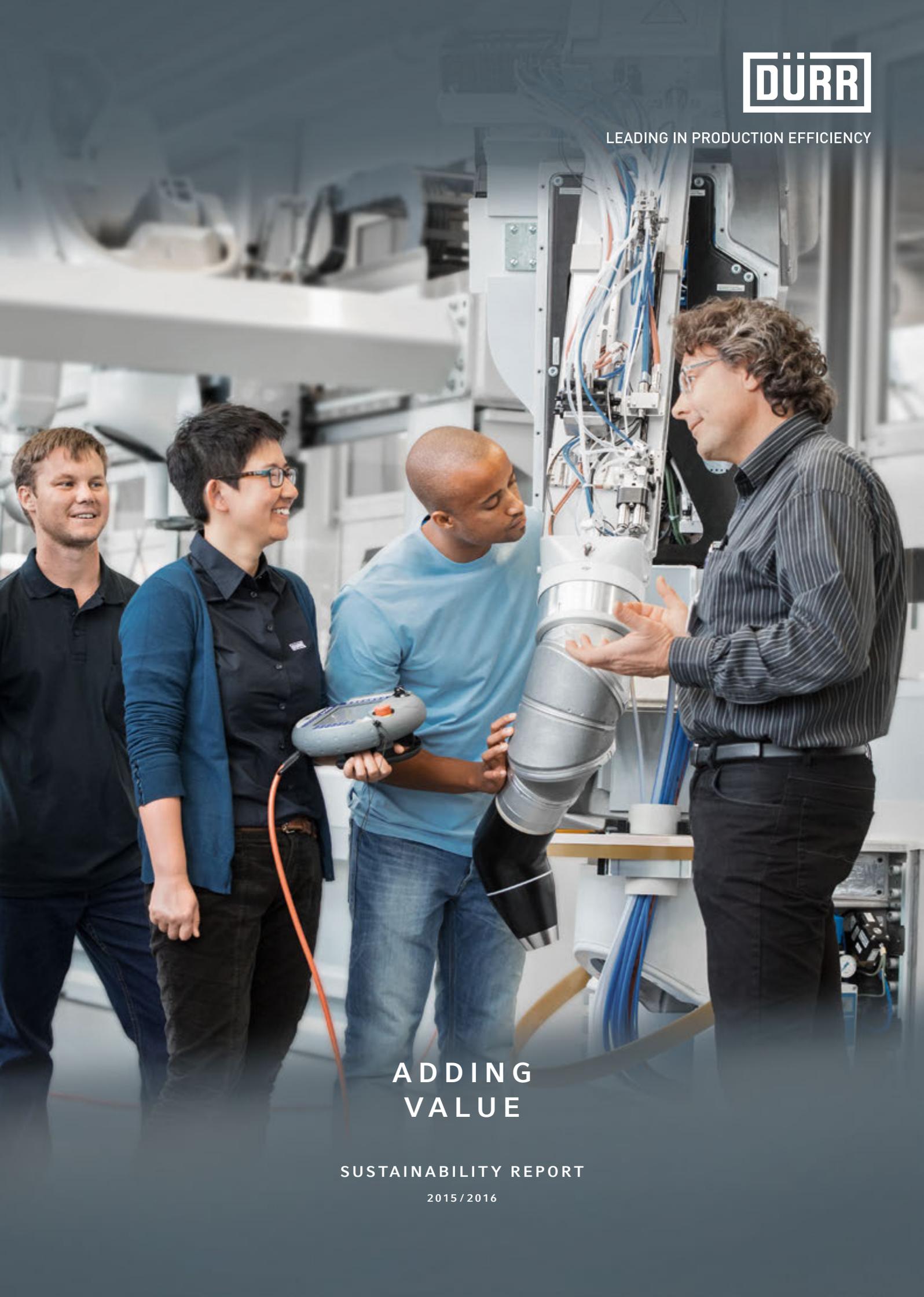




LEADING IN PRODUCTION EFFICIENCY



ADDING VALUE

SUSTAINABILITY REPORT

2015 / 2016

THE DÜRR GROUP

The Dürr Group is one of the world's leading mechanical and plant engineering firms. Business with automotive manufacturers and their suppliers accounts for 60 % of our sales of almost € 3.8 billion. Other customer segments include the woodworking industry and the mechanical engineering sector as well as the chemical and pharmaceutical industries.

OUR FIVE DIVISIONS*

Paint and Final Assembly Systems

- Paint shops
- Final assembly systems
- MES software

Sales: € 1,364.6 million
EBIT: € 100.2 million
Employees: 3,374



Application Technology

- Paint application technology
- Glueing technology
- Sealing technology

Sales: € 599.7 million
EBIT: € 60.8 million
Employees: 1,858



Measuring and Process Systems

- Balancing technology
- Filling technology
- Assembly technology
- Testing technology
- Cleaning technology

Sales: € 603.7 million
EBIT: € 69.8 million
Employees: 2,992



SCHENCK

Clean Technology Systems

- Exhaust-air purification systems
- Energy-efficiency technology

Sales: € 159.2 million
EBIT: € 5.8 million
Employees: 499



Woodworking Machinery and Systems

- Machinery and systems for woodworking

Sales: 1,039.3 million
EBIT: € 36.6 million**
Employees: 5,906



* Key figures for fiscal year 2015

** Including extraordinary effects of € 26.6 m

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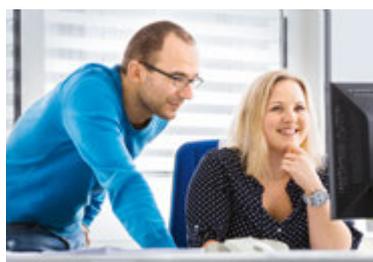
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FOREWORD

Dear Readers,

Sustainability at Dürr means, first and foremost, helping our customers make their production processes even more efficient. This is reflected in our corporate slogan "Leading in Production Efficiency". Greater efficiency means better use of resources, reduced emissions and thus lower environmental impact.

Sustainability at Dürr also describes our efforts to reduce our own ecological footprint. We limit the impact our business activities have on the environment, for example through our greatly improved eco-efficiency resulting from a total of 15 alterations and new-build premises, which have been completed over the last few years.

Last but not least, sustainability at Dürr also stands for the respectful, fair and far-sighted approach towards our employees. Your commitment and your experience shape Dürr and our company's reputation with our customers and the general public.

And it goes without saying that sustainability at Dürr also includes corporate governance, compliance and our various contributions to social causes. We act with honesty, manage risks at an early stage, and take an active role in supporting the people around us. We hope this report will give you an insight into sustainability at Dürr.

If you have any questions or ideas, we would welcome your feedback!

Best wishes

Ralf W. Dieter
CEO

Ralph Heuwing
CFO



Dürr's Board of Management: Ralf W. Dieter (left) and Ralph Heuwing (right).

DÜRR

AT A GLANCE

Dürr is one of the world's leading engineering groups. Our machines, systems and services enable highly efficient manufacturing processes across a range of industries. Business with automotive manufacturers and their suppliers accounts for around 60 % of our sales. Other market segments include the mechanical engineering, chemical, pharmaceutical and electrical industries and – since the acquisition of HOMAG Group AG in October 2014 – the woodworking industry. We run 92 company sites in 28 countries. We operate worldwide with our Dürr, Schenck and HOMAG brands; aside from North America and Western Europe, we also have a strong presence in the emerging markets. In 2015 these accounted for around 50 % of our incoming orders and our sales, and 30 % of our workforce. Almost 60 % of the Group's business volume comes from mechanical engineering and a good 40 % from plant engineering.

STRATEGY

Our corporate slogan, "Leading in Production Efficiency", is at the center of the "Dürr 2020" Group strategy. It represents our promise to our customers that we will make their production processes more efficient by means of innovative technologies and services. We have defined four strategic areas grouped around our slogan to substantiate this promise and fulfill it in the long term:

- **Innovation** – maintaining and expanding our position as a technology leader
- **Globalization** – worldwide presence and cooperation, focusing on the emerging markets
- **Service** – ensuring maximum availability of our machinery and systems for our customers
- **Efficiency** – continuous improvement and digitization of processes and systems

"DÜRR 2020" IS LINKED TO THREE FINANCIAL TARGETS:

- **We want to increase sales** to a level of up to € 5 billion by 2020 (including acquisitions).
- **Our EBIT margin** is to widen to between 8 and 10 %.
- **ROCE** is to remain at the high level of over 30 % on a sustained basis.

SUSTAINABLE PRODUCTION

RESEARCH & DEVELOPMENT

Dürr's R&D management is committed to developing solutions that enable our customers to lower their per-unit production costs. This is reflected in our corporate slogan "Leading in Production Efficiency". Greater efficiency also means better use of resources, reduced emissions and thus lower environmental impact. In addition, our drive for innovation and digitization as part of the "Dürr 2020" strategy helps us secure our leading market position.

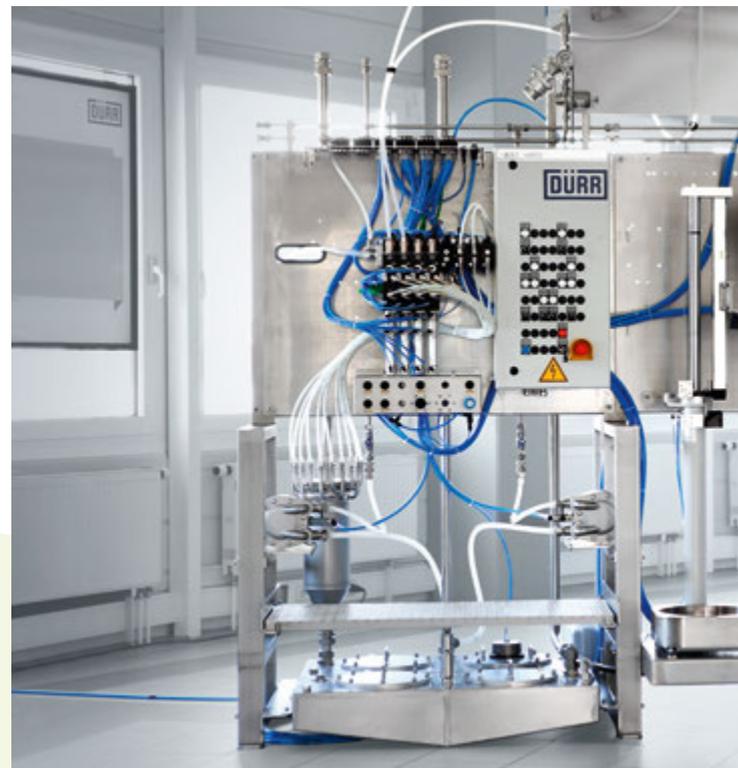
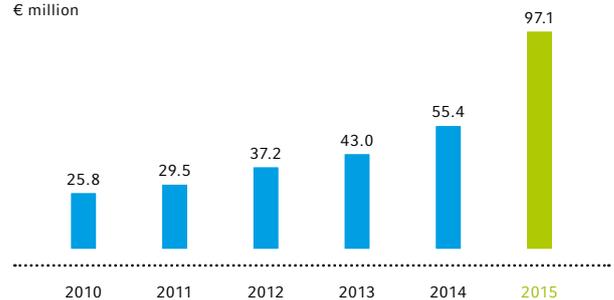
R&D KEY FIGURES AND EMPLOYEES

In 2015 direct expenditure on research and development rose by 75.3 % to € 97.1 million. The main reason for the large increase was the full-year consolidation of the HOMAG Group. On a like-for-like basis – without taking the HOMAG Group into account – R&D expenditure also increased by 4.6 %. The R&D ratio reached 2.6 %, compared with 2.2 % in the previous year. Other development costs, which accrued in connection with individual orders, are contained in the sales costs.

The number of employees working in R&D rose by 7.8 % in 2015, which is equivalent to 667 people, or 4.5 % of the Group's workforce. In addition, numerous other experts are working on new solutions in connection with customer orders. Around 70 % of the R&D budget goes into developing new products and processes. Some 30 % is spent on optimizing existing products and on standardization and modularization, which are especially important at Dürr.

R&D EXPENDITURE

€ million



Application Technology

The **EcoSupply P** paint supply system is characterized, in particular, by movable, cylinder-shaped fittings ("pigs"). After the paint has been applied, the pigs quickly push virtually all residual paint out of the hoses. The pigs are powered by compressed air, thus substantially reducing the consumption of paint and solvents. With the help of color changers, one painting robot can use up to 36 standard paint colors simultaneously. However, manufacturers of commercial vehicles, in particular, as well as paint shops for plastic parts use significantly more than 100 different paint colors. These can be applied very efficiently using the piggable special paint systems.



Paint and Final Assembly Systems

Due to quality requirements, the lighting in paint shops is an important topic. Given the long operating times, their energy consumption is also relevant. We have therefore developed a system that provides a glare-free view into the booth and, throughout its life span, reduces its energy consumption by around 40 % compared to the previous lighting concept. We have also reduced the space requirement to one tenth.



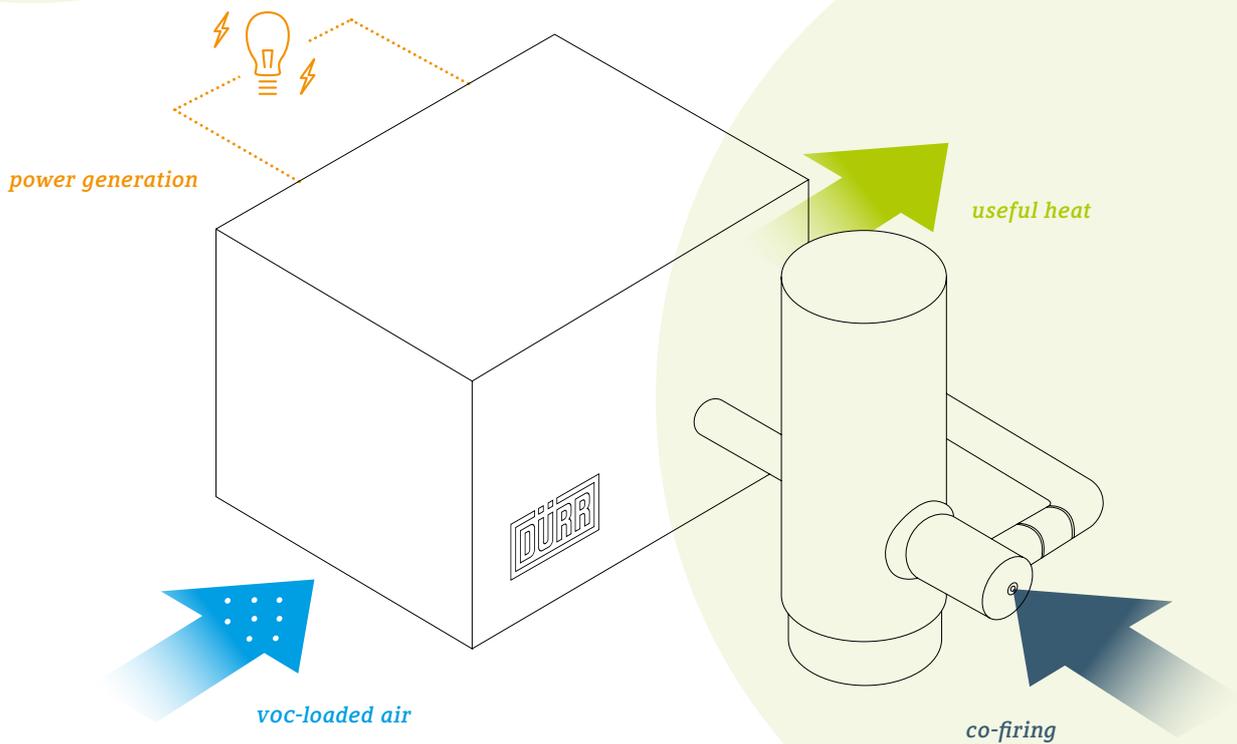
40%

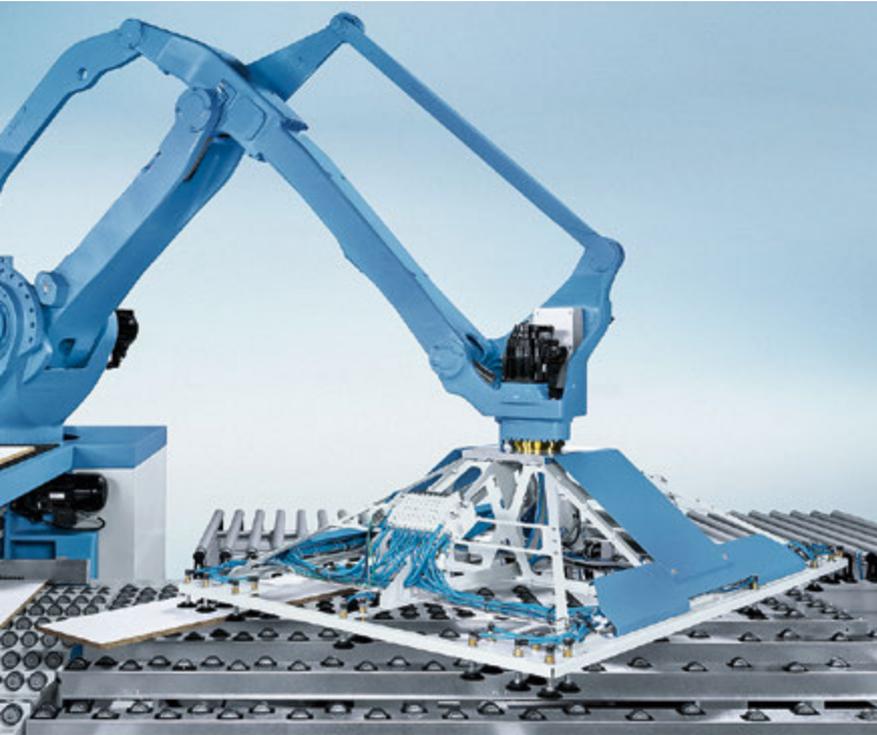
less energy is required using the new lighting concept in our paint booths.



Measuring and Process Systems

During the production of engine and transmission systems, the components have to be cleaned between various processing stages. Unlike conventional systems, the new energy-efficient **EcoCVac** dry cleaning system does not work with compressed air, which is energy-intensive to generate, but is based on the new short-cycle vacuum suction technology. This results in energy savings of more than 50 %.





Woodworking Machinery and Systems

The new robot-based HPS 320 flexTec cutting cell enables flexible batch size 1 production of chip boards. The energy-efficient cutting cell requires little maintenance and achieves a high level of uptime. Thanks to its modular design, we can build bespoke cutting lines to the customer's specification.

1,100°C

is the temperature required to burn volatile organic compounds (VOCs). The combination of micro gas turbine and exhaust-air purification technology enables the operator to produce electricity at the same time.

Clean Technology Systems

When incinerating volatile organic compounds (vocs), the combination of micro gas turbine technology and exhaust-air purification technology offers a dual benefit. The micro gas turbine allows the operator not only to achieve the temperature of around 1,100 °C needed for voc incineration, but also to produce electricity at the same time and thus lower his operating costs. The recently developed micro gas turbine combustion chamber already achieves very good cleaning efficiencies and emission figures – the system is due to be launched in 2017.



OUR FOOTPRINT

ENVIRONMENT AND COMPANY SITES

For many years, Dürr has seen itself as an industrial group with expertise in special technical products and projects. In our assembly processes, we have traditionally sourced as many parts as possible from suppliers, thus keeping our real net output ratio relatively low.

Our environmental figures for 2015 include HOMAG Group AG, acquired in October 2014, for the first time. In addition, a number of adjustments have been made to improve the data quality, for example for the global vehicle fleet emissions. Consequently, the figures have increased over the previous year. In some cases, the increase in the consumption and emission figures is disproportionate to the HOMAG Group's sales contribution. This is attributable to the HOMAG Group's larger vertical depth of production.

The manufacturing processes in our plants are defined by an efficient use of energy, material and resources. We systematically look for ways to reduce consumption. For example, we avoid trips that pollute the environment

ENVIRONMENTAL KEY FIGURES (ABSOLUTE)

| | 2015 | 2014 ¹ | 2013 ¹ |
|---|---------|-------------------|-------------------|
| Number of sites | 92 | 53 | 50 |
| of which quality management certified to ISO 9001 | 51 | 38 | 39 |
| of which environmental management certified to ISO 14001 ² | 21 | 18 | 19 |
| Consumption | | | |
| Electricity (MWh) | 60,640 | 33,443 | 32,723 |
| Gas/oil/district heat (MWh) | 67,717 | 39,667 | 42,478 |
| Water (m ³) | 191,918 | 130,685 | 124,555 |
| Waste water output (m ³) | 175,489 | 122,022 | 119,663 |
| Waste (t) | 12,123 | 4,525 | 4,797 |
| of which recycled (t) | 9,737 | 3,191 | 3,232 |
| Emissions | | | |
| CO ₂ (t) | 62,097 | 33,493 | 33,254 |
| of which attributable to Dürr vehicle fleet (t) | 9,481 | 3,965 | 3,555 |
| SO ₂ (t) | 32 | 18 | 17 |
| NO _x (t) | 48 | 27 | 27 |

¹ Not including the HOMAG Group

² Sites used by several Dürr companies sometimes have multiple environmental management certificates to ISO 14001.

ENVIRONMENTAL KEY FIGURES (INDEXED)

| | 2015 | 2014 ¹ | 2013 ¹ |
|--|-------|-------------------|-------------------|
| Consumption | | | |
| Electricity | 72.2 | 64.6 | 61.0 |
| Gas/oil/district heat | 54.4 | 51.7 | 53.4 |
| Water | 83.6 | 92.3 | 84.9 |
| Waste water output | 86.2 | 97.2 | 92.0 |
| Waste | 140.3 | 85.0 | 86.7 |
| Waste recycled | 147.7 | 78.5 | 76.7 |
| Emissions | | | |
| CO ₂ | 69.1 | 60.5 | 58.0 |
| CO ₂ attributable to Dürr vehicle fleet | 92.8 | 63.0 | 54.5 |
| SO ₂ | 71.3 | 63.9 | 59.4 |
| NO _x | 67.0 | 61.0 | 59.0 |

(2010 = 100; in relation to sales)

¹ Not including the HOMAG Group

300 tons

of CO₂ can be saved with recycling at our largest Dürr site in Bietigheim-Bissingen.

and instead make use of virtual pre-commissioning, or service equipment remotely.

After use, we send most of our paper, plastics, steel, wood and electrical equipment to recycling companies. At our largest Dürr site in Bietigheim-Bissingen, this practice enables us to save around 2,000 tons of resources and around 300 tons of CO₂ annually. At our Filderstadt premises, we have also started using a paper press, which has considerably reduced the number of trips made by the disposal company. We attempt to lower the consumption of electricity, heating energy and water as much as possible in the operation of our sites. Replacing old fluorescent tubes with environmentally friendly LED lights is one example.

When building new premises, we attach great importance to energy efficiency. The Dürr Campus in Bietigheim-Bissingen with its "Campus Energy 21" sustainable energy concept is the role model for the new sites in Southfield (US) and Shanghai.

In the Mai Ndombe REDD rainforest protection project in the Democratic Republic of Congo, we are protecting forest areas which neutralize climate-damaging greenhouse gases. By participating in this project, we are offsetting the CO₂ emissions produced by the consumption of natural gas by Schenck Technologie- und Industriepark (TIP) in Darmstadt (around 487 tons per year). A further 225 tons of CO₂, arising from TIP's use of district heat, are offset by the "Permanent Forest Sink Initiative" reforestation project in New Zealand. We only use a small quantity of hazardous materials at our sites.

PROCESSES

Internal audits and external certifications ensure the compliance with and further development of our business processes and management systems. Most of our company sites are certified to ISO 14001, VDA 6.4 and ISO 9001 on a regular basis. A complete list of our certifications is available at www.durr.com under Company/Sustainability.



Southfield campus

Occupying an area of 21,000 m², the new campus in the US city of Southfield offers comprehensive training facilities, a modern test center and an attractive working environment for around 500 employees from four divisions. At a cost of just under € 40 million, the Southfield campus is the second largest site investment in the history of Dürr. The conveniently situated office and technology complex combines activities that were previously spread over three different locations in the Detroit area.

The campus evolved from a 1960s office complex. As a center of excellence modeled on the corporate headquarters in Germany, it is designed to inspire collaboration, communication and creativity of employees and customers alike.

During the conversion work, particular attention was paid to preserving the original building structure to the greatest extent possible, with a focus on innovative technologies to save energy and costs. For instance, in addition to LED lighting and special windows, the campus was fitted out

with one of the largest variable refrigerant flow (VRF) systems in Michigan. This technology can supply heating and air-conditioning at the same time, allowing for various zones in the building to be supplied with individually adjustable temperatures. Furthermore, these particularly silent systems enable compressors to be adjusted as needed, making an important contribution to energy efficiency. The new site enables us to save almost 900,000 kWh in electricity alone each year.

Employees have free access to stations with drinking water, as is the case in Bietigheim. The system deployed in Southfield also documents the number of plastic bottles saved by using the station. Each year some 20,000 fewer plastic bottles are used at the new US site alone.

This approach also impressed the panel of judges of the 2015 Southfield Business Award for Sustainability. They honored Dürr with this distinction for use of green innovations in everyday practice.





Energy audits

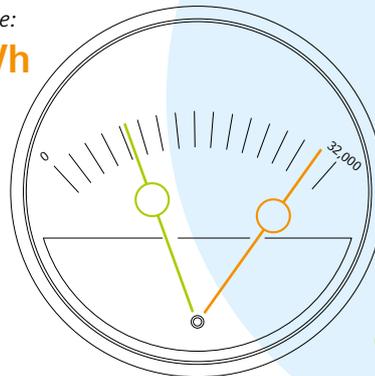
In the fall of 2015 the Dürr Group had its first energy audits conducted at a number of company sites, which will now take place on a regular basis. Energy audits are performed by external auditors and reveal detailed consumption data and savings potential. The audit showed that in Bietigheim-Bissingen, for example, energy consumption could be reduced further by increasing the use of new lighting technologies. Action is also required to improve air compressors, which are among the site's largest single consumers of electricity. Leakages, an unnecessarily high level of pressure and a high base load reserve result in an energy requirement that could be substantially reduced with very few measures. We are already working on appropriate solutions.



Cleaner air combined with lower energy consumption

At its Herzebrock premises, the HOMAG subsidiary Weeke produces CNC processing centers as well as drilling and hardware mounting machines, among other things. The exhaust-air purification system used in parts painting previously required a lot of energy and a high level of maintenance, as the filters had to be replaced on a weekly basis. An upgrade has now been carried out to optimize the extraction channels and install new filter boxes with monitoring functionality. The result is remarkable: a 75 % drop in energy consumption, a few thousand euros a year saved in operating costs, and filter replacements every five to seven weeks instead of weekly – and a system that is 100 % reliable.

30,000 before:
kWh



9,375 afterwards:
kWh



New roof and new ventilation help save costs

At the HOMAG Group's Schopfloch headquarters, new insulation and new sealing of the roof areas in several buildings are providing energy savings of more than 280,000 kWh, thus reducing costs. The roof areas have been insulated using 14 cm thick polystyrene, and the single glazing has been replaced by insulating glass. Internal checks have also revealed a number of options for optimizing the air flow in one of the buildings. Adapting it to production times enables savings of 105,000 kWh per year.



OUR TEAM



As an engineering group, we rely on the commitment, knowledge and professional approach of our 15,000 plus employees. For us it is important to offer every single one of them attractive and fair working conditions, and operate a sustainable personnel policy. We provide a broad range of development measures, create opportunities for intercultural exchange, and motivate our employees with sports, health and cultural programs. At our Bietigheim-Bissingen headquarters, for example, more than 1,000 employees have taken advantage of skin tumor screening, vein ultrasound scans, and contactless intraocular pressure testing.

We need highly qualified employees to secure long-term corporate success. That is why we are raising our recognition level among students and graduates – for example, via the Dürr Challenge, a student competition to produce film reports from metropolitan cities around the world.

Dürr is known for being an attractive employer, a reputation underlined by numerous awards:

- In the “Germany’s Best Employers 2016” ranking published by German magazine FOCUS, Dürr took fifth place in the mechanical and plant engineering category after coming sixth in the previous year.
- The *karriere.de* platform has awarded us the title of “Fair Company”. This title is given to companies which do not employ graduates as interns, but offer them appropriately salaried positions. Fair Company employers also undertake to involve interns in high-quality projects, and to pay them appropriately.
- We are involved in the “Erfolgsfaktor Familie” (Success Factor Family) corporate network in Germany, whose members advocate a family-friendly personnel policy.

By June 30, 2016, the Group’s workforce had grown by 4.2 % compared to the previous year, standing at 15,051 (June 30, 2015: 14,448). Aside from our regular workforce, we also take on external staff so we can respond more flexibly to changes in our workload.

In mid-2016, 54 % of our employees were based in Germany, where we saw a 3.4 % workforce expansion. The increase was higher in the emerging markets, where our workforce grew by 5.9 % between mid-2015 and mid-2016.

TRAINING AND PERSONNEL DEVELOPMENT

The nature of the work at Dürr is subject to constant change – for instance as a result of new IT systems, technologies or market requirements. That is why we offer our employees a wide range of training opportunities. In 2015 we increased our training expenditure per employee in Germany from € 720 to € 780. The number of training attendances in Germany rose substantially, from 7,739 to 11,848 (up 53 %). The main reason for this was the first-time inclusion of the HOMAG Group; adjusted for the HOMAG Group, we also achieved a clear increase of 14 %.

As part of the CustomerExcellence@Dürr optimization program, we train almost all Dürr and Schenck employees worldwide with a view to improving their interaction with customers. Therefore, “customer focus and service” was the key topic of the training events held in 2015. This was followed by training on IT applications and “technology and commercial know-how” in second and third place, respectively. Around a quarter of all training events at Dürr are offered by in-house experts. This ensures a highly practice-oriented approach and reduces costs.

15,000

staff are employed by the Dürr Group in 2016 for the first time.

EMPLOYEES BY REGION (DECEMBER 31)



| | Jun. 30, 2016 | 2015 | 2014 | 2013 |
|----------------------------|---------------|---------------|---------------|--------------|
| ● Germany | 8,110 | 8,026 | 7,749 | 3,749 |
| ● Other European countries | 2,230 | 2,165 | 2,180 | 1,361 |
| ● North/Central America | 1,309 | 1,256 | 1,134 | 726 |
| ● South America | 352 | 382 | 419 | 335 |
| ● Asia, Africa, Australia | 3,050 | 3,021 | 2,669 | 1,971 |
| Total | 15,051 | 14,850 | 14,151 | 8,142 |

HOMAG Group/Woodworking Machinery and Systems was consolidated for the first time on October 3, 2014

The strong international cooperation within the Group is also reflected in the training sector. The number of employees attending international corporate training events rose significantly, from 307 to 528. This training teaches participants about Group-wide best practices in project management, sales, compliance and other areas.

Our management seminars, which are based on the Dürr Leadership Skills Model, were also an important component. 267 people participated in the "Leading at Dürr" and "Fit for Management" training programs. Another 354 managers attended refresher courses on specific management topics, as well as the Dürr Leadership College. The reorganization of the HOMAG Group was supported by various seminars on change management and qualification measures for managers. We are also looking into future management and leadership roles: with the help of our personnel development process, People Development, we have evaluated over 600 current and potential managers in the last two years.

The HOMAG Group was integrated into Dürr's personnel development structures in 2015. In some cases, Dürr experts moved across to the HOMAG Group to share their expertise during the implementation of the focus optimization program. HOMAG Group employees can take advantage of Dürr's training programs. In addition, the HOMAG Group – just like other Group companies – organizes training on business-specific topics.

PERSONNEL AND UNIVERSITY MARKETING

In 2015 we filled most vacancies, thanks to our good economic position and our successful personnel marketing for both web and print. In addition, Dürr offers attractive compensation packages, international career prospects, and work/life balance options including flexible working hours, childcare as well as sports and health programs. Dürr's attractiveness as an employer is once again reflected in the good scores we have achieved in certain rankings. With Dürr's strong growth in mind, we have deliberately raised our profile as an employer in recent years. This enables us to make applicants more aware of the wide range of jobs available within the Group. We approach young talented academics through our university marketing. In 2015 we visited 24 university and recruitment fairs, of which 19 took place in Germany. A large number of student groups visited our sites. We funded ten bursaries as part of the All-German Grants Initiative; in addition, we supported several young people from ethnic minorities under the START Foundation. We had 108 interns and 91 student employees working for us across the Group. 81 students completed their theses at Dürr.

481

*apprentices and students worked
for the Dürr Group in 2015.*



| | 2015 | 2014 | 2013 |
|---|--------|-------|-------|
| No. of employees | 14,850 | 8,492 | 8,142 |
| of whom sandwich course students and apprentices | 481 | 158 | 156 |
| Average company service (years) | 11 | 10 | 10 |
| Churn rate in % | 7.2 | 4.4 | 6.0 |
| Sickness rate in % | 3.1 | 2.1 | 2.1 |
| Proportion of women among the overall workforce in % (Dec. 31) | 16 | 18 | 17 |
| Age structure in %: German employees 45 years and older | 52.0 | 53.9 | 53.1 |
| Age structure in %: worldwide employees 45 years and older | 41.0 | 41.6 | 39.9 |
| No. of accidents per 1,000 employees (Germany) | 15.6* | 7.8* | 13.1 |
| Number of participants in Group and individual training events in Germany | 11,848 | 7,739 | 7,032 |
| Number of Group and individual training events in Germany | 1,710 | 1,349 | 1,219 |
| Training budget per employee in Germany | 780 | 720 | 650 |
| Bachelor's or master's theses | 81 | 46 | 61 |
| Student trainees supporters on a regular basis | 91 | 103 | 66 |
| Apprentices | 108 | 123 | 113 |

* without way-to-work accidents

TRAINING

By training young professionals ourselves, we ensure that we meet our needs for qualified staff and encourage commitment to the company among future specialists at an early stage. In 2015 we prepared a total of 481 apprentices as well as cooperative state university and "Studium Plus" students for professional life. We offer classic vocational training covering 15 commercial and industrial/technical fields – from electronics and computer science to logistics, product design and various mechanical fields. The ten cooperative state university courses we support include electrical engineering and electronics, mechanical engineering, mechatronics and industrial engineering, IT and business studies as well as consulting and controlling. We prepare high-achieving university graduates for specialist or management careers at Dürr through our Dürr Graduate Program. This trainee program covers, for example, project management, sales, business studies and engineering. Around 15 trainees start at Dürr every year.



COMPLIANCE AND CORPORATE GOVERNANCE



COMPLIANCE

Dürr acts within the constraints of applicable legislation. In addition, we are committed to maintaining ethical and moral standards. A worldwide compliance organization supports our employees in meeting these requirements. When the HOMAG Group was integrated into the Dürr Group, we merged the two existing compliance systems and put in place a uniform code of conduct as well as a Group-wide organizational instruction relating to the compliance management system.

- At the heart of our compliance organization is the Corporate Compliance Board. This is made up of the Corporate Compliance Officer, the Head of Internal Auditing, the Corporate Risk Manager, the Finance Managers of the divisions and other managers. The Corporate Compliance Board is responsible for further developing the compliance management system. Suspected violations may be reported to the Corporate Compliance Officer, who will examine them and, in the event of appropriate grounds for suspicion, will inform the CEO and the Corporate Compliance Board. The Internal Auditing department assists him in his work.
- In 2015 we revised Dürr's code of conduct, published in 2011, and added sections on the prevention of money laundering and dealing with sales partners. The code underlines the inadmissibility of discrimination and the right of all employees to be treated fairly. It also explains the correct procedures for dealing with confidential data, insider knowledge and conflicts of interest. The new Dürr code of conduct is available in ten languages.
- In summer 2016 we launched an online training program for all Group employees, based on the new code of conduct. The training covers the code and the compliance management system using specific examples. Training modules on special areas such as anti-corruption protection and fair competition are also available.
- Most Group companies have trained compliance managers, who will answer employees' questions. In addition, the Corporate Compliance Officer at the Group's headquarters is the contact for the compliance man-

agers and all employees – and may also be contacted anonymously.

- Information is available to all employees in the Compliance section of the Group-wide intranet, including contacts, procedures and FAQs.
- Every employee has the right to be treated fairly, politely and respectfully. Discrimination or harassment is not acceptable at any of Dürr's company sites worldwide. This applies in particular to disadvantage suffered on grounds of ethnic and cultural background, disability, gender, religious belief, age or sexual orientation. Child and forced labor are prohibited. Dürr employees are free to join labor interest groups permitted by law.
- Dürr is committed to creating and shaping a safe, protected and healthy working environment. Safety regulations and practices are complied with. We meet, at the minimum, all local requirements, but our safety regulations usually go beyond these.
- Dürr's activities are also consistent with the Global Pact, in which the United Nations has formulated principles for fair working conditions and responsible business practices.



CORPORATE GOVERNANCE

The German Corporate Governance Code has been setting guidelines for reliable, sustainable and transparent corporate governance since 2002. Dürr is committed to the principles of good corporate governance as they create trust – among investors and customers as well as business partners, employees and the general public. We keep abreast of the exchanges on new aspects of corporate governance, check their importance for Dürr and carefully implement new regulations. The Board of Management and the Supervisory Board issue a detailed statement on this every year. This declaration of compliance can be found at www.durr.com/investor under Corporate Governance/Declaration on Corporate Governance.

We always carefully assess the opportunities and risks of our business activities. Our effective risk management system enables us to control and reduce risks. A detailed description of Dürr's risk management system can be found on pages 81 to 89 of our 2015 annual report.

In summary, Dürr handles opportunities and risks as follows:

- The opportunities clearly outweigh the risks involved in all transactions.
- Purely speculative transactions are prohibited.
- Our actions must comply with prevailing laws as well as with ethical and moral standards.

Act on Equal Participation of Women and Men in Executive Positions in the private sector and the public service

The Act, which came into force on May 1, 2015, stipulates a minimum quota of 30 % for women and men (referred to as the gender quota) on the supervisory boards of companies that are listed on the stock exchange and are subject to co-determination, which provides for parity between shareholder and employee representatives. The gender quota has been a requirement for new appointments to supervisory board positions since 2016. It was implemented with the regular Supervisory Board elections at the 2016 annual general meeting: the share of women on Dürr's Supervisory Board is now 33.3 %. In 2015 the women's quota on the Supervisory Board was 8 %.

Companies that are listed on the stock exchange or are subject to co-determination are required to set themselves binding targets for women's quotas on their management boards and their two most senior management levels below management board level, and to publish these independently defined targets along with a deadline for their achievement. A zero-percent quota is permissible within the limits of the no-deterioration principle. Dürr AG's Board of Management consists of Mr. Ralf W. Dieter and Mr. Ralph Heuwing; consequently, the women's quota on the Board of Management is 0 %. There are no plans to increase the women's quota on the Management Board of Dürr AG. At the top most senior management levels of Dürr AG, the women's quota is 8%; the target is a women's quota of 10%. This target is to be achieved by June 30, 2017.



DIVERSITY

The satisfaction of our employees is a top priority for us. The principles of equality and equal opportunities are based on a fair approach and the protection against discrimination – but they go even further: we ensure diversity when hiring staff at any level within the Group. We especially aim to give adequate consideration to women, including those in managerial positions. For us as an international group, having a broad-minded and multifaceted perspective is a key factor to our economic success. We therefore promote collaboration – across national boundaries, between different generations, and by providing equal opportunities for men and women.

Diversity is one of the five basic values of our leadership model. These values are used to measure and assess the leadership behavior of all our managers.

At the Dürr Group we offer a number of different training courses and seminars with a focus on intercultural diversity. In addition, many international training events support our open-minded approach to diversity. As part of our social budget, we provide funds for the continuous improvement of working conditions. The employee representatives and the Board of Management discuss this on a regular basis. We promote equal opportunities through various working time models, which meet the individual needs of our employees. In addition, we promote internal communication through presentations and workshops on social topics such as equal opportunities, religion, zeitgeist and lifestyle.

33.3 %

is the percentage of women on Dürr AG's Supervisory Board in 2016.

SOCIAL COMMITMENT

We take an active role in society and are especially dedicated to humanitarian charity projects as well as activities in the areas of education and culture as well as grassroots, youth or disability sports. We set great store by supporting mainly local and regional initiatives – after all, we want our company to be a good neighbor.

In 2015 we donated € 0.7 million. Our support was directed at, among other things, the “Best of Music” festival in Bietigheim-Bissingen and, following a long tradition, Gustav Werner School for children with learning difficulties in Stuttgart. In 2016 the largest single donation of € 60,000 went to the Bietigheimer Wunderland, a colorful event packed with music, theater, circus arts and street performers held in the old town.

But commitment is more than just about donating money. In recent years, we have developed close relationships with schools and institutions in the area. We provide support through our infrastructure and our experience – for example by providing job application coaching, technical presentations and company tours. We have recently entered into an Industry 4.0 partnership in Bietigheim-Bissingen.

Wherever possible, we also support local groups for refugees and initiatives such as “PerjuF – Perspektive für junge Flüchtlinge” (Prospects for young refugees). In addition, we maintain contact with employment agencies, local counties and chambers of industry and commerce, and we support employees who volunteer at refugee projects (e.g. by granting leave of absence for training or educational purposes).

As at June 30, 2016, four employees and three interns with a refugee background were working for Dürr. Aside from language and technical skills, issues of residence are our main constraint in employing refugees.

Nursery-school children with home-made chef's hats and a colorful mix of songs about cooking and vegetables – they were an unusual sight for visitors at the open house event held by HOMAG Group subsidiary HOLZMA in Calw. The mechanical engineering company showed a group of industry experts what can be produced using HOMAG Group machines, based on the example of a modern kitchen. To ensure the kitchen was not just an exhibition piece but would be put to good use after the event, HOLZMA donated the kitchen to the “Widdumgasse” nursery school.



The »HOMAG Cares« program has its origin in the company's numerous trade show appearances around the world. The HOMAG Group produces furniture in demo workshops at the shows. This furniture is then sold, and the proceeds – topped up by a donation from the company – is donated to a good cause. One example is the “Holz-Handwerk” trade fair. The proceeds were split between a charity for the physically disabled in Esslingen and a residential home for people with disabilities in Herzebrock-Clarholz.

We have donated money to the Chief Minister's Public Relief Fund, providing emergency aid to victims of the devastating flood in the Indian city of Chennai. Financial support was also given to around 100 local Dürr employees affected by the flood. Last but not least, the local Dürr company also repairs the computer equipment at a nearby school.



To celebrate its 70-year anniversary, the HOMAG Group subsidiary Weeke-Bohrsysteme in Herzebrock organized a raffle and donated all proceeds to the Aktion Lichtblicke e. V. charity. This organization supports children and young people in need as well as their families in North Rhine Westphalia.



Cycling for a good cause: This was the motto of the German bicycle club ADFC in Bietigheim-Bissingen, which organized a 24-hour charity bike ride in the summer of 2015. Every hour on the hour, any cyclist willing to give a donation could start their tour. Participants paid an entry fee for each completed tour, which Dürr generously topped up. This amount was then donated to the Bietigheim-Bissingen hospice, which looks after terminally ill people in the last stage of their life.



Bietigheimer Wunderland: Dürr is one of the most important sponsors of the colorful event in the old town of Bietigheim & Bissingen.



As in the last few years, Dürr was keen to participate in the fourth "Walk For Justice". This event is organized by the Salvation Army's William Booth Legal Aid Clinic, which provides legal services to low income clients to promote justice. Dürr has been on board since the beginning. A total of 400 people – of whom eight were Dürr employees and their families – participated in the fourth walk in Detroit.

Colleagues from Dürr USA have organized a number of activities such as a chili cooking competition and a BBQ event to raise money for local aid organizations.



Dürr regularly donates around US \$ 10,000 a year to a number of different "robotics teams" at high schools in the metropolitan region of Detroit. As a plant and mechanical engineering group, promoting technical training is particularly close to our heart.

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