 14001 <sup>2</sup>	28	58
of which sites with energy management certified to ISO 50001 <sup>2</sup> or similar	19	40

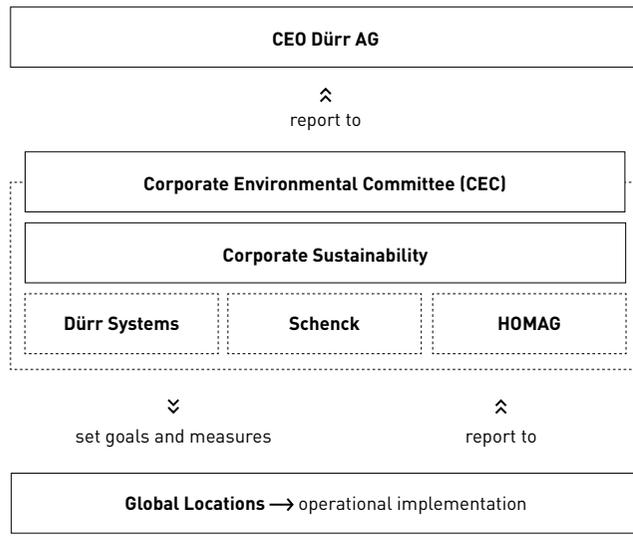
<sup>1</sup> Locations with production or assembly facilities or with a technical center and where hazardous substances are regularly handled.

<sup>2</sup> Sites used by several companies of the Dürr Group sometimes hold multiple certificates.

## Energy and resource efficiency

The Corporate Environmental Committee (CEC) is responsible for the strategic direction and management of all environmental activities. It consists of the persons responsible for management and environmental management systems in the three subgroups and the Corporate Sustainability department, the head of which reports directly to the CEO. The CEC provides recommendations on relevant environmental aspects to the Sustainability Council, defines targets, and derives corresponding fields for action. It has been meeting quarterly since September 2022 to enable regular coordination between the subgroups and to drive forward the implementation of the climate strategy. The main responsibility for environmental issues lies with the management of our local companies, which are subject to site-specific environmental action plans.

### RESPONSIBILITY AND ORGANIZATION IN THE AREA OF ENVIRONMENT



In October 2022, an international meeting of all the Group’s environmental managers was held for the first time. Climate strategy and goals were presented once again, and the participants discussed best practice examples as well as environmental and climate protection measures. For the next meeting at the end of 2023, it is planned to define concrete implementation plans for achieving our climate targets, initially for the German production companies.

### POLICY ON ENVIRONMENT



A [policy on environment and climate](#) describes our understanding of environmentally sustainable, climate-friendly management and serves as a basis for our actions. It applies to all Group companies worldwide, was fundamentally revised in 2022 and since then has also taken into account the issues of climate strategy, energy efficiency, and the expansion of the use of renewable energies. With regard to our products and services, we have defined concrete principles for improving the environmental properties of our products – particularly in the use phase – and substantiated the Dürr Group’s contribution to the → **circular economy**. In addition to the Group-wide policy, some of our subsidiaries have their own guidelines and policies.

Also in 2022, we updated our Germany-wide company vehicle policy, which accelerates the switch to fully electric vehicles. We plan to publish a Europe-wide guideline for sustainable construction in the Dürr Group by the end of 2023.

In order to be able to act quickly and effectively in the event of local accidental pollution, we have established site-specific emergency plans and teams as part of our Group-wide emergency and crisis management system. We qualify emergency responders, conduct regular evacuation drills, and rehearse emergency scenarios. In the event of environmentally relevant incidents, our sites are prepared and an internal emergency chain is triggered.

The protection of the environment and climate is a binding requirement for all employees. We expect all employees to act responsibly, with foresight, and in accordance with our guidelines in their daily business activities. In this way, everyone makes a contribution to ecological sustainability in their personal working environment.

### ENERGY

To improve our environmental and climate balance, we aim to continuously reduce the consumption of materials, resources, and energy, the volume of waste generated, and greenhouse gas emissions in relation to sales. We record consumption of energy and resources as well as emissions throughout the Group and implement measures to reduce consumption and emissions following an economic efficiency audit.

Compared to 2021, energy consumption has increased by around 7%, which is significantly less than the increase in sales (22%). Accordingly, energy intensity has decreased significantly: Per €1 million in sales, we used 12% less energy than in 2021. Consumption of oil and gas (mainly natural gas) decreased by 5%

compared to the previous year. Electricity consumption increased by 17%. It should be considered that just under 70% of the electricity came from renewable energy sources – in the previous year, the figure was just under 9%. A key factor in the improvement was the fact that we increased our purchase of green power almost ninefold, 38% of which is generated from wind energy, 53% from hydropower and 9% from other renewable energy sources. At the same time, we cover 11% of our electricity requirements through self-generation. By contrast, the use of conventionally generated electricity fell by 70%.

**ENERGY CONSUMPTION**

	2022	2021	Change compared to previous year in %	Change compared to the base year (2019) in %
<b>Energy consumption (in MWh)</b>				
Heating oil	5,466	3,768	45.1	15.4
Gas	57,388	61,813	-7.2	-3.5
Renewable fuels (e.g. biogas)	1,780	2,346	-24.1	-15.7
Electricity from conventional sources	15,132 <sup>2</sup>	49,974	-69.7	-73.9
Purchased electricity from renewable energies	41,759 <sup>2</sup>	4,656	796.8	1,008.2
Self-used electricity from own generation <sup>1</sup>	7,018	-	-	-
District heating	8,334	5,108	63.2	120.9
<b>Total</b>	<b>136,876</b>	<b>127,665</b>	<b>7.2</b>	<b>3.8</b>

<sup>1</sup> Data have only been collected since the year 2022.

<sup>2</sup> Deviation compared to the published figures in the 2022 Annual Report due to adjusted allocation of green electricity with guarantees of origin.

**ENERGY INTENSITY**

	2022	2021	Change compared to previous year in %	Change compared to the 2019 base year in %
<b>Energy intensity (consumption in MWh per €1 million in sales)</b>				
Heating oil	1.3	1.1	18.9	4.9
Gas	13.3	17.5	-23.9	-12.3
Renewable fuels (e.g. biogas)	0.4	0.7	-37.8	-23.4
Electricity from conventional sources	3.5	14.1	-75.2	-76.3
Purchased electricity from renewable energies	9.7	1.3	635.2	907.4
Self-used electricity from own generation <sup>1</sup>	1.6	-	-	-
District heating	1.9	1.4	33.8	100.8
<b>Total</b>	<b>31.7</b>	<b>36.1</b>	<b>-12.1</b>	<b>-5.6</b>

<sup>1</sup> Data have only been collected since the year 2022.

**11%**

**OF OUR ELECTRICITY NEEDS WERE COVERED BY SELF-GENERATED POWER IN 2022**

**WATER AND WASTE WATER**

A significant part of our value creation as an engineering company is accounted for by the development and construction of market- and customer-specific technical solutions. Production and assembly account for a smaller share of our business than in more production-intensive industrial companies, and the consumption of materials and resources is correspondingly lower.

Fresh water is used at most locations as drinking water, for food preparation, for sanitary areas, and for cleaning. At some locations with production activities, it is also used as process water (for cooling lubricants, sprinkler systems, plant and equipment in technical centers, cooling of buildings). With the exception of the Indian sites, all companies use drinking water from the public network. Occasionally, rainwater is also used for various purposes, for example at Dürr Systems in Brazil and South Africa. At HOMAG, only small quantities of process water are used for cooling during machining processes. The water is fed into recirculating cooling systems and maintained by filtering and purification processes. As a result, these small quantities only have to be replaced and disposed of once a year. Schenck completely recirculates its very small quantities of process water.

In most cases, waste water at Dürr Group sites is fed to the waste water treatment system through the public sewer system. Contaminated, chemically polluted waste water and waste water from processes requiring special treatment is properly disposed of depending on the degree and type of contamination.

Every year, we collect information on the purchase and use of water, water withdrawal, and waste water volumes at relevant locations. This excludes management companies with fewer than 30 employees and regional sales offices. Our survey covers 70 sites employing around 98% of the Group's workforce.

As a result, absolute water withdrawal in 2022 developed disproportionately lower than sales and is below the value for the 2019 base year. Most production sites are located in Germany, which is also reflected in the distribution of Group-wide water withdrawal: The German sites account for more than one third of water withdrawal. Our Chinese production sites withdraw around one quarter of the water. Waste water intensity also improved significantly compared to previous years.

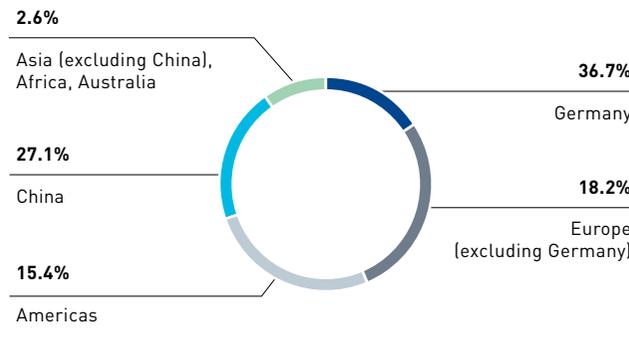
~3%

OF THE WATER WITHDRAWN THROUGHOUT THE GROUP WAS ATTRIBUTABLE TO SITES IN AREAS OF EXTREME WATER SHORTAGE IN 2022

**WATER AND WASTE WATER**

	2022	2021	Change compared to previous year in %	Change compared to the 2019 base year in %
<b>Water and waste water absolute</b>				
Water withdrawal (m³)	191,761	175,587	9.2	-5.1
Waste water output (water discharge) (m³)	154,609	142,388	8.6	-19.2
<b>Water and waste water intensity</b>				
Water withdrawal (m³/€1 million sales)	44.5	49.6	-10.5	-13.7
Waste water output (water discharge) (m³/€1 million sales)	35.8	40.3	-11.0	-26.6

**WATER WITHDRAWAL BY REGION (AS OF DEC. 31)**



**WATER STRESS**

Our goal is to reduce water withdrawal and environmental impact at our sites. To this end, we established a Group-wide process for assessing risks of water scarcity in the spring of 2023. At regular intervals, we analyze relevant sites with regard to water stress to identify potential local impacts and develop countermeasures as needed. We use indicators from the [Aqueduct Water Risk Atlas \(Aqueduct 3.0\)](#) of the World Resources Institute (WRI) as a data basis. Our assessment incorporates indicators such as water stress, shortage of water, seasonal fluctuations in water supply, changes in groundwater levels, and the risk of droughts.

In 2023, we took account of 64 sites. They were responsible for 86.9% of Group-wide water withdrawal in 2022 and comprised 95.1% of production locations. At the time of analysis, three sites were located in areas of extreme water scarcity, two in Mexico and one in India. These three sites were responsible for 2.9% of Group-wide water withdrawal in 2022 and employed 5.6% of the Group's workforce. By contrast, 40.6% of the sites analyzed were in areas of low to low-medium risk for water stress.

In addition, we simulated the risk of water scarcity at relevant locations for the years 2030 and 2040. We considered two [Shared Socioeconomic Pathway \(SSP\) scenarios](#): a development in which global warming can be limited to 1.1°C to 2.6°C by 2100 (SSP2 RCP4.5) and a scenario in which average global warming is expected to range from 2.6°C to 4.8°C by 2100 (SSP2 RCP8.5). As a result, we saw an increase in sites located in areas of extreme water scarcity. According to the study, about 15 sites could be affected by extreme water stress in 2040.

Water withdrawal in the Dürr Group is relatively low at 8.99 m<sup>3</sup> per employee per year or 24.6 liters per employee per day. In view of the global shortage of water as a result of climate change, we want to continue reducing our water withdrawal in the future. We have therefore set ourselves the goal of developing a Group-wide water strategy in 2023.

## WASTE MANAGEMENT

Some of our products are subject to the regulations of the EU Directive on Waste Electrical and Electronic Equipment (EU WEEE). This directive was transposed into national law by the EU member states, in Germany by the Electrical and Electronic Equipment Act (ElektroG). The products we place on the market in Germany that fall within the scope of the ElektroG are registered for the relevant product categories in the Waste Electrical and Electronic Equipment Register (EAR). The quantities placed on the market are reported to the EAR every year. In 2022, we developed a Group-wide concept for taking back used machines from the customer after the end of use. This is currently being finalized and will also be applied outside Germany in the EU in the future.

In the Dürr Systems subgroup, waste from all locations and construction sites worldwide is collected and disposed of separately by type of waste in accordance with local requirements. Waste management is the responsibility of the individual locations. The subgroup takes stock of the volume of waste produced every six months as part of its environmental management system. At each site, there is a responsible person to supervise the waste collection points. A clear separation by waste type can further reduce the residual waste rate. In order to reduce packaging waste during deliveries, packaging materials are sorted at the incoming goods department and reused in the shipping department. Packaging that can no longer be used is sold as compressed bales on the secondary raw materials market at individual sites. Site-specific product packaging guidelines for shipping specify how materials are to be efficiently packaged so that they arrive safely and generate as little waste as possible. Especially manufactured packaging, which is recirculated, is available for some standard components. The HOMAG and Schenck subgroups also have comparable processes for systematically separating waste and recovering or recycling recyclable materials in the best possible way. At HOMAG, metal shavings from mechanical processing are returned to the material cycle, correctly sorted by type.

In 2022, the Dürr Group generated 2,052 tons of hazardous waste (previous year: 2,156 tons), which corresponds to about 18% of the total waste volume. These are residual quantities of paints, adhesives, sealants and thickeners, operating and assembly aids such as metal cleaners and solvents, as well as waste oils and cooling lubricants from machining. This waste is collected, separated, and temporarily stored in a professional manner according to internal policies. Disposal is carried out by external disposal and recycling companies.

Prior to their introduction, hazardous substances undergo a release process, the application of which is ensured by the respective site or process managers. Procurement requests are reviewed by hazardous materials officers. Where possible, we use environmentally friendly and non-hazardous alternatives. In order to reduce the risk of accidents and injuries, we train our employees in the safe handling of hazardous substances. If necessary, we will provide personal protective equipment. The safe handling of hazardous substances in the Dürr Group is further supported by a list of hazardous substances, safety data sheets, and operating instructions.

## WASTE

	2022	2021	Change compared to previous year in %	Change compared to the 2019 base year in %
<b>Waste absolute</b>				
Waste volume (t)	11,145	10,556	5.6	-8.9
of which recycled (t)	6,445	5,199	24.0	-27.1
<b>Waste intensity</b>				
Waste volume (t/€1 million sales)	2.6	3.0	-13.4	-17.2
of which recycled (t/€1 million sales)	1.5	1.5	1.6	-33.7

The amount of waste grew by 6% in 2022. Recycled waste increased by almost a quarter, bringing its share of total waste volume to 58%. Waste intensity improved significantly compared to the previous two years.

## Sustainable supply chain

We want to make our supply chain resilient and sustainable. In doing so, we not only consider qualitative, financial, and ecological aspects, but also human rights issues in particular. We expect our suppliers to operate in an eco-friendly and climate-conscious manner, to respect human rights and to ensure fair working conditions. We monitor compliance with our requirements as part of our supplier management and purchasing process.

### SUPPLIER STRUCTURE AND PROCUREMENT

We have a broad procurement base of just under 30,000 suppliers, which are distributed across all key markets. We purchase around 80% of our goods locally, i.e. from suppliers in the country of the respective purchasing subsidiary. When it comes to important commodity groups, we conclude long-term framework agreements to achieve, for example, better terms through economies of scale. In Asia, we are increasingly buying manufacturing products and components for projects and plants in other markets. We exclusively manufacture certain core products ourselves to protect our know-how and to provide quality and on-time delivery. To ensure supplier availability, we forecast our needs in the sales stage, we set store by long-term capacity planning, and we closely monitor deadlines when dealing with suppliers.

In plant engineering, aside from raw materials and semi-finished products, we also purchase installation and engineering services, along with complete units, modules, and assemblies. In mechanical engineering, we purchase many finished parts and pre-assembled modules. Other important procurement groups are mechanical and electrical bought-in parts, such as drives and sensors. Measured against sales, the proportion of bought-in goods and services in the Dürr Systems subgroup is higher than in the Schenck and HOMAG subgroups, both of which have a higher proportion of in-house production. Across the Group, finished steel products account for more than half of our purchasing volume, followed by construction site services, and electronic products.

> 50%

OF OUR PURCHASING VOLUME IS ACCOUNTED  
FOR BY FINISHED STEEL PRODUCTS

In 2022, Russia's attack on Ukraine and the lockdowns in China further intensified the pre-existing supply chain bottlenecks. On the whole, there was a high level of price volatility driven by, among other things, the development of energy prices, transport costs, and exchange rates. After the start of the war, prices for metal products reached a peak in spring; then they initially remained stable or decreased slightly. Prices for plastics as well as for steel and other raw materials rose substantially in some cases. Here it must be borne in mind that, in plant engineering, we primarily source steel that has already been processed, or complete units such as dip tanks for paint shops. The availability of mechanical components improved considerably during the second half of the year. The availability of semiconductors was subject to serious restrictions throughout the whole year. We took several measures to ensure prompt and cost-optimized supply. Nevertheless, the price increases and logistics problems pushed up procurement costs and had an appreciable impact on material supply. In the Paint and Final Assembly Systems division (plant engineering), an average of around 25,000 metric tons of steel were used per year in recent years – roughly equivalent to 3.5 times the weight of the Eiffel Tower.

Our experience of the challenging procurement environment in 2022 has prompted us to bolster the resilience of our supply chain to additionally protect against external disruptions. In specific terms, we are pursuing a strategy of regional diversification of our supply sources, thus enabling us to be flexible in choosing alternatives if supply chains are disrupted.

In March 2022, we successfully completed the broad centralization of our purchasing activities in the Dürr Systems subgroup. The new structure enables essential process and cost optimizations, for instance through the central control of project purchasing and commodity group management as well as through standardized methods, processes, and systems. Operational purchasing processes remain within the remit of the divisions' purchasing units. In addition, the position of Chief Procurement Officer was created for Dürr Systems in the course of the "High Performance Procurement" project. He coordinates all purchasing activities of the three divisions of the Dürr Systems subgroup and is responsible for sustainability in the supply chain throughout the Group. At the end of 2022, 618 employees were working in the Dürr Group's purchasing department.

~30,000  
SUPPLIERS IN OUR  
GLOBAL PROCUREMENT BASE

## ENVIRONMENTAL FOOTPRINT IN THE SUPPLY CHAIN

Ensuring that suppliers and business partners comply with our environmental and climate protection requirements is an important prerequisite for cooperation. When selecting and evaluating suppliers, we will take environmental aspects into account to an even greater extent in the future. Our globally valid [Code of Conduct for Suppliers](#), available in twelve languages, serves as the basis for cooperation. In it, we formulated our expectations of suppliers with regard to social standards, ethical business conduct, and environmental protection. For example, we require suppliers to comply with environmental laws and standards, and encourage them to establish suitable environmental management systems. We expect our suppliers to use natural resources responsibly and minimize the consumption of raw materials, water, and energy. With a declaration of commitment, we require suppliers and business partners to comply with our Code of Conduct for Suppliers.



Suppliers and business partners must sign the Code of Conduct for Suppliers of the Dürr Group and accept it as part of the contract. [Code of Conduct for Suppliers](#)

In 2022, we introduced the IntegrityNext platform for the assessment of our high-risk suppliers. This software supports us in making our sustainability standards an integral part of the supply chain and in managing high-risk suppliers. Through IntegrityNext, we receive information on the sustainability performance of our suppliers, including in the area of environmental management certification, based on self-assessment questionnaires. We also use the platform to obtain information on product conformity, for example information on the use of certain hazardous substances in electrical and electronic equipment (→ [Restriction of the use of certain Hazardous Substances \(RoHS\) Regulation](#)) and on suppliers' handling of chemicals (→ [Registration, Evaluation, Authorization of Chemicals \(REACH\) Regulation](#)). Our goal is to improve the protection of human health and the environment from the risks posed by chemicals.

Potential suppliers from high-risk countries have been required to complete an e-learning module on the topic of sustainability since 2022. Among other things, it provides information on the Dürr Group's climate strategy and our expectations from business partners regarding compliance with environmental and climate protection standards. In logistics, we are planning measures to reduce greenhouse gas emissions from 2023. For example, we want to avoid transport by air freight wherever possible and choose low-emission means of transport in the future. The carbon footprint of logistics partners will also play a role when awarding future contracts. We are currently developing a program to be rolled out before the end of 2023 that will offer financial incentives to suppliers using climate-friendly processes.

# THE GERMAN SUPPLY CHAIN DUE DILIGENCE ACT

*complex term, complex task*

The German Supply Chain Due Diligence Act basically places enterprises under the obligation to ensure compliance with human rights along their entire supply chain. With almost 30,000 suppliers around the world, it is a huge task for the Dürr Group to fulfill.

TEXT: ANNA GOTTSCHALK — FOTOS: SASCHA FEUSTER



**Previously, costs, adherence to deadlines, and quality were the decisive factors in awarding contracts. Now, with the Supply Chain Act, sustainability criteria have also been added. Do colleagues in purchasing need to change their way of thinking?**

**ARNO IMMLER** Yes, absolutely. In 2020, we significantly expanded our Supplier Code of Conduct with regard to human rights and environmental standards, and at the same time began to inquire about certain sustainability aspects during initial contact with new suppliers. But with the Supply Chain Act, the sustainable supply chain has become a whole new priority. We have therefore been conducting training sessions with our more than 600 employees in purchasing worldwide since the beginning of 2023 to provide information about the new requirements and the measures we have initiated. Particularly at our foreign sites, we need to create an understanding that as a German company, we must comply with the new law worldwide. But further clarification is also needed in other areas. Many employees did not realize that the law does not only apply to our products. In such cases, we had to raise awareness that, for example, purchased services and non-production materials are also part of the supply chain and thus fall under the Supply Chain Act.

*“The sustainable supply chain has become a whole new priority.”*

**ARNO IMMLER** has been working in Dürr’s purchasing department for more than four years. In 2022, he took over responsibility for the topic of sustainable supply chain.

## THE GERMAN SUPPLY CHAIN DUE DILIGENCE ACT

The Supply Chain Act is intended to strengthen human rights and environmental protection along the entire supply chain. By means of appropriate processes, companies must fulfill their responsibility to comply with human rights and environmental standards in their own business operations and within the supply chain. Whenever indications of a violation of these standards are found, the company must take action and initiate appropriate remediation measures. If it fails to comply with its legal obligations, fines of up to 2% of its own annual turnover may be imposed. Currently, the law applies to all companies based in Germany and employing more than 3,000 people. From 2024, it will also apply to companies with more than 1,000 employees.

**In order to check its suppliers and raise their awareness, the Dürr Group works with self-assessment questionnaires and online training courses. How effective are these measures?**

**NICOLETTE CSAPI** Currently, we are still in the middle of implementing them. It is therefore too early to draw an overall conclusion. Yet we already see that the measures are particularly effective when we require evidence of specific information. That is why we are planning to demand them on a larger scale. However, we are currently still focusing on rolling out the e-learnings and questionnaires to all our suppliers. This makes us a pioneer in the mechanical and plant engineering industry. Many other companies only take a look at a certain part of their suppliers. We have also opted for a collaborative approach, which means excluding suppliers is a last resort. Before this happens, we make every effort to work closely with our suppliers to enable them to improve their sustainability performance over time. This is based on the confidence that our suppliers will furnish accurate information as required. In the event of deviations from the requirements, we examine the causes together with the supplier and agree on improvement measures. There are, of course, escalation paths that can lead to us terminating business relationships. But we don't really want to let it come to this. We are willing to accept the considerable additional expenses involved in supplier development because we can achieve more if we act in concert with our business partners.

**NICOLETTE CSAPI** joined the purchasing team in July 2022 and has since also been responsible for the topic of sustainable supply chain.



*“We can achieve more if we act in concert with our business partners.”*

*“I see myself as a sparring partner for our departments.”*



**KARINA TÜRKMEN** is part of the Corporate Sustainability team and has also taken on the function of Human Rights Officer in the Dürr Group as of January 1, 2023.

**How do you ensure that the Dürr Group complies with its human rights due diligence in the supply chain?**

**KARINA TÜRKMEN** It is not my job to be constantly looking over the shoulders of all colleagues or our nearly 30,000 suppliers. Rather, I see myself as a sparring partner for our purchasing, legal, and compliance departments. At Corporate Sustainability, we are in close, regular exchange with them anyway. Now my collaboration with the teams has intensified. We jointly define measures for implementing the Supply Chain Act, for example. In this way, I know at all times what the Dürr Group is doing to comply with its due diligence obligation, I know the processes and can provide advice to my colleagues. If there are reports of possible human rights violations by our suppliers, our Compliance Officer informs me directly and we investigate each individual case together. It goes without saying that I am also available as a contact person to all colleagues in the company if they have concerns or questions relating to the topic of human rights.

## HUMAN RIGHTS DUE DILIGENCE IN THE SUPPLY CHAIN

Our aim is to respect and protect human rights. In doing so, we relate our corporate due diligence not only to our own business activities, but also to the supply chain. We have committed ourselves to this aim by, among other things, signing the United Nations Global Compact (UNGC).

Overall responsibility for human rights and environmental due diligence lies with the Board of Management of Dürr AG. The Group-wide Sustainable Supply Chain department defines processes to ensure due diligence in the supply chain. In doing so, it is supported by the Corporate Sustainability, Corporate Compliance, and Corporate Legal departments. In addition, the department centrally controls the implementation of the processes and is supported by the local purchasing organizations.

The Human Rights Officer of Dürr AG has been reviewing the implementation of and compliance with corporate due diligence throughout the Group since January 1, 2023. She is part of the Corporate Sustainability department and informs the Board of Management of Dürr AG and the Dürr Management Board at least once a year about current human rights issues and any incidents.

The [policy statement on the respect for human rights](#) describes our approach to compliance with corporate due diligence. It contains binding principles on the respect for human rights and fair working conditions and forms the basis for fulfilling our social and environmental responsibility along the entire value chain.

In order to create transparency about potential human rights and environmental risks in the supply chain, we conduct risk analyses on an annual basis and – if necessary – when circumstances require (→ “[Country-specific risk analysis](#)”). On this basis, we further specified our preventive measures in 2022 and are implementing them in stages at various supplier groups. In the first step, the following three preventive measures apply to direct suppliers from high-risk countries:

- Suppliers and business partners must sign the [Code of Conduct for Suppliers](#) of the Dürr Group and accept it as part of the contract. The Code covers, for example, the topics of equal treatment, fair working conditions, and health protection and occupational safety. By signing it, suppliers confirm our principles of responsible corporate governance, human rights due diligence, and environmental management, and assure to be aware of our whistleblowing system, the [Dürr Group Integrity Line](#).
- We use an e-learning module to raise suppliers’ awareness of human rights and other sustainability issues, highlight the importance of our Code of Conduct for Suppliers, and draw attention to the Dürr Group Integrity Line. The online training is available in ten languages and is concluded with a test. Since the start of this preventive measure at the end of 2022, more than 100 suppliers, corresponding to around 10% of suppliers from the identified high-risk countries, have already completed the online training.

- We require suppliers from high-risk countries to complete a self-assessment questionnaire on compliance with human rights and other sustainability aspects relevant to us. Via IntegrityNext, we perform a risk classification of suppliers according to the traffic light colors red, yellow, and green. For example, suppliers must confirm that they do not employ children and that they comply with the minimum age of 15 years for admission to employment and work, as established according to ILO Convention 138. If a supplier is classified as red, we plan to conduct feedback discussions and – if necessary – work with the supplier on developing plans to improve their risk rating. We will obtain information about their implementation.

These preventive measures already apply to almost 1,000 suppliers from high-risk countries, for example China, India, or Mexico. Since the beginning of 2023, we have also been extending these measures to new and existing suppliers in non-risk countries. The first steps have already been taken in the Dürr Systems subgroup, and Schenck and HOMAG will be starting in the course of the year.

On-site audits focusing on sustainability will also be conducted where necessary. In doing so, we aim to utilize the purchasing network in our Group companies as well as their knowledge and proximity to local suppliers. In addition, we plan to consider sustainability criteria in the form of a bonus-malus system in the strategic awarding of purchasing contracts in 2023.

In order to raise awareness of sustainability in the supply chain among our buyers worldwide, we are successively adding human rights and sustainability-specific content to existing training courses. We also inform them regularly about relevant changes, for example in the form of our Procurement Colleges. Using this format, we trained all 618 employees in purchasing across the Group on sustainability in the first quarter of 2023, and presented the new processes and preventive measures.

### COUNTRY-SPECIFIC RISK ANALYSIS

In order to increase transparency with regard to human rights issues in our supply chain, we conducted a risk analysis of our direct suppliers for the first time in 2021. Against the backdrop of the German Supply Chain Due Diligence Act (LkSG), which came into force on January 1, 2023, we revised the methodology for risk classification of our direct suppliers worldwide and carried out a new risk analysis as part of the regular update.

In the first step, we assessed various risks from the areas of human rights and the environment on the basis of their severity and probability of occurrence. We then prioritized the results in terms of our ability to influence the respective risk, deriving focus topics from them for the first time in 2022. In the future, we will focus on these topics when working with suppliers and will incorporate them into the further development of our preventive and remedial measures.

In a second step, we performed a risk classification of the countries of origin of our direct suppliers based on country-specific indices. For this purpose, we used, for example, the

### HUMAN RIGHTS AND ENVIRONMENTAL FOCUS TOPICS (2022)



Global Slavery Index (GSI), the SDG Index, the Corruption Perceptions Index (CPI), and country-specific greenhouse gas emission factors. Using more than 30 country-specific indices, we now take into account a significantly wider range of topics from the areas of labor and human rights as well as climate and environmental protection. At the same time, we weighted the country indices based on the focus topics identified in the first step.

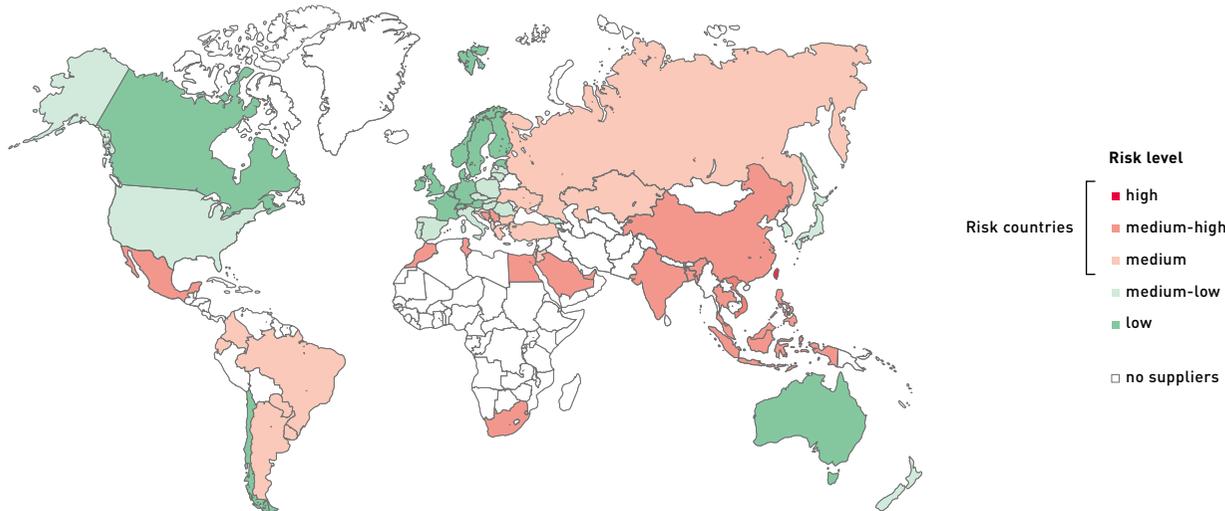
Using this two-step process, we identified 37 high-risk countries with around 10,000 suppliers. We review those suppliers that together account for 80% of the purchasing volume in each high-risk country. As a result, we were able to identify almost 1,000 potential risk suppliers in 2022, accounting for just under 20% of our Group-wide purchasing volume.

### CONFLICT MINERALS

For the manufacture of our machines and systems, we source products that contain, among other things, small amounts of tin, tungsten, tantalum, and gold (→ 3TGs). As of January 1, 2021, the EU Conflict Minerals Regulation requires EU importers to source → **conflict minerals** – tin, tantalum, tungsten, their ores, and gold (3TG) – from responsible and conflict-free sources only. This is intended to curb funding for violence and human rights violations in conflict or high-risk areas.

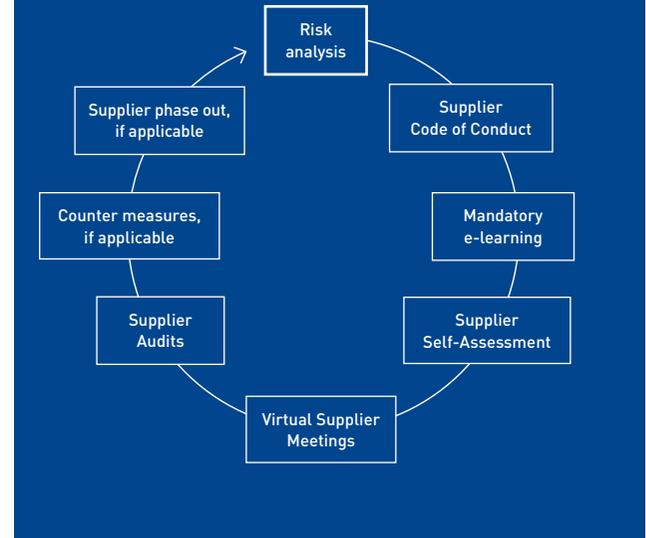
In our [Code of Conduct for Suppliers](#) we require our suppliers to source the minerals in question exclusively from audited, conflict-free smelters and refineries. Where possible, we gain transparency on the country of origin of minerals and the

#### COUNTRY-SPECIFIC SUSTAINABILITY RISK RATING IN THE DÜRR GROUP (2022)



### EIGHT PREVENTIVE MEASURES

Based on our risk analysis, we initiate supplier-specific preventive measures and contribute to the respect of human rights in the supply chain.



smelters and refineries involved using the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI). We use the OECD Due Diligence Guide to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas to further improve our process for dealing with conflict minerals in 2023.



We offer young, talented staff responsible work in an international environment.



# EMPLOYEES AND QUALIFICATION

Our innovative products and services are the result of the commitment and performance of our more than 18,500 employees around the world. Our aim is to offer employees the best possible conditions with a wide range of career opportunities and future-oriented education and further training options. As a basic requirement, we create a safe working environment and are committed to a corporate culture characterized by fairness and equality.



**SDG 4.4**  
**Increase the number of youth and adults who have relevant skills, including technical and vocational skills**

As a technology company, our corporate success depends to a large extent on qualified personnel and prudent management. That is why we attach great importance to comprehensive training and qualification opportunities for our workforce, thus creating the basis for high-quality professional and personal development of our employees. We also promote self-guided and flexible learning with new digital training offerings.



**SDG 8.8**  
**Protect labor rights and promote safe and secure working environments for all workers**

The health and well-being of our employees and business partners are an essential prerequisite for our success and an important basis for sustainable regional development. Through our Group-wide strategy Striving for Excellence in Safety, we aim to ensure the integrity of our employees and business partners, promote a safe and decent working environment, and minimize health risks.



**SDG 10.2**  
**Promote social and economic inclusion and empowerment**

Diversity, equal opportunities and equal treatment in the workplace are part of our core values and determine our daily actions and behavior. We promote an inclusive culture regardless of personal or genetic characteristics, are committed to the principle of gender equality in all areas of business, and do not tolerate any form of discrimination.

# Next stop:



From Mexico to Germany



From Germany to South Africa

## abroad

Melanie Will moved from Bietigheim to South Africa for four months, and Ysaac Pérez came from Mexico to the Dürr headquarters in Germany. During the time spent abroad as part of their trainee program, both gained valuable experience that went far beyond the job.

TEXT: STEPHAN KÖHNLEIN  
PHOTOS: MARIE SCHMIDT, YSAAC PÉREZ (PRIVATE)



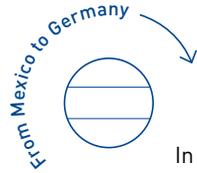
Melanie Will jokes that she experienced all four seasons in one single day during the South African winter. It would start with a fresh air of spring in the morning, then it would turn warm and summery around lunchtime, before cooling down in the afternoon, often becoming really cold once the sun had set. Between June and September 2022, the 29-year-old spent part of her trainee program at Dürr in Port Elizabeth, around 750 kilometers east of Cape Town on the Indian Ocean.

With just under 100 employees, this location, flanked by palm trees, is considerably smaller than the Bietigheim headquarters. Yet it is one of Dürr's oldest foreign subsidiaries. "That's why it has close and long-standing relationships with the local automotive industry," the engineer notes.

Will lived with another Dürr trainee in an apartment overlooking the sea. "Once I even saw dolphins from our window," she remarks. She worked in internal project management in the field of conveyor technology. "My jobs included placing orders with suppliers and preparing internal schedules to establish when we could manufacture and put together certain parts and how to respond to potential delivery delays. This meant I had plenty of contact with local colleagues, suppliers, and customers," she explains.



Perfect for switching off: a walk along the beach at the end of a working day.



Ysaac Pérez sightseeing in Prague.

In May 2022, Ysaac Pérez arrived in Bietigheim with mixed feelings of curiosity and nervousness. For the 26-year-old Mexican, it was his first ever stay in Europe. “I knew there were some exciting times ahead for me, but also quite a few challenges,” he says. He was a bit worried about the cultural differences between Germany and his home country. But his worry soon dissipated.

After his bachelor’s degree in finance, Pérez started as a trainee with Dürr in Querétaro, a city in central Mexico with around 850,000 inhabitants. There, he mainly worked in controlling. “That’s my big passion,” he says. He wants to work in this field when he finishes his trainee program. In Bietigheim, too, he supported the Controlling and Corporate Accounting department. His tasks included collating information and figures, analyzing them, and preparing them for reporting. He learned the most during joint discussions and his daily work with the relevant colleagues.

According to Pérez, finance is a rather abstract level of business. But he says that the more people you meet and the more insights you get, the more complete the overall picture you’re in becomes. He notes that this also includes contact with the management level — not just professionally. “I once went to dinner with CFO Dietmar Heinrich, and another time I was invited to a barbecue,” says Pérez. “I was very impressed that the CFO made time for me. This set me a good example and it’s an attitude I would like to adopt when I take on a leadership role myself one day.”

**“I was very impressed that the CFO made time for me. This set me a good example and it’s an attitude I would like to adopt when I take on a leadership role myself one day.”**

YSAAC PÉREZ,  
TRAINEE AT DÜRR



At work, Melanie Will was in constant contact with colleagues and kept an eye on schedules and material deliveries.



Melanie Will appreciates the openness and kindness of the South African people. “They were really interested, not only in me as a person but also in my professional career and in what I do in my spare time,” she says. After she had mentioned that she liked running, she was immediately put in touch with a running group. She notes that people there are very keen runners anyway. There was a race almost every weekend, but coming together after these runs also played a big part. During these social gatherings, she learned a lot about the country, people, and local wines. That said, it was her trips to the South African national parks that left the most memorable impressions. “The landscape and wildlife over there are breathtaking,” reports Will with enthusiasm.

She did have to get used to the frequent power cuts, which would sometimes happen several times a day, due to the scarce energy supply. That's when she had to make sure her cell phone was charged overnight so the alarm would work first thing in the morning. And she would clean her teeth by the light of her smartphone torch. Morning coffee? Not a chance! "And in the evening, we would eat a delivery meal by candlelight," she remembers. Even at work, there was not always enough electricity in all the buildings. "But the people there are flexible and make do," she says. She has adopted this laid-back attitude for herself — and has come to realize that certain things should not be taken for granted. Will has stayed in contact with South Africa. Aside from the friendships she has created, one reason to go back is the hike in the Drakensberg Mountain Range, which is still on her list of things to do.



Perfectly integrated: Every week, Melanie Will was out with the local running group.

**“The people were really interested, not only in me as a person but also in my professional career and in what I do in my spare time.”**

MELANIE WILL,  
TRAINEE AT DÜRR



During his time in Germany, Ysaac Pérez lived in Stuttgart, the capital of the German state of Baden-Württemberg. On his way to the city train to Bietigheim, he would buy himself a white coffee and a butter croissant from the bakery every morning. "I loved the butter croissants. You don't get them like that in Mexico," he enthused. He liked Stuttgart, too, with its architecture, the beer gardens, and the lively Schlossplatz (palace square) in the city center: "I had chosen the perfect time to be there. I was there for the whole summer, from May till August," he says. He traveled a lot at weekends, to Munich or Berlin, but also to the Czech Republic, Austria and Switzerland.

Even though he was happy and made new contacts in Germany, he still missed his friends and family sometimes, as well as Mexican food with its many spices. He did like the German curried sausage, though, which he declares with a smile.

He also noticed cultural differences at work. "In Mexico, when we get to work on a Monday, we first chat about the weekend and our families," says Pérez. In Germany you say "Hello. Good morning" and then you start work. That took some getting used to. But it was this focus on the job that he also appreciated. "I would like to live in Europe one day," he remarks. "This will help me move forward in my career."

Will and Pérez agree on the message they want to share with other trainees: "Make the most of it, especially your work experience abroad, be open, and ask questions," advises Pérez. Will says: "But also have fun and use the opportunity to get to know the multiple facets of the Dürr Group."

Ysaac Pérez playing table soccer in his lunch break.



### THE DÜRR GROUP GRADUATE PROGRAM

With its 16-month trainee program, the Dürr Group offers graduates of different disciplines exciting career prospects. The trainees complete four stages — including one abroad — and receive comprehensive insights into different departments and responsibilities. Their active involvement in shaping the program, along with a permanent employment contract, personal mentoring, wide-ranging opportunities for further training, and networking events ensure that the talented young people gain maximum benefit from their practical training within the company. It is therefore no surprise that the highly qualified young staff are in great demand with the various departments once they have completed the graduate program.

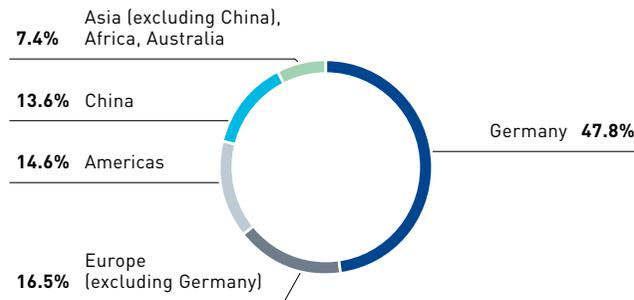
# IMPLEMENTING FUTURE-ORIENTED IDEAS TOGETHER

## Workforce development

As of December 31, 2022, the Dürr Group had 18,514 employees. This represents an increase of 712 employees, or 4.0%, compared to year-end 2021. Among the divisions, Woodworking Machinery and Systems recorded the most significant increase (5.0%, 361 employees) as part of its strong growth. The increase in the number of employees in the Corporate Center was mainly due to the reassignment of IT specialists previously assigned to the divisions. Consolidation effects did not play a role in 2022, as no external companies were acquired and no Group companies were sold.

20.6% of employment growth (147 people) in 2022 was attributable to our Group companies in Poland. In the ranking of countries with the largest number of employees, Poland is in fourth position with 1,485 employees, virtually identical with the United States (1,487). Germany ranks first with 8,853 employees and a share of 47.8% of the Group's workforce, followed by China with 2,527 employees and a share of 13.6%.

EMPLOYEES BY REGION (AS OF DEC. 31)



	2022	2021	2020
Germany	8,853	8,643	7,931
Europe (excluding Germany)	3,060	2,888	2,638
Americas	2,703	2,511	2,229
China	2,527	2,488	2,434
Asia (excluding China), Africa, Australia	1,371	1,272	1,293
<b>Total</b>	<b>18,514</b>	<b>17,802</b>	<b>16,525</b>

As an internationally operating company, open-mindedness and → diversity are key components of our corporate culture. The average age of our employees is 42. Across the Group, 32% of employees are under 35 years of age; the proportion of this age group is particularly high in China, at 40%. Germany has the oldest workforce with an average age of 44 years. 45% of our employees have a university degree, while 50% have chosen a non-academic vocational training. Most of our employees – namely 26% – work in assembly and manufacturing. More than 3,000 (16%) are employed in service worldwide. 10% of our employees take care of administrative tasks and our IT infrastructure.

EMPLOYEES BY AGE GROUP AND GENDER (IN %, AS OF DEC. 31)

	2022		2021		2020	
	Women	Men	Women	Men	Women	Men
of which <35 years	20.0	80.0	19.5	80.5	19.0	81.0
of which 35–44 years	17.8	82.2	17.2	82.8	16.6	83.4
of which 45–54 years	15.6	84.4	15.8	84.2	15.4	84.6
of which >55 years	12.5	87.5	12.0	88.0	11.7	88.3
<b>Total</b>	<b>17.1</b>	<b>82.9</b>	<b>16.7</b>	<b>83.3</b>	<b>16.2</b>	<b>83.8</b>

### SHARE OF FEMALE EMPLOYEES BY REGION (IN %, AS OF DEC. 31)

	2022	2021	2020
Germany	16.0	15.4	15.2
Europe (excluding Germany)	20.4	20.0	17.6
Americas	15.1	14.7	14.8
China	21.6	21.7	21.8
Asia (excluding China), Africa, Australia	16.0	10.6	10.7
<b>Total</b>	<b>17.1</b>	<b>16.7</b>	<b>16.2</b>

### AVERAGE LENGTH OF SERVICE BY GENDER (IN YEARS, WORLDWIDE, AS OF DEC. 31)

	Total	Women	Men
Germany	13.7	12.1	14.1
Europe (excluding Germany)	7.6	6.8	7.8
Americas	10.1	8.1	10.2
China	7.8	7.3	8.0
Asia (excluding China), Africa, Australia	6.7	5.8	7.0
<b>Total</b>	<b>10.9</b>	<b>9.4</b>	<b>11.2</b>

# 500

STUDENTS AND APPRENTICES IN 2022

### FURTHER PERSONNEL KEY FIGURES (WORLDWIDE, AS OF DEC. 31)

	2022	2021	2020
Number of employees	18,514	17,802	16,525
of whom apprentices and students at universities offering work-study programs	500	505	425
of whom employees working part-time	696	633	573
of whom employees with fixed-term contracts	467	203	166
Number of external employees (temporary work)	1,171	856	724
Average length of service (years)	11	11	12
Employee turnover (%)	11.3	9.7	9.5

As of December 31, 2022, 98% of employees in Germany were on permanent contracts (previous year: 98%); 1.9% of women (previous year: 2.3%) and 1.7% of men (previous year: 1.6%) had fixed-term contracts at the end of the year. In Germany, 8% of employees worked part-time (previous year: 7%); around 69% of them women (previous year: 70%). Around 7% of non-pay scale executive employees in middle management in Germany were female.

A large proportion of external employees work at our German sites, predominantly within the framework of employee leasing transactions and on the basis of contracts for work and services. Temporary employees work for us in both industrial and commercial areas, for example in production, incoming goods, as assistants and as project managers. When commissioning temporary employment agencies, we ensure that they are bound by collective agreements. By requiring temporary employment agencies to disclose their calculations, we are able to verify

that workers are paid according to collective agreements. Independent contractors, for example freelancers, are employed in construction management, commissioning, or maintenance of plants, among other things. If required, we take on external employees for permanent positions.

The right to parental leave is regulated by law in Germany. In 2022, a total of 458 employees in Germany took parental leave, 65% of whom were women and 35% men. 347 employees returned to work from parental leave in 2022, 81% of whom were women and 19% men.

## Global freedom of association

In Germany, the relationship between companies and employee representatives is governed by the Co-determination Act, which emphasizes the aspect of cooperation. In accordance with our [Code of Conduct](#) our employees abroad throughout the Group are also free to participate in interest groups within the framework of their national legislation. We reaffirmed this by signing the United Nations Global Compact in 2020. Works councils or other employee representative bodies may participate in collective negotiations.

In accordance with the German Works Constitution Act, operational changes that directly or indirectly affect the German locations must be reported to the Economic and Personnel Committee in a timely manner so that the works council can effectively exercise its right of consultation and co-determination. However, a fixed notification deadline is not specified by law. Laws, collective agreements and Group company agreements regulate all major issues affecting the concerns of employees. Employee concerns are reported by employee representatives to the Supervisory Boards of Dürr AG and HOMAG Group AG, which are composed of an equal number of shareholder and employee representatives. At our German

sites, there is a regular exchange between the works councils of the subgroups to promote the co-determination of all employees. So far, there is no works council in the Dürr Group at the European or global level with a mandate to negotiate on cross-border issues. In the event of conflicts between employees and the company, works councils and HR officers at the sites are direct points of contact. All employees also have the opportunity to report any violations against freedom of association, co-determination or the obligation to pay in line with collective agreements via the [Dürr Group Integrity Line](#).

#### PAY SCALE EMPLOYEES AND PAY SCALE EQUIVALENT EMPLOYEES (AS OF DEC. 31)

	Number of employees	Of which pay scale absolute	Of which pay scale in %
Germany	8,853	6,136	69.3
Europe (excluding Germany)	3,060	415	13.6
Americas <sup>1</sup>	2,703	536	19.8
China	2,527	417	16.5
Asia (excluding China), Africa, Australia	1,371	0	0
<b>Total</b>	<b>18,514</b>	<b>7,504</b>	<b>40.5</b>

<sup>1</sup> excluding Stiles, Universal Inc. and Homag Machinery North America, Inc.

The majority of our German Group companies is covered by collective agreements. In 2022, the obligation to pay in line with collective agreements was additionally introduced at five German production companies of HOMAG; negotiations for further HOMAG production companies are ongoing.

## People development and further training

The success of our company depends to a large extent on qualified personnel and prudent management. That is why we attach great importance to a comprehensive range of further training and development opportunities. Our individual people development and training programs are designed to prepare our employees properly for new tasks, to ensure the availability of well-qualified managers, and to promote the development of young, skilled personnel and young leaders from the company's own ranks.

In the Dürr Group, overall responsibility for human resources lies with Corporate Human Resources. A company directive governs cooperation between Corporate Human Resources, the HR departments of the three subgroups, and the local HR managers. As part of Corporate Human Resources, the Corporate People Development department is responsible for the Group-wide management and coordination of people development and further training. Structures and processes of people development are regulated by a company directive. The software-supported personnel development process "People Development" helps us identify and develop potential managers within the company and make the best possible use of young talent. At annual people development conferences on various levels of the Group, staff responsible for people development and managers communicate about the advancement of high-potential employees and about succession planning.

In 2022, we developed new processes for performance and talent management in Group-wide subprojects that will be used in the future. We also developed and adopted a new skills model for managers and employees, in which we describe cross-disciplinary skills that are required to optimally support our Group strategy, for example innovative strength and communication.

In Germany, all staff employed under the terms of a collective agreement received performance assessments, while non-pay scale employees received a target agreement. In order to strengthen the feedback culture and promote an open dialog between managers and employees, voluntary feedback forms are used in performance appraisal interviews. These include topics such as collaboration, leadership, work-life balance, and personal development.



The Dürr Group Academy (DGA) is our Group-wide platform for further training. It pools all further training offers and is available in 12 languages. Internally organized training programs on topics such as leadership, working methods, collaboration, as well as IT and digitalization can be attended both online and in person by most employees.

Most of our further training events in 2022 took place virtually. We registered approximately 73,000 online attendances (previous year: just under 42,000). The increase is mainly due to the approximately 28,000 participants in the mandatory online safety training due in the year under review, as well as the need to catch up on qualifications following coronavirus-related cancellations in previous years. Most of the training courses that promote communication, the exchange of experience, and team development were held as in-person events. With over 6,000 participants worldwide, the attendance at in-person training sessions increased again significantly (previous year: over 3,500). Overall, the participation rate was 4.3 training sessions per employed person (previous year: 2.5). We measured a total learning time of 184,057 hours (previous year: 109,097 hours), which corresponds to a learning time ratio of 9.9 hours per employee (previous year: 6.1 hours). As in the previous year, specialized training events accounted for almost one-third of all attendances. Total expenditure on training amounted to just under €4 million, which corresponds to an average of €215 per person employed.

We have expanded the use of digital learning formats. All employees have access to over 16,000 online courses in seven different languages at any time via the LinkedIn Learning platform. This allows them to independently acquire knowledge in business, technical and creative areas. As of December 31, 2022, 8,558 employees were registered there. Learning time spent on LinkedIn Learning totaled 10,492 hours. In 2022, the Digital Training Days were hosted again. In short online courses, around 4,400 employees gained information about how to use collaborative Office applications in their daily work routines. We also promote collaboration, networking, and knowledge sharing with the Working Out Loud (WOL) project, which was successfully continued in 2022 – mostly virtually, thus enabling exchange across locations.

We support our employees in their personal career planning through orientation and development centers. As part of the orientation centers, employees receive well-founded feedback regarding their motivation and competencies, and gain clarity about their future career path. Based on the results, they have the opportunity to define personal learning areas and specific development measures together with their manager and the Corporate People Development department. The development centers are aimed at developing future managers. Participants who would like to progress in the direction of a management position or who show corresponding potential complete various tasks. Based on feedback from a circle of observers, they can assess their capabilities and their development potential. In a final discussion with the Corporate People Development department and the respective manager, participants receive concrete directional guidance for a future management career and a corresponding development plan.

We have expanded our international corporate training events. 1,806 employees (previous year: 1,188) attended best-practice training courses on project management, sales, and leadership as well as qualification programs for prospective and experienced managers. The Fit for Leadership Program combines international online sessions with local in-person events. In 2022, 221 future executives attended (previous year: 179). The Advanced Leadership Program was used by 68 experienced managers (previous year: 41). In the Leadership Project Management Program, 89 project managers improved their leadership skills. With our cross-location change simulation game and various coaching sessions, we have qualified our managers for dealing with change.

The Dürr Group Graduate Program is open to university graduates who want to join the company as trainees in four specialized fields: technology & innovation, software engineering & data science, finance, and sales & service.

## RECRUITING OF EMPLOYEES

We require a large number of highly qualified employees. Filling vacancies is becoming increasingly challenging, due to the competition for well-trained staff as well as for demographic reasons. It is thus all the more important for us to position ourselves as an attractive employer. In 2022, we hired 2,439 new employees, 34% more hires than in the previous year (1,815). In addition to the usual employee turnover, the main reason for the increase was the growing volume of business, which required the recruitment of additional employees. In the past three fiscal years, we have not carried out any mass layoffs or significant job cuts affecting more than 1,000 employees or more than 5% of the total workforce.

# 9.9

HOURS LEARNING TIME PER  
EMPLOYEE IN 2022

In order to stand out in the labor market, we use our attractive employer profile as well as our image as an innovative and digitally oriented company. We approach potential candidates at university and graduate fairs, through our careers page on the internet, and through online job boards. We continue to expand our employer presence in social media. For example, HOMAG operates channels on [Instagram](#) and [YouTube](#) as well as a [podcast](#) for apprentices. We have postponed the revision of our brand presence as an employer, originally planned for 2022, to 2023 in order to be able to take into account the results of the OneVision project outlined above. We will not complete the introduction of an integrated HR platform as part of the OneDürrGroup program, which includes uniform recruiting processes for the subgroups, until 2023.

Students who are about to enter the job market can gain practical experience in our company in the form of internships, work experience, and opportunities to complete their theses. In 2022, we hosted 340 young people (previous year: 313). As a member and supporter of the "Fair Company" initiative by the German business newspaper "Handelsblatt", we are committed to the fair treatment and remuneration of interns and trainees. In addition, we support five students with a Germany scholarship. Our talent pool for students allows us to keep in touch with young talented people and hire them as employees for our company at a later date.

Our reputation as an attractive employer is underscored by independent awards and rankings:

- **Kununu Top Company:** We have achieved average scores of 3.9 (Dürr Systems), 4.1 (Schenck), and 3.5 (HOMAG) on the Kununu evaluation platform. The industry average is 3.5 (possible top score: 5).
- **Top career opportunities rated by the German test magazine "Deutschlandtest" and the German magazine FOCUS Money:** Dürr Systems received the best possible score of 100 points, ranking first in mechanical and plant engineering.
- **Stern Germany's Best Employers:** In the employer ranking published by German magazine Stern, Dürr Systems achieved the 4th place in the mechanical and plant engineering sector.
- **Market research firm Trendence:** The Dürr Group Graduate Program has repeatedly been recognized as a fair and career-enhancing trainee program.

# 2,439

NEW HIRES IN 2022

## HIGH-QUALITY VOCATIONAL TRAINING

We offer young people a diverse training program, which includes 19 professions, plus 13 work-study programs. We employed – mainly in Germany – 500 apprentices and students in work-study programs (previous year: 505); of these, 57% were employed by HOMAG companies. The training rate in the Dürr Group was 2.7% (previous year: 2.8%). In 2022, we revised and standardized the training assessment system for all German training locations in order to roll it out successively across the Group in 2023. At the beginning of 2023, we also launched the introduction of new training management software at the pilot sites in Bietigheim-Bissingen, Darmstadt, and Schopfloch. The aim is to bundle the administration of the main training processes across the Group in the future. The new system will be rolled out to all other German locations in mid-year. We also rely on the model of in-company training abroad: At our US site in Southfield, we are a cooperation partner of the work-study program Michigan Advanced Technician Training (MAT<sup>2</sup>).

According to a study conducted by the business magazine Capital, the Group companies Dürr Systems, Schenck RoTec, HOMAG, and Teamtechnik again ranked among Germany's best companies for vocational training in 2022. On Kununu, we achieved a very good average rating of 4.3 out of a maximum of 5 points across all training locations (previous year: 4.5).

## Diversity and global cooperation

Our employees work at 123 locations in 33 countries. Their skills are shaped by different backgrounds, cultures, and experiences. In view of the international nature of our business, intercultural diversity and tolerance represent important values in the Dürr Group. Mutual respect is therefore one of the six corporate values that guide our actions and behavior (→ [“One Vision”](#)).

Our goal is to develop our corporate culture in such a way that diversity is valued and inclusion is actively promoted. All employees should feel comfortable and be able to reach their full potential.

The basis for promoting diversity and inclusion is our [Code of Conduct](#) and our [policy statement on the respect for human rights](#). We treat all human beings equally, irrespective of their personal or genetic characteristics. No form of discrimination is tolerated in the Dürr Group, be it on grounds of gender, age, religion or ideology, illness, disability, ethnic, cultural or social origin, nationality, skin color, sexual orientation, marital status, or for any other reason. We do not tolerate harassment or abusive behavior.

In addition, we accommodate individual needs, for example with flexible working time models. Each subgroup has officers for the equality of women and men, and for the reconciliation of work and family life. A representative body for severely disabled employees represents their interests in the company and provides them with advice and assistance.

Through our participation in university fairs, we want to make young people aware of career opportunities within the Dürr Group. In doing so, we also specifically approach women in order to hire them as employees for our company. In addition, we participated several times in the annual “Girls’ Day”, a Germany-wide day of career and study orientation for girls. On this occasion, we give female students in grades 7 to 10 insights into vocational trainings or fields of study in the areas of IT, crafts, natural sciences, and technology. We also regularly exchange information with other companies in the local area of our Group headquarters in Bietigheim-Bissingen.

To achieve our goal, we get new impulses by participating in and exchanging experiences during working groups or network

meetings. In addition, we have launched initial activities to raise awareness of diversity and inclusion. In November 2022, we participated in the Diversity Conference of the “Charta der Vielfalt” (Diversity Charter) – an association that promotes an unbiased working environment. At the two-day event, representatives from business, society, politics, and science discussed current findings and methods in diversity management. At the Dürr Group Executive Meeting in March 2023, diversity and inclusion as a new leadership approach were also on the agenda. During a workshop, participating managers learned more about how to benefit from diverse teams and counter their own unconscious biases. The feedback was positive and we will work on preparing a diversity program for the Dürr Group in 2023.

### WOMEN’S DAY: AFTER-WORK MEETUP WITH PANEL DISCUSSION

On the occasion of the International Women’s Day on March 8, 2023, an after-work event was held at the Bietigheim-Bissingen site. The program included a documentary film and a panel discussion on “Working realities of women at Dürr” with Group CEO Dr. Jochen Weyrauch. The approximately 100 participants formulated suggestions for new working time models such as part-time management or the sharing of management positions (top sharing).





### BARCAMP ON THE TOPIC OF DIVERSITY

**Together for a diverse, unbiased, and appreciative working environment:** This was the motto of a barcamp held at the Bietigheim-Bissingen site on May 23, 2023. The open event format provided space for discussions in plenary sessions and themed workshops. More than 30 employees took part and contributed their own thoughts and experiences on the topic of diversity. Three guest speakers from Porsche and SAP provided input on the topics of employee networks and shared leadership (top sharing).

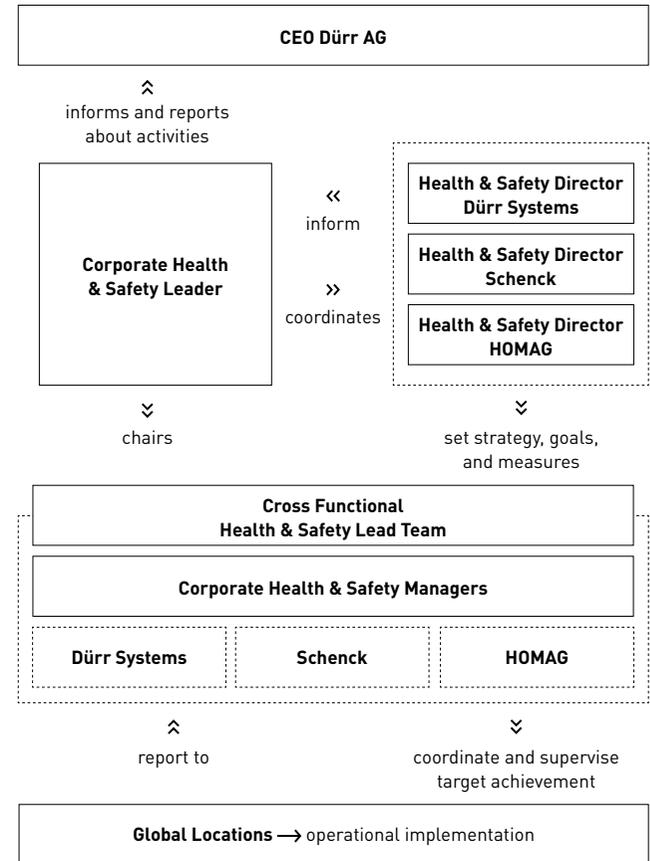
Global cooperation and cultural diversity are part of management training in the Dürr Group. These include international leadership project management programs, such as the ones held in Germany and China in 2022. In addition, we offer intercultural training in in-person and online formats. Employees who are sent to a location abroad for a longer period of time can attend special preparatory courses and participate in reintegration training upon their return in the future.

## Occupational health and safety

Our aim is to preserve and promote the health and safety of all persons affected by our business activities. Irrespective of national laws, the Dürr Group’s goal is to achieve a minimum standard of health protection and occupational safety that meets the needs of offices, production, and construction sites worldwide.

A cross-functional team is responsible for the Group-wide implementation of the health and safety strategy “Striving for Excellence in Safety”, the head of which reports to the CEO. In addition, the Cross Functional Team provides monthly updates to the members of the Board of Management on current issues and any accidents. Accident statistics, major accidents, and serious (near) accidents are also regularly discussed at meetings of the Dürr Management Board. The Cross Functional Health & Safety Lead Team consists of the health and safety managers of the three subgroups and is supported by local health & safety managers who implement our standards and processes on site. All managers are in charge of conducting a risk assessment that is appropriate and respects human rights, and for implementing suitable measures to prevent injuries and occupational illnesses. All employees must assume responsibility for their own safety and that of others while at work.

### RESPONSIBILITY AND ORGANIZATION IN THE AREA OF OCCUPATIONAL HEALTH AND SAFETY



The annual international meeting of all health and safety managers in the Dürr Group was held virtually in 2022. Moreover, the health and safety managers of the German locations met in person to promote the implementation of the Group-wide health and safety strategy. A Group-wide meeting of all persons responsible for health & safety and the environment is planned for the first time in 2023. The aim is to take a holistic view of the issues of health, safety and the environment, and to exploit synergies.

The principles of the health and safety strategy are set out in a Group-wide [policy](#), which applies to all employees, suppliers, and service providers. It encompasses general principles and values as well as concrete specifications for eight focus topics, such as emergency management and fire protection. Processes and instructions pertaining to the policy are described in Group-wide and subgroup-specific health and safety guidelines. These guidelines define responsibilities and mandatory minimum standards. The guideline of the Dürr Systems subgroup meets the requirements of the ISO 45001 occupational safety standard, and a corresponding adaptation is also in progress for the guidelines of the Schenck and HOMAG subgroups.

The occupational health and safety management system aims to minimize the risk of damage to health and accidents in the workplace. It covers the safety of all internal and external employees, as well as business processes and workplace equipment. As of December 31, 2022, 17 companies at Dürr Systems had an occupational safety management system certified in accordance with ISO 45001, at Schenck it was 5 companies. We plan to certify all major Dürr Systems and Schenck sites to the occupational safety standard ISO 45001. For the German HOMAG companies, ISO 45001 certifications are planned for 2023. As of December 31, 2022, almost 9,000 employees were already working

for correspondingly certified companies. Measured in terms of the number of employees at all sites relevant for certification, this corresponds to a proportion of around 50%. We have defined sites with an operational value creation and annual sales of at least €10 million as relevant.

Regular inspections and internal audits, which take place at least once a year, are designed to ensure that health and safety guidelines and processes are being adhered to at construction sites as well as at our plants and offices. In 2023, we will conduct internal audits across the subgroups for the first time. However, if hazardous situations or even work-related accidents do occur, they are carefully investigated by the health & safety managers.

We record accidents throughout the Group. Depending on the severity of the accident, a direct report is made to the Dürr Management Board or the CEO respectively. Particularly serious accidents are also investigated separately by the Cross Functional Team. Accident statistics are presented to the Dürr Management Board on a monthly basis. In accordance with our Group-wide Health & Safety Policy, we classify accidents into three categories according to their severity: major accident, serious accident, minor accident. In addition, we classify the causes of accidents into ten categories, for example, falls, fire and explosions, or overexertion. The categories highlight focus areas for our prevention work and are intended to help avoid similar incidents in the future. We also record and analyze near misses on a monthly basis and incorporate them into our prevention work as an important indicator of accident risks. The most common work-related injuries associated with our business activities are minor injuries such as bruises, contusions, and cuts. Less frequent are fractures that occur due to falls or falling objects.

## KEY FIGURES FOR OCCUPATIONAL SAFETY

	2022	2021	2020
Work-related accidents <sup>1</sup> resulting in death – internal staff	0	0	0
Work-related accidents <sup>1</sup> resulting in death – external staff <sup>2</sup>	0	1	1
Number of major accidents not resulting in death (including external staff <sup>2</sup> , excluding commuting accidents)	2	3	1
Number of serious accidents (including external staff <sup>2</sup> , excluding commuting accidents)	14	32	16
Number of minor accidents (including external staff <sup>2</sup> , excluding commuting accidents)	327	193	190
<b>Total number of work-related accidents<sup>1</sup> absolute</b> (including external staff <sup>2</sup> , excluding commuting accidents)	<b>343</b>	<b>228</b>	<b>207</b>
Number of work-related accidents <sup>1</sup> per thousand employees (including external staff <sup>2</sup> , excluding commuting accidents)	15.7	10.3	9.2
Hours worked – internal employees	33,605	31,711	28,691
Hours worked – external employees	8,465	10,995	15,148
Work-related accidents <sup>1</sup> per 1 million hours worked (including external staff <sup>2</sup> , excluding commuting accidents)	8.2	5.3	4.7
Number of near misses (major near misses) (including external employees <sup>2</sup> )	14	16	14

<sup>1</sup> A work-related accident is an incident which requires at least medical treatment.

<sup>2</sup> Including on construction sites

An important element of accident prevention is the mandatory online safety training for all employees. The training sessions consist of a basic part for new employees and an annual refresher course. In 2022, over 98% of all eligible employees completed our health and safety training, which also included our coronavirus protection measures (previous year: over 97%). Employees in particularly high-risk work areas, such as warehouses, logistics, assembly, commissioning, or technical centers, receive activity-specific in-depth training. Some of the training courses were converted to online formats in 2022. Managers receive regular training on their duties and responsibilities for occupational safety. By providing regular information via the company intranet, we aim to raise awareness of occupational health and safety issues among our employees. The key content of our training courses and communication measures is based primarily on findings from current accident analyses. In this way, we ensure that the issues covered are highly topical and relevant.

At our sites within the EU, meetings of the respective local occupational safety committee are held on a quarterly basis. The committees serve as a forum for exchange between employers and employees, and make recommendations on occupational safety and accident prevention. In the German companies, the members of the works council represent the interests of the employees in the occupational safety committees. At our sites outside the EU, the health and safety managers inform the local management at least every six months.

#### OUR HEALTH & SAFETY STRATEGY:

## STRIVING FOR EXCELLENCE IN SAFETY

Employees have the option at any time to refuse work that they believe could cause injury or illness, without having to fear personal disadvantages. We encourage them to inform managers or security officers about work-related hazards and dangerous situations. Employees can also contact the Corporate Compliance department anonymously via the [Dürr Group Integrity Line](#).

### INTERNATIONAL SOS: WORLDWIDE EMERGENCY MANAGEMENT SERVICE WHILE TRAVELING

We protect not only the workforce at our locations, but also business travelers, expats, and project staff. We inform our employees about hazards at their destination before and during their stay abroad. After a serious event, such as a natural disaster or an attack, they can be located and contacted. In case of emergencies while traveling, they are supported by a professional emergency management service operating worldwide.

### PHYSICAL HEALTH AND WELL-BEING

In 2022, the Group-wide sick leave rate was 3.9% (previous year: 2.7%). We organize health days and fitness courses for employees, especially at our German locations. After the pandemic-related restrictions of previous years, some of the offerings were held as

in-person courses again in 2022. At the health days, we offer health checks to our employees and inform them about further treatment options and preventive measures. In 2022, employees at the Bietigheim-Bissingen site were able to participate in screenings for skin cancer as well as eye and heart diseases. Our range of fitness programs includes yoga, Pilates and mindfulness classes, training courses for a healthy back and on ergonomic working, as well as strength and endurance training. Sports such as soccer and badminton are also offered at foreign locations, for example in China. Furthermore, our occupational health management includes vaccination consultations for foreign assignments. To protect the health of our employees, company physicians perform occupational medical check-ups for the early detection or prevention of work-related illnesses. These also include health risk assessments when performing certain activities, such as work involving a risk of falls or operating industrial trucks.

### CORONAVIRUS PROTECTION MEASURES

In 2022, protecting employees from coronavirus infections was once again the dominant issue for health and safety managers. We were once again able to prevent uncontrolled outbreaks of infection at our locations. The COVID-19 task force, which makes Group-wide decisions on how to deal with the coronavirus, remained in place. Our employees were informed about the company's protective measures on the intranet.

## Attractive employer and fair working conditions

Our goal is to be an attractive employer for existing and future employees. By offering a wide range of programs, we want to set ourselves apart from other companies. We promote the satisfaction and retention of our employees through performance-related remuneration and various advanced training and career opportunities.

In Germany in particular, a wide range of benefits is available to our employees. These include company pension schemes and capital-forming benefits, continued payment of wages in the event of illness, as well as accident and foreign health insurance and a voluntary profit-sharing bonus. Employees covered by collective agreements are entitled to holiday and Christmas bonuses and use a flexible working time account (lifetime working time account).

With flexible working time models and mobile work, we promote the reconciliation of work and private life, thus also contributing to equal opportunities between the sexes. Depending on their individual situation in life and working time expectations, employees can realize different part-time models in consultation with their managers. Employees with children or dependents in need of care, as well as shift workers at our sites in Germany covered by collective agreements, are entitled to eight additional days off. Within the framework of cooperation with several daycare centers in Bietigheim-Bissingen, we provide a number of childcare places. At that location, we also offer a supervised vacation program for children. Special payments are made for anniversaries and for

special family occasions. In addition, we contribute to improving the work-life balance through sports, health and stress prevention courses as well as cultural activities.

### RESPECT FOR HUMAN RIGHTS

The Dürr Group is committed to respecting human rights and promoting fair working conditions. In the course of our business activities, we always act according to the maxim of neither causing nor contributing to human rights violations. We require all employees worldwide to comply with our human rights principles. The principles also apply to members of supervisory boards and comparable supervisory bodies, as well as to members of the Board of Management and the senior management.

The Board of Management of Dürr AG bears overall responsibility for our human rights due diligence. Corporate Human Resources is responsible for the risk management process and the global coordination of measures to respect human rights in its own business area. The Corporate Sustainability, Corporate Compliance, and Corporate Legal departments provide support in dealing with human rights issues. As of January 1, 2023, we appointed a Human Rights Officer to oversee human rights compliance processes in the Group and in the supply chain.

In 2022, we conducted an initial assessment of human rights and environmental risks in our own business area at selected Group companies using a questionnaire. As a result, we were able to exclude certain subject areas, such as child labor, all forms of slavery, and forced labor. In other aspects, including with regard to

occupational safety and discrimination, we see potential or actual risks. In order to mitigate identified risks, we took the first concrete steps at HOMAG as part of a pilot project at the beginning of 2023. In a workshop, specialist departments specified the relevant and particularly critical human rights and environmental issues, and defined appropriate measures.

In the next step, we plan to deepen our risk analysis for our own business area, extend it to other Group companies, and prioritize risks. We will align our prevention and remediation measures to this.

### POLICY STATEMENT ON THE RESPECT FOR HUMAN RIGHTS ADOPTED

In accordance with the German Supply Chain Due Diligence Act (LkSG), we published a Group-wide [policy statement on the respect for human rights](#) in December 2022. It describes our approach to compliance with corporate human rights due diligence. It contains in detail binding principles on the respect for human rights and fair working conditions, and forms the basis of our social responsibility along the entire value chain. The management of the respective Group companies is responsible for the local implementation of and compliance with the principles. The policy applies in addition to our Code of Conduct.

## OUR PRINCIPLES ON THE RESPECT FOR HUMAN RIGHTS AND FAIR WORKING CONDITIONS

- We reject any form of child labor without exception.
- We reject any form of forced or compulsory labor and are strongly committed to the prohibition of human trafficking and modern slavery.
- We provide safe working conditions.
- We are committed to freedom of association, the right to collective bargaining and the right to strike.
- We do not tolerate discrimination, stand up for tolerance, and ensure equal opportunities and equal treatment in the workplace.
- We pay fair wages and salaries.
- We stand up for fair working conditions and reasonable working hours.
- We take measures to reduce greenhouse gases.
- We use natural resources responsibly and avoid negative impacts on people and the environment.

## OUR CODE OF CONDUCT

The ethical foundation of our relationships with employees, customers, business partners, and shareholders is the Group-wide [Code of Conduct](#). It outlines our corporate principles and our clear commitment to compliance with legal requirements and ethical standards. The Code of Conduct is available in ten languages and is part of our mandatory onboarding training for all new employees.

The Code of Conduct was revised and redesigned in 2022. In this context, the topics of environmental and climate protection as well as compliance in the supply chain were specified and emphasized more strongly. We accompanied the introduction of the updated Code of Conduct with communication measures on the intranet and adapted the online compliance training for our employees accordingly.



## TRAINING AND RAISING OF AWARENESS

We train our employees and make them aware of our corporate values and principles. In this way, we want to establish a common understanding of human rights and fair working conditions in the Dürr Group and create a respectful working environment.

Sustainability training, for example, is an integral part of our onboarding process for new employees. Regular compliance training, which also includes our Code of Conduct, as well as basic and in-depth training courses on occupational health and safety are mandatory for all employees. Managers and employees who aspire to a management position receive sustainability-specific in-depth training. We expect them to live up to their function as role models and to set an example to employees regarding our corporate values and ethical principles through exemplary behavior. We regularly review the content of the training courses and adjust them as needed. Our awareness measures are further supported by information on the intranet.

Information on human rights risks and prevention measures in the supply chain can be found in the section entitled → [“Human rights due diligence in the supply chain.”](#)

## DÜRR GROUP INTEGRITY LINE

Employees, business partners, and third parties who suspect violations of human rights or other offenses – among other things, with regard to the requirements of our Code of Conduct and the Code of Conduct for Suppliers – can contact us at any time through various channels, anonymously, if they wish. One option is the [Dürr Group Integrity Line](#). This whistleblowing system is publicly accessible to all stakeholders via our website and is currently available in German and English; further language versions are planned. Tips can be submitted via an online form. We introduce the whistleblowing system to our employees at introductory events, onboarding training courses, and mandatory basic and refresher compliance training courses. We also make them aware of the whistleblowing system by providing information on the intranet, and refresh their knowledge.

Incoming tips are reviewed and checked for plausibility by the Corporate Compliance Officer, who takes further steps in justified cases and initiates individually appropriate measures in consultation with the departments. All information will be treated confidentially. We do not tolerate discrimination or retaliation against the whistleblower – even if the allegation subsequently proves to be unfounded. Employees, suppliers and business partners as well as third parties will have to expect consequences if they subject whistleblowers to reprisals. In connection with the EU Whistleblowing Directive, we plan to introduce a new system for the Dürr Group Integrity Line in 2023. This will include additional languages as well as functions for accessibility and protected dialog with whistleblowers. A company directive that focuses on the protection of the whistleblower is currently being developed and will subsequently be made available to our employees.

In 2022, there was no information on possible violations of human rights (previous year: one case of discrimination was reported, which proved unfounded after investigation).

## MEASURING THE SATISFACTION AND RETENTION OF OUR EMPLOYEES

Satisfied and motivated employees are an important basis of our company's success. We therefore survey the satisfaction of our employees and implement improvement measures if required.

The central Corporate Human Resources department is responsible for the Group-wide recording of employee satisfaction levels. Employees' needs are discussed at the individual Group sites between senior managements, HR departments, employee representatives, and the respective employees.

We usually measure the satisfaction of our employees every three years with the help of global surveys. If strikingly negative results occur in certain organizational units, we use them to derive improvement measures and review the implementation and success of the measures through follow-up surveys.

The most recent survey of our employees was conducted in 2019. A new survey was planned as per regular schedule for September 2022. However, due to the coronavirus pandemic, we were not able to ensure at that time that all employees worldwide would, in fact, be included in the same way. This affected our employees in China, among others. In addition, the significance and comparability of the results would have been limited if a survey had been conducted under the given circumstances, which is why the survey was postponed until September 2023. We normally conduct random pulse surveys on focus topics at least once a year, usually addressing issues from the global employee survey. Since this survey could not take place in 2022, we did not conduct pulse surveys either.

We map the overall satisfaction of our employees with an approval indicator that takes into account several criteria. In the last Group-wide survey, the indicator showed an approval rating of 70%. Compared with a peer group of other industrial companies, we achieved better results on the majority of questions. In the fourth global workforce survey due in 2023, we aim to improve our good results from 2019 and once again outperform the industry average.

### "SPARK" – NEW PLATFORM FOR IDEAS MANAGEMENT

In October 2022, a uniform ideas management system was introduced under the name of "Spark", enabling employees of all German sites to enter suggestions for improvement via an online platform. As of December 31, 2022, 649 ideas had already been submitted. The platform stimulates exchange across departments and locations, creating more transparency. At the same time, the opportunity for employees to participate is intended to strengthen their identification with the company. In the future, "Spark" is to be made available worldwide.

**Spark**   
YOUR IDEAS MATTER



We support a wide range of projects in the areas of education, sport, culture, and social issues.



# ENGAGEMENT AND SOCIETY

We not only see ourselves as a part of society, but also want to actively and effectively shape it. That is why we support a wide range of different projects in the fields of education, sports, social affairs, and culture that benefit society and make a real difference – at our locations and around the world. By entering into long-term partnerships and participating in various global initiatives, we are committed to a socially just and environmentally sustainable future.



**SDG 17.16**  
**Enhance the global partnership for sustainable development and exchange of knowledge**

We value the importance of global partnership for sustainable development. We therefore engage in a lively exchange of views with various stakeholders in society in order to identify their expectations in a timely manner and actively help shape change. As a member of the UN Global Compact and other international sustainability initiatives, we reinforce our responsibility to society and the environment.

# GLOBAL COMMITMENT – LOCAL ENGAGEMENT

We make an active contribution to society through social commitment, partnerships and participation in global initiatives. We strengthen the economic power in the vicinity of our locations through jobs, the associated purchasing power, and through tax payments. In addition, we support a number of charitable projects.

## Global commitment

By joining the United Nations Global Compact in 2020, Dürr AG also committed to responsible corporate governance at an international level. As a signatory, we actively promote the company-wide application of ten principles in the areas of human

rights, labor standards, environmental protection, and corruption prevention by developing and implementing corresponding goals and measures. In doing so, we respect human rights, exclude child and forced labor, support freedom of association and collective agreements worldwide, and advocate the elimination of all forms of discrimination.

We are committed to a precautionary approach to environmental risks, promote a sense of responsibility for environmental and climate protection among our employees, and drive forward the development and dissemination of environmentally compatible technologies. Within the framework of the tenth principle of the Global Compact, we work to combat all forms of corruption, extortion, and bribery. This Sustainability Report also serves as

a progress report on the implementation of the Global Compact in the Dürr Group. The UN Global Compact Index at the end of the report refers to the relevant parts of the text in which we describe the concrete implementation of the ten principles.

We participate in two global climate protection initiatives: [Business Ambition for 1.5°C](#) and [Race to Zero](#). By signing the Business Ambition for 1.5°C, we have committed to working towards limiting the global temperature increase to 1.5°C. As part of the global Race to Zero campaign, we aim to reduce our emissions of climate-damaging greenhouse gases to net zero by 2050. To this end, our climate strategy contains corresponding targets for the reduction of greenhouse gases and defines further climate protection measures.

## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT



### Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure that they are not complicit in human rights abuses.

### Labor standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labor.
5. Businesses should uphold the effective abolition of child labor.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

### Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

## Donations and sponsorship

As a company, we are a part of society and assume responsibility beyond our business. We support projects in the social, cultural and scientific fields in the form of donations and sponsorship, as well as with knowledge and contacts. We primarily focus on projects, associations, and institutions in the neighborhood of our sites. As a rule, we make donations in cash and in kind. From time to time, we also get involved in work assignments in communities and neighborhood initiatives. In 2022, we spent a total of €1.094 million on charitable purposes (previous year: €867 thousand).

In 2022, we redefined the process for deciding on donations throughout Germany. Requests for donations are reviewed and granted by a donation committee. This consists of representatives from various Group departments and meets as required. Furthermore, we plan to promote the voluntary work of our employees through donations. The projects are presented as part of the "Heroes after work" series of intranet articles, and the corresponding organizations receive financial support. We will adjust our Group-wide donations and sponsorship policy, which contains the guiding principles for our support activities, accordingly in 2023.

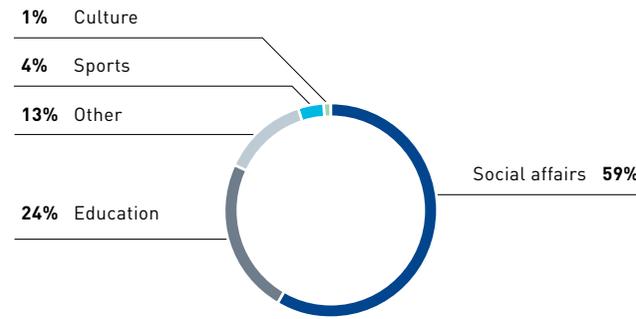
### SOCIAL COMMITMENT OF THE DÜRR GROUP (AS OF DEC. 31)

€k	2022	2021	2020
Donations	819	740	360
Sponsorships	275	127	138
<b>Total</b>	<b>1,094</b>	<b>867</b>	<b>498</b>

Our four priorities of support are:

- **Social affairs:** Humanitarian and charitable projects
- **Education:** Vocational training and further education, technology and science, universities and colleges, schools, kindergartens
- **Sports:** Popular, youth and disability sports clubs
- **Culture:** Cultural circles, support associations, donor associations, cultural projects for the general public

### DONATIONS BY PRIORITIES OF SUPPORT (AS OF DEC. 31)



At the Group's headquarters in Bietigheim-Bissingen, we have been supporting social projects such as the "Lebenshilfe" charity for persons with disabilities, the "Tafel" food bank and the community foundation, which is committed to affordable housing, for several years. In the field of culture, we support associations and institutions. The spectrum ranges from the local music school to the State Theater and the University of Stuttgart to the Association of Arts and Culture of the German Economy.

In March 2022, the Dürr Group supported humanitarian aid for people from Ukraine with a donation of €150,000 to Caritas international. The relief organization takes care of war refugees, providing them with food and drinking water, among other things. Independently of this, various domestic and foreign companies also made donations, and numerous employees volunteered their time to help people living in the war zones. For example, our subsidiary Dürr Poland donated €29,000 for medical care of Ukrainian refugees.

The introduction of the digital learning platform LinkedIn Learning in 2022 was accompanied by a fundraising campaign. Each registration on the learning platform increased the amount donated. The goal of achieving €30,000 was reached in July. With the donation, the Dürr Group supported an educational project of Childaid Network for underprivileged tribal children in the northeastern Indian state of Assam. The German foundation is committed to providing access to education for all children in remote rural regions of South Asia.

**€1.094 MILLION**

RAISED FOR SOCIAL CAUSES IN 2022



Employees of Dürr China took part in a charity soccer tournament.

We continued our cooperation with UNICEF in 2022. As part of the Christmas campaign “Spenden statt schenken” (“Donations instead of gifts”), we transferred €60,000 for UNICEF’s nutrition programs. As in the previous year, we also donated €50,000 to the Ludwigsburg District Road Safety Organization. With this amount, we support the construction of a road safety center for the Ludwigsburg district in Asperg.

In February 2023, we donated €150,000 for earthquake relief efforts in Turkey and Syria. The majority of that sum went to the German Red Cross. The relief organization supported people in the affected areas with rescue and salvage operations, blood supplies, food and clothing. Independently of this, numerous employees made donations in cash and in kind.

Our Group sites outside Germany also made contributions to local communities in 2022. For example, Dürr India Private Ltd. donated €37,000 to the non-profit Cancer Institute of the Women’s Indian Association in Chennai. The money provides people in need with good cancer treatment free of charge. Dürr Spain donated just under €3,000 to the organization Doctors Without Borders. Dürr’s Italian subsidiary CPM donated €2,000 to a foundation that supports families of children with cancer. Our subsidiary Dürr Vietnam supported orphans and underprivileged children in Ho Chi Minh City with around €4,000. Some of the company’s employees also took part in a charity run. The employees of Dürr China and HOMAG Poland also collected donations for a good cause by participating in sporting events. Moreover, our Polish subsidiary provided €19,000 for charitable purposes, supporting, for example, a hospital, a retirement home, and an orphanage.

With its “HOMAG Cares” initiative, the HOMAG Group has been providing donations in kind and cash for more than ten years. HOMAG supports charitable organizations around the globe. In 2022, the support association for children with cancer “Förderverein für krebskranke Kinder Tübingen e. V.” again received a donation of €5,000. In addition, the subgroup donated €10,000 to the vocational schools in Freudenstadt for the procurement of tablets, €6,000 to the kindergarten in Schopfloch, and €3,000 to the family center in Freudenstadt. HOMAG subsidiary Weinmann supported the construction of a children’s home in Nepal with €12,000.

In 2022, Schenck supported the non-profit organization “KinderHelden” (“Child heroes”) with €10,000, among others. KinderHelden advocates for educational equity and offers mentoring programs for children with difficult starting conditions. Furthermore, the subgroup provided an additional €9,000 for educational purposes. A further €2,000 was donated to the “Tafel” food bank in Darmstadt.

One example of the commitment of our workforce was a Germany-wide registration campaign for the Central Bone Marrow Donor Registry (DKMS). In the process, 223 employees registered. The costs of just under €9,000 incurred for the registrations were borne by the Dürr Group. Another example was a Christmas gift campaign at the Bietigheim-Bissingen, Schopfloch, and Darmstadt sites. Numerous employees fulfilled Christmas wishes of children and youths from socially disadvantaged families in the neighborhood of our locations.



In October 2022, a DKMS registration campaign was conducted at the German company sites.

# SUSTAINABILITY GOALS

We have already reported on goals that were specified in the Sustainability Report 2021 and are no longer listed in this Sustainability Report in our [Annual Report 2022](#).

## Symbols:

■■■■ = fully met  
 ■■■□/■■□□/■■■■ = in progress  
 □□□□ = in planning

Area	Goals	Target year	Degree of target achievement (as of: May 31, 2023)
 <b>STRATEGY AND ORGANIZATION</b>			
Materiality analysis	Update of the materiality analysis prepared in 2020 in accordance with the requirements of the CSRD	2023	■■■■
Sustainability management	Analysis and implementation of CSRD reporting standards	2023/2024	■■■■
Sustainability opportunities and risks	Recording and financial evaluation of physical climate risks for relevant locations of the Dürr Group	2023	■■■■
Climate strategy	Reduction of Scope 1 and Scope 2 emissions by at least 70% compared to the base year 2019	2030	■■■■
	Increase in self-generation of renewable energies at the locations of the Dürr Group worldwide	ongoing	-
	Reduction of Scope 3 emissions in the upstream value chain by at least 15% compared to the base year 2019	2030	□□□□
	Reduction of Scope 3 emissions in the use phase of our machines and systems by at least 15% compared to the base year 2019	2030	■■■■
Dialog with stakeholders	Conducting at least three strategic Customer Experience workshops annually with an elaborated set of methods	ongoing	-
	Extension of customer surveys to the Dürr Group's digital product portfolio	2023	■■■■
	Integration of the Customer Experience module in the new CRM IT System	2024	■■■■
	Introduction of a Group-wide complaint management system for customers	2025	□□□□
Sustainability ratings	ISS ESG Corporate Rating: Improvement to Prime status (current: C+)	2025	■■■■
	EcoVadis Rating: Repeated award of the Gold status	ongoing	-
	Sustainalytics, MSCI and CDP: Continuous improvement of our sustainability performance	ongoing	-
 <b>MANAGEMENT AND GOVERNANCE</b>			
Responsible corporate governance	Appointment of a woman to the Board of Management of Dürr AG	2027	■■■■
Compliance and anti-corruption	Performance of business partner checks in the central purchasing department with the aim of further developing a uniform, system-supported process throughout the Group	2024	■■■■
	Revision of the whistleblowing system with regard to user-friendliness and multilingualism as well as creation of a guideline for embedding procedural standards and general process flows	2023	■■■■
	Worldwide communication and awareness of the whistleblowing system among employees and business partners	ongoing	-

Area	Goals	Target year	Degree of target achievement (as of: May 31, 2023)
Corporate security	Conducting strategic and operational business impact analyses and preparing business continuity plans for selected core business processes	2023	■□□□
	Survey and analysis of the current security situation as well as the implementation of worldwide security standards within the scope of a global security survey	2023	■□□□
Information and data security	Expansion of TISAX® certification at selected locations of the Dürr Group in Germany and abroad	2023	■□□□
Sustainable corporate financing	Development and publication of a Sustainable Finance Framework for future, long-term oriented corporate financing	2022	■■■■
 <b>PRODUCTS AND SERVICES</b>			
Sustainable products and systems	Certification of the energy management software <b>DXQ</b> energy.management according to ISO 50001	2023	■■■■
	Continuous expansion of the Group-wide product portfolio with energy-saving and resource-conserving solutions as a result of stronger integration of sustainability aspects in product development	ongoing	-
	Expansion of our service portfolio to enhance energy and resource efficiency of our products in existing plants during the use phase	ongoing	-
Pioneer in EU Taxonomy	Complete reporting on taxonomy-eligible and taxonomy-aligned economic activities of the Dürr Group	2023/2024	■□□□
 <b>VALUE CREATION AND SUPPLY CHAIN</b>			
Environmental and energy management systems	Expansion of environmental management certifications in accordance with ISO 14001 at our Group-wide production and assembly sites and all sites with technical centers and/or hazardous substances	ongoing	-
Energy and resource efficiency	Worldwide conversion to green electricity at the locations of the Dürr Group	2023	■■■□
	Annual increase in energy efficiency by 1% - 2% at the locations of the Dürr Group	ongoing	-
	Preparation and publication of a Europe-wide guideline for sustainable construction in the Dürr Group	2023	□□□□
	Development of a Group-wide water strategy	2023	□□□□
	Continuous recording of water stress areas and derivation of adaptation measures for relevant locations of the Dürr Group	ongoing	-
	Definition of Group-wide reduction targets for waste	2024	□□□□
	Implementation of a Group-wide concept for taking back used machines after the end of use in accordance with the requirements of EU WEEE	2023	■□□□
Sustainable supply chain	Development and implementation of a financial incentive system for suppliers to increase transparency and sustainability in the supply chain	2023	■□□□
	Expansion of internal purchasing training to include the topic of sustainability in the supply chain	2023	■□□□
	Revision or further development of the existing due diligence process for conflict minerals	2023	□□□□
	Signing of the Code of Conduct for Suppliers by at least 90% of high-risk suppliers	2023	■□□□
	Reply to the self-assessment questionnaire by at least 90% of high-risk suppliers	2023	■□□□
	Completion of the e-learning module on the topic of sustainability by at least 90% of high-risk suppliers	2023	■□□□
	Definition of a bonus/malus scheme taking into account sustainability criteria for future awarding of contracts	2023	□□□□
Conducting feedback sessions with critical suppliers to develop remediation measures	2023	■□□□	

Area	Goals	Target year	Degree of target achievement (as of: May 31, 2023)
 <b>EMPLOYEES AND FURTHER TRAINING</b>			
People development and further training	Piloting of the new talent and performance management processes <sup>1</sup> in the new HR IT system	2023	■■■■
	Group-wide roll-out of the new competency model	2023	■■■□
	Implementing talent pools and corresponding talent programs	2024	■■□□
	Implementing a new learning management system	2024/2025	□□□□
Diversity and global cooperation	OneVision: Group-wide roll-out of vision, mission, purpose, and values	2023	■■□□
Occupational health and safety	A group-wide maximum of 11 work-related accidents per 1,000 employees per year	ongoing	–
	Recording, thorough analysis and global reporting of at least 70% of near misses that occurred in the year <sup>2</sup>	ongoing	–
	Performance and documentation of at least 500 safety audits per year	ongoing	–
	ISO 45001 certification of all companies in the Dürr Systems, Schenck and HOMAG <sup>3</sup> subgroups with operational value creation and sales of at least €10 million per year	2024	■■■□
Attractive employer and fair working conditions	Expansion of the Group-wide human rights risk analysis for their own business area to all relevant locations of the Dürr Group	2023	■□□□
	Conducting a Group-wide survey of employees with the goal of improving the 2019 results and once again outperform the industry average	2023	□□□□
	Continuation of the Group-wide roll-out of the “Spark” ideas management system	2023	■□□□
 <b>ENGAGEMENT AND SOCIETY</b>			
Donations and sponsorship	Revision of the donations and sponsorship process for the Group’s headquarters	2022	■■■■
	Expansion of the revised donations and sponsorship process to relevant locations of the Dürr Group	2023/2024	□□□□
	Revision of the Group-wide donations and sponsorship policy	2023	□□□□

<sup>1</sup> The talent management process includes, among other things, the allocation of high potentials and high performers to talent pools, their development, and Group-wide succession planning. The performance management process includes, among other things, competence assessment and development dialog between manager and employees.

<sup>2</sup> only major near misses

<sup>3</sup> only German companies

# GLOSSARY

## 0–9

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### 1.5°C target

With the → [Paris Climate Agreement](#), the global community in 2015 committed to limiting the man-made global temperature increase to “well below 2°C,” and, if possible, to no more than 1.5°C compared to pre-industrial levels.

### 3TG

The term → [conflict minerals](#) covers four chemical elements: tin, tantalum, tungsten, and gold. They are also often referred to as “3TG,” according to their initials.

## A

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### Action Plan on Financing Sustainable Growth

An action plan on → [“Financing Sustainable Growth”](#) published by the European Commission in March 2018 on the implementation of the → [Green Deal](#). One of its goals is to redirect capital flows toward sustainable investments. One measure of the action plan is the → [EU Taxonomy Regulation](#).

### Arm’s length principle

The arm’s length principle means that affiliated companies apply transfer prices that correspond to those prices that would have been agreed between independent business partners.

### Atomizer

Atomizers provide a uniform spray pattern for the paint application.

## B

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### Bilateral guarantee lines

Bilateral guarantee lines refer to credit agreements concluded between Dürr AG and a lending bank for the issuance of guarantees.

### Brownfield business

Projects for the modernization of existing factories or manufacturing facilities.

### Business continuity management

Measures to safeguard time-critical processes against failure as well as continuation of activities after an incident.

### Business impact analysis

A business impact analysis is used to determine which business processes are time-critical, and to define their maximum tolerable downtime and restart time. The method is used in → [business continuity management](#).

## C

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### CO<sub>2</sub> equivalents (CO<sub>2</sub>e)

Unit used to make the effects of different → [greenhouse gases](#) on the climate (→ [global warming potential](#)) comparable.

### Compliance

The observance of laws, directives and in-house rules within the company.

### Circular economy

The circular economy aims to reduce resource consumption, emissions, and waste generation. To this end, materials and energy are reused as often as possible or used in cycles. The opposite of the circular economy is the “throwaway economy.”

**Conflict minerals**

The EU Conflict Minerals Regulation (EU) 2017/821 requires EU importers of the conflict minerals tin, tantalum, tungsten, their ores, and gold (→ [3TG](#)) to source from responsible and conflict-free sources only. This is intended to curb funding for violence and human rights violations in conflict or high-risk areas.

**Corporate citizenship**

Civil or social commitment, for example donations and sponsorship activities.

**Corporate governance**

Corporate governance is generally understood as managing and leading a company in accordance with good and responsible management principles.

**Country-by-country reporting**

Country-by-country, public reports that multinational companies must provide to make their tax data transparent to the relevant tax authorities for each country.

**Convertible bond**

Corporate bond that can be converted into shares.

**Corporate Sustainability Reporting Directive (CSRD)**

An EU directive that for the first time establishes a uniform framework for reporting non-financial data and requires companies to publish detailed information on sustainability issues. The aim is to raise sustainability reporting to the same level as financial reporting.

**D****Distance-based method**

The distance-based method calculates emissions based on the actual weight and mode of each shipment. For this purpose, average distances and emission factors from databases are used. In addition, information about the transport chains is incorporated. The method can be used to monitor and control logistics emissions.

**Diversity**

Diversity, or the diversity of people in relation to gender, skin color, provenance/nationality, religious faith, world view, sexual orientation, etc.

**E****Engineering**

Development and construction of machinery and systems. In the Dürr Group, frequently the development of technical solutions specifically tailored to the customer's production target.

**Environmental, Social, and Governance (ESG)**

The abbreviation ESG stands for Environmental, Social, and Governance, and is often used as a synonym for the term "sustainable."

**EU Taxonomy**

Classification system designed as part of the European Union's → [Green Deal](#) to define environmentally sustainable economic activities. Six environmental objectives are pursued in the EU Taxonomy Regulation.

**G****Global Warming Potential (GWP)**

The greater the global warming potential of a → [greenhouse gas](#), the more the gas contributes to global warming. The index indicates the effect of a greenhouse gas compared to the same amount of CO<sub>2</sub>. CO<sub>2</sub> has the value 1.

**Green Deal**

Plan presented by the European Union in December 2019. It is intended to assist in achieving climate neutrality in the EU by 2050 through a number of legislative initiatives. In this context, a number of directives and regulations need to be agreed and adopted by the member states into national law. For more information, please visit the [website of the European Commission](#).

**Green electricity**

Green electricity refers to electricity that comes from renewable energy sources.

**Greenhouse gases**

Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and other gases are regarded as greenhouse gases because they do not break down completely, collect in the upper layers of the atmosphere, and therefore do not permit the heat of the sun to dissipate. This creates a greenhouse effect.

**Greenhouse Gas Protocol (GHG Protocol)**

The world's leading standard for measuring and managing greenhouse gas emissions in organizations.

## I

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### Industrial Internet of Things (IIoT)

The term Industrial Internet of Things refers to the use of the Internet of Things in industrial production. The Internet of Things is the digital connection of, and communication between, smart machines and appliances via the internet.

## L

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### Location-based

Location-based figures refer to the average emission factors of the area in which the electricity consumption takes place. In most cases, the average at the country level is used here.

## M

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### Market-based

Market-based figures refer to the emission factors of the electricity supplier or an individual electricity product.

### Materiality analysis

The analysis of material topics in the context of sustainability management. The definition of materiality may vary. Generally, this is all about balancing topics that the company itself believes are material with the views of external → [stakeholders](#). The – positive and negative – impacts of a company on the environment and society are also taken into account.

## MES

Manufacturing Execution Systems are systems for higher-level production control. Their areas of application are, for example, quality control, root cause analysis or predictive maintenance.

## N

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### NGO – Non-Governmental Organization

Non-governmental organization or civil society organization.

## O

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### ORC technology

ORC: Organic Rankine Cycle. A procedure for the generation of electricity by means of a steam power process with an organic working medium.

### Overspray

Excess paint that does not land on the surface to be painted when it is atomized. (→ [Atomizer](#))

## P

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### Paris Climate Agreement

Agreement under the auspices of the United Nations that was concluded at the climate negotiations in Paris in 2015. (→ [1.5°C target](#))

## R

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### Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)

The REACH Regulation (EC) No. 1907/2006 is a regulation of the European Union for the Registration, Evaluation, Authorization and Restriction of Chemicals.

### Restriction of the use of certain Hazardous Substances (RoHS)

The Directive 2011/65/EU (RoHS Directive) of the European Parliament and of the Council regulates the use of certain hazardous substances in electrical and electronic equipment.

## S

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### Schuldschein loan

A loan that is issued through a Schuldschein or promissory note. Generally, this is a large long-term loan similar to a bond. Contrary to the situation with a bond, the promissory notes are not traded on the stock exchange.

### Science Based Targets initiative (SBTi)

The alliance of the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature tests reduction targets against the latest climate science. According to SBTi, the Dürr Group's climate targets contribute to achieving the → [1.5°C target](#) and can thus be described as "science-based targets."

**SCIP database**

Electronic database of the European Chemicals Agency (ECHA) containing information on substances of very high concern ([→ SVHC substances](#)).

**Second Party Opinion Provider**

Second opinion from an independent organization that has extensive expertise in sustainability.

**Shared Socioeconomic Pathway (SSP) scenarios**

Shared socioeconomic development pathways established by the Intergovernmental Panel on Climate Change (IPCC). They are used to map different developments in our society to explore the holistic consequences and extent of climate change in a simplified, yet representative way.

**Spend-based method**

The spend-based method roughly estimates Scope 3 logistics emissions based on the paid freight costs of each mode of transport. Emission factors from databases are used for this purpose. The application of this calculation method, however, gives rise to considerable uncertainties.

**Stakeholders**

Social groups that can directly or indirectly influence the success of a company and which are themselves impacted by the activity of the company. Examples of stakeholders are investors, employees, government authorities, media, organizations in civil society, etc.

**Strings**

In the field of photovoltaics, this refers to the series connection of several modules or of solar cells within a module.

**Sustainable Development Goals (SDGs)**

[↗ Sustainable Development Goals](#) of the United Nations – 17 goals with 169 targets of the “Agenda 2030” adopted in 2015.

**Sustainable Finance**

Generic term for political efforts to align the financial market, and thereby indirectly also the real economy, with sustainability criteria. The EU is pursuing a [↗ Sustainable Finance Action Plan](#), and the German government has set up a [↗ Sustainable Finance Advisory Council](#).

**SVHC substances**

Substances that may have serious effects on human health and the environment can be classified as Substances of Very High Concern (SVHC).

**Syndicated loan**

A loan granted by at least two banks at the same conditions, which may include both a cash and a guarantee line.

**T****Task Force on Climate Related Financial Disclosures (TCFD)**

A global industry-led corporate reporting initiative on climate-related financial opportunities and risks.

**Technical screening criteria**

Technical screening criteria are used to assess whether and to what extent economic activities are environmentally sustainable within the meaning of the [→ EU Taxonomy](#).

# GRI INDEX

**STATEMENT OF USE:** The Dürr Group has reported in accordance with the GRI Standards for the period from January 1, 2022, to December 31, 2022.  
**GRI USED** GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Comment/Omission
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: GENERAL DISCLOSURES 2021</b>			
<b>The organization and its reporting practices</b>			
GRI 2-1	Organizational details	8–9	
GRI 2-2	Entities included in the organization's sustainability reporting	8–9, 101, AR <sup>1</sup>	
GRI 2-3	Reporting period, frequency and contact point	101, 112	
GRI 2-4	Restatements of information		Restatements are marked and explained at the relevant information.
GRI 2-5	External assurance		Some of the contents of the sustainability report are identical to those of the non-financial consolidated declaration. The non-financial consolidated declaration has been subjected to an external audit and is marked in the Annual Report 2022 with a dashed line in the margin and the abbreviation "NFS."
<b>Activities and workers</b>			
GRI 2-6	Activities, value chain and other business relationships	2, 8–9, 13–15, 67, AR	
GRI 2-7	Employees	8, 78–79	
GRI 2-8	Workers who are not employees	8, 79	
<b>Governance</b>			
GRI 2-9	Governance structure and composition	17, 36–37, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance">www.durr-group.com/en/investor-relations/corporate-governance</a>
GRI 2-10	Nomination and selection of the highest governance body	36–37, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/declaration-on-corporate-governance">www.durr-group.com/en/investor-relations/corporate-governance/declaration-on-corporate-governance</a> <a href="http://www.durr-group.com/fileadmin/durr-group.com/Investors/Downloads/duerr-supervisory-board-profile-of-skills-EN.pdf">www.durr-group.com/fileadmin/durr-group.com/Investors/Downloads/duerr-supervisory-board-profile-of-skills-EN.pdf</a>

<sup>1</sup> AR = Annual Report 2022

GRI Standard	Disclosure	Location	Comment/Omission
GRI 2-11	Chair of the highest governance body	36, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/supervisory-board">www.durr-group.com/en/investor-relations/corporate-governance/supervisory-board</a>
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	17, 36 – 37, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/declaration-on-corporate-governance">www.durr-group.com/en/investor-relations/corporate-governance/declaration-on-corporate-governance</a>
GRI 2-13	Delegation of responsibility for managing impacts	17, 36 – 37, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/declaration-on-corporate-governance">www.durr-group.com/en/investor-relations/corporate-governance/declaration-on-corporate-governance</a>
GRI 2-14	Role of the highest governance body in sustainability reporting	17, 36 – 37	
GRI 2-15	Conflicts of interest	39 – 40, AR	
GRI 2-16	Communication of critical concerns	39 – 40	
GRI 2-17	Collective knowledge of the highest governance body	17	
GRI 2-18	Evaluation of the performance of the highest governance body		<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/supervisory-board">www.durr-group.com/en/investor-relations/corporate-governance/supervisory-board</a>
GRI 2-19	Remuneration policies	37 – 38, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-supervisory-board">www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-supervisory-board</a> <a href="http://www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-board-of-management">www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-board-of-management</a>
GRI 2-20	Process to determine remuneration	37 – 38, AR	<a href="http://www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-supervisory-board">www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-supervisory-board</a> <a href="http://www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-board-of-management">www.durr-group.com/en/investor-relations/corporate-governance/compensation-system-for-the-board-of-management</a>
GRI 2-21	Annual total compensation ratio	AR	
<b>Strategy, policies and practices</b>			
GRI 2-22	Statement on sustainable development strategy	5 – 6, 13 – 14	
GRI 2-23	Policy commitments	18 – 20, 40 – 41, 46 – 47, 71 – 73, 87 – 89, 91	
GRI 2-24	Embedding policy commitments	29	
GRI 2-25	Processes to remediate negative impacts	21 – 23, 46 – 47, 52 – 54, 68, 71, 73, 85 – 88	
GRI 2-26	Mechanisms for seeking advice and raising concerns	39 – 40, 71, 80, 86, 88 – 89	
GRI 2-27	Compliance with laws and regulations	39 – 41, 89	
GRI 2-28	Membership associations	23, 29, 91	
<b>Stakeholder engagement</b>			
GRI 2-29	Approach to stakeholder engagement	28 – 29	
GRI 2-30	Collective bargaining agreements	80	

GRI Standard	Disclosure	Location	Comment/Omission
<b>GRI 3: MATERIAL TOPICS 2021</b>			
GRI 3-1	Process to determine material topics	15	
GRI 3-2	List of material topics	16	
GRI 3-3	Management of material topics	14 – 15, 17	
<b>MATERIAL TOPICS</b>			
<b>Economic Performance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	AR	
<b>GRI 201: Economic Performance 2016</b>	GRI 201-1 Direct economic value generated and distributed	9, AR	
	GRI 201-2 Financial implications and other risks and opportunities due to climate change	18, AR	
	GRI 201-3 Defined benefit plan obligations and other retirement plans	AR	
	GRI 201-4 Financial assistance received from government	47	
<b>Market Presence</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	AR	
<b>GRI 202: Market Presence 2016</b>	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Data is not collected.
	GRI 202-2 Proportion of senior management hired from the local community		Data is not collected.
<b>Indirect Economic Impacts</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	91 – 92	
<b>GRI 203: Indirect Economic Impacts 2016</b>	GRI 203-1 Infrastructure investments and services supported	92 – 93	
	GRI 203-2 Significant indirect economic impacts		Data is not collected.
<b>Procurement Practices</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	67 – 72	
<b>GRI 204: Procurement Practices 2016</b>	GRI 204-1 Proportion of spending on local suppliers	67	

GRI Standard	Disclosure	Location	Comment/Omission
<b>Anti-corruption</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	39 – 40	
<b>GRI 205: Anti-corruption 2016</b>	GRI 205-1 Operations assessed for risks related to corruption	40	
	GRI 205-2 Communication and training about anti-corruption policies and procedures	40	
	GRI 205-3 Confirmed incidents of corruption and actions taken	40	
<b>Anti-competitive Behavior</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	39 – 40	
<b>GRI 206: Anti-competitive Behavior 2016</b>	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No legal actions for anti-competitive behavior, anti-trust, and monopoly practices in the year under review.
<b>Tax</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	38 – 39	
<b>GRI 207: Tax 2019</b>	GRI 207-1 Approach to tax	38 – 39	
	GRI 207-2 Tax governance, control, and risk management	38 – 39	
	GRI 207-3 Stakeholder engagement and management of concerns related to tax	38 – 39	
	GRI 207-4 Country-by-country reporting		A detailed presentation of country-by-country reporting is omitted, as disclosure of this data would reveal information relevant to competition. In our <a href="#">Annual Report 2022 from page 179</a> , we publish all legally required information on income taxes.
<b>Materials</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	54, 66 – 68	
<b>GRI 301: Materials 2016</b>	GRI 301-1 Materials used by weight or volume	67	
	GRI 301-2 Recycled input materials used		Data is not collected.
	GRI 301-3 Reclaimed products and their packaging materials	54	

GRI Standard	Disclosure	Location	Comment/Omission
<b>Energy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	21 – 22, 62 – 64	
<b>GRI 302: Energy 2016</b>	GRI 302-1 Energy consumption within the organization	64	
	GRI 302-2 Energy consumption outside of the organization		Data is not collected.
	GRI 302-3 Energy intensity	64	
	GRI 302-4 Reduction of energy consumption	63 – 64	
	GRI 302-5 Reductions in energy requirements of products and services	49 – 52	
<b>Water and Effluents</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	62 – 66	
<b>GRI 303: Water and Effluents 2018</b>	GRI 303-1 Interactions with water as a shared resource	64 – 65	
	GRI 303-2 Management of water discharge-related impacts	64 – 65	
	GRI 303-3 Water withdrawal	64 – 65	
	GRI 303-4 Water discharge	64 – 65	
	GRI 303-5 Water consumption		Data is not collected.
<b>Emissions</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 20 – 27	
<b>GRI 305: Emissions 2016</b>	GRI 305-1 Direct (Scope 1) GHG emissions	24	
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	24	
	GRI 305-3 Other indirect (Scope 3) GHG emissions	25 – 26	
	GRI 305-4 GHG emissions intensity	24	
	GRI 305-5 Reduction of GHG emissions	24 – 26	
	GRI 305-6 Emissions of ozone-depleting substances (ODS)		Data is not collected.
	GRI 305-7 GRI 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions		Data is not collected.

GRI Standard	Disclosure	Location	Comment/Omission
<b>Waste</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	62 – 63, 66	
<b>GRI 306: Waste 2020</b>	GRI 306-1 Waste generation and significant waste-related impacts	66	
	GRI 306-2 Management of significant waste-related impacts	66	
	GRI 306-3 Waste generated	66	
	GRI 306-4 Waste diverted from disposal		Data is not collected.
	GRI 306-5 Waste directed to disposal		Data is not collected.
<b>Supplier Environmental Assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 20, 68	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	GRI 308-1 New suppliers that were screened using environmental criteria	71	
	GRI 308-2 Negative environmental impacts in the supply chain and actions taken	68, 71 – 73	
<b>Employment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	78 – 82	
<b>GRI 401: Employment 2016</b>	GRI 401-1 New employee hires and employee turnover	81	New employee hires cannot currently be specified by gender, age group, or region. We will report on this in the future.
	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Benefits are provided to all employees with permanent contracts. For employees with fixed-term contracts, deviating regulations exist in some cases.
	GRI 401-3 Parental leave	79	
<b>Labor/Management Relations</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	79 – 80	
<b>GRI 402: Labor/Management Relations 2016</b>	GRI 402-1 Minimum notice periods regarding operational changes	79	
<b>Occupational Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	84 – 86	

GRI Standard	Disclosure	Location	Comment/Omission
<b>GRI 403: Occupational Health and Safety 2018</b>	GRI 403-1 Occupational health and safety management system	84–85	
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	85–86	
	GRI 403-3 Occupational health services	86	
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	86	
	GRI 403-5 Worker training on occupational health and safety	85–86	
	GRI 403-6 Promotion of worker health	86	
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46–47, 85	
	GRI 403-8 Workers covered by an occupational health and safety management system	85	
	GRI 403-9 Work-related injuries	85	
	GRI 403-10 Work-related ill health		For data protection reasons, work-related ill health may not be recorded.
<b>Training and Education</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	80–82	
<b>GRI 404: Training and Education 2016</b>	GRI 404-1 Average hours of training per year per employee	81	
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	80–82	
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	80	
<b>Diversity and Equal Opportunity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	83–84	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	GRI 405-1 Diversity of governance bodies and employees	37, 78–79	
	GRI 405-2 Ratio of basic salary and remuneration of women to men		Data is not collected.
<b>Non-discrimination</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	83–84, 87–89	
<b>GRI 406: Non-discrimination 2016</b>	GRI 406-1 Incidents of discrimination and corrective actions taken	87–89	No incidents were reported in the year under review.

GRI Standard	Disclosure	Location	Comment/Omission
<b>Freedom of Association and Collective Bargaining</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73, 79 – 80, 87 – 88	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	72 – 73	
<b>Child Labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73, 87 – 89	
<b>GRI 408: Child Labor 2016</b>	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	72 – 73	
<b>Forced or Compulsory Labor</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73, 87 – 89	
<b>GRI 409: Forced or Compulsory Labor 2016</b>	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	72 – 73	
<b>Security Practices</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73	
<b>GRI 410: Security Practices 2016</b>	GRI 410-1 Security personnel trained in human rights policies or procedures		Data is not collected.
<b>Rights of Indigenous Peoples</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73	
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	GRI 411-1 Incidents of violations involving rights of indigenous peoples		No known incidents.
<b>Local Communities</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73	
<b>GRI 413: Local Communities 2016</b>	GRI 413-1 Operations with local community engagement, impact assessments, and development programs		Data is not collected.
	GRI 413-2 Operations with significant actual and potential negative impacts on local communities		In the year under review, the Dürr Group did not identify any operations that could have a negative impact on local communities.

GRI Standard	Disclosure	Location	Comment/Omission
<b>Supplier Social Assessment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	69 – 73	
<b>GRI 414: Supplier Social Assessment 2016</b>	GRI 414-1 New suppliers that were screened using social criteria	71	
	GRI 414-2 Negative social impacts in the supply chain and actions taken	72 – 73	
<b>Public Policy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	28 – 29	
<b>GRI 415: Public Policy 2016</b>	GRI 415-1 Political contributions		Political contributions are not permitted in the Dürr Group.
<b>Customer Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	46 – 47	
<b>GRI 416: Customer Health and Safety 2016</b>	GRI 416-1 Assessment of the health and safety impacts of product and service categories	46 – 47	
	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents were reported in the year under review.
<b>Marketing and Labeling</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	46 – 47	
<b>GRI 417: Marketing and Labeling 2016</b>	GRI 417-1 Requirements for product and service information and labeling	46 – 47	
	GRI 417-2 Incidents of non-compliance concerning product and service information and labeling		No incidents were reported in the year under review.
	GRI 417-3 Incidents of non-compliance concerning marketing communications		No incidents were reported in the year under review.
<b>Customer Privacy</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	41	
<b>GRI 418: Customer Privacy 2016</b>	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No incidents were reported in the year under review.

# TCFD INDEX

Category	Recommended Disclosures	References
<b>GOVERNANCE</b> Disclose the organization's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	<a href="#">→ Sustainability management, page 17</a> <a href="#">↗ Annual Report, page 40</a> <a href="#">↗ CDP Climate Change 2022 – C1</a>
	Describe management's role in assessing and managing climate-related risks and opportunities	<a href="#">↗ CDP Climate Change 2022 – C2.1</a>
<b>STRATEGY</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<a href="#">↗ CDP Climate Change 2022 – C2.1</a>
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	<a href="#">→ Sustainability opportunities and risks, page 18</a> <a href="#">↗ Methodology Paper, page 12</a> <a href="#">↗ CDP Climate Change 2022 – C3.3</a> <a href="#">↗ CDP Climate Change 2022 – C3.4</a>
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">↗ CDP Climate Change 2022 – C3.2a</a>
<b>RISK MANAGEMENT</b> Disclose how the organization identifies, assesses, and manages climate-related risks	Describe the organization's processes for identifying and assessing climate-related risks	<a href="#">→ Sustainability opportunities and risks, page 18</a> <a href="#">↗ CDP Climate Change 2022 – C2.1</a> <a href="#">↗ CDP Climate Change 2022 – C2.2</a>
	Describe the organization's processes for managing climate-related risks	<a href="#">↗ CDP Climate Change 2022 – C2.2</a>
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<a href="#">↗ CDP Climate Change 2022 – C2.1</a> <a href="#">↗ CDP Climate Change 2022 – C2.2</a>
<b>METRICS AND TARGETS</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">↗ CDP Climate Change 2022 – C2.1</a> <a href="#">↗ CDP Climate Change 2022 – C2.3</a> <a href="#">↗ CDP Climate Change 2022 – C2.4</a>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<a href="#">→ Scope 1 and Scope 2, page 24</a> <a href="#">→ Scope 3, page 26</a> <a href="#">↗ Annual Report, page 67</a> <a href="#">↗ Methodology Paper, page 6-12</a> <a href="#">↗ CDP Climate Change 2022 – C4</a> <a href="#">↗ CDP Climate Change 2022 – C5</a> <a href="#">↗ CDP Climate Change 2022 – C6</a>
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	<a href="#">→ Scope 1 and Scope 2, page 24</a> <a href="#">→ Scope 3, page 26</a> <a href="#">↗ Annual Report, page 67</a> <a href="#">↗ Methodology Paper, page 11</a> <a href="#">↗ CDP Climate Change 2022 – C4</a>

# ABOUT THIS REPORT

With this Sustainability Report 2022, the Dürr Group is already in its twelfth year of regular reporting. The aim of the report is to provide our stakeholders with transparent and comprehensive information about our achievements in the economic, environmental, and social dimensions of corporate sustainability.

The Sustainability Report was prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards). Our climate reporting follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the Sustainability Report serves as a progress report on the implementation of the Global Compact (UNGC) in the Dürr Group.

The report addresses all interested stakeholders, but also provides answers to specific questions raised by the financial market.

The information in this report relates to the entire Dürr Group including its domestic and foreign companies in which Dürr AG can directly or indirectly exercise a controlling influence. Data that does not relate to the entire Group is appropriately identified. The reporting periods of the Sustainability Report and financial reporting are identical and correspond to the fiscal and calendar year 2022. The Sustainability Report focuses in some cases on current developments in the first half of 2023. Due to rounding, minor discrepancies may arise in the calculation of totals and percentages.

The Sustainability Report of the Dürr Group is published annually. The next publication is scheduled for mid-2024.

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The Sustainability Report is also available [in German](#).

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