

*SUSTAINABLE*  
**TRANSFORMATION**

# ABOUT THIS REPORT

With this Sustainability Report 2020, the Dürr Group is already in its tenth year of regular reporting on its sustainability performance. As a result of the reorganization of sustainability management, the establishment of the Dürr Group Sustainability Council, and the accession to the United Nations Global Compact, we are expanding the scope and transparency of our reporting with the Sustainability Report 2020. In this way, we meet the increasing interest of our [» stakeholders](#). With this report, we wish to demonstrate our achievements in the areas of economic, ecological and social sustainability.

The Sustainability Report 2020 not only offers more in-depth information and improved transparency, but we are

reporting for the first time in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards). This report has been prepared in accordance with the GRI Standards: option “Core.” This also includes the preparation of a materiality analysis in accordance with the GRI.

The report addresses all interested stakeholders of the company, but also provides specific answers to questions raised by the financial market. [GRI 102-44]

The information in this report relates to the entire Dürr Group including its worldwide subsidiaries. Data that does not relate to the entire Group is appropriately identified.

The reporting period corresponds to the fiscal and calendar year 2020. In some cases, current developments from the first three months of 2021 were also included. [GRI 102-45]

The Sustainability Report of the Dürr Group is published annually. The next publication is scheduled for mid-2022.

# CONTENT

## 04 FOREWORD

## 08 THE DÜRR GROUP

Business model  
Sustainable corporate strategy



## 11 STRATEGY AND ORGANIZATION

Analysis of material topics  
Sustainability management  
Management of sustainability risks  
Dialog with stakeholders  
Sustainability ratings



## 20 MANAGEMENT AND GOVERNANCE

Responsible corporate governance  
Compliance  
Corporate security  
Information and data security  
Sustainable corporate financing



## 27 PRODUCTS AND SERVICES

Product safety  
Innovation and technology  
Sustainable products and systems  
Life cycle services  
Digitalization and automation  
Customer satisfaction



## 37 VALUE CREATION AND SUPPLY CHAIN

Energy efficiency and conservation of resources  
Sustainable supply chain



## 45 EMPLOYEES AND QUALIFICATION

Workforce development  
Global freedom of association  
People development and further training  
Global cooperation and diversity  
Health and safety  
Attractive employer



## 55 ENGAGEMENT AND SOCIETY

Global commitment  
Donations and sponsorship

## 60 SUSTAINABILITY GOALS

## 63 GLOSSARY

## 65 GRI CONTENT INDEX

## 71 CONTACT



# FOREWORD

## DEAR READERS,

In our 125-year history, change has always been an important element of our identity. As a globally operating mechanical and plant engineering firm, we have succeeded in identifying the needs of our stakeholders at an early stage with foresight and a pioneering spirit in order to bring the best solutions to the market at the right time.

When it comes to the important topic of sustainability, we also want to be part of the solution, not part of the problem. The ongoing climate change and the coronavirus pandemic once again call for sustainable action. That is why, in line with the title of this report, we are committed to a sustainable transformation—a shift toward sustainable forms of economic activity and greater transparency. This is also in line with society's expectations to us as a company.

As a mechanical and plant engineering firm, we operate in many industrial sectors that are currently undergoing fundamental change. The automobile industry is on the threshold of new drive technologies. In the building sector, resource-saving raw materials such as wood make measurable contributions to the reduction of CO<sub>2</sub>. Digitalization is changing the way we live and work—which also has great potential for more sustainability. The Dürr Group provides answers to these challenges and delivers key products for sustainable change in various areas.

The compass in our company itself is also set on more sustainability. By signing the United Nations Global Compact last year, we committed ourselves to ten universal principles in the areas of human rights, labor standards, environmental protection, and prevention of corruption.

*WE WILL POSITION  
THE DÜRR GROUP  
AS A WHOLE EVEN  
MORE SUSTAINABLY*



**Ralf W. Dieter**  
CEO

We also contribute to the Agenda 2030 of the United Nations with the 17 Sustainable Development Goals through responsible business operations and through our products and solutions. Our new sustainability concept “Dürr Group Sustainability”, which is according to fields of action, structures our orientation through strategic goals and measures. We will position the Dürr Group as a whole even more sustainably—from our products to our management, from employee involvement to the value chain. An important goal for 2021 is the development of a Group-wide climate strategy in line with the Paris Climate Agreement.

Policy makers—particularly in the European Union—are increasingly recognizing the importance of promoting sustainability and indeed demanding it. The European Green Deal with its various sector strategies and the approach to strengthen sustainable finance will change the economy profoundly. We perceive this as an opportunity for our company and want to be at the forefront of the mechanical and plant engineering industry—as drivers, not as driven. We know we, too, must continue to change for that. We bear responsibility for this towards our stakeholders, whether they are investors, customers or employees, and towards the environment and society—ultimately towards ourselves.

We invite you to use this Sustainability Report to find out about our strategies, management approaches and products and, if you wish, to give us feedback. We look forward to your suggestions.



**Ralf W. Dieter**  
CEO



**Dr. Jochen Weyrauch**  
Deputy CEO



**Dietmar Heinrich**  
CFO

Bietigheim-Bissingen, May 6th 2021



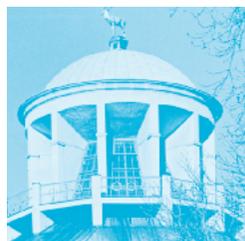
**Dr. Jochen Weyrauch**  
Deputy CEO



**Dietmar Heinrich**  
CFO

**1896**

Paul Dürr founds a metal shop for roof flashing. The workshop carries out metal work on roofs and facades.

**1913**

His work on the roof of the Stuttgart Arts Building leads to Paul Dürr's appointment as 'Master Tinsmith to the Royal Court of Württemberg'.

**1923**

Paul's son Otto joins the business. Nine years later, he takes over management of the business from his father.

**1949**

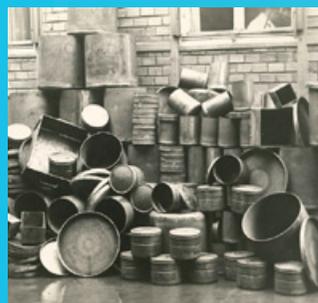
On a trip to the USA, Otto Dürr discovers new horizons—also for his company. He toys with the idea of entering the plant engineering business.

**1939**

The Second World War begins. Dürr becomes part of the Nazi arms industry. During the war, the company also uses forced laborers.

**1898**

The company founder invests in modern machinery. His metal shop for roof flashing quickly gains a reputation as being particularly advanced.

**1917**

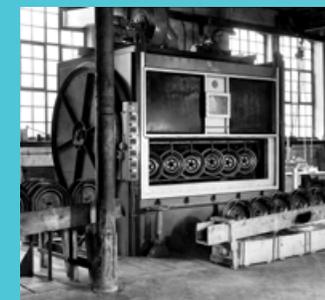
During the First World War, a separate sheet metal processing business is created, independent of the metal shop for roof flashing.

**1929**

The craft enterprise develops more and more into a small industrial manufacturer with a production line.

**1937**

The establishment of a design department marks the beginning of the engineering age at Dürr.

**1950**

Dürr creates its first self-built surface treatment plant: a phosphating plant for disk wheels.

**1964**

Dürr follows VW to Brazil and establishes its first foreign subsidiary there.



**1989**

Dürr goes public.



**2000**

The measuring technology group Schenck becomes part of the Dürr Group.

**2017**

Dürr embarks on a digitalization offensive with a strategic alliance in the mechanical engineering industry and the expansion of its own software competence.



**2014**

Dürr causes a stir by taking over the HOMAG Group, the world-leading supplier of woodworking technology.

**1969**

After managing the business alongside his father for nine years, Heinz Dürr takes over sole responsibility for the company.



1960

1970

1980

1990

2000

2010

2020

**1968**

The Environmental Technology business unit is established.

**1963**

With electrophoretic dip coating, Dürr brings a new coating process for car bodies to market maturity. This is Dürr's ticket to international business with paint shops for the automotive industry.



**1989**

The acquisition of application technology specialist Behr enables Dürr to become the world market leader in paint technology.

**1996**

Dürr develops its own painting robot, thus setting new standards in flexibility, quality, and environmental compatibility.

**2010**

Dürr significantly reduces the water and energy consumption in the paint booth with the innovative EcoDryScrubber dry separation system. Additional solutions for more sustainable production are to follow.



**2018**

The acquisition of Megtec/Universal leads to the doubling of sales in environmental technology.

**2021**

Today, the Group is a leader in digital and resource-conserving production technology—for example in the areas of electric cars and environmentally friendly timber houses.



# THE DÜRR GROUP

## EXPERTISE IN AUTOMATION AND DIGITALIZATION

The Dürr Group is one of the global leaders in mechanical and plant engineering. Business with automotive manufacturers and their suppliers accounts for around half of our sales. Other customer segments include the chemical, pharmaceutical, medical technology and woodworking industries. Our technology boasts automation and a high degree of digitalization, and it helps customers make their production more efficient while conserving resources.

We have 120 locations in 33 countries. This includes the locations of the Teamtechnik and Cogiscan companies, which have been part of the Dürr Group since February 2021. In addition to North America and Western Europe, we are also strongly represented in the » emerging markets. They accounted for 45% of our order intake and 40% of our sales in fiscal 2020. At year's end 2020, 33.6% of the workforce were employed in the emerging markets. Shanghai, with almost 2,300 employees (including around 300 external staff), is the largest location in the emerging markets.

Our lead sites in Germany control the Group's global operations. The Dürr Campus in Bietigheim-Bissingen (approx. 2,300 employees) is the Group's corporate headquarters and also the head office of three out of five divisions: Paint and Final Assembly Systems, Application Technology and Clean Technology Systems. As the management holding company, Dürr AG handles central tasks such as financing, controlling and accounting, as well as legal affairs, taxation,

internal auditing, corporate communication, sustainability, and human resources. The Darmstadt site (around 550 employees) coordinates the operations of the Measuring and Process Systems division. The HOMAG Group head office in Schopfloch (approx. 1,770 employees) manages the business activities of Woodworking Machinery and Systems.

### Dürr Systems sub-group

The Dürr Systems sub-group stands for paint shops, robot technologies for the automated application of paint, seal-

ants 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 sub-group

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

**DÜRR GROUP: 5 GLOBAL DIVISIONS** € SALES 2020: € 3,324.8 MILLION  EMPLOYEES 2020: 16,525

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> <p>€ € 1,173.8 million  4,383</p>	<ul style="list-style-type: none"> <li>• Paint application technology</li> <li>• Gluing and sealing technology</li> <li>• Products for industrial painting</li> </ul> <p>€ € 459.4 million  2,162</p>	<ul style="list-style-type: none"> <li>• Air pollution control</li> <li>• Noise abatement systems</li> <li>• Coating systems for battery electrodes</li> <li>• Solvent recovery systems</li> </ul> <p>€ € 386.2 million  1,348</p>	<ul style="list-style-type: none"> <li>• Balancing equipment</li> <li>• Diagnostic technology</li> <li>• Industrial filling technology</li> </ul> <p>€ € 193.5 million  1,407</p>	<ul style="list-style-type: none"> <li>• Machinery and equipment for the woodworking industry</li> </ul> <p>€ € 1,111.9 million  6,942</p>
				

## HOMAG sub-group

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

## The Dürr Group solidly copes with the corona year of 2020

The Dürr Group coped the fiscal year 2020, which was marked by the coronavirus pandemic, with a robust performance overall. Following a recovery in business in the sec-

## SELECTED KEY FINANCIAL PERFORMANCE INDICATORS

(IN € MILLION)

	2020	2019	2018
Incoming orders	3,283.2	4,076.5	3,930.9
Sales	3,324.8	3,921.5	3,869.8
EBIT	11.1	195.9	233.5
EBIT before extraordinary effects <sup>1</sup>	99.5	263.1	274.9
Earnings after income taxes	-13.9	129.8	163.5
Research and development costs	-107.7	-110.8	-121.0
Capital spending (net of acquisitions)	76.4	102.6	74.4
Personnel expenses	-1,051.9	-1,136.9	-1,047.7
Income taxes	4.7	-44.9	-56.2
Total assets (Dec. 31)	3,878.8	3,882.3	3,614.4
Equity (incl. non-controlling interests) (Dec. 31)	908.1	1,043.4	992.2
Equity ratio (Dec. 31) (%)	23.4	26.9	27.4

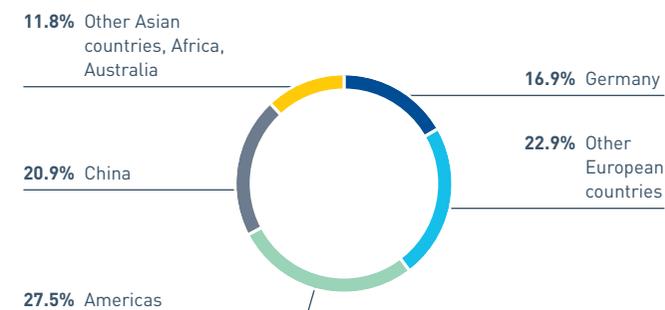
<sup>1</sup> Extraordinary effects: €-88.4 million (2020), €-67.2 million (2019), €-41.4 million (2018)

ond half of the year, we managed to consistently meet or exceed our targets for the year as a whole, which were announced in July. Despite a decline in sales of 15.2% and extraordinary expenses of €88.4 million, we achieved positive » EBIT in the adverse environment of 2020. At €3,324.8 million, sales were in the upper part of the target range (€3,200 to €3,400 million), and the same applied to incoming orders of €3,283.2 million (target: €3,100 to €3,400 million). By swiftly implementing cost-cutting measures, we were able to at least partially adjust our costs in 2020 to the pandemic-related decline in sales. On this basis, we achieved a slightly positive EBIT of €11.1 million, as targeted. Adjusted for extraordinary effects of €-88.4 million, operating EBIT amounted to €99.5 million and the operating EBIT margin to 3.0%, thus exceeding the target range of 2.5% to 2.8% announced in July. With significant increases in operating cash flow (+25.0% to €215.0 million) and a record total liquidity of €1,019.0 million, the Group navigated the crisis on a financially sound footing.

## CONSOLIDATED SALES BY SALES REGION (IN € MILLION)

	2020	2019	2018
Germany	562.6	668.7	609.4
Other European countries	760.8	1,074.0	1,184.4
Americas	914.2	1,053.9	912.4
China	695.5	726.3	823.3
Other Asian countries, Africa, Australia	391.7	398.7	340.2
<b>Total</b>	<b>3,324.8</b>	<b>3,921.5</b>	<b>3,869.8</b>

## CONSOLIDATED SALES BY SALES REGION IN 2020



## BUSINESS MODEL

Our core competences are the engineering of efficient production technology and professional project management in order execution. We support our customers with everything ranging from individual machines to turnkey manufacturing systems. We are expanding our range of services for the digital networking and control of production systems, thereby supporting our customers in digital transformation.

Our range of customers includes car manufacturers and suppliers, the construction and agricultural machinery industries, processors of plastics, ceramics and wood, manufacturers of lithium-ion batteries, the energy industry, the oil and gas industry, the chemical and pharmaceutical sectors, the packaging industry, the medical technology industry as well as operators of decentralized power plants.

Our technologies and services are designed to help our customers achieve efficient and sustainable production. In doing so, we primarily rely on the following factors:

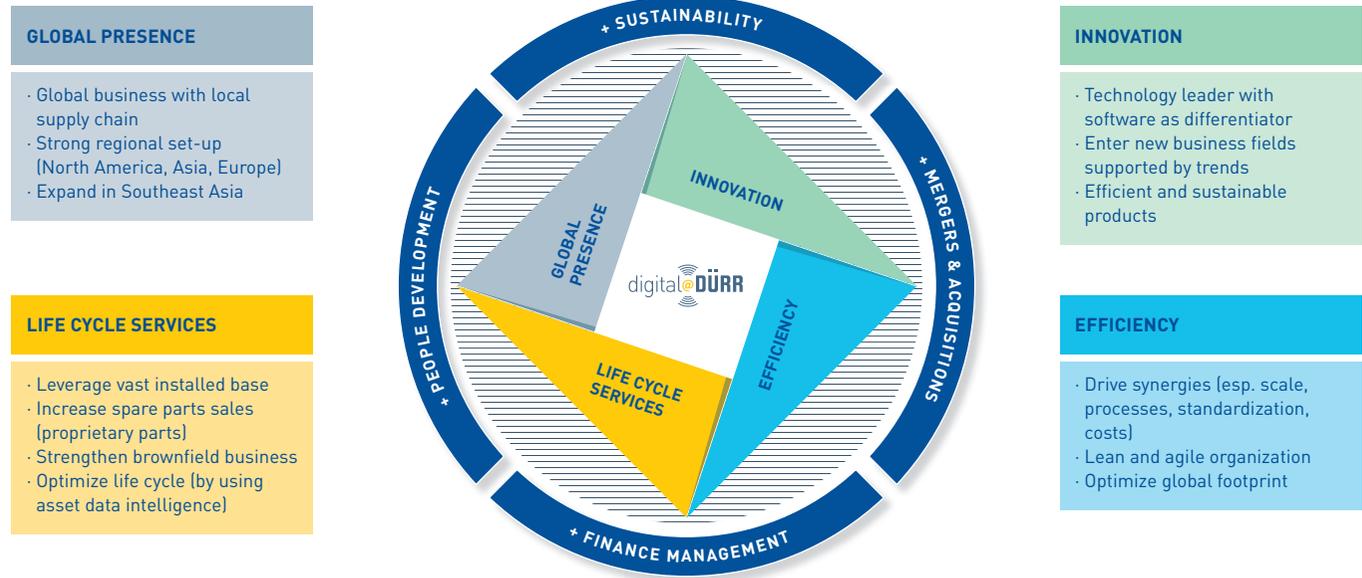
- Automation, digitalization, and technological innovation
- Development of resource and energy-saving products
- Planning and engineering expertise
- Reliable order execution
- Efficient production and assembly sites for our core products
- Comprehensive range of services over the entire life cycle of our products
- Global presence, proximity to customers in all market regions

We operate globally in niche markets, in which we are the largest supplier, with market shares ranging from 20% to 50%. A total of 53% of Group sales are attributable to mechanical engineering and 47% to plant engineering.

### SUSTAINABLE CORPORATE STRATEGY

Sustainability has been an important basis for the Dürr Group's business for many years. We established the Environmental Technology business unit as early as in 1968. As part of the mid-term strategy pursued since the beginning of 2020, this approach is now gaining further importance in order to strengthen the company in the long term. The strategy focuses on digital transformation and sustainability. Among other things, the software development of the three sub-groups will be further synchronized in order to leverage knowledge and bring digital products to market earlier. We consistently pursue the strategic guiding princi-

### THE DÜRR GROUP'S MID-TERM STRATEGY



ple of sustainability, for example in the expansion of solid wood activities for sustainable construction or in the environmental technology business of the Clean Technology Systems division. This is also reflected in the acquisitions carried out over recent years, from HOMAG to Megtec/Universal and Teamtechnik to Weinmann and SystemTM. In order to achieve the goals of the mid-term strategy, we have defined four strategic areas that are supported by key figures and enablers (supporting functions): Global Presence,

Innovation, Efficiency, and Life Cycle Services. The four enablers are particularly important for successful implementation of our strategy:

- Sustainability
- Mergers & Acquisitions
- Finance Management
- People Development



## SUSTAINABILITY AS A PREREQUISITE FOR BUSINESS SUCCESS

Sustainability makes a significant contribution to achieving our corporate goals.

Throughout the Dürr Group, sustainability is firmly embedded in order to meet our economic, ecological and social responsibility and to make targeted use of the business opportunities provided by this orientation. Concentration on the essentials and clear fields of action with objectives form the compass for sustainability management.

We also keep an eye on specific risks and the dialog with our stakeholders.



Sustainability  
focus areas

# 21

material topics are covered by the Dürr Group's new sustainability concept



Sustainability  
program

# 40

targets are defined in 5 fields of action for the years 2021 to 2023



Dürr Group  
Sustainability Council

# 27

permanent members form the central and Group-wide body for sustainability

# CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

With the Agenda 2030 adopted in 2015, the United Nations made a commitment to a comprehensive environmental and social reform program in order to take decisive steps toward sustainable development within 15 years. The Agenda 2030 includes 17 [Sustainable Development Goals \(SDGs\)](#)—with a total of 169 sub-targets.

As a globally active company and provider of innovative production technologies for a wide range of different industries, the Dürr Group is able to make a contribution to the 17 goals within the scope of its business activities. The extent of our influence varies depending on the target. We support these goals by continuously improving both our business processes and our products, while at the same time effectively limiting negative impacts of our direct and indirect business activities.



## Strengthening innovation and enabling sustainable production



As an innovation and technology leader, we have a direct influence on the provision of clean and environmentally compatible technologies. Here, the Dürr Group is already making a significant contribution to greater efficiency and resource conservation through comprehensive R&D activities in many areas. We intend to consistently expand this contribution in the future by further developing sustainable and digital product solutions and services ([chapter Products and Services](#)).

- Over the past 15 years, we have been able to reduce the energy requirement of paint shops by around 40%, the [VOC emissions](#) and fresh-water consumption per painted car body by more than half and unit costs by 25%.
- 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 annually.
- We have more than quadrupled our R&D expenditure over the past ten years to currently €107.7 million.

## Providing a safe working environment and minimizing health risks



The health and well-being of our employees and business partners are an essential prerequisite for our success and an important basis for safe and sustainable regional development. With our Group-wide health and safety strategy “Striving for Excellence in Safety”, we aim to safeguard the integrity of our employees and business partners, provide a safe working environment and minimize health risks ([» chapter Employees and Qualification](#)).

- The Group-wide sick leave rate in 2020 remained stable at 3.1%, as in the previous year.
- In 2020, we recorded 4.7 work-related accidents per 1 million hours worked across the Group, which was around one third less than in previous years.
- In 2021, we are preparing the certification of further locations according to the occupational safety standard ISO 45001. The first locations in Germany and abroad are already certified according to this standard today.

## Creating future-proof employment and realizing high-quality training



As a globally operating employer, we have an influence on the regional employment situation and foster a secure work environment respectful of human rights in our surroundings. This not only refers to fair treatment on an everyday basis and high-quality training qualification of our own employees ([» chapter Employees and Qualification](#)), but also extends to compliance with social and environmental aspects in our global supply chain ([» chapter Value Creation and Supply Chain](#)).

- In 2020, we employed 16,525 employees at 120 locations in 33 countries.
- Our engagement in the emerging markets has increased more than threefold over the past 10 years with currently 5,559 employees.
- Since 2010, we have almost quadrupled the number of apprentices, trainees, working students and interns (2020: 721 and 2010: 198).

## Actively contributing to climate protection and reducing environmental impacts



As part of its own value creation, the Dürr Group contributes to the environmentally compatible use of natural resources. We are committed to reducing the negative environmental impacts of our own business activities and, wherever possible, to increasingly establishing elements of the circular economy. By developing a climate strategy in 2021, we want to ensure greater transparency and make an active contribution to combating climate change—both for internal company activities and upstream and downstream activities ([» chapter Value Creation and Supply Chain](#)).

- Since 2010, we have been able to reduce our global CO<sub>2</sub> emissions per sale by around 25%.
- With our technological solutions, we want to make a proactive contribution to profitable and sustainable growth in the areas of timber house construction and solid wood in the future.
- In 2021, we will expand the environmental certifications in conformity with ISO 14001 at our international locations.

## Making use of diversity and promoting responsible action



Intercultural diversity and tolerance are the basis for innovative strength and consequently provide the foundation for our global business activities. Diversity and equal opportunities are therefore part of the fundamental values which guide our actions and conduct in the Dürr Group ([» chapter Employees and Qualification](#)). We combat bribery and corruption in any form. Through appropriate internal structures we also want to ensure that our employees act ethically and in conformance with the rules in business operations ([» chapter Management and Governance](#)). We emphasize our responsibility toward society and the environment by participating in sustainability initiatives ([» chapter Engagement and Society](#)).

- In 2021, we plan to revise our donation guideline and support a social funding project throughout the Group.
- In 2022, we will publish the first Communication on Progress (COP) as part of our membership in the United Nations Global Compact.

## STRATEGY AND ORGANIZATION: SUSTAINABILITY AS A PREREQUISITE FOR BUSINESS SUCCESS

THE TOPIC OF SUSTAINABILITY IS FIRMLY EMBEDDED AS AN ENABLER (SUPPORTING FUNCTION) IN THE CURRENT MID-TERM STRATEGY OF THE DÜRR GROUP. THIS MEANS THAT SUSTAINABILITY MAKES A SIGNIFICANT CONTRIBUTION TO ACHIEVING OUR CORPORATE GOALS.

In March 2020, we established the Corporate Sustainability department at Dürr AG and in September 2020, we convened a Group-wide Sustainability Council. The task of the new committees is to embed sustainability throughout the Group in order to meet the Group's economic, ecological and social responsibilities and to make targeted use of the business opportunities offered by this development.

### ANALYSIS OF MATERIAL TOPICS

One of the first activities of the new sustainability committees in the Dürr Group was to analyze the priority issues for the company. The aim of this » [materiality analysis](#) was to identify the sustainability topics relevant for the company and its stakeholders in order to align sustainability management accordingly and to set priorities.

In the course of the analysis, 21 material topics for the Dürr Group were identified with the involvement of various internal stakeholders. In dialog with different departments, through interviews with managers and in the context of a management workshop, we then discussed the business relevance of the topics. Furthermore, the materiality of the topics

was analyzed from the perspective of selected stakeholders. To this end, we carried out 20 discussions with internal process owners from Investor Relations and Sales of the different divisions. In addition, we conducted an international survey of a representative cross-section of employees, in which 360 persons participated. [GRI 102-43]

## 21 MATERIAL TOPICS FORM OUR FIVE FIELDS OF ACTION

We then compared the results of this internal analysis with the views of various stakeholders on the basis of a media analysis. Apart from the topic analysis, we also assessed the economic, environmental, and social impacts of our business activities and had them validated by external sustainability experts.

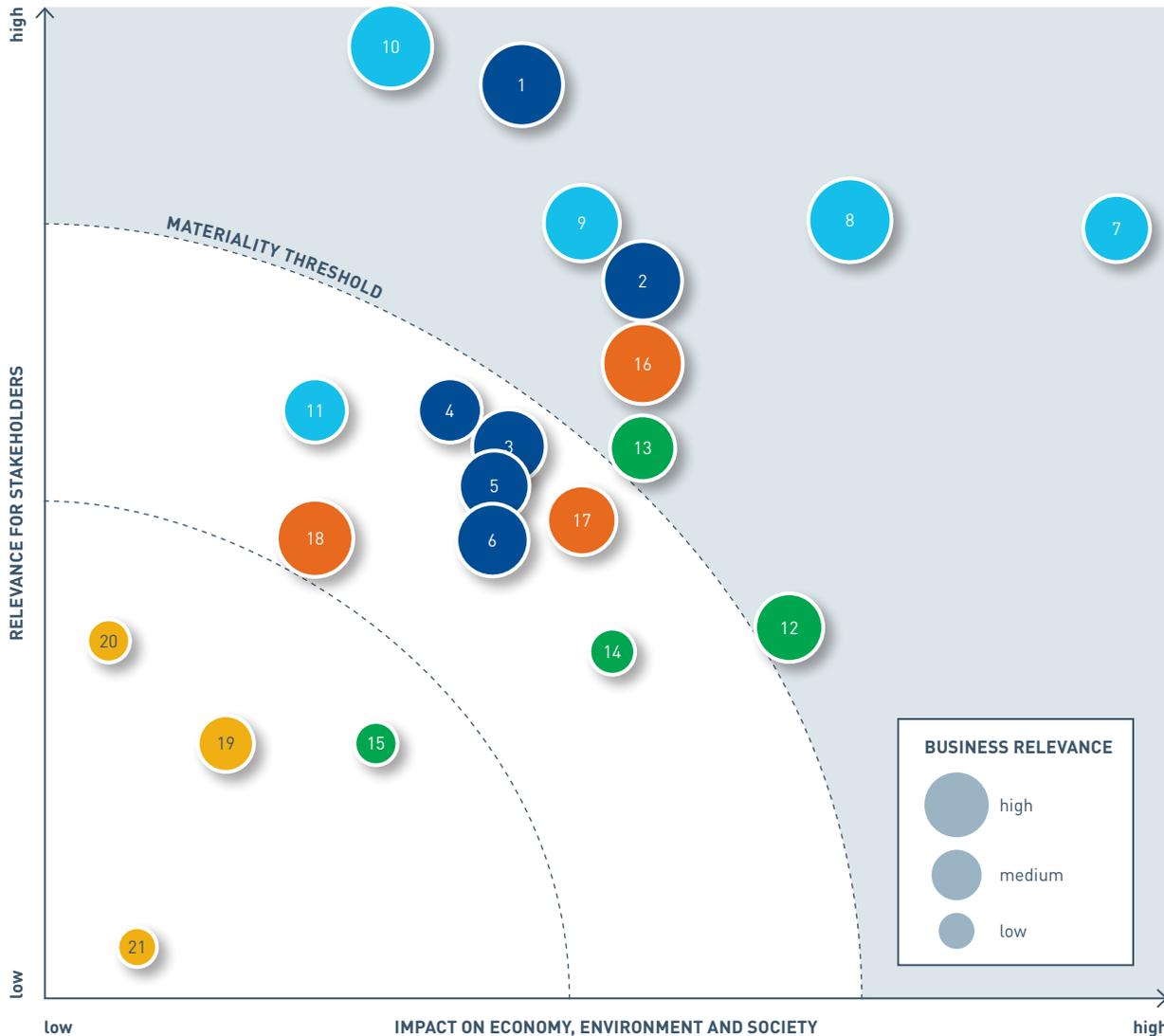
At the end of the process, the 21 material topics were clustered into five areas. These now form our five fields of action—for the orientation of sustainability management

and for the structure of this sustainability report. We have visualized the fields of action in the form of a leaf in order to enhance the recognition value for stakeholders. Selected products that make a special contribution to sustainability are also to be equipped with this in the future. In the next few years, we plan to conduct a comprehensive direct survey of external stakeholders, such as customers and investors, in order to incorporate this perspective on the Dürr Group to an even greater extent. We have defined strategic goals for each field of action, which are listed in the annex (» [page 60 et seq.](#)). [GRI 102-46]



Our 21 material sustainability topics, their allocation to the five fields of action and their prioritization is illustrated in our materiality matrix (» [page 15](#)).

**MATERIALITY MATRIX: SUSTAINABILITY TOPICS IN THE DÜRR GROUP 2020 [GRI 102-44, 102-47]**



● **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 Corporate security and risk management

● **PRODUCTS AND SERVICES**



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

● **VALUE CREATION AND SUPPLY CHAIN**



- 12 Transparent and sustainable supply chain
- 13 Human rights and fair working conditions
- 14 Internal energy efficiency and emission reduction
- 15 Internal resource efficiency

● **EMPLOYEES AND QUALIFICATION**



- 16 Health and safety
- 17 People development and retention
- 18 Global collaboration and diversity

● **ENGAGEMENT AND SOCIETY**



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

## SUSTAINABILITY MANAGEMENT

The Group-wide Sustainability Council is the central decision-making body for sustainability topics in the Dürr Group. It meets every six months, sets the strategy and objectives in the area of sustainability and tracks progress. The Deputy CEO of Dürr AG, Dr. Jochen Weyrauch, chairs the Sustainability Council and has overall responsibility for Corporate Sustainability. The Dürr AG Management Board, the CEOs and CFOs of the divisions as well as those responsible for relevant specialist departments and central Group functions attend the meetings. External experts are consulted on a case-by-case basis.

## PRODUCTION SITES AND CERTIFICATIONS

	2020	2019	2018
Number of sites	120	112	108
of which quality management certified to ISO 9001 <sup>1</sup>	51	46	41
of which environmental management certified to ISO 14001 <sup>1</sup>	18	16	14
of which energy management certified to ISO 50001 <sup>1</sup>	11	11	10
of which occupational health and safety management certified (OHSAS 18001, SCC or ISO 45001) <sup>1</sup>	9	8	7

<sup>1</sup> Sites used by several companies of the Dürr Group sometimes hold multiple certificates.

## SUSTAINABILITY MANAGEMENT IN THE DÜRR GROUP



In relevant areas, sustainability management draws on internationally established management systems and has their standard-compliant application reviewed by external auditors. We have set ourselves the aim of gaining certification according to ISO 14001 for our production and assembly sites and all sites with technology centers. Around 40% of our production sites are already certified according to this standard.

Eleven HOMAG Group sites have a certified energy management system according to ISO 50001. A number of sites carry out energy and quality audits. We want to implement the occupational health and safety standard ISO 45001 at all major locations of the Dürr Systems and Schenck sub-groups in the course of fiscal year 2021.

## MANAGEMENT OF SUSTAINABILITY RISKS

Sustainability aspects that can lead to entrepreneurial risks are another important field of action for sustainability management at the Dürr Group. It is not only about assessing and avoiding risks, but also about exploiting opportunities.

We regard increased legal sustainability requirements for our products mainly as an opportunity. As a company that has been approaching the market with the claim “Leading in Production Efficiency” since 2012, we see ourselves in a good starting position in this area. We regard developments, for example in the context of the » [Green Deal](#) of the European Union, as confirmation of the path we have already taken, for example in the field of sustainability-oriented financing.

We also see growing customer demands for the sustainability properties of our products as a business opportunity, because we are already active in this area and work closely

with customers (» [chapter Products and Services](#)). The transition of the automotive sector to electromobility and other drive technologies also presents us with an opportunity. We have been supporting this transformation for a number of years, for example through tailor-made innovations in the area of paint technology and production equipment for automated battery assembly. In 2020, order intake in the production technology business for electric cars increased by 67% to €649.9 million across the Group, despite the adverse overall market environment. As a market and technology leader in sustainable production solutions and services, we are well positioned to actively support our customers in the transformation to a more sustainable future.

We are seeing increasing requirements for transparency in relation to sustainability aspects. We are responding to this with intensified communication, for example by emphasizing sustainability issues in capital market presentations, on the website and in this Sustainability Report, which is

significantly more extensive and detailed than in previous years. Furthermore, there are potential risks along the supply chain that we have also identified. We have already taken comprehensive measures to address any » [compliance](#) or reputational risks.

Risks associated with climate change are becoming increasingly important for the Dürr Group. However, we see ourselves as being primarily exposed to » [transition risks](#). In the short term, more stringent legal requirements, regulations, standards, and guidelines will have an impact on our daily business. With the planned » [EU Taxonomy](#) new reporting obligations will arise, on the basis of which investors and banks will demand information on “green” products and corresponding key figures. Potential emission limits, » [CO<sub>2</sub>](#) pricing and increasing expenses for the Dürr Group’s consumption of energy and resources are further potential risks.



E-MOBILITY ORDER INTAKE



## DIALOG WITH STAKEHOLDERS

We engage in a lively exchange of views with various stakeholders in society. 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 potential investors

Our stakeholders also include representatives of governments and authorities, the public and the media, » NGOs as well as science and research. [GRI 102-40, 102-42]

We are in regular contact with our stakeholders through various channels and with varying frequency. Customers and business partners are regularly surveyed on their satisfaction via the Customer Experience department. Shareholders and investors attend our Annual General Meeting, receive information letters, can participate in our Investors' Day and other

**Questions?** [sustainability@durr.com](mailto:sustainability@durr.com)

**Further information!** <https://www.durr-group.com/en/>

**Tweets.** @DuerrAG

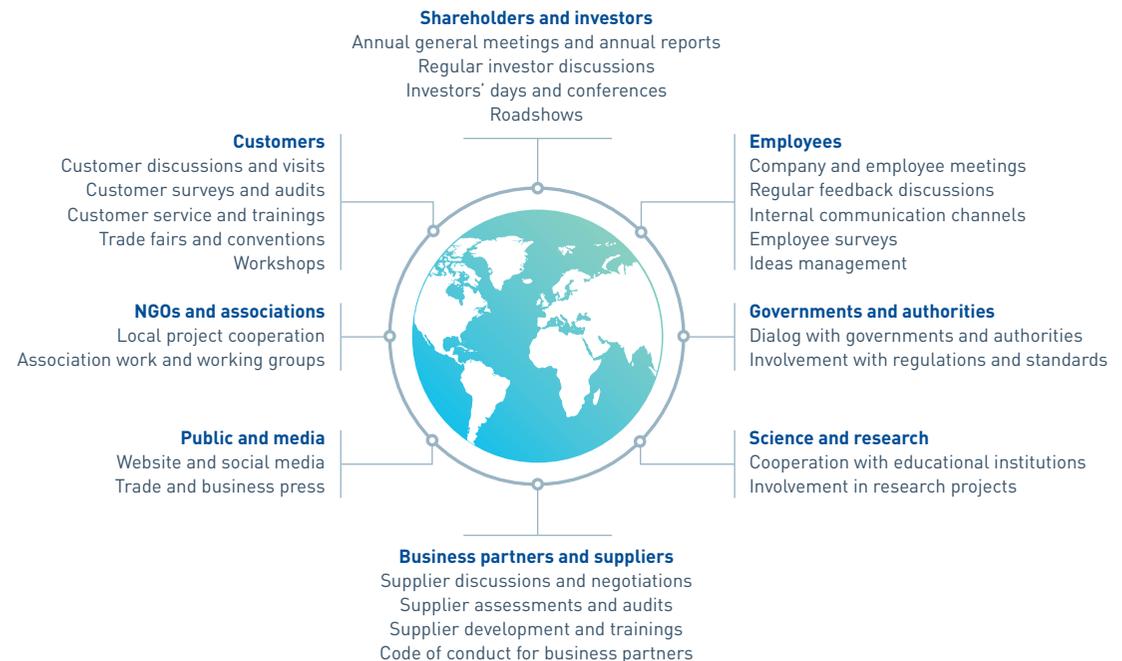
capital market events, and are guests at the company. Employees are involved via the intranet as well as company and employee meetings and communicate directly with the company management in the form of breakfast meetings, fireside evenings and often on an informal basis. We also conduct a detailed employee survey every three years, asking them about their satisfaction. The last global employee survey took place in 2019 (» [chapter Employees and Qualification](#)). [GRI 102-43]

In October 2020, the Dürr Group joined the world's largest initiative for responsible corporate governance: the United

Nations Global Compact. By signing its ten principles in the areas of human rights, labor standards, environment and the prevention of corruption, we have committed ourselves to the central principles of corporate sustainability based on relevant UN conventions.



## STAKEHOLDER ENGAGEMENT



Furthermore, we participated in the “Industry Dialog on Business and Human Rights” by the German Engineering Association (VDMA) in 2020. Our Group company, HOMAG Group AG, is a member of the VDMA sustainability initiative Blue Competence, which develops solutions to the challenges of resource-efficient production from the perspective of mechanical and plant engineering. Dürr Systems is participating in an environmental initiative for the further development of the current » STS-BREF, which we already actively supported in 2020. This involves the best available technologies for the safe and economical use of unavoidable solvents in surface treatment. [GRI 102-43]

**Further selected memberships of Dürr Group companies in 2020 were as follows:**

- Fair Company Initiative, Handelsblatt-Verlag
- Promotional Association for the German Academy of Science and Engineering
- Association of Arts and Culture of the German Economy
- IFR—International Federation of Robotics (Dürr Systems)
- SEF—Smart Electronic Factory
- Donors’ Association for the Promotion of Humanities and Sciences in Germany
- VDA—German Association of the Automotive Industry
- VDMA—Mechanical Engineering Industry Association
- ZVEI—Electrical and Electronics Manufacturers’ Association (Dürr Systems)

**SUSTAINABILITY RATINGS**

We are actively working to continuously improve our sustainability performance. This is also shown by the development of our sustainability ratings from various rating

agencies. By implementing our new sustainability concept, we have already achieved improvements in the EcoVadis and CDP ratings. We incorporate the feedback from the ratings into the further development of our sustainability activities.

**SELECTED SUSTAINABILITY RATINGS**

Rating agency	Current rating	Rating in the previous year
	58 out of 100 points Silver medal	55 out of 100 points Silver medal
	Climate Change: “C” Water: “C” (Scale: A to D-)	Climate Change: “D” Water: “C” (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-)
	28.5 out of 100 points “medium risk”	29.4 out of 100 points “medium risk”



## MANAGEMENT AND GOVERNANCE

## RESPONSIBLE ACTION IN THE OPERATING BUSINESS

Sustainability has been a guiding principle for corporate action in the Dürr Group for many years. Today, sustainability forms a key element in our strategy: As an enabler, it paves the way into a future that is characterized by resource efficiency, climate protection, transparency and security.

In this way, we manage the company in a responsible and risk-conscious manner — from the fundamentals of management to legal issues and financing, which is linked to a sustainability component.



Management compensation

# 10%

of the short-term variable compensation for the Board of Management has depended on the achievement of sustainability goals since 2021



Employee training

# ≈ 12,800

employees worldwide were trained on compliance and data protection in 2020



Sustainable finance

# € 1.4 billion

of financing volume were linked to a sustainability component

# A HUGE OPPORTUNITY



Dietmar Heinrich,  
CFO of Dürr AG since August 2020

PHOTOS: PETER JÜLICH

The European Union is issuing green and social bonds; Germany is spending billions on promoting electromobility, and the boss of the world's largest asset management firm is writing to listed companies around the world every year, reminding them of their responsibility toward the environment and society. Dr. Jochen Weyrauch, Deputy CEO of Dürr AG, and CFO Dietmar Heinrich explain how the Dürr Group is aligning its financing and business activities with the principles of sustainability.

**Mr. Heinrich, the EU is increasingly funding itself through "green" bonds. In 2019, Dürr AG was the first company to raise a Schuldschein loan with a sustainability component. What has happened since then?**

**DH** In hindsight, the issue of a sustainability Schuldschein loan in 2019 was a clear cut. Since then, we have only issued financing instruments with a sustainability component. They include our credit line as well as two further Schuldschein loans and a convertible bond.

**Let's look at the example of your Schuldschein loans—what makes them sustainable?**

**DH** We conclude an additional agreement with the Schuldschein buyers: If we manage to improve our sustainability rating, we pay less interest. It's a win-win for all. If we reduce our resource consumption, for example, the environment benefits. Plus, it lowers the risk of our business model in the eyes of the Schuldschein buyer. The lower risk automatically translates into lower interest rates, thanks to the additional agreement. This, in turn, benefits us as a company. By the way, the same also applies in reverse: If our sustainability ranking goes down, we have to pay more interest.

**Who measures how sustainable the company is and how it has performed?**

**DH** Our guideline is the development of our EcoVadis sustainability rating. The experts of this renowned agency assess us based on 21 criteria in the fields of the environment, labor laws and human rights as well as ethics and sustainable procurement. The result also takes into account not only our CO<sub>2</sub> emissions and energy consumption, but also how we promote sustainability in our supply chain. Dürr currently ranks well in the middle bracket. We have achieved 58 out of 100 possible points. If we reach 62, we will pay less interest.

# 58

out of 100 points:

So far, the Dürr Group has been firmly positioned in the upper quarter for the sustainability rating drawn up by EcoVadis.

*Three Schuldschein loans, a convertible bond, and the new credit line: Since 2019, Dürr AG has based financing instruments worth more than €1.4 billion on sustainability criteria.*

# -35%

For each € of sales, the Dürr Group consumes 35% less energy than in 2010.

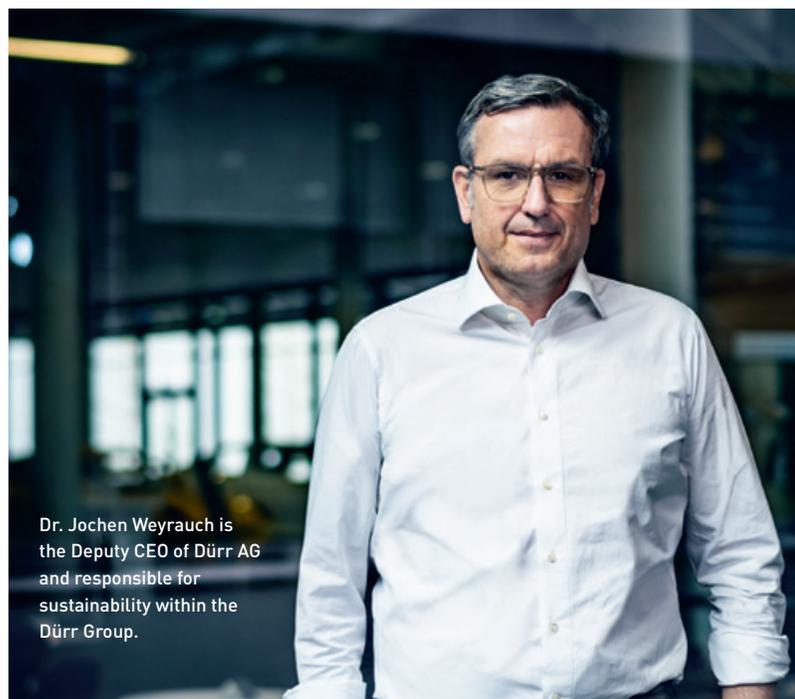
## ECOVADIS

The ratings provider evaluates companies' sustainability. It focuses on the environment, labor laws and human rights as well as integrity and procurement. The Dürr Group's new financing instruments are based on the principle "the better the rating, the lower the interest rates."

### Speaking of the supply chain,

#### Dr. Weyrauch: What demands do customers place on you as a supplier when it comes to sustainability?

**JW** It is particularly the large automakers who ask us very formally how we organize ourselves, what rules we impose on ourselves and on our suppliers, and how we monitor their compliance, for example regarding health and safety at work. As a company, we are expected to commit fully to sustainable principles regarding human rights, labor standards, the environment and corruption prevention. This might sound obvious, but implementing these principles is often a complex undertaking. To underline our determination, we joined the UN Global Compact network last year. Our customers also want to see that we are reducing our own emissions and that we have a clear plan for this. It's one reason why we are currently developing a climate strategy in accordance with the Paris climate goals.



Dr. Jochen Weyrauch is the Deputy CEO of Dürr AG and responsible for sustainability within the Dürr Group.

#### Automakers are under close watch from climate protectors. What effects does this have on Dürr as a supplier?

**JW** The management boards of automotive groups are showing a clear commitment to reducing their ecological footprint. For us, this is a huge opportunity. For many years now, the Dürr Group has been pursuing the goal of developing products with the highest resource efficiency within the industry. You could say this is part of Dürr's DNA. Through our technology and intelligent software, we can significantly help our customers make their businesses more sustainable and achieve their climate goals. That said, our customers' purchas-

ing departments still look more at the price rather than the most sustainable solution. There is a lot of room for improvement.

#### Electric cars are seeing a rapid increase in sales. Is this reflected in the Dürr Group's order books?

**JW** Electromobility is a clear growth driver for us. We have gained new customers, many of them start-ups with high ambitions that appreciate our experience. They like to do business with us because we offer them high-quality, flexible and efficient solutions in final assembly, production control and painting. And because Dürr is known for its strong track record

**"THE MANAGEMENT BOARDS OF AUTOMOTIVE GROUPS ARE SHOWING A CLEAR COMMITMENT TO REDUCING THEIR ECOLOGICAL FOOTPRINT. FOR US, THIS IS A HUGE OPPORTUNITY."**

Dr. Jochen Weyrauch, Deputy CEO of Dürr AG

for implementation. Thanks to the acquisition of Teamtechnik, we now also have this expertise for the power train of electric vehicles.

#### Does this mean the shift toward a CO<sub>2</sub>-neutral society is more of an opportunity for the Dürr Group?

**JW** Yes, absolutely! Aside from resource-efficient systems, software solutions and production technology for electric cars, we offer, for instance, coating technology for the production of lithium-ion batteries. We also benefit from decreasing emission limits through our environmental technology. And finally, we are taking advantage of the megatrend of sustainable building by offering solutions for the construction of timber elements. In many of these growth markets, we have further strengthened our position through collaborations and acquisitions to address such opportunities in the best possible way.

**Many thanks for the interview!**

## MANAGEMENT AND GOVERNANCE: RESPONSIBLE ACTION IN THE OPERATING BUSINESS

OUR CORPORATE ACTIVITIES ARE FOCUSED ON PROFITABLE GROWTH, FUTURE-ORIENTED BUSINESSES AND INDUSTRIES, AND RESPONSIBLE CORPORATE GOVERNANCE.

**S**ustainability has been a guiding principle for corporate action in the Dürr Group for many years. The growing interest of society in sustainability and the change in political expectations are therefore in line with the goals we have set for ourselves. As one of four “enablers”, sustainability today forms a central element of our strategy (» [page 10](#)). Furthermore, customers and business partners increasingly expect us to provide evidence of sustainable action. It is also important for us to further strengthen our trustworthiness as an employer, issuer on the capital market, and player in the public sphere, and to deal responsibly with our stakeholders and resources. This is why sustainability is a guiding principle for a large number of corporate decisions—from product development to the treatment of our employees and procurement issues to corporate financing.

### 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 Management Board with three members and a twelve-member Supervisory Board. Directly below the Board level is the Senior Executive Management, which consists of the heads of the five divisions.

Dürr AG is managed in compliance with the German » [Corporate Governance Code](#). The Code contains rules and recommendations for the responsible management and control of companies listed on the stock exchange. A large number of amendments to the Code came into effect in the year under review. Our declaration of compliance dated December 10, 2019 was still based on the Code version of April 24, 2017 and was supplemented on June 16, 2020, as the Supervisory Board made a temporary adjustment to the compensation system of the Management Board in view of the economic consequences of the corona pandemic. Our declaration of compliance dated September 30, 2020 refers to the current version of the Code dated March 20, 2020. Apart from one deviation on the topic of “Long Term Incentive”, we comply with all the recommendations. The full text of the » [declarations of compliance](#) is published on the internet.

Since January 1, 2021, a new compensation system has been in place for the Management Board of Dürr AG. It was drawn up under the guidance of the Supervisory Board’s Personnel Committee and adopted by the Supervisory Board on September 30, 2020. Among other things, the new system includes a number of variable performance criteria for measuring the sustainable development of the Group, a claw-back clause, a target bonus system, and new provisions

on benefits upon termination. In the future, the remuneration of the Board of Management will therefore also depend on the achievement of clearly defined sustainability goals. Details are provided in the Compensation Report in the » [Annual Report 2020](#).

### 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 and the » [Code of Conduct](#) for employees. Appropriate internal precautionary measures are intended to enforce 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 the implementation of artificial tax structures. Examples of such arrangements would be the absence of commercial purposes or the allocation of taxable income to locations where no underlying activities are carried out.

## Risk management

In addition to sustainability-specific risks, our risk management also covers other risks. It is applied throughout the Group, is tailored to global mechanical and plant engineering business and covers all specific risks, provided they are identifiable, sufficiently concrete and exceed a certain materiality threshold. Non-quantifiable strategic risks are recorded separately. Other non-financial risks—for example pursuant to the CSR Directive Implementation Act—are analyzed, but so far not considered to be serious.

## COMPLIANCE

As a signatory to the UN Global Compact, the Dürr Group is committed to combatting all forms of corruption. Our Group-wide Compliance Management System (CMS) aims to ensure that all employees in business operations act in accordance with the rules, in an ethically correct manner and in accordance with our Code of Conduct. The three elements of prevention, early detection, and response are core components of the CMS. This is how we want to protect our employees from liability and penalty risks and avoid reputational damage to the company. Our Group-wide compliance company directive defines tasks, areas of responsibility, and communication channels. The Corporate Compliance Board is responsible for the regular review and further development of the CMS.

The Corporate Compliance Officer coordinates all operational compliance issues at Group level and serves as the

first point of contact for compliance reports. In 2020, we established an additional reporting channel for this purpose in the form of the » [Dürr Group Integrity Line](#). It can be used by employees, business partners and third parties to report justified suspicions of violations of legal provisions or the Dürr Group Code of Conduct—anononymously, if they wish. In 2020, the Corporate Compliance Officer received 35 tips. In one case, the suspicion of a violation against anti-corruption regulations was confirmed. This violation was sanctioned under employment law (previous year: no confirmed cases of corruption). For the 2020 financial year, we are not aware of any ongoing or completed legal proceedings regarding anti-competitive behavior, cartel and monopoly formation.

Our Group-wide anti-corruption company directive provides employees with rules of conduct for their dealings with business partners and in the event of conflicts of inter-

est. The risk of corruption is also addressed by regulations such as the separation of functions, approval procedures and the four-eyes principle. Topics relating to compliance and anti-corruption are also addressed in the Code of Conduct of the Dürr Group.

Our training courses substantially contribute to avoiding compliance violations. These 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 after two years. In 2020, we trained nearly 12,800 employees on compliance and data privacy. In addition, all managers and particularly exposed functions must complete in-depth training. This includes the advanced modules “Protection against Corruption” and “Fair Competition” and, since 2020, learning content on the topic of “Payment Fraud.”

## COMPLIANCE MANAGEMENT STRUCTURE IN THE DÜRR GROUP



## CORPORATE SECURITY

Protection of corporate activities against risks and disruptions is the task of the Corporate Security central function, which was established in March 2020. On the basis of a company directive, it protects employees, information and assets from damage. We regard economic protection as part of our integrated management system and as an element of responsible corporate governance aimed at safeguarding and preserving corporate assets.

As part of a structured, checklist-based query of security-relevant information, we recorded and evaluated the security measures at the Dürr Group's locations in 2020 on a uniform basis. In addition to actual protective measures, the site-specific legal requirements were also included. The aim is to establish a Group-wide standard for security at our locations.

In 2020, we also continued the development of a uniform emergency and crisis management system as a Group-wide [» business continuity management system](#). In this way, we aim to increase the protection of employees and corporate assets as well as enhance the resilience of the company. The aim is to prevent the interruption of critical processes and projects, and to facilitate a rapid restart of activities in the event of an incident. In view of the corona crisis, the Group crisis management team coordinated activities worldwide

to maintain business processes and protect employees from health hazards through a comprehensive hygiene concept.

Employee protection is not limited to the workforce at the Dürr Group's locations, but also includes business travelers, project staff, and expats. We inform our employees about the hazards at their destination before and during their stay abroad. Employees can be located and contacted after a serious event, such as a natural disaster or an attack. Appropriate structures are available to provide support for those affected.

## INFORMATION AND DATA SECURITY

In recent years, more and more companies have received threats from the internet and thus face a variety of security challenges. The Dürr Group protects information, business secrets, and know-how of its own company and of business partners against unauthorized access, unauthorized disclosure, misuse, theft, and loss. In 2020, we defined further requirements for the Information Security Management System (ISMS). The approach of the Dürr Group is based on the ISO 27001 standard and takes national, international, and industry-specific regulations into account. In 2020, four certifications were successfully completed in accordance with the requirements of the "VDA Information Security Assessment" (TISAX® Label). For 2021, we plan to further roll out

TISAX® certifications internationally. In 2020, cyber dangers (e.g. ransomware attacks) and their impact on the company were discussed in cross-divisional workshops and action plans were developed in order to minimize risks and be able to act in a structured manner in the event of an incident.

### Data protection

By the company directive "Protection of Personal Data", the Dürr Group implements the requirements for the processing of personal data as defined by the EU General Data Protection Regulation and reduces the risk of violations. The members of the Management Boards of the three subgroups and the managing directors of the Group companies are responsible for this topic. Each of these appoint a responsible data protection officer.

The cross-functional team Data Protection was set up in order to comply with data protection standards and laws and to promote a comprehensive exchange of experience and best practice approaches on the subject of data protection. The team aims to ensure a uniform level of data protection throughout the Group. In addition, all employees of the Dürr Group receive comprehensive and regular training on the regulations. During the year under review 2020, no substantiated complaints regarding the violation of customer data protection came to our attention.

## SUSTAINABLE CORPORATE FINANCING

Dürr AG has made a name for itself as a pioneer in sustainability-oriented financing. Since 2019, we have linked all components of our central corporate financing with a sustainability element. This means that depending on how we perform in the ESG areas of Environmental, Social and Governance, our financing costs will fall or rise.

### EcoVadis rating as benchmark

The sustainability rating prepared by the EcoVadis rating agency is decisive. In its assessment, the agency takes account of the areas of environment, labor and human rights, as well as integrity and procurement. The respective areas 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 and the social practices of suppliers. With silver status and a score of 58 points in 2021, the Dürr Group already ranks among the top 25% of all companies rated by EcoVadis.

### Sustainability-oriented Schuldschein loans

In 2019, we were the world's first company to issue a sustainability-oriented Schuldschein loan for €200 million. In March and December 2020, this was followed by two further sustainability-oriented » [Schuldschein loans](#) for a total of

€315 million. The issuance in March had a volume of €115 million with an average interest rate of 0.9%. The Schuldschein loan issued in December 2020 had an average interest rate of 2.0% and generated proceeds of €200 million.

The interest on all three Schuldschein loans is linked to our EcoVadis sustainability rating. Here, we are subject to a malus in the form of an interest markup if we fall below the threshold of 40 points. The upper threshold provides us with a positive incentive: From 62 points, we pay less interest. With regard to the third Schuldschein loan issued in December 2020, we benefit from a score of 66 points and above, and incur a penalty if the score is less than 44 points.

### Syndicated loan

A » [syndicated loan](#) of €750 million has been available to us since the end of July 2019. As with the Schuldschein loans, its interest rate is linked to our sustainability rating. The loan is divided into a cash line of €500 million and a guarantee line of €250 million. The initial term agreed until 2024 can be extended by two years with the approval of the banks.

### Convertible bond with sustainability component

In September 2020, we also issued a » [convertible bond](#) for €150 million. A sustainability component in the form of a separate interest rate derivative is linked to the convertible bond. If our EcoVadis sustainability rating does not improve within a specified scope (at least 62 points by October 2022

and at least 66 points by October 2024), we will pay a fixed amount to UniCredit Bank which will then use it to support sustainable projects.

Our goal is to achieve a score of 66 points and thus Gold status by October 2024. This would place us in the top 5% of companies rated by EcoVadis.



With our current score of 58 points we rank among the top 10% in our industry and among the top 25% of all companies rated by EcoVadis.



## INNOVATIONS AS THE BASIS FOR MORE SUSTAINABILITY

As a global leader in innovation and technology, the Dürr Group supports its customers with environmentally friendly production solutions and services. Our products are characterized by reliability, efficiency, and resource conservation. In this way, we help our customers to achieve their own sustainability goals. Digitalization plays an essential role here, thus meeting the environmental standards of the future.



Research & Development  
**€ 107.7** million

were invested in the (further) development of new and existing products in the year under review



Innovations  
**€ 45.9** million

were invested in collaborations with the scientific community and development partners in 2020



Customer satisfaction  
**>1,000**

feedback discussions were held with our customers in the year under review



PHOTOS: PETER JÜLICH

There is hustle and bustle in the paint shop of the future. Automated guided vehicles continuously move car bodies from the high-bay storage to the individual workstations. One level above, a blue small car rolls out of a paint box the size of two overseas shipping containers. At the same time, a group of robots gives the SUV in the neighboring box a coat of red paint. Once the car has been finished, it leaves the booth, freeing it up for the next car body, that is already waiting to be painted.



“It’s only a matter of time before the paint shops of the automotive world will look like this,” says Frank Herre. As head of application development, he is playing a major role in making this scenario a reality. The approach deviates from the traditional line layout in automotive engineering. Instead, the individual work stages are distributed to flexible individual boxes.

Not only rigid conveyor belts and fixed cycle times are eliminated by the new box concept. Dürer’s developers are also tackling the greatest energy consumers in the painting process, thus supporting the green ambitions of their customers. “Many car manufacturers have set themselves the goal of becoming climate-neutral,” comments Jens Reiner, Research and Development Director for Paint Shops. The central building block of the paint shop of the future is the **EcoProBooth**, a pioneering new development that differs significantly from previous spray booths.

#### Not just hot air

Just five percent of fresh air need to be added to the process with the **EcoProBooth**. Why is this good news for the climate? Fresh air supplied to the spray booth must be conditioned, i.e. adapted to the conditions necessary for the painting process. “The energy requirement and the CO<sub>2</sub> emissions are considerably higher here than when recirculated air is recycled,” explains Jens Reiner. The origin of the fresh air also makes a significant contribution to increased energy efficiency. While conventional spray booths draw in air from outside, the **EcoProBooth** is supplied with air from the factory hall. “This is only possible because the requirement for fresh air is so low,” Reiner notes. Since the hall air is



Pioneers of modular painting boxes:  
Dürer developers Frank Herre (left) and  
Jens Reiner (right)

much more similar to the conditions necessary in the booth than the air from outside, far less energy has to be used to condition the fresh air.

In addition to the fresh air supply, it was also possible to optimize the recirculation of air in the new box concept. Each paint box has its own reprocessing cycle in which the process air is first cleaned of paint particles. Incidentally, another Dürr product is used for this, the **Eco-DryScrubber** dry separation system. A recirculation unit then reconditions the air in an energy and cost-saving manner and returns it to the booth via the shortest route. In the classic painting line, on the other hand, the reconditioned air has to be blown through long ducts each time.

### No entry

Frank Herre highlights a special feature in the corners of the **EcoProBooth**. What looks like serving windows in a snack bar are the so-called service cubicles, an innovative solution that eliminates the need to enter the spray booth for cleaning and maintaining the robots. In conventional spray booths, this is necessary every two to four hours, but can only take place with respiratory protection equipment due to the solvent-containing circulating air. In addition, production has to be stopped for five to ten minutes every time somebody enters the

spray booth. This plant standstill is then used for a general cleaning of all robots. This results in some robots being cleaned more frequently than might be necessary. “This is not a particularly resource-saving process,” comments Jens Reiner.

The **EcoProBooth** does not have these problems. The integrated service cubicles are maintenance areas continuously flushed with fresh air that can be entered at any time without hesitation. If a robot needs to be cleaned or maintained, it moves to a corner of the booth and stretches its arm through a connecting window into the service area, where a worker can easily reach it. This not only complies with the limits for a safe and healthy workplace. It also increases the overall plant efficiency, as the work can be carried out while the remain-

ing robots continue painting. Another advantage is that the robots no longer all have to be cleaned at the same time, but only when they really need it.

### True colors

To promote a more environmentally friendly operation, Frank Herre and Jens Reiner also recommend that individual boxes specialize in colors that are in particularly high demand. If, for example, all car bodies in a booth are painted white—incidentally, the color in which currently every third vehicle worldwide is ordered—significantly fewer color changes are required. Rinsing and cleaning processes are no longer necessary, which saves not only water and energy but also solvents. “This in turn means fewer emissions of volatile organic compounds, so-called VOCs,” says Herre,

pointing out the advantages. And that is not all. Paint losses caused by the color change can be reduced by up to ten percent compared to line production.

### The paint shop as a lab of the future

In addition to the **EcoProBooth**, there are other components in the paint shop of the future that make the painting process more sustainable and flexible. One element is the innovative **EcoInCure** car body curing system, which uses 25% less electrical energy. With **EcoProFleet**, Dürr has developed the first AGV (automated guided vehicle) designed especially for paint shops. The driverless vehicles transport the car bodies from one workstation to the next in a pre-sorted and precise manner. They are controlled by intelligent Dürr software that provides efficient utilization of all painting boxes.

The paint shop of the future is a modular box concept with space for further energy and resource-saving solutions, on which Dürr developers work across different divisions. Paint shop expert Reiner is convinced: “More innovations will soon follow.” After all, Dürr’s paint shops are to remain ahead of their time.



With the innovative **EcoProBooth**, Dürr sets new standards in energy consumption and efficiency.

## PRODUCTS AND SERVICES: INNOVATIONS AS THE BASIS FOR MORE SUSTAINABILITY

THE DÜRR GROUP IS A GLOBAL INNOVATION AND TECHNOLOGY LEADER THAT HAS BEEN SUPPORTING ITS CUSTOMERS WITH SUSTAINABLE PRODUCT SOLUTIONS AND SERVICES FOR MANY YEARS. "LEADING IN PRODUCTION EFFICIENCY" HAS BEEN OUR CLAIM SINCE 2012. WE REGARD THE GROWTH DRIVER OF DIGITALIZATION AS A FURTHER OPPORTUNITY TO DRIVE EFFICIENCY AND CONSERVATION OF RESOURCES IN PRODUCTION.

**O**ur machines, plants, and services stand for innovation, reliability and production efficiency, whether in the automotive industry or in sectors such as woodworking, mechanical engineering, aviation, chemical, pharmaceutical, and electrical engineering. For our customers, energy and resource efficiency are not just cost issues. In recent years, many of our customers have set themselves targets for achieving CO<sub>2</sub>-neutral production. We also collaborate with some customers on life-cycle analyses, which focus on sustainability properties over a longer period of time, from the procurement of primary products to their disposal. We see requirements such as these as an opportunity that we make use of and have committed ourselves to as part of our signing of the UN Global Compact.

### PRODUCT SAFETY

In addition to innovations for greater environmental compatibility, the safety of our products in use is also a material requirement in the area of sustainability. Even if the latter is largely prescribed by technical standards and legal regulations, we at the Dürr Group go the extra mile in order to sat-

isfy our customers. Our "Product Safety" company directive and our annual structured customer satisfaction surveys are among the measures serving this goal.

Overall responsibility for product safety lies with the respective management of the individual Group companies. Each Group company ensures that product risks are identified at an early stage and avoided. For that purpose, the "Product Safety" company directive describes the individual process steps in terms of a minimum requirement. All employees involved in the production process receive in-depth training that enables them to guarantee the safety of the products. Depending on the respective legal situation, our products are provided with all the necessary test labels.

### INNOVATION AND TECHNOLOGY

The sustainability contribution of investments is becoming increasingly important for our customers. Industrial companies need production technology with low energy and resource consumption in order to cut costs, meet regulatory requirements and reduce CO<sub>2</sub> emissions. We therefore spe-

cifically develop products and solutions with low consumption and emissions that can reduce the environmental footprint of factories.

Sustainability aspects are an integral part of the research and development (R&D) process in all sub-groups. This means that we target innovations for efficient production processes and lower unit costs. Through innovation, we wish to set ourselves apart from our competitors and safeguard our market-leading position. In this regard, digital solutions are becoming increasingly important, incorporating not only IT expertise but also our extensive knowledge of our customers' production processes. Legal requirements and regulations as well as technical certifications form an important framework.

Responsibility for R&D lies with the five divisions. The cross-functional team "R&D/Technology" coordinates cross-divisional R&D activities and promotes the use of best practice solutions in the divisions. The team reports to the CEO. Processes and detailed issues relating to R&D work are governed by guidelines in the divisions. In the area of paint shops, for example, Dürr Systems specifically takes into account factors such as paint consumption, space requirements, emissions, energy consumption, process and resource efficiency.

3.2%

INCREASE IN R&D RATIO



The development of new solutions represents around 70% of our R&D expenditure, while some 30% goes to maintaining existing products. Given the impairments in operations caused by the corona pandemic, direct R&D spending in 2020 was 2.8% lower than in the previous year, amounting to €107.7 million. Strategically important areas of innovation, such as digitalization, remained the unaltered focus of our R&D work. With sales declining, the R&D ratio rose to 3.2% (previous year: 2.8%).

In order to further strengthen our capacity for innovation, we maintain cooperations with scientific institutes and development partners. We spent €45.9 million on external R&D services in 2020 (previous year: €42.2 million). In addition, the public sector supported us with research grants amounting to €0.3 million; this represents 0.3% of the total R&D costs.

### R&D focus

Our innovation work is based on our customers' requirements and on leading technology and manufacturing trends. The following are currently of particular importance:

- **Sustainability:** Our customers are increasingly opting for goods produced in an environmentally friendly manner and for products and systems that improve their energy and resource efficiency.
- **Electromobility:** We develop innovative solutions specifically for electric cars. Our product portfolio in this area ranges from systems for cell and battery assembly and the balancing of electric motors to assembly and testing technology in final assembly. We are also aligning our painting solutions to the special requirements of electric vehicle construction. Since new e-mobility providers, in

particular, start small but plan strong growth, we attach great importance to modular and scalable production technology.

- **Autonomous driving:** Cars for autonomous driving require safety-relevant technology, for example sensors. We develop automated and highly sensitive test systems for mass production.
- **Digitalization / Industrial Internet of Things (IIoT):** Digitalization increases our customers' overall equipment effectiveness and enables adaptive manufacturing processes. Virtual reality and simulations support the efficient commissioning and ongoing operation of the plants. We are creating new business models in parallel with the further development of our software portfolio.
- **Automation:** Maximum automation is the key to reproducible top quality and efficiency in industrial production. We also see great opportunities in the production and testing of batteries, electric motors and medical technology.
- **Increased flexibility:** Our customers need flexible production lines to be able to offer a wide diversity of models and variants. This is why we work on solutions that bypass rigid process chains and can be easily expanded.
- **Optimization of per-unit costs:** Reducing per-unit manufacturing costs is an important goal for our customers. Accordingly, we are developing new products and processes with a reduced demand for material, energy, maintenance and human resources.
- **Customization/batch size 1:** We are seeing growing interest in systems that enable individually configured end products to be manufactured efficiently on automated lines.

## 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 requires a high input of energy, resources, and materials. We are therefore working on reducing the negative environmental impact of our products, for example by reducing consumption, floorspace, noise, and materials. Digital technologies are becoming increasingly important in this process, enabling the consumption of resources, water, energy and the need for fresh air in production to be analyzed and optimized.

By reducing the environmental footprint of our products, we help our customers achieve their sustainability goals, whether in decarbonization, prevention of waste or reduction of 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 take into account which technology provider contributes most to the achievement of sustainability goals when awarding their orders.

**SUSTAINABILITY  
ENabler**

### Paint shops and application technology: environmentally oriented innovations

The paint shop is the biggest energy consumer in automobile production, accounting for 40% of the total. Dürr has introduced many innovations in the past decades that have significantly improved the state of the art in paint shops. Dürr innovations have already reduced the costs per painted body by 25% in the past 15 years. In a reference project in China, we also succeeded in significantly reducing energy and resource requirements compared to the state of the art. As a consequence, the following reductions could be achieved per car body:

- the energy requirement was reduced from 800 kWh to 500 kWh,
- VOC emissions were reduced from 3.0 kg to 0.75 kg
- the fresh water consumption was reduced from 1.5 m<sup>3</sup> to less than 0.5 m<sup>3</sup> and
- the process waste water requirement was reduced from 0.8 m<sup>3</sup> to 0.3 m<sup>3</sup>

With the new concept “paint shop of the future” ([» page 28/29](#)), we are launching the next evolutionary stage of modern automotive painting. The innovative concept consists of a combination of particularly environmentally compatible products and systems.

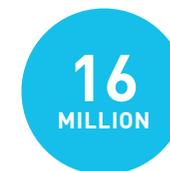
For example, with the **EcoDryScrubber**, we revolutionized the separation process of paint overspray back in 2010. This is the proportion of atomized paint that does not reach the car body but floats as a mist in the spray booth and has to be separated in a complex process. As a result, the separation

process does not require any water or chemicals. Instead of water, the **EcoDryScrubber** uses the natural binding capability of limestone powder for all types of paint. The saturated limestone powder can be used directly as a secondary raw material in the cement industry or for flue gas desulfurization in coal-fired power stations.

With this innovation, the energy consumption during paint application in the spray booth could be reduced by 60% compared to a traditional wet separation. With an annual production volume of 160,000 car bodies, this corresponds to energy savings of 16 million kWh—the average annual consumption of 3,000 private households in Germany—or a reduction in CO<sub>2</sub> emissions by 5,200 tons.

One of the most important environmental goals in the industrial painting process is the reduction of VOC (volatile organic compounds) emissions. For a perfect painting result, paint contamination must be regularly removed from [» atomizers](#). By using a mixture of air and cleaning agent, the fully automated atomizer cleaner **EcoBell Cleaner D2** requires 90% less detergent, thus causing 94% fewer VOC emissions during atomizer cleaning than its predecessor model.

Another material and energy-saving innovation is the robot-based application system **EcoPaintJet**. 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 on request. Since the **EcoPaintJet** offers high-precision and razor-sharp painting, two-



KWH ENERGY SAVINGS PER YEAR



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%, the energy consumption in the painting process can also be reduced by over 50% compared to conventional processes. In 2020, Dürr received the German Innovation Award in the “Large Enterprises” category for the **EcoPaintJet** robotic painting system.

With a share of approximately 30%, ovens are the second largest electricity consumers in a paint shop after the spray booth (about 50%). **EcoInCure** stands for a new generation of car body curing: In contrast to previous systems, the car body is heated and cooled not from the outside but from the inside. Furthermore, the car body is turned by 90 degrees and moved through the line transversely. This facilitates more uniform heating and cooling and the heating time is reduced by 30%. In this way, electricity consumption for drying operation can be reduced by a total of 25%.

### Next.assembly: combined technological expertise in final assembly

With Next.assembly, we support the production of emission-free electric cars with a wide range of solutions. Process automation is an important innovation goal in the area of final vehicle assembly. Since battery vehicles have a less complex power train than conventional cars, it is easier to automate their assembly process. We also offer special technologies for the testing and filling of completely assembled electric cars.

We work continuously to further improve existing systems. For example, we succeeded in reducing the weight of our » [skillet](#) conveyor platform by 30% using an optimized, power-train oriented design. Energy recovery is used in test benches. It was also possible to significantly reduce the amount of compressed air required when assembling the powertrain, chassis and car body by using an alternative screw feeding concept.

#### **Battery manufacturing technology: electrode coating and battery assembly**

Lithium-ion batteries are a key technology in electric mobility. Dürr is represented in this important future-oriented market with innovative solutions for coating and drying electrodes as well as systems for solvent recovery. The simultaneous and double-sided coating of electrodes developed by Dürr Megtec ensures maximum production efficiency and reduced energy consumption. During the subsequent drying of the coated electrodes, the solvent contained in the coating material is released, which makes a complex exhaust air cleaning necessary. Dürr supplies the appropriate solvent-recovery systems for this purpose. More than 95% of the solvent can be reused in this way.

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 and testing technology for high-voltage circuits of electric vehicles at the end of the assembly line. Furthermore, Dürr is also expanding its expertise in the areas of testing systems for electric and hybrid drives and automated assembly of

battery modules by acquiring a majority interest in Team-technik Maschinen und Anlagen GmbH in 2021.

#### **Environmental technology: fewer emissions for clean exhaust air**

From the chemical and pharmaceutical industry 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, Dürr's 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 2020.

In general, we use thermal processes to incinerate pollutants. We work continuously to reduce the required input of primary energy. In addition, we are developing solutions that make efficient use of the energy released during the

combustion of pollutants, for example by equipping thermal plants with systems for heat recovery. In addition, with the Cyplan® » [ORC technology](#) (Organic Rankine Cycle), we offer a key technology for power generation from decentralized heat sources.

An example of thermal processes for exhaust-air purification is the flameless regenerative thermal oxidizer (RTO) Oxi.X RV. The system can be operated with electricity and achieves a VOC exhaust-air purification level of up to 99.7%—thanks to flameless operation, it does not produce any thermal nitrogen oxides (NO<sub>x</sub>). The product portfolio of thermal processes is supplemented by the latest advanced product development of the wet electrostatic precipitator Part.X PW, which was recently presented by Dürr Megtec. This is an exhaust-air purification system that efficiently separates fine dust, acid mist, and aerosols from industrial gases. It permits compliance with applicable environmental regulations and the protection of downstream equipment.



#### **Balancing technology: noise abatement and energy efficiency**

Balancing systems from Schenck RoTec help to reduce noise emissions and environmental pollution in a wide range of industries, from the automotive and aerospace industries to power generation and medical technology. They increase the service life of machines and thus conserve resources.

By optimizing cycle times and automatic energy recovery in the braking system at spin-testing plants, we ensure a reduction in operating costs of up to 95%.

Buyers of spin-testing plants use them in the development phase of new products to investigate the operational stability of rotating components at high speeds. The risk of accidents caused by bursting rotors and the consumption of resources is reduced due to a longer service life of rotating parts.

Since the mid-1990s, Schenck has been working continuously to optimize the design and function of its balancing machines and spin-testing systems. Until 2010, a typical spin-testing plant had a noise level of approximately 85 dB(A)—this is equivalent, for example, to the sound of a passing train. In 2010, Schenck launched the current generation of spin-testing systems called CENTRIO. They have a noise-reducing casing, and functional components such as oil pumps operate much more quietly than in older models. In this way, the noise level could be reduced by up to 10 dB(A).

In the case of balancing machines, which are required for the series production of crankshafts in the automobile industry and other sectors, Schenck has succeeded over several machine generations in reducing the average electricity consumption for each crankshaft produced from the original 0.24 kWh to 0.021 kWh, i.e. by 91%. With the fully automated eTENO model, Schenck is also a leading provider in [balancing technology](#) for electric car drives.

### Woodworking machinery: furniture production and timber house construction

HOMAG offers a variety of solutions for processing the sustainable material wood, from the individual machine for the small craft businesses to the networked production line for highly industrialized manufacturing. In addition to the automation of process steps, concepts for demand-oriented extraction of material, efficient compressed air supply and stand-by functions during work interruptions ensure energy and resource-saving production.

We also keep an eye on resource efficiency in software development. The intelliDivide software generates optimized cutting patterns for plywood panels, thus reducing waste. This makes production processes more efficient and reduces both material consumption and waste generation. With material consumption optimized by 10%, savings of around €4,700 per month can be achieved, if approximately 100 panels are cut per day.

With the complete takeover of Weinmann Holzbausystemtechnik GmbH and Danish mechanical engineering company System TM in 2020, HOMAG significantly expanded its technology offering for the production of construction elements for timber houses. The solid wood segment is a growing market. Glued components are made of board plywood—also known as cross laminated timber—, which is regarded as the material of the future in house construction. Independently of the actual material properties, timber houses are considered to be much more sustainable compared to other materials because wood binds CO<sub>2</sub>, so that the buildings can be transformed from a CO<sub>2</sub> source to a CO<sub>2</sub> sink.

### LIFE CYCLE SERVICES

The repair of machines and systems or the procurement of spare parts also make an important contribution to sustainability, not least for reasons of cost and resources. The spare parts and modernization business is operated on a Group-wide basis. Among other things, our services include setting up older machines and systems to accommodate current and future technologies. This includes, for example, updating older control units and hardware as well as connectivity for digital applications. Digital services such as remote analysis, maintenance assistants and performance checks are becoming increasingly important.

We align our service activities along the entire life cycle of our machines and systems, concentrating on three focus areas:

- **Leveraging the installed base:** We can serve our broad installed base with the help of digital products. Via connectivity and machine data analytics, we can provide customers with suggestions for increasing their overall plant effectiveness.
- **Expanding spare parts business:** We are intensifying the spare parts business by means of targeted sales and data-based demand analyses.
- **Brownfield expansion:** We are continuing to expand our business in plant modernization (brownfield projects). An increasingly important part of modernization business involves retrofitting with digital products.

In 2020, despite the corona pandemic and lockdown, the Application Technology division carried out around 4,800 wear-related repairs on installed machines or equipment of

our customers. These comprised a total of around 13,200 parts, including dosing pumps, valve units, turbines and atomizers. Repairs and general overhauls are also part of our service offering at HOMAG and Schenck. At HOMAG, this primarily relates to the preparation of gluing aggregates. In 2020, around 2,900 components were repaired, 960 factory overhauled components were sold and more than 1,000 components were reconditioned for the warehouse.

The repairs are concentrated to a considerable extent on customers in Germany and within the European Union. The import of defective parts from outside the EU for repair in Germany is in many cases difficult or impossible due to customs restrictions. Increasingly, repairs are carried out by the respective legal entities.

## DIGITALIZATION AND AUTOMATION

Digital expertise is a key strength of the Dürr Group. We are thus well positioned for the digital transformation, that is becoming an increasingly important factor in mechanical and plant engineering. Digitalization enables our customers to increase plant availability, for example through the use of artificial intelligence, analytics applications and predictive maintenance. Digitalization has a significant impact on innovation management and our range of services. Digital processes and tools are also a key to efficient cooperation and global networking within the Group.

Areas of application for our analytics applications include quality control, root cause analysis, and predictive maintenance. In order to develop our digital solutions, we have set up digital factories at Dürr, Schenck and HOMAG, which work closely together.

In order to stay ahead of the competition in the age of digitalization, we offer our customers solutions for the digital optimization of their production. To this end, we are expanding our range of data-based software applications, intelligent products, digital services and corresponding business models. This enables us to tap into new sales potential and secure our business against competitors from the software industry. We have one key advantage over them: We combine digital know-how with expert knowledge of production processes—the so-called “shop floor competence”.

With the acquisition of Techno-Step GmbH in March 2020, we continue to underline our strategy of developing software solutions based on data analysis. Customers can thus improve the availability of their plants and the efficiency of their production processes. The products of Techno-Step are used worldwide, especially in the paint shops of major German car manufacturers. In February 2021, the Canadian IT company Cogiscan was also acquired. The company specializes in connectivity solutions for digitally connecting machines. This allows machine data from different parts of a production to be recorded, exchanged and passed on to higher-level manufacturing execution systems (MES) for factory control.

## Software platforms

Dürr is one of the founding partners of the cross-manufacturer alliance ADAMOS, which was founded in 2017. It is a combination of network and technology of the [» Industrial Internet of Things \(IIoT\)](#) specifically for mechanical and plant engineering. With ADAMOS, we offer customers not only the IIoT platform but also an integration hub that connects different machine types and their application environments. This is complemented by the growing app portfolio of the ADAMOS partners, the ADAMOS Store, as well as consulting services relating to digitalization.



Another current focus is the development of a manufacturing operations management (MOM). It is a holistic software system that can be used to control and optimize processes in factories. Available in 2022, the first version of the new MOM marks a further development of Dürr's and iTAC's manufacturing execution systems, which have been installed in over 500 factories worldwide.

With tapio, HOMAG also has a global digital platform for the value chain in the woodworking industry. tapio combines digital products for the entire woodworking industry with thousands of production machines and a wide range of tools on one platform.



## Digital Factory

Dürr continues to expand its range of intelligent painting processes with software products. Products and services of Dürr's Digital Factory, a cross-divisional software center of competence, are collected under the umbrella of "DXQ-Digital Intelligence by Dürr."

The digital products DXQequipment.maintenance and DXQequipment.analytics, for example, offer customers new opportunities for maintenance, quality assurance and process analysis in paint shops. For that purpose, large amounts of data from all stages of production are collected and analyzed. The technological highlight is a streaming analytics application for data analysis in real time.

The digital maintenance assistant DXQequipment.maintenance shows maintenance dates for individual components such as robots, pumps or valves. It also provides access to instructions and creates a maintenance history. The DXQequipment.analytics analysis software records all data from the painting process. This creates a "digital fingerprint" for each painted car body with information about the movements of the robots, the paint consumption and the precise position of the car body during painting. In the event of a quality problem, the cause can be determined immediately on the basis of the recorded data.



Schenck has also further digitalized its balancing technology services. Thanks to a special software, our experts can help the customer within seconds via extended video conferenc-

ing without being present on site. In addition, the technicians at the customer's location dispose of [» augmented reality glasses](#). Information and images are displayed in the field of vision via the glasses, while the technicians have their hands free for the necessary work on the machine. This means that assistance can reach the location even faster and the experts can apply their knowledge more widely. At the same time, the volume of travel is reduced. This principle is also applied for training sessions.

With the new serviceAssist app, HOMAG offers its customers digital help for self-help. This is based on data from the operation of many thousands of HOMAG machines in service around the world: Empirical data from complications that have occurred and their solutions feed into a database. serviceAssist uses this information to create advice for machine operators. In case of unusual changes to the machine, the app also provides information via push messages and points out possible causes—including instructions for maintenance and specifying the expected duration. This saves time in troubleshooting and increases system availability.

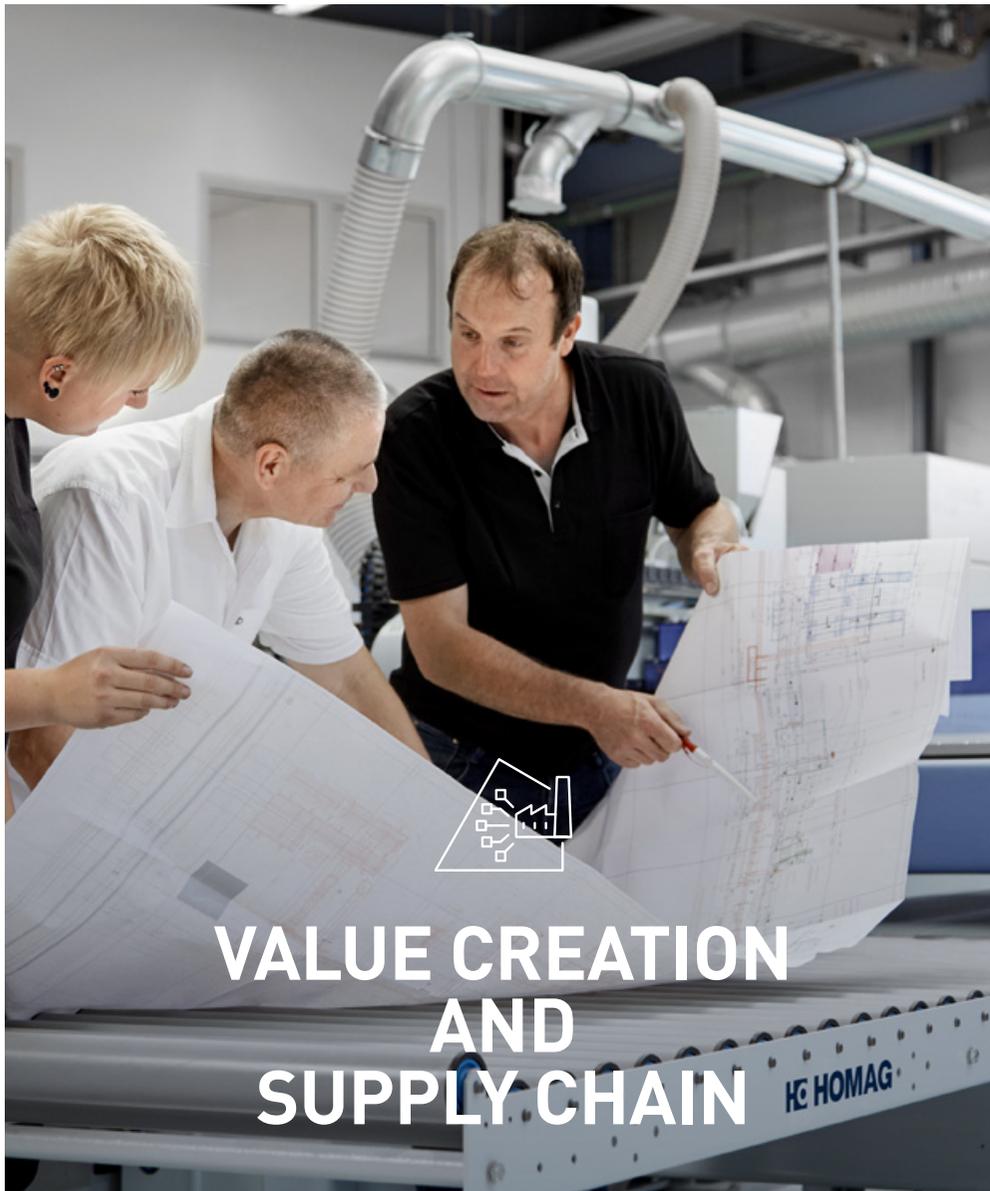
## CUSTOMER SATISFACTION

The satisfaction of our customers is the highest standard that we can apply to our products and services. In order to evaluate our customers' experience, the Dürr Group has been pursuing a comprehensive Customer Experience (CX) program since 2013. The CX team reports directly to the CEO and organizes global customer surveys in the Dürr

Systems, Schenck, and HOMAG sub-groups. In addition to the classic online surveys, the CX team also conducts personal feedback interviews, either by telephone or on site. The aim of the CX program is to analyze the customer experience with our products and services and to gather feedback for improvement measures that will have a positive impact on their satisfaction. One important indicator is the Dürr Promoter Score (DPS), a company-specific derivative of the Net Promoter Score, which is also known at other companies. The indicator measures the extent to which customers would recommend a product or service from Dürr, Schenck or HOMAG to others.

In 2020, we conducted more than 1,000 feedback interviews with our customers worldwide. In the country-specific evaluation, China was able to take the leading position. South Korea ranked second, followed by India. Customers in particular highlighted the expertise and professionalism of our employees, the trustworthy cooperation and the quality of the products. We want to improve in the areas of price indexing, the submission process for offers and in communication with customers. [GRI 102-43]





## REDUCING ENVIRONMENTAL IMPACT AND STRENGTHENING THE SUPPLY CHAIN

By means of targeted environmental and energy management, we are reducing the environmental impact of our business operations in the Dürr Group—both at our own locations and increasingly in the value chain. We are working to reduce the consumption of raw materials—including water and energy—and are optimizing our internal processes with regard to energy efficiency and waste reduction. We are using new processes to meet our environmental and human rights due diligence within our supply chain.



Management system

≈ **40%**

of production and test center locations have ISO 14001 certification



Emissions reduction

**-17.3%**

CO<sub>2</sub> intensity in 2020 compared with the previous year



Global supply chain

**>30,000**

suppliers are part of our global procurement base

# MODERN MANUFACTURING

IN THE DÜRR GROUP, WE ARE CONSTANTLY WORKING ON MAKING OUR OWN VALUE-CREATION PROCESSES MORE SUSTAINABLE. THE FOCUS HERE IS ON MEASURES TO INCREASE EFFICIENCY. WE TAKE A CLOSER LOOK AT TWO OF OUR PRODUCTION SITES, WHICH ARE LOCATED AT THE CENTER OF THE INDUSTRIAL PARK IN SHANGHAI-QINGPU IN CHINA AND AT THE EDGE OF THE BLACK FOREST IN GERMANY.



**Specialist in sawing technology:** HOMAG Plattenaufteiltechnik GmbH is the sawing specialist of the HOMAG Group. Every year, around 600 machines leave the plant in Holzbronn.

**Screens instead of paper:** Thanks to digital solutions, we are well on the way to paperless production.

**Robots in action:** Manual painting was replaced by highly automated powder coating. This is not only more economical, but also more friendly to the environment and to employees. Other processes that are repetitive, harmful to human health or do not add value have also been automated.

**Lean Six Sigma and 6S:** Production is organized according to these fundamental principles. In addition to the efficient design of work processes (Lean Six Sigma method), order and cleanliness are also ensured and promoted in the factory and workplace (6S method).

**Staying in touch and up to date:** Previous process optimizations were carried out with the involvement of the entire workforce. Employees continue to be consulted and have the opportunity to promote further measures at the site. This is ensured, among other things, by optimization workshops, an ideas workshop and regular internal process audits. An improvement app is planned to be available soon.

**And ... action:** Take a look at the production hall.



**New energy concept:** The lighting in the entire production was converted to LED. Other measures are at the planning stage, including the transfer in energy supply from oil to gas, the installation of a photovoltaic system and a combined heat and power plant.

**Award-winning factory:** The plant in Holzbronn was named "Factory of the Year 2019" in the "Outstanding Small Series Production" category. The award is conferred every year by the management consultancy A.T. Kearney in cooperation with trade journal "Produktion."

**Cycle, flow, pull:** A continuous production flow avoids handling, planning and control costs. It is possible to react quickly to changes in the market by increasing or reducing the cycle time. Demand-driven production eliminates the need for intermediate and final storage facilities, and there is no overstock.



#### And ... action:

Take a look at the production hall.



**All new:** The production site in Shanghai-Qingpu manufactures, among other things, oven tunnels for paint shops. Up to now, the production of the oven modules was characterized by many small steps with a high degree of manual work and non-value-added handling operations. The process has now been converted to a clocked flow production. For this purpose, even the design of the oven modules was completely revised, and adapted to the new production structure.

**Punch, bend, assemble:** The heart of the new flow production is a fully automated machine for punching and bending sheet metal parts, which can produce in batch size 1. As with a prefabricated house, the floor, ceiling and side panels of the oven only have to be assembled. This eliminates time and energy-intensive work steps such as the separate production of reinforcing ribs, that previously had to be manually aligned and welded onto the large oven panels.

**Fewer rejects:** Thanks to the new standardized and modular product design and the fully automated punching and bending machine, the reject rate in production could be significantly reduced, thus saving material.

**Saving space twice:** The clocked flow production takes up less space in the production hall. Furthermore, the oven modules are significantly more compact for transport. When the products are shipped, the capacity utilization per container can be increased by 30% to 50%.

**Award winner:** In 2020, the new clocked flow production received the Heinz Dürr Award in the "Innovation" category. The internal prize honors outstanding performance across the Group every year.

**Joint success:** The new production concept was implemented by an international project team. Employees from Mexico, Germany and China were involved.



## VALUE CREATION AND SUPPLY CHAIN: REDUCING ENVIRONMENTAL IMPACT AND STRENGTHENING THE SUPPLY CHAIN

IN THE DÜRR GROUP, WE ARE COMMITTED TO REDUCING THE ENVIRONMENTAL IMPACT CAUSED BY OUR BUSINESS ACTIVITIES. AT THE SAME TIME, WE INTEND TO EMBED SOCIAL AND ENVIRONMENTAL ASPECTS MORE FIRMLY IN OUR SUPPLY CHAIN.

**W**ith the help of certified environmental and energy management systems, we are reducing the environmental impact at our production sites and along the entire value chain within the Dürr Group. For ecological as well as economic reasons, we want to reduce the consumption of raw materials and energy, lower the amount of waste and continuously reduce the emission of greenhouse gases. Furthermore, we want to be measured against high standards in our sphere of influence in terms of working conditions and human rights due diligence.

Around 40% of the production and test center locations of the Dürr Group have an environmental management system certified in accordance with ISO 14001, as of 2020. For the ISO 50001 energy management standard, the coverage at the end of 2020 was eleven sites. This means that in 2020, two thirds of the Dürr Group's employees were working at appropriately certified sites. In addition, other sites regularly perform energy audits in accordance with DIN EN 16247-1. We are working to continuously increase the level of certification.

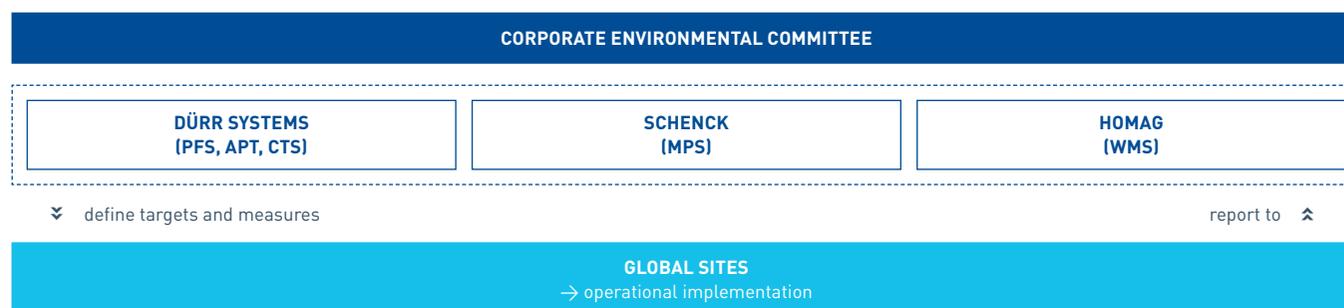
### ENERGY EFFICIENCY AND CONSERVATION OF RESOURCES

The Corporate Environmental Committee (CEC) is responsible for the strategic direction and Group-wide management of our environmental activities. It consists of the persons responsible for the environmental management systems of the three sub-groups Dürr Systems, Schenck and HOMAG. The CEC provides recommendations on environmental issues to the Sustainability Council, defines targets and derives fields of action. The main responsibility for

environmental issues lies with the management of our local companies, which are subject to site-specific environmental action plans. We intend to establish a climate strategy in 2021 with quantified CO<sub>2</sub> objectives and a roadmap in line with the Paris climate goals.

In 2020, we published a Group-wide » [Environmental Policy](#). It describes our understanding of environmentally sustainable management and provides a framework for action. In addition, it defines three concrete approaches for ecological improvements along our entire value chain. The focus is on reducing our own ecological footprint, further improving the environmental properties of our products and systems, particularly in the use phase (» [chapter Products and Services](#)), and the sustainable design of the supply chain.

### ORGANIZATIONAL STRUCTURE FOR THE TOPIC OF ENVIRONMENT IN THE DÜRR GROUP



As an engineering company with low vertical depth of production, we have a rather low consumption of energy, materials and resources as well as a low waste volume compared to other industrial and technology companies; consequently, our CO<sub>2</sub> emissions are also relatively low. In the supply chain, however, the environmental impact of our business activities is much greater. The majority of the CO<sub>2</sub> emissions generated there is attributable to goods and services we purchase and to business travel and logistics. We are trying to counteract this by reducing empty runs, bundling transports and continuously optimizing packaging.

To complement the Group-wide environmental policy in a business-specific manner, Dürr Systems AG also has a guideline entitled “Values, Policy and Strategy (quality, environmental protection, health and safety).” The HOMAG Group Process Model (HGPM) is an integrated management system that also includes energy management in accordance with ISO 50001, among other things. Schenck in Germany has the “Environment, Health and Occupational Safety” policy, which is due to be rolled out at the international Schenck sites in the course of 2021.

## CLIMATE STRATEGY IN LINE WITH THE PARIS CLIMATE AGREEMENT

### Energy and emissions

In order to identify and reduce the drivers of our own environmental footprint, we record our energy and resource consumption across the Group and calculate our emissions. Where it is economically viable, we implement measures for reduction. For example, in the year under review, the Dürr Systems sub-group continued the process of converting lighting worldwide to LED technology and demand-oriented control, modernizing ventilation systems in assembly areas, expanding photovoltaic capacity at the Bietigheim-Bissingen site by 0.5 GWh, installing another twelve charging stations for battery-powered vehicles, and replacing obsolete compressors. With the “Energy Scouts” program, trainees in Germany are also working on a voluntary basis to increase awareness of environmental and energy issues among their colleagues.

HOMAG succeeded in reducing CO<sub>2</sub> emissions across Europe by more than 20% between 2015 and 2020 by using LED lighting, energy-efficient drives and shorter switch-on times for ventilation systems. At the Schopfloch site, a

### ENERGY CONSUMPTION (IN MWH)

	2020	2019	2018 <sup>1</sup>
Electricity	51,908	63,144	55,980
of which from renewable energies	5,996	4,309	4,524
Gas/oil/district heat	66,961	69,609	62,813
<b>Total</b>	<b>118,869</b>	<b>132,753</b>	<b>118,793</b>

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

### ENERGY INTENSITY

(CONSUMPTION IN MWH PER €1 MILLION SALES)

	2020	2019	2018 <sup>1</sup>
Electricity	15.6	16.1	14.5
Gas/oil/district heat	20.1	17.8	16.2
<b>Total</b>	<b>35.7</b>	<b>33.9</b>	<b>30.7</b>

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

project for reusing running-in and sample material was implemented which, in addition to reducing waste, also led to an annual CO<sub>2</sub> saving in the order of 70 metric tons.

At Schenck, the conventional lighting in several areas was also replaced by energy-saving LED lighting. In addition, the installation of new windows and roof refurbishment on older production halls was continued as planned. The sub-group is also making a positive contribution to our carbon footprint, since it is located in a company-owned industrial park that has been sourcing electricity, gas, and district heating on a CO<sub>2</sub>-neutral basis for several years. The industrial park is supplied with green electricity and a local district heating network; remaining unavoidable CO<sub>2</sub> emissions are compensated by the energy suppliers through certificates.

We expanded our system for recording environmental indicators in 2020: For the first time, we recorded the emissions attributable to us from business flights and reported the consumption of energy from renewable sources.

**EMISSIONS (IN T)**

	2020	2019	2018 <sup>1</sup>
<b>Total CO<sub>2</sub></b>	<b>59,368</b>	<b>84,718<sup>3</sup></b>	<b>79,853<sup>3</sup></b>
of which scope 1: Direct emissions (heat from gas and oil)	13,108	14,321	12,885
of which scope 2: Indirect emissions (electricity, district heat)	29,644	40,269	35,753
of which scope 3: Other indirect emissions (flights, leased vehicles)	16,616	30,128 <sup>2</sup>	31,215 <sup>2</sup>
SO <sub>2</sub>	24	33	29
NO <sub>x</sub>	39	50	44

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

<sup>2</sup> Conversion of flight miles with the emission factor from 2020 [GRI 102-48]

<sup>3</sup> Adjustment due to the inclusion of CO<sub>2</sub> emissions from flights in 2020

**CO<sub>2</sub> INTENSITY (EMISSIONS IN TONS PER €1 MILLION SALES)**

	2020	2019	2018 <sup>1</sup>
Scope 1: Direct emissions (heat from gas and oil)	3.94	3.65	3.33
Scope 2: Indirect emissions (electricity, district heat)	8.92	10.27	9.24
Scope 3: Other indirect emissions (flights, leased vehicles)	5.00	7.68 <sup>2</sup>	8.07 <sup>2</sup>
<b>Total</b>	<b>17.86</b>	<b>21.60<sup>3</sup></b>	<b>20.64<sup>3</sup></b>

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

<sup>2</sup> Conversion of flight miles with the emission factor from 2020

<sup>3</sup> Adjustment due to the inclusion of CO<sub>2</sub> emissions from flights in 2020

Emissions of greenhouse gases in the Dürr Group were significantly lower in 2020 than in previous years due to the corona pandemic. As a result of travel restrictions, digital communication and collaboration within the company has been driven forward and mobile working has reduced commuting. Emissions from air traffic alone fell by 65% compared with the previous year.

**Water and waste water**

Water consumption in the Dürr Group is at a comparatively low level. Fresh water is used at most locations for sanitary areas, for cleaning, as drinking water and in dining halls. At some locations, fresh water is also used as process water (sprinkler systems, plant and equipment in technology centers, cooling of buildings) or for the irrigation of green areas. At all locations except Dürr Systems in India, drinking water from the public network can be used. Two sites use rain-water. Only three sites are located in regions that are threatened by seasonal water shortages and are therefore subject to restrictions on use (Mexico, China, South Africa).

At HOMAG, low quantities of process water are used for cooling during machining processes. The water is fed into recirculating cooling systems and is treated 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 small quantities of process water.

The waste water at the sites of the Dürr Group is generally only very slightly contaminated. At locations in western industrialized countries, it is fed to the wastewater treat-

ment system through the public sewer system. In other regions, the procedure varies and the data have not yet been fully collected. Waste water from processes is properly disposed of depending on the degree and type of contamination. Only at the ISO 14001-certified location in Stoughton, Wisconsin, USA, it is discharged into a natural seepage reservoir.

**WATER, WASTE WATER AND WASTE**

	2020	2019	2018 <sup>1</sup>
Water (m <sup>3</sup> )	166,998	201,979	201,279
Waste water output (m <sup>3</sup> )	156,316	191,388	188,329
Waste (t)	9,725	12,235	10,574
of which recycled (t)	6,685	8,838	8,457

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

**Waste management**

In compliance with the rules of application valid in the European Union, some of the products of the Dürr Group are subject to the regulations of the EU Directive on Waste Electrical and Electronic Equipment (EU-WEEE) or in Germany to the corresponding Electrical and Electronic Equipment Act (ElektroG). Therefore, the relevant product categories in Germany are listed in the Waste Electrical and Electronic Equipment Register (EAR), and the quantities placed on the market are properly reported to the register every year. A practicable concept for returning used machines after the end of use is currently being developed.

In the Dürr Systems sub-group, waste is collected and disposed of separately by type of waste at all locations and construction sites worldwide in accordance with local requirements. Waste management is the responsibility of the individual locations. The Dürr Systems sub-group takes stock of its waste volume every six months as part of its environmental management system. In order to reduce packaging waste during deliveries, packaging materials that accumulate at the incoming goods department are separated and forwarded to the shipping department for further use. Packaging that can no longer be used is sold as compressed bales on the secondary raw materials market at individual locations. A site-specific product packaging guideline for shipping specifies how materials are to be efficiently packaged so that they arrive safely at the customer's premises and generate as little waste as possible. For some standard components, especially manufactured packaging is available which is recirculated. Similar processes also exist in the HOMAG and Schenck sub-groups. Hazardous waste is generated in the Group only in small quantities. These are residual quantities of paints, sealants and thickeners, operating materials resulting from maintenance and servicing, auxiliary assembly materials such as metal cleaners and solvents, adhesives and sealants, as well as waste oils and cooling lubricants from machining, which accumulate in the course of tests in the technology centers. This waste is collected separately according to fraction, professionally stored temporarily and disposed of.

Indexed environmental indicators allow us to compare our environmental performance (consumptions, waste water and waste, emissions) over several years. In doing so, we compare the key figures of the base year 2010 with the

developments of the previous years. Thus, the ratio of consumption to sales in 2010 was set at the index value of 100. Values below 100 accordingly represent improvements compared to the base year 2010.

### ENVIRONMENTAL KEY FIGURES INDEXED

(2010 = 100; IN RELATION TO SALES)

	2020	2019	2018 <sup>1</sup>
<b>Consumption</b>			
Electricity	70.1	72.3	64.9
Gas/oil/district heat	60.9	53.7	49.1
Water	82.4	84.5	85.3
<b>Waste water and waste</b>			
Waste water output	87.0	90.3	90.0
Waste	127.5	136.0	119.1
Waste recycled	114.9	128.8	124.8
<b>Emissions</b>			
CO <sub>2</sub>	74.9 <sup>2,3</sup>	90.6 <sup>2</sup>	86.5 <sup>2</sup>
CO <sub>2</sub> attributable to vehicle fleet	115.8	118.5	120.0
SO <sub>2</sub>	61.6	71.3	64.0
NO <sub>x</sub>	52.3	66.8	60.3

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

<sup>2</sup> Takes into account CO<sub>2</sub> emissions from flights that were not yet included in the reference year 2010

<sup>3</sup> Takes into account renewable energies that were not yet included in the reference year 2010

### SUSTAINABLE SUPPLY CHAIN

The aim of the Dürr Group is to make the supply chain sustainable. As part of our supplier management and purchasing process we are increasingly taking the environmental

impact and quality of working conditions in our supply chain into account.

We are increasingly evaluating both new and existing suppliers on the basis of ecological and social criteria, among other things. Environmental aspects are part of supplier audits. In 2021, we plan to further promote the topic of sustainability in the supply chain and define binding minimum requirements with exclusion criteria, which we will use as a first step to address potential risk suppliers.

### Procurement chain

Across the Group, we have a broad procurement base with more than 30,000 suppliers. We purchase the goods, raw materials, and services we need globally. At the same time, we rely on local suppliers who primarily provide manufacturing components and installation services.

In addition to parts and components suppliers, we also use the services of contract manufacturers, engineering consultancies, and logistics companies. For important product groups, we enter into global framework agreements in order to achieve better conditions through economies of scale. In Asia, we are increasingly purchasing manufacturing products and components for projects and plants in other markets. We manufacture certain core products exclusively at our own facilities, thus protecting our know-how and guaranteeing quality and delivery reliability.



In terms of sales, the share of externally sourced goods and services is higher in the Dürr Systems sub-group than in the Schenck and HOMAG sub-groups, which have a larger share of in-house production. The real net output ratio in the Group is relatively low at around 40%, though there are differences between the divisions. While the real net output ratio in the Woodworking Machinery and Systems division is 44%, it is significantly lower in the Paint and Final Assembly Systems division at 33%.

Over the past four years, the Paint and Final Assembly Systems division has used an average of around 25,000 metric tons of steel per year—roughly equivalent to 3.5 times the weight of the Eiffel Tower or 1,400 fully loaded semitrailer trucks per year. In addition to raw materials and semi-finished goods, the division also procures installation and construction services, as well as complete structures, assemblies and units. In mechanical engineering, we purchase a large number of finished parts and pre-assembled modules. Other important procurement groups in the Group as a whole are mechanical and electrical components, such as drives and sensors.

### Human rights due diligence

The Dürr Group has, of course, committed itself to respecting and protecting human rights. As a signatory to the United Nations Global Compact, we have therefore made a commitment to eliminating the risk of human rights violations in the

Dürr Group and in the supply chain as far as possible. In our Code of Conduct, we commit ourselves to observing human rights. At the beginning of 2021, we also published a Group-wide » [Policy Statement on the Respect of Human Rights and Fair Working Conditions](#). We thus underline and substantiate our corporate due diligence.

We also apply this duty of care to our value chain. Our » [Code of Conduct for suppliers](#) is a binding part of the contracts with suppliers and demands the observance of human rights. In 2020, we formed a team within the Group to define and track sustainability requirements in the supply chain. In the Dürr Systems sub-group, we take social criteria in account early in the supplier selection process by means of

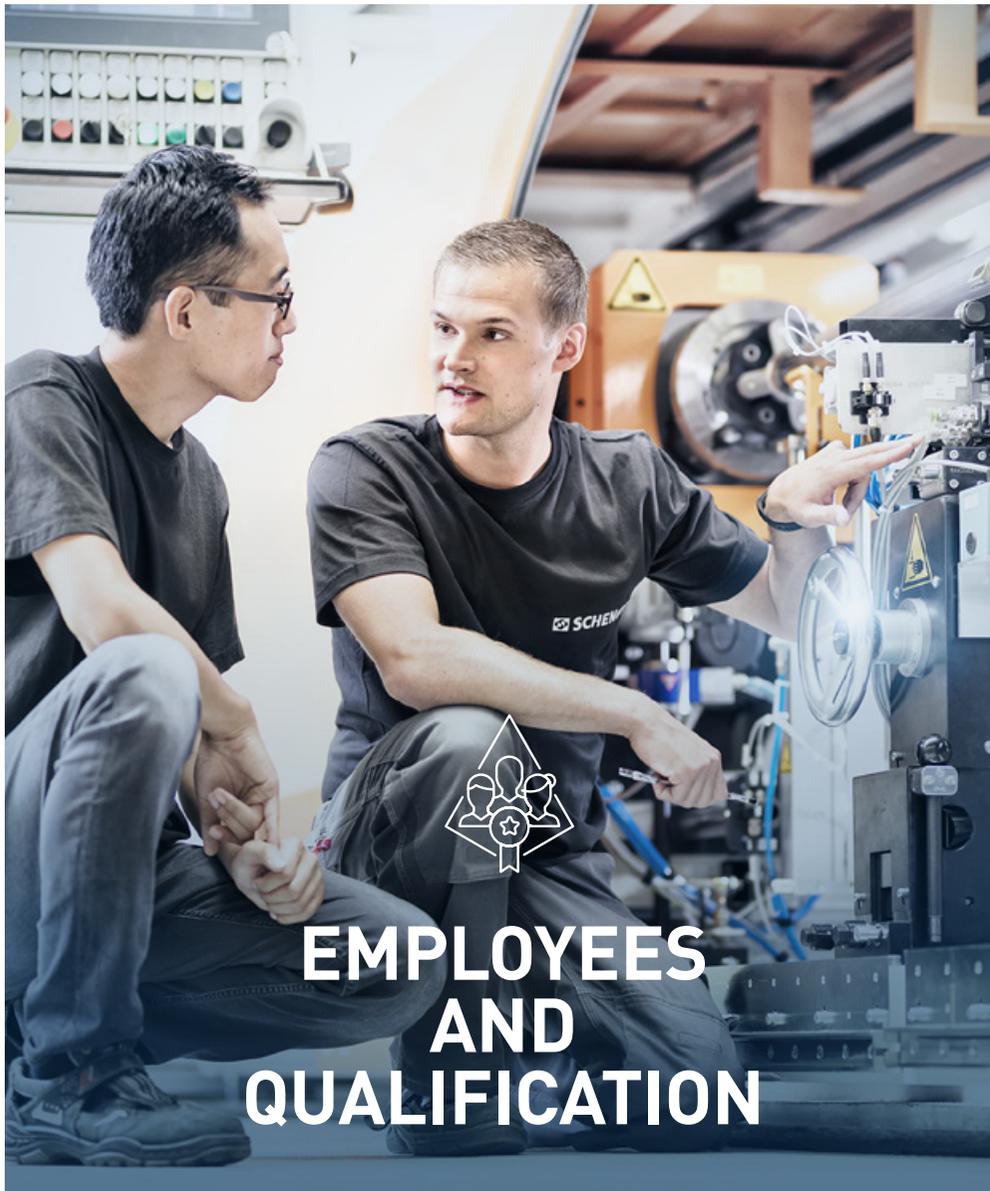
## MINIMUM SOCIAL STANDARDS AS A PREREQUISITE FOR AWARDING CONTRACTS

a self-declaration questionnaire. In the case of new and existing suppliers, the Dürr Systems and Schenck sub-groups even check the observance of employee and human rights as part of supplier audits using checklists. In case of failure to respect employee and human rights we reserve the right to terminate

the collaboration. In 2020, on-site audits of suppliers, particularly in critical countries, were only feasible to a limited extent due to travel restrictions caused by corona.

If it is suspected that a human rights violation has occurred, it can be reported via the Dürr Group Integrity Line. In justified cases, the Corporate Compliance department examines the need for further steps and coordinates further measures in consultation with the specialist departments.

We plan to perform a risk rating of our suppliers with regard to sustainability aspects in the second half of 2021, which is to take into account various criteria and serve as a basis for appropriate supplier monitoring. This involves, for example, information on suppliers, such as country of origin, product group and order volume, and evaluation criteria based on relevant indicators from the areas of environmental protection, labor rights and corruption. Moreover, we intend to define minimum social standards as a prerequisite for awarding contracts to risk suppliers. We discussed a uniform Group-wide process in a workshop with managers in December 2020. We also plan to introduce an e-learning module on sustainability criteria in the procurement process for our purchasing employees in 2021. The e-learning module is to be extended to our core suppliers in the future and will include both environmental and human rights criteria.



## SOLVING CHALLENGES TOGETHER

The Dürr Group regards itself as an attractive and fair employer which offers its employees a wide range of career opportunities and further development options. After a difficult fiscal year 2020, the objective of people development is to prepare employees properly for new tasks, for example in the digitalization field. This is reflected in future-oriented people development and further training—in topic areas and methods. In this process, we are also building on the diversity of our employees throughout the world.



Workforce

**16,525**

employees work in  
33 countries for the  
Dürr Group



Digital training

**≈46,000**

participants attended digital  
training formats during the  
reporting year



Training

**425**

apprentices were  
prepared for their  
subsequent career

# LET'S GET STARTED

Every year, dozens of young people start vocational training in the Dürr Group. Whether they complete vocational training in mechatronics, computer science or in another profession—as experts, they will soon help shape the future of the company. There are currently over 200 apprentices at the major German locations of Dürr, HOMAG and Schenck alone.

It is particularly important for the company to train young people internally and bind them at an early stage. This makes it easier for them to start their career after completing the vocational training. “Those who were trained by the company have excellent skills in their field and are familiar with the processes within the company,” says Hans-Uwe Klaiber, vocational training manager at Dürr Systems.

The whole spectrum of the industry can be experienced within the company. “We offer apprentices the opportunity to spend two to three months abroad,” says Steffen Stippl, HOMAG vocational training manager at the Schopfloch site. There is a great deal of interest in a stay abroad. Those who have experienced other cultures and ways of working far from home will find it easier to collaborate on international projects later on.

We are also working to offer thorough training to young people at our foreign locations—for example in the US. In Southfield, Michigan, Dürr is one of the few companies to offer dual training based on the German model. The apprentices even receive remuneration, which is not common in the US. We won an award from the German American Chamber of Commerce for this special program.

Below, five employees tell us why they decided to learn their desired profession under the umbrella of the Dürr Group.



↑ **Philipp Tribble, 21,**  
vocational training in mechatronics, Darmstadt

“I was already enthusiastic about technology when I was in school. I remember getting a construction kit at age 14. I was able to assemble a small electric motor from the parts, which I found exciting. Maybe that is why I wanted to start the vocational training as a mechatronics engineer after finishing vocational high school. Why at Schenck RoTec? Because I already knew the company. My mother works there, and I had jobs in production and warehouse during vacations when I was a student. The big machines and the friendly people—I really liked that. I spent the first year of my vocational training in the training workshop. Drilling, milling, metalworking—the basics of the trade. Now I work in the assembly hall. After completing my vocational training, I would like to continue working at Schenck or study electrical engineering.”



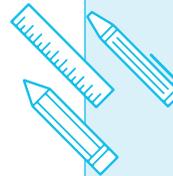
← **Leon Bentzien, 24,**  
vocational training as an  
IT specialist, Bietigheim-Bissingen

“When I set foot on the Dürr Campus in Bietigheim-Bissingen for the first time, I was surprised: The modern architecture, the young and open-minded people—it was not at all what I had expected from a Swabian plant manufacturer. That is one of the reasons why I am absolutely sure that the vocational training as an IT specialist at Dürr Systems is the right thing to do. My father works for Deutsche Telekom, so I grew up with the internet. Computers and monitors have accompanied me throughout my life. After finishing vocational college, I worked for the German Armed Forces as an IT soldier for four years. Now I am curious to see what role digitalization plays in the corporate world. I’m currently working in digital support at Dürr. In the theoretical courses, I’m learning a lot about server technology and networks—future-oriented topics that fascinate me.”



"I admit that I have chosen a very rare profession. In fact, vocational training as a production technologist has only been offered for a few years now. What I like is the variety of topics: Automation technology, process optimization, programming—an interesting mixture. A few months ago, I completed the three-year vocational training. I currently work in quality development at the HOMAG Group, looking for weaknesses in our processes in order to make them even better. I am happy that I have found a job that perfectly suits me. After graduating from technical high school, I first wanted to become a teacher. Then I came across the profession of production technologist at an information event held by the HOMAG Group and quickly decided to do my vocational training at precisely this company."

← **Christopher Kübler, 33, vocational training as a production technologist, Schopfloch**



← **Siyu Chen, 21, vocational training as an electronics technician for industrial engineering, Schopfloch**

"Electronics is a significant part of our lives, so I wanted to know more about it and completed an internship at the HOMAG Group. I immediately liked my colleagues. They answered my questions and assigned me smaller tasks. For example, I learned how to wire terminals. I found it particularly impressive to look inside a robot arm and understand how individual parts work together with the help of electrical impulses. Since September 2020, I have been learning the profession of an electronics technician for industrial engineering. When the vocational training is finished after three and a half years, I would like to study for a bachelor's degree and then continue to work for the HOMAG Group. Maybe even in my home country of China, which is a very important market for the company."

"I am in vocational training to become a mechatronics engineer at Dürr Systems in Michigan. I spend half of the time in the company and get to know the practical sides of the job. In addition, theoretical courses provide me with the necessary background knowledge. I really like the combined program that the vocational training managers have put together. A stay abroad was also part of my vocational training: I spent four months at Dürr in Bietigheim-Bissingen, where I had a wonderful time. There was so much to learn, plus the friendly people and wonderful surrounding area. It may sound strange, but I felt at home right away. My goal now is to obtain a bachelor's degree in electrical engineering. Maybe there will be an opportunity to be employed on a regular basis at Dürr in Germany for a while afterwards."

→ **Kaitlin Bowen, 20, vocational training in mechatronics, Southfield, MI, USA**



# EMPLOYEES AND QUALIFICATION: SOLVING CHALLENGES TOGETHER

THE DÜRR GROUP REGARDS ITSELF AS AN ATTRACTIVE AND FAIR EMPLOYER WHICH OFFERS ITS EMPLOYEES A WIDE RANGE OF CAREER OPPORTUNITIES AND FURTHER DEVELOPMENT OPTIONS. AS AN EMPLOYER, WE NEVER STOP LEARNING EITHER.

**T**he Corporate Human Resources department has overall responsibility for human resources in the Dürr Group. Cooperation between Corporate Human Resources, the HR departments of the three sub-groups and the local HR managers is governed by a company directive.

## WORKFORCE DEVELOPMENT

As of December 31, 2020, 16,525 people were employed by the Dürr Group worldwide. Thus, the size of the workforce remained virtually unchanged from the previous year's reporting date (16,493 employees).

As part of restructuring measures, we cut jobs in the European automotive business, among others, in 2020. We expect to see continued subdued development there in the coming years.

The first-time consolidation of HOMAG China Golden Field, System TM and Techno-Step resulted in opposite effects. As a result, approximately 560 employees joined the Group.

Teamtechnik's workforce of just over 700 employees is not yet included in the headcount as of December 31, 2020, as the majority acquisition of the company did not take effect until February 5, 2021.

At 5,559 employees, the workforce in the emerging markets accounted for 33.6% of the total, compared with 32.6% in the previous year. The increase compared to the end of 2019 is primarily due to the inclusion of HOMAG China Golden Field and the declining number of employees in Europe and the US. Germany has the largest workforce with 7,931 employees, followed by China (2,434), the US (1,377) and Poland (1,166).

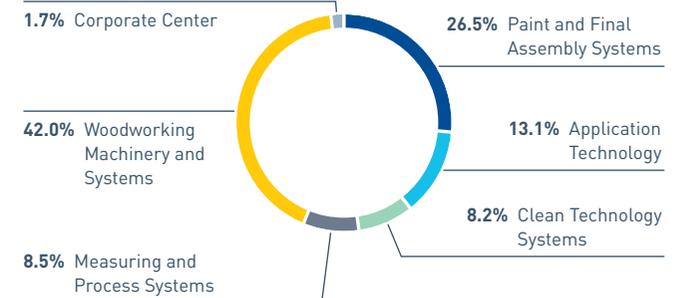
Most employees, around 29%, work in assembly and manufacturing. More than 2,700 employees (17%) are employed in service (customer service) worldwide. Approximately 10% of our employees take care of administrative tasks and our IT infrastructure.

## EMPLOYEES BY DIVISION (AS OF 31.12.)

	2020	2019	2018
Paint and Final Assembly Systems <sup>1</sup>	4,383	4,412	3,472
Application Technology	2,162	2,306	2,246
Clean Technology Systems	1,348	1,418	1,472
Measuring and Process Systems <sup>1</sup>	1,407	1,515	2,279
Woodworking Machinery and Systems	6,942	6,569	6,593
Corporate Center	283	273	250
<b>Total</b>	<b>16,525</b>	<b>16,493</b>	<b>16,312</b>

<sup>1</sup> The testing technology, assembly products and automotive filling systems businesses were transferred from Measuring and Process Systems to Paint and Final Assembly Systems effective January 1, 2020. The figures given for 2019 have been adjusted accordingly and therefore differ from the original disclosure. The figures for 2018 have not been adjusted. [GRI 102-48]

## EMPLOYEES BY DIVISION IN 2020 (AS OF 31.12.)



## GLOBAL FREEDOM OF ASSOCIATION

Freedom of association and collective agreements are high values in the Dürr Group. In Germany, this issue is regulated by law through the right of co-determination in stock corporations. 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. Trade unions or other forms of employee representation may participate in collective negotiations.

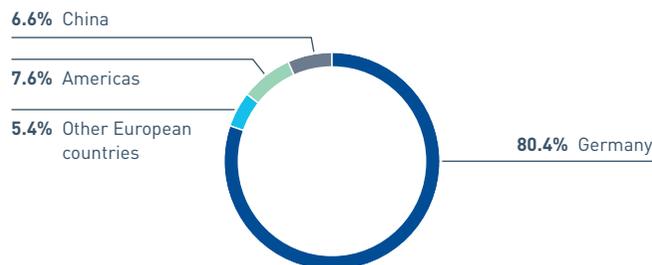
### FURTHER PERSONNEL KEY FIGURES (AS OF 31.12.)

	2020	2019	2018
<b>Number of employees</b>	<b>16,525</b>	<b>16,493</b>	<b>16,312</b>
of whom apprentices and students at cooperative state universities	425	450	431
Part-time employees	573	598	507
Employees with fixed-term contracts	166	309	361
Number of external employees (temporary workers)	724	1,250	1,399
Average length of service (years)	12	11	11
Employee turnover (%)	9.5	8.2	9.3

In accordance with the German Works Constitution Act, operational changes that directly or indirectly affect German Dürr Group locations are notified 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. A fixed notification deadline is not specified by law in Germany. Laws, collective agreements and Group company agreements regulate all important issues affecting the concerns of employees in Germany. Employee concerns are also notified directly to the management bodies of the Group via the Supervisory Board of Dürr AG, which is composed of an equal number of shareholder and employee representatives. So far, there is no works council in the Dürr Group at European or global level with a mandate to negotiate on cross-border issues. In the event of conflicts, works councils and personnel officers at the sites are direct points of contact.

### PAY SCALE EMPLOYEES /PAY SCALE EQUIVALENTS IN 2020

(AS OF 31.12.)<sup>1</sup>



<sup>1</sup> 6,561 pay scale employees in total

[GRI 102-41]

## PEOPLE DEVELOPMENT AND FURTHER TRAINING

We are convinced that the success of our company depends to a large extent on motivated and qualified employees and competent managers. That is why a comprehensive range of further training and internal development opportunities is very important to us.

The Corporate People Development department is responsible for the Group-wide management and coordination of people development and further training. It is part of the Corporate Human Resources department. Structures and processes are regulated by a company directive.

The objective of people development is to prepare employees properly for new tasks, for example in the field of digitalization. Furthermore, we want to promote the development of young, skilled personnel from the company's own ranks and ensure the availability of well-qualified employees and managers.

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 product-specific education and training courses on topics such as leadership, working methods, collaboration, IT and digitalization can be accessed online by most employees.



### High-quality vocational training

The Dürr Group offers young people a wide range of opportunities to start their careers. Our classic training program includes 13 professions, plus 11 work-study programs. The Dürr Graduate Program is open to university graduates who want to join the company as trainees in the technical fields of Software Engineering & IIoT and Technology & Innovation and, from 2021, in Finance and, in the HOMAG subgroup, also in Sales & Service. In 2020, we employed 425 trainees and students in work-study programs—mainly at our German locations (previous year: 450); around two thirds of them were at HOMAG companies. The training rate amounted to 2.6%. We also rely on the model of in-company training abroad: At our US site in Southfield, we have been a cooperation partner of the work-study training program “MAT2” (Michigan Advanced Technician Training) for several years, which was awarded the training prize of the German-American Chamber of Commerce in 2020.

The business magazine Capital has once again highlighted the quality of our training. In the Capital survey 2020, the subsidiaries Dürr Systems, Schenck RoTec and HOMAG rank among Germany’s best trainers. In addition, the “Dürr Graduate Program” was recognized in the year 2020 by the market research firm Trendence as a fair and career-enhancing trainee program.

### Further training in times of corona

In 2020, our further training activities were severely impacted by the conditions caused by the coronavirus. Since

classroom trainings had to be almost completely canceled due to the pandemic, we accelerated the conversion of training courses to digital formats. We recorded approximately 46,000 attendances in online training sessions, which corresponds to an increase of 53% (previous year: just under 30,000 attendances). With 1,778 participants, the attendance at face-to-face training sessions had declined sharply (previous year: 12,300 attendances). Overall, the participation rate was 2.9 training sessions per employee (previous year: 2.6). Training events to further build on specialist qualifications accounted for almost 40% of all attendances. These include training in IT and digitalization as well as technical and commercial expertise.

## WITH DISTINCTION: DÜRR GRADUATE PROGRAM

training courses on project management, sales, and leadership. Our corporate training also includes special qualification programs for managers: The “Fit for Leadership” program was attended by 132 young executives (previous year: 358), while the “Advanced Leadership Program” was attended by 28 experienced managers (previous year: 223). One reason for the lower number of participants in 2020 was the fact that some of the training sessions were suspended due to the corona pandemic. On the other hand, many managers who belong to the target group have already completed the training.

We continued our internationally staffed corporate training events despite the corona pandemic. 1,225 employees (previous year: 1,454) attended best-practice

### People development

Our software-supported personnel development process “People Development” helps us identify and train potential managers within the company and make the best possible use of young talent. At annual people development conferences, HR managers communicate about the advancement of employees with high potential. Individual employee evaluations take place every two years. They serve as a basis for making decisions on succession arrangements and filling vacancies with internal candidates. In 2020, we identified 64 employees with high potential as part of the “People Development” process (2019: 44). The proportion of women among employees with high potential in 2020 was equivalent to their proportion in the Group as a whole.

In 2020, all 89 international senior managers received individual performance assessments in the form of people development interviews. In Germany, all employees covered by collective agreements (82.4% of the workforce, excluding apprentices and trainees) and non-pay scale employees also received performance assessments.

### Internships and traineeships

Fair employment conditions are a matter of course in the Dürr Group. This also applies to internships and traineeships. As a member and supporter of the “Fair Company” initiative organized by business newspaper “Handelsblatt”, we are committed to the fair treatment and remuneration for interns and trainees. We also support five students in the form of the “Deutschlandstipendium” (Germany Scholarship).

In order to attract talented graduates for the Dürr Group, we use our attractive employer profile as well as our reputation as an innovative and digitally oriented company. We usually participate in a large number of recruiting fairs, although this was only possible to a very limited extent in 2020 due to the corona pandemic. Only in January we were able to participate in a classic live trade fair. Some of the events could be converted into online formats. In Germany, we participated virtually in 14 university and graduate fairs. In addition, we advertise for new employees in university magazines and are active in social media.

HOMAG also positioned itself more strongly as a training company in 2020. For example, trainee podcasts were launched and a dedicated trainee channel was prepared on Instagram. We will implement these and other activities in 2021.

**GLOBAL COOPERATION AND DIVERSITY**

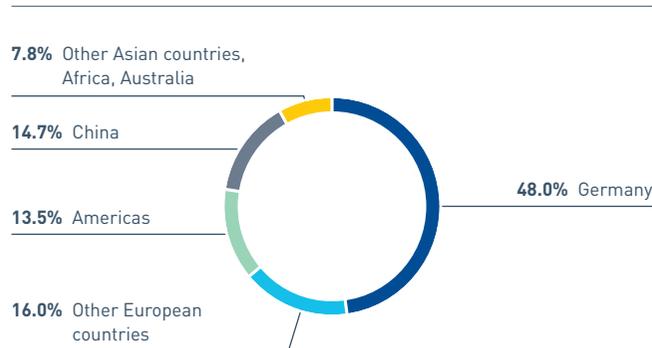
The skills of our globally active employees are shaped by different backgrounds, cultures and experiences. In view of the international character of our business, intercultural diversity and tolerance are important values for us. Therefore, » diversity is one of the five core values that guide our actions and behavior.

Our idea of human dignity is not compatible with discrimination, be it on the grounds of gender, age, religion, illness, origin, skin color, sexual orientation or for other reasons. We ensure diversity and equal opportunities when hiring

**EMPLOYEES BY REGION (AS OF 31.12.)**

	2020	2019	2018
Germany	7,931	8,181	8,152
Other European countries	2,638	2,617	2,567
Americas	2,229	2,382	2,368
China	2,434	2,064	2,081
Other Asian countries, Africa, Australia	1,293	1,249	1,144
<b>Total</b>	<b>16,525</b>	<b>16,493</b>	<b>16,312</b>

**EMPLOYEES BY REGION IN 2020 (AS OF 31.12.)**



staff. We promote equal opportunities through flexible working time models, which meet individual needs.

Diversity is the subject of international Leadership Project Management training in the Dürr Group. In Central Europe, these had to be cancelled in 2020 due to the pandemic, while

they took place as scheduled in Asia. In the area of intercultural training, we have now included the locations in Denmark and Japan. In a combination of face-to-face and virtual modules, we want to establish an international leadership community on the topic of diversity.

**Diversity at the management levels**

When appointing members to the Board of Management of Dürr AG, the Supervisory Board primarily pays attention to professional and social skills as well as long-term experience in comparable positions in our industry and in an international environment. Added to that are character aptitude and an appropriate educational background. The gender or nationality of a candidate does not constitute a decisive factor. With a view to a balanced age structure, there is an age limit of 63 years for members of the Management Board.

In 2020, the four-member Board of Management of Dürr AG consisted of men. Effective January 1, 2021, the Board of Management was reduced to three members. They have long-term service contracts. Since the 2016 elections, the Supervisory Board of Dürr AG has had four female members. This corresponds to a women’s quota of 33%, which fulfills the 30% minimum quota required by law.

At the first senior management level below Dürr AG’s Board of Management, the women’s quota is 0%; at the second senior management level below the Board of Management, it was 12.5% as of December 31, 2020. The targets have been set at 0% for the first senior management level below the Board of Management and at 20% for the second level. The date by which both targets must be achieved is June 30, 2022.

## OUR VALUES IN THE DÜRR GROUP



### Creating customer-focused value

We want to ensure the future of the Dürr Group through long-term and stable profitability, high value for customers and the lasting motivation of our employees.



### Entrepreneurial thinking and acting

Each of our employees views themselves as an entrepreneur within the company. This means having the freedom for decisions and taking responsibility for results. In order to remain successful in global competition, we promote an agile learning and working culture, and use the potentials of digitalization for new business models.



### Innovation and technology

Outstanding, networked products and services are the basis of our leading position in the global market. Together, we constantly develop improvements and apply a wealth of ideas and agile working methods to create innovations setting us apart from the competition.



### Guaranteeing sustainability

Our future lies in long-term and globally successful business relationships. We focus on using resources conscientiously in order to preserve them for future generations' use.



### Valuing diversity

The skills of our employees worldwide are influenced by their varied backgrounds, cultures and experiences. By taking advantage of these skills, we achieve the best results. As a globally active company, we stand for an appreciation of one another, and encourage teamwork.

At HOMAG Group AG, the Board of Management consists of two men, while four women serve on the twelve-member Supervisory Board. On the three-member Board of Management of Carl Schenck AG, the position of CFO is held by a woman, while the Supervisory Board is filled by three male representatives of Dürr AG.

### Code of Conduct and training

Our philosophy of responsibility goes beyond compliance with the law. In our dealings with our employees, our commitment is reflected in our Group-wide Code of Conduct. For example, the section “Conduct towards employees and among colleagues” explicitly states that intolerance of human

diversity as well as discrimination and harassment will not be tolerated at any Dürr Group location in the world. The Code is available in ten languages and is an integral part of our mandatory onboarding training for all new employees.

In the year under review, two cases of discrimination were reported via our anonymous Integrity Line. One of these proved to be an actual case of discrimination and resulted in the employee being issued with a warning.

## HEALTH AND SAFETY

With our corporate health and safety strategy (H&S) “Striving for Excellence in Safety”, we want to ensure the physical integrity of internal and external employees, offer them a safe working environment, and minimize health risks. The principles of the strategy are laid down in a policy; the associated processes and instructions are described in the Group-wide and sub-group-specific health and safety guidelines. The guidelines define responsibilities and mandatory minimum standards. Cross-functional teams are responsible for the Group-wide implementation of the health

## OUR HEALTH & SAFETY GROUP STRATEGY

## STRIVING FOR EXCELLENCE IN SAFETY

and safety strategy. They are supported by local health and safety managers, who implement our standards and processes at our global locations and construction sites. In case of emergencies while travelling, our employees are supported by a professional emergency management service.

Regular 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 in plants and offices. In addition, nine locations have a certified occupational safety management system. For 2021, we are preparing the certification of all major sites in the Dürr Systems and Schenck sub-groups in conformity with the ISO 45001 standard.

We raise awareness of safety and health issues through regular information for employees. For example, the online safety training, which is mandatory for all employees, is an important element of accident prevention. The training sessions consist of a basic part for new employees and an annual refresher course. In 2020, more than 95% of all eligible employees completed our health and safety training, which also included our corona protection measures. Employees in particularly high-risk work areas, such as warehouses, logistics, assembly, test field or technology centers as well as commissioning and service receive specific in-depth training.



**PARTICIPATION RATE IN H&S TRAINING**

**>95%**

In January 2020—and thus before the outbreak of the corona pandemic in Europe—we created the Corporate Security function for emergency and crisis management in the Group (» page 25). As a result of protective measures our business processes were only impacted to a minor extent. We were able to prevent uncontrolled outbreaks of infection through mobile working, social distancing, virtual meetings and comprehensive hygiene plans.

Within the health and safety organization, accident causes are evaluated according to nine categories. The categories highlight focus areas and are intended to help avoid similar accidents. Training and communication priorities are also aligned accordingly. In addition to the prevention of Covid-19, the health and safety managers also addressed other safety-relevant topics in 2020, such as load securing and “fall from heights”.

#### HEALTH AND SAFETY KEY FIGURES

	2020	2019	2018 <sup>1</sup>
Number of work-related accidents <sup>2</sup> per thousand employees (including external staff, excluding commuting accidents)	9.2	14.1	14.8
Work-related accidents <sup>2</sup> per 1 million hours worked (including external staff, excluding commuting accidents)	4.7	7.0	7.2
Work-related accidents <sup>2</sup> resulting in death—internal staff	0	0	0
Work-related accidents <sup>2</sup> resulting in death—external staff	1	0	0

<sup>1</sup> Figures for 2018 do not include Megtec/Universal

<sup>2</sup> A work-related accident is an incident that requires medical attention at least once.

We usually organize health days and offer fitness packages for employees, primarily at our German locations. In 2020, many of these offerings had to be cancelled due to the corona pandemic, but will be resumed as soon as possible. The Group-wide sick-leave rate was 3.1% in 2020 (previous year: 3.1%).

In 2020, an employee of a subcontractor suffered a fatal accident at one of our construction sites. The accident resulted from improper handling of materials during installation work. We deeply regret this incident and take it as an occasion to review our occupational health and safety requirements once again and to further raise awareness throughout the Group and among subcontractors.

#### ATTRACTIVE EMPLOYER

We offer our employees an attractive working environment with a comprehensive range of company benefits and offers. Variable working time models regulate the reconciliation of work and private life, thus also promoting equal opportunities between the sexes.

Our goal is to be an attractive employer for existing and future employees. By offering a wide range of programs for employees, we want to set ourselves apart from other companies. A wide range of company benefits is available to our employees in Germany with fixed-term or permanent employment contracts. These include company pension schemes and capital-forming benefits, continued payment of wages in the event of illness, as well as accident and

**PROPORTION OF FEMALE EMPLOYEES (IN %, AS OF 31.12.)**

	2020	2019	2018
Germany	15.2	15.1	14.7
Other European countries	17.6	18.5	18.1
Americas	14.8	14.6	14.6
China	21.8	20.6	20.9
Other Asian countries, Africa, Australia	10.6	10.7	10.9
<b>Total</b>	<b>16.2</b>	<b>16.0</b>	<b>15.8</b>

foreign health insurance and a voluntary profit-sharing scheme. Employees covered by collective agreements are entitled to holiday and Christmas bonuses and can use a flexible working time account (lifetime working time account). Different part-time models can be realized depending on the individual situation in life and working time expectations. Special payments are made for anniversaries and for special family occasions.



PROPORTION OF FEMALE EMPLOYEES

16.2%

Sports, health and stress prevention courses as well as cultural activities are aimed at improving work-life balance—especially at the main locations. These include an annual health day, the twelve-week fitness and prevention course “Prevention First”, advice on vaccinations for foreign assignments and various health and fitness checks carried out by the company health management team.

**Employee satisfaction surveys**

Every three years, we conduct broad-based surveys to measure employee satisfaction. The third global employee survey was carried out in 2019, followed by two overarching follow-up processes during the year under review. The first follow-up process focused on improvement measures in the key topics of processes/cross-functional cooperation, knowledge of strategy, and performance-related development opportunities. Some of these measures had to be postponed until 2021 due to the corona pandemic. In the second follow-up process, we took a close look at the teams for which the survey delivered conspicuous results. We analyzed the weaknesses that became evident and initiated improvements together with the teams. A follow-up survey

in October 2020, addressing 370 organizational units with a total of 2,286 employees (67% participation rate), confirmed that more than two-thirds of the critical teams have improved since 2019. Two further random pulse surveys provided insights into the current sentiment within the Group in 2020. The focus was on questions concerning the handling of the corona pandemic and the topic of the “Future of Work”. [GRI 102-43]

**AVERAGE LENGTH OF SERVICE BY GENDER IN 2020**

(IN YEARS, AS OF 31.12.)

	Total	Women	Men
Germany	15.2	13.6	15.9
Other European countries	8.3	8.9	8.0
Americas	10.4	8.5	10.9
China	6.7	6.2	6.9
Other Asian countries, Africa, Australia	6.2	5.4	6.4
<b>Total</b>	<b>11.5</b>	<b>10.2</b>	<b>12.0</b>



## GLOBAL COMMITMENT— LOCAL ENGAGEMENT

Through its social commitment, partnerships and participation in global initiatives, the Dürr Group makes an active contribution to society. As a signatory to the United Nations Global Compact, we fulfill our global responsibility in the operating business.

We are committed to social, cultural and scientific initiatives in the neighborhoods of our sites. The focus is on social projects that improve the living situation of people in serious financial difficulties and with severe health problems.



Donations and sponsorships

€ **498** thousand

were spent on  
social purposes in  
2020



Priorities of support

**4**

areas are supported by us:  
social affairs, education,  
sports and culture



Outlook

In **2021**

we will revise the Group-wide  
donations and sponsorship  
policy

# MANIFOLD COMMITMENTS

Social commitment is an important element of our sustainability activities. Our engagement, which ranges from financial support and donations in kind to corporate volunteering, should be effective, supportive and respectful. Our commitment is manifold—as are the social challenges we want to help overcome.

## 2

### Active support

In the fall of 2020, the SOS Children's Village Württemberg was happy to receive active support. As part of the first "Social Day" of the HOMAG Group, a group of dedicated employees took action and replaced the play sand in the largest sandbox of the children's village using shovels and wheelbarrows. This was quite a sweaty job. Each person moved around 3.5 tons of sand.



### Programming the future

In order to provide children in Ghana with better prospects, Joseph Acheampong-Schenk, IT employee at Dürr in Bietigheim-Bissingen, had a very special idea: He wanted children in his home country to learn programming from an early age. More than 130 laptops from Dürr turned this vision into reality. Many children at schools in the Ghanaian cities of Kumasi and Accra now not only have a new favorite subject, but also completely new opportunities for their future. The Dürr Group regularly donates pieces of hardware not used anymore for various social projects. This is, of course, particularly rewarding if the commitment of the Group's own employees is supported.

## 1



## 3

### Quick help

Anbagam Rescue & Rehabilitation Center in Chennai, India, provides assistance to homeless, elderly and mentally disturbed people. That mission takes the employees of the non-profit organization all across the megacity—and as of January 2020, on four wheels. Dürr India donated an ambulance to the center, so that essential support arrives even more quickly where it is needed.



4

### A small pinprick with a great effect

When the corona pandemic caused a shortage of blood reserves in the country, employees of Dürr's Brazilian subsidiary in São Paulo quickly organized a blood donation campaign. The entire workforce was invited to participate. A shuttle service ensured that employees willing to donate got safely from their workplace to the hospital and back during the pandemic. For each individual, it was only a minimal effort, but it had a great effect in total.



### For better educational opportunities

For years, Schenck has supported the non-profit organization "KinderHelden" (child heroes), which is committed to educational equality and offers a professional framework for the targeted and individual support of children with difficult starting conditions through mentoring programs. The organization could also count on Schenck's financial support in the pandemic year 2020.

5



6

### Donations instead of gifts

Donations that give children the chance of a better future are sensible alternatives to Christmas presents. Instead of giving presents to customers and business partners, the Dürr Group again donated €35,000 to the UN Children's Fund (UNICEF) in 2020.



© UNICEF/UN0344940/Wilson

## ENGAGEMENT AND SOCIETY: GLOBAL COMMITMENT—LOCAL ENGAGEMENT

THE DÜRR GROUP MAKES AN ACTIVE CONTRIBUTION TO SOCIETY THROUGH ITS SOCIAL COMMITMENT, PARTNERSHIPS AND PARTICIPATION IN GLOBAL INITIATIVES.

**T**hrough the jobs in the Dürr Group, the associated regional purchasing power, and through tax payments, we make concrete contributions to the regional economic strength in the vicinity of our locations, thus also fulfilling our social responsibility. In addition, we are involved in a number of charitable projects on a voluntary basis.

### GLOBAL COMMITMENT

In October 2020, Dürr AG committed to responsible corporate governance at an international level by joining the United National Global Compact. As a signatory, we actively promote the company-wide application of ten principles in the areas of human rights, labor standards, environmental protection and the prevention of corruption by developing and implementing corresponding goals and measures. In doing so, we support the protection of human rights, exclude child and forced labor, grant the freedom of association for employees and the right to collective agreements worldwide, and advocate the elimination of all forms of discrimination.

In the area of environment, we are committed to a precautionary approach to environmental risks, promote a sense of

responsibility for environmental 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.

With the next Sustainability Report (covering fiscal year 2021) we will present an initial Communication on Progress (CoP) on the implementation of the principles of the Global Compact in the Dürr Group.

### DONATIONS AND SPONSORSHIP

Beyond its business responsibility, the Dürr Group is committed to social, cultural and scientific activities. We actively provide support in the form of donations and sponsorship, as well as with knowledge and contacts. The handling of this topic is set out in a Group-wide donations and sponsorship policy, which has been approved by the Corporate Compliance Officer, the person responsible for the management system and the Chief Executive Officer.

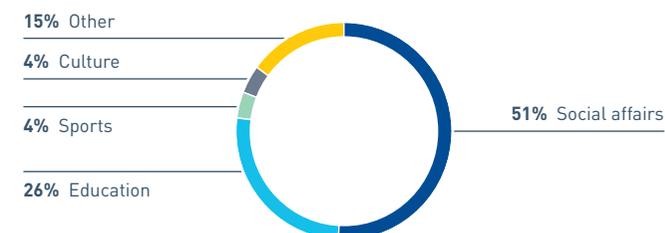
As part of our social commitment, we primarily support projects, associations and social institutions in the neighborhood of our sites. As a rule, we make donations in cash and in kind. From time to time, we also get involved in work assignments in communities and neighborhood initiatives.

Our four priorities of support are:

- **Social affairs:** Humanitarian and charitable projects
- **Education:** Training, technology and science, universities, schools, kindergartens
- **Sports:** Popular, youth and disability sports clubs
- **Culture:** Cultural circles, support associations, donor associations

### DONATIONS AND SPONSORSHIP

(BY PRIORITIES OF SUPPORT IN 2020)



Several cultural and social projects were suspended in 2020 as a result of the corona pandemic, because they would have brought too many people into close personal contact. We have maintained our support for projects that remained unchanged. This applies, for example, to early years rhythmic/musical education in children's daycare centers and the Bietigheim-Bissingen civic foundation, which is committed to affordable housing.

In the field of culture, we support a number of non-profit associations in the form of corporate memberships. The spectrum ranges from the local music school to the Stuttgart State Theater and the Association of Arts and Culture of the German Economy. We supported the realization of the 3D animation project "House of Symphonies" for the cultural platform jourfixe-muenchen e.V. and facilitated the digitalization of artworks.

We also continued our cooperation with UN Children's Fund (UNICEF). Despite the pandemic-related decline in sales and earnings, we once again supported the Christmas campaign "Spenden statt Schenken" ("Donations instead of gifts") in 2020 by donating €35,000. The amount goes to UNICEF's nutrition programs.

Our Group sites outside Germany also make contributions to the local communities. Our Italian subsidiary CPM donated €22,000 to a local hospital to help during the corona crisis. Our Indian Dürr subsidiary financed an ambulance with a donation of approximately €10,000 in 2020. It went to an organization for mobile outpatient services that takes care of homeless people in the greater Chennai area.

With its "HOMAG Cares" initiative, the HOMAG Group has been providing donations in kind and cash for over ten years. HOMAG supports charitable organizations around the globe. In 2020, for examples, HOMAG Cares donated €3,000 to the support association for children with cancer

#### EXPENSE FOR DONATIONS AND SPONSORSHIPS

(ROUNDED TO € THOUSAND)

	2020	2019	2018
Donations <sup>1</sup>	360	435	390
Sponsorship	138	308	394
<b>Total</b>	<b>498</b>	<b>743</b>	<b>784</b>

<sup>1</sup> Including membership fees to registered non-profit associations

"Förderverein für krebskranke Kinder Tübingen e.V." On its first "Social Day" in October 2020, HOMAG supported the SOS Children's Village Württemberg in Schorndorf.

In 2020, we donated a total of €498 thousand for charitable purposes (previous year: €743 thousand).



**DONATED FOR CHARITABLE PURPOSES IN 2020**



We are currently working on a new Group-wide orientation for our donation activities. This includes, among other things, a major funding project that we intend to support over the long term.

# SUSTAINABILITY GOALS

STRATEGIC GOALS	SELECTED MEASURES	PROGRESS	TARGET DATE
 <b>MANAGEMENT AND GOVERNANCE</b>			
<b>Corporate Security and Risk Management</b>			
Further development of emergency and crisis management	<ul style="list-style-type: none"> <li>Further development of a structured emergency and crisis management at relevant German locations and establishment of site-specific emergency teams.</li> </ul>		2022
Further development of the Information Security Management System (ISMS)	<ul style="list-style-type: none"> <li>Further development of the Group-wide ISMS and continuation of the international roll-out of TISAX® certifications at selected locations of the Dürr Group.</li> </ul>		2023
Integration of sustainability in risk and business continuity management	<ul style="list-style-type: none"> <li>Stronger integration of sustainability aspects in the Group-wide risk and business continuity management, and performance of scenario and impact analyses.</li> </ul>		2022
<b>Responsible Corporate Governance</b>			
Revision of the Group-wide Code of Conduct	<ul style="list-style-type: none"> <li>Comprehensive revision of the Group-wide Code of Conduct.</li> </ul>		2021
Sustainable Corporate Financing	<ul style="list-style-type: none"> <li>Consistent integration of sustainability components in future, long-term corporate financing, provided it is effective and feasible.</li> </ul>	ongoing	-
Conduct external stakeholder surveys	<ul style="list-style-type: none"> <li>Validation of the materiality analysis carried out internally in 2020 by means of a comprehensive external stakeholder survey of our customers and investors.</li> <li>Direct customer dialog on current and future sustainability requirements.</li> </ul>	ongoing	-
Expansion of internal and external communication	<ul style="list-style-type: none"> <li>Expansion of internal employee information on sustainability initiatives.</li> <li>Revision and regular updating of the internet profile of the Dürr Group and the sub-groups Dürr Systems, Schenck and HOMAG on sustainability.</li> </ul>		2021
<b>Compliance</b>			
Compliance	<ul style="list-style-type: none"> <li>Standardization of processes and procedures for business partner compliance.</li> <li>Implementation of compliance refresher courses for the basic modules "antitrust legislation" and "anti-corruption".</li> </ul>		2022
 <b>PRODUCTS AND SERVICES</b>			
<b>Sustainable products and services</b>			
Labeling of sustainable products and solutions	<ul style="list-style-type: none"> <li>Labeling of selected sustainable products and solutions in the Dürr Group with the "Dürr Group Sustainability Logo" based on the published technical screening criteria of the TEG within the framework of the EU Taxonomy.</li> </ul>		2022
Expansion of the product portfolio with sustainable solutions	<ul style="list-style-type: none"> <li>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.</li> </ul>	ongoing	-

STRATEGIC GOALS	SELECTED MEASURES	PROGRESS	TARGET DATE
Digital solutions related to sustainability	<ul style="list-style-type: none"> <li>Ongoing development of our digital solutions to enhance overall plant efficiency and improve energy and resource requirements in production.</li> </ul>	ongoing	-
Service portfolio in existing plants	<ul style="list-style-type: none"> <li>Expansion of our service portfolio to enhance energy and resource efficiency of our products in existing plants during use phase.</li> </ul>	ongoing	-
<b>Customer Satisfaction</b>			
Expansion of Group-wide customer surveys	<ul style="list-style-type: none"> <li>Expansion of regular surveys on global customer satisfaction also considering the digital product portfolio of the Dürr Group.</li> <li>Increase in the number of customer surveys in the sub-groups HOMAG and Schenck.</li> </ul>		2021
<b>VALUE CREATION AND SUPPLY CHAIN</b>			
<b>Climate strategy and internal energy and resource efficiency</b>			
Development of a Group-wide climate strategy	<ul style="list-style-type: none"> <li>Preparation of a holistic greenhouse gas balance for the Dürr Group according to the Greenhouse Gas Protocol.</li> <li>Publication of a Group-wide climate strategy in line with the Paris Climate Agreement and derivation of concrete reduction goals.</li> </ul>		2021
Assessment of product emissions (Scope 3)	<ul style="list-style-type: none"> <li>Division-specific assessment of product emissions in the upstream value chain (suppliers) and in the product use phase.</li> </ul>		2021
Site certification in accordance with ISO 14001	<ul style="list-style-type: none"> <li>Expansion of global environmental certifications in accordance with ISO 14001 at our Group-wide production and assembly sites and all sites with technical centers and/or hazardous substances.</li> </ul>	ongoing	-
<b>Sustainable supply chain</b>			
Revision of the Code of Conduct for suppliers	<ul style="list-style-type: none"> <li>Comprehensive revision of the globally valid supplier Code of Conduct including process definition for a future mandatory written commitment by our core suppliers to the Code of Conduct when awarding orders.</li> </ul>		2021
Group-wide risk analysis of direct suppliers	<ul style="list-style-type: none"> <li>Development of a system-based risk classification of our global direct suppliers taking into account social and environmental aspects.</li> <li>Definition of minimum criteria for risk suppliers as a prerequisite for future award of orders.</li> </ul>		2021/2022
Worldwide supplier assessments and trainings	<ul style="list-style-type: none"> <li>Expansion of global supplier evaluations through the systematic use of self-assessment questionnaires and on-site audits.</li> <li>Development of a global e-learning module for dedicated training of selected core suppliers on sustainability aspects (social and environmental).</li> </ul>		2022
Active participation in current initiatives	<ul style="list-style-type: none"> <li>Active participation in current initiatives, including the "VDMA NAP Sector Initiative" and the "Drive+" initiative recently established in January 2021.</li> </ul>	ongoing	-

## STRATEGIC GOALS

## SELECTED MEASURES

## PROGRESS

## TARGET DATE



## EMPLOYEES AND QUALIFICATION

## People development and further training

Internationalization of people development and further training

- Internationalization of the Group-wide learning platform Dürr Group Academy (DGA) and revamp of a global training program for managers.
- Internationalization of the "Dürr Group Graduate Program" in the field of finance.



2021

## Health and safety

Site certification in accordance with ISO 45001

- Global certification of all locations in the sub-groups Dürr Systems and Schenck with a sales volume > €25 million with the ISO 45001 health and safety standard.



2021

Health and safety

- Limitation of the annual Group-wide accident rate to a maximum of 12 accidents per 1,000 employees
- Documentation of at least 10 major near miss reports in case more than 15 serious accidents have been recorded annually.
- Performance and documentation of at least 400 global safety audits.

ongoing

-

Group-wide guideline "Health and Safety"

- Comprehensive revision of the Group-wide guideline "Health and Safety".



2021

## Attractive employer

Establishment of Group-wide ideas management

- Selection of an IT tool for carrying out and tracking internal ideas campaigns.
- Definition of internal processes and responsibilities for sustainable establishment of Group-wide ideas management.
- Rollout of ideas management at selected locations of the Dürr Group.



2022

Follow-up process to the last employee survey in 2019

- Continuation of the rolling improvement measures (focus topics: processes / cross-functional cooperation, knowledge of strategy and performance-related development opportunities) as part of the follow-up process of the employee survey in 2019.



2021



## ENGAGEMENT AND SOCIETY

## Donations and sponsorship

Donation guideline and sponsorship project

- Revision of the Group-wide donation guideline.
- Selection of a Group-wide social project for funding over the long term.



2021

# GLOSSARY

## Atomizer

Atomizers provide a uniform spray pattern for the paint application.

## Augmented reality

In “augmented reality”, the actual environment is mostly seen through special glasses or a smartphone camera. Special software enables users to view additionally displayed information or images on top of the real environment. Examples for use include training or service activities.

## Balancing technology

Rotating components such as wheels and turbines must be tested for imbalances. Any imbalances are then removed since they would otherwise cause vibrations or oscillations.

## Business continuity management

Holistic management process for continuation of critical business processes after an emergency situation has occurred or during the course of disturbances over an extended period of time.

## CO<sub>2</sub>

Carbon dioxide—designated as a » [greenhouse gas](#)—that is generated during the combustion of hydrocarbon energy sources like oil, coal and natural gas and that verifiably contributes to climate change.

## Compliance

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

## Convertible bond

Corporate bonds that can be converted into shares.

## Corporate governance

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

## Diversity

In the corporate context it refers to the diversity of people in relation to gender, skin color, provenance/nationality, religious faith, world view, sexual orientation, etc.

## EBIT

Earnings before interest and taxes

## Emerging markets

Developing nations and emerging countries

## Energy efficiency

The ratio of the quantity of the energy used compared with a defined use—for example the electricity consumption as a ratio of the performance of a machine.

## EU Taxonomy

Specification of requirements defining environmental characteristics of products drawn up as part of the European Union’s » [Green Deal](#)—is at the date of publication of the report still in the consultation phase.

## 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 see » [Green Deal](#).

## 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.

## 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.

### 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.

### NGO

Non-governmental organization—a civil society association of interest

### 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](#))

### Paris Climate Agreement

Agreement under the auspices of the United Nations that was concluded at the climate negotiations in Paris in 2015. The aim is to limit warming of the earth's atmosphere to significantly less than 2°C—a reduction of 1.5°C is targeted—by comparison with the pre-industrial era.

### Schuldschein loan

A credit or 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.

### Skillet platform

A push platform that is flush-floor or mounted on decking and that conveys the car body being constructed from one assembly station to the next in automotive plants.

### 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.

### STS BREF

Reference document describing the best available techniques for surface treatment with solvents. The abbreviation stands for "Surface treatment using organic solvents including wood and wood products preservation with chemicals—Best available techniques reference document".

### Sustainable Development Goals (SDGs)

» [Goals for sustainable development of the United Nations](#)—17 goals with 169 sub-goals of the "Agenda 2030" adopted in 2015.

### Sustainable Finance

Generic term for political efforts to align the financial market with sustainable criteria and thereby indirectly the real economy. The European Union is pursuing a » [sustainable finance action plan](#), and the German Federal Government has set up a » [Sustainable Finance Advisory Council](#).

### Syndicated loan

A loan granted by at least two banks at the same conditions.

### Transition risks

Risks for companies which result from climate change, although they do not relate directly to the physical consequences of climate change (temperature increase, increased storms, etc.), but to combatting climate change by political means in the form of greater regulation, CO<sub>2</sub> prices, etc., which are intended to structure the transition to a low CO<sub>2</sub> future.

### VOC—Volatile organic compounds

Compounds containing carbon that form gases at room temperature, i.e. they are "volatile". These include solvents.

# GRI CONTENT INDEX

THE "DÜRR GROUP SUSTAINABILITY REPORT" WAS AVAILABLE TO THE GLOBAL REPORTING INITIATIVE (GRI) FOR PERFORMANCE OF THE GRI MATERIALITY DISCLOSURES SERVICE. THE GRI SERVICES TEAM REVIEWED THAT THE »MATERIALITY DISCLOSURES« (102-40 – 102-49) IN THE REPORT ALIGN WITH APPROPRIATE SECTIONS IN THE TEXT OF THE REPORT. THIS SERVICE WAS PERFORMED ON THE GERMAN VERSION OF THE REPORT.



## GENERAL DISCLOSURES

	PAGE	COMMENT
<b>GRI 101</b> Foundation 2016		
<b>GRI 102</b> General disclosures 2016		
<b>Organizational profile</b>		
GRI 102-1 Name of the organization	8	
GRI 102-2 Activities, brands, products, and services	8-10	
GRI 102-3 Location of headquarters	8	
GRI 102-4 Location of operations	8	
GRI 102-5 Ownership and legal form	23	
GRI 102-6 Markets served	8-10	
GRI 102-7 Scale of the organization	9, 45; AR <sup>1</sup> 118	
GRI 102-8 Information on employees and other workers	49	
GRI 102-9 Supply chain	43	
GRI 102-10 Significant changes to the organization and its supply chain		No significant changes in the reporting period.
GRI 102-11 Precautionary Principle or approach	17, 24, 58	
GRI 102-12 External initiatives	2, 12, 18/19, 23, 58	
GRI 102-13 Membership of associations	19	
<b>Strategy</b>		
GRI 102-14 Statement from senior decision-maker	4/5	
GRI 102-15 Key impacts, risks, and opportunities	10/11, 12-14, 17, 20-23, 27, 60-62	

<sup>1</sup> AR = Annual Report 2020

## GENERAL DISCLOSURES

	PAGE	COMMENT
<b>Ethics and integrity</b>		
GRI 102-16 Values, principles, standards, and norms of behavior	24, 44, 52	
<b>Governance</b>		
GRI 102-18 Governance structure	14, 16, 23	
<b>Stakeholder engagement</b>		
GRI 102-40 List of stakeholder groups	18	
GRI 102-41 Collective bargaining agreements	49	
GRI 102-42 Identifying and selecting stakeholders	18	
GRI 102-43 Approach to stakeholder engagement	14, 18/19, 36, 54	
GRI 102-44 Key topics and concerns raised	2, 15	
<b>Reporting practice</b>		
GRI 102-45 Entities included in the consolidated financial statements	2	A list of all Group shareholdings and subsidiaries of the Dürr Group is provided in the <a href="#">» Annual Report 2020, pages 209 et seq.</a>
GRI 102-46 Defining report content and topic Boundaries	14	
GRI 102-47 List of material topics	15	
GRI 102-48 Restatements of information	42, 48	
GRI 102-49 Changes in reporting		None, since this is the first report.
GRI 102-50 Reporting period	2	
GRI 102-51 Date of most recent report		None, since this is the first report.
GRI 102-52 Reporting cycle	2	
GRI 102-53 Contact point for questions regarding the report	18, 71	
GRI 102-54 Claims of reporting in accordance with the GRI Standards	2	
GRI 102-55 GRI content index	65-70	
GRI 102-56 External assurance		The report is not externally assured.

**MATERIAL TOPICS**

	<b>PAGE</b>	<b>COMMENT</b>
<b>GRI 201 Economic Performance 2016</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	23, 58	
GRI 201-1 Direct economic value generated and distributed	9, 55, 58/59; AR <sup>1</sup> 117	
GRI 201-2 Financial implications and other risks and opportunities due to climate change	17	
GRI 201-4 Financial assistance received from government	31	
<b>GRI 203 Indirect Economic Impacts 2016</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	55, 58	
GRI 203-1 Infrastructure investments and services supported	56/57, 59	
<b>GRI 204 Procurement Practices 2016</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	10, 43/44	
GRI 204-1 Proportion of spending on local suppliers	10	Quantified disclosures and recording not yet available. We will report on this in the future.
<b>GRI 205 Anti-corruption 2016</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	24, 58	
GRI 205-2 Communication and training about anti-corruption policies and procedures	24	
GRI 205-3 Confirmed incidents of corruption and actions taken	24	
<b>GRI 206 Anti-competitive Behavior 2016</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	24	
GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	24	
<b>GRI 207 Tax Standard 2019</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	23	
GRI 207-1 Approach to tax	23	
GRI 207-2 Tax governance, control and risk management	23	
GRI 207-3 Stakeholder engagement and management concerns related to tax	23	
GRI 207-4 Country-by-country reporting		A detailed presentation of country-by-country reporting has been omitted, as the disclosure of this data would reveal information relevant to competition. All legally required information on income taxes is provided in our group management report and consolidated financial statements » <a href="#">Annual Report 2020, pages 148 et seq.</a>
<b>GRI 301 Materials 2016</b>		
GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)	37, 40/41	
GRI 301-1 Materials used by weight and volume	44	By the end of 2021, the commodity group specification for the entire Dürr Group will be harmonized and a comprehensive SRM system will be introduced. We will report on this from 2023 onwards.

<sup>1</sup> AR = Annual Report 2020

**MATERIAL TOPICS**

		PAGE	COMMENT
<b>GRI 302</b>	<b>Energy 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	12, 30/31, 37, 40/41	
GRI 302-1	Energy consumption within the organization	41	
GRI 302-3	Energy intensity	41	
GRI 302-4	Reduction of energy consumption	41	
GRI 302-5	Reductions in energy requirements of products and services	12, 32	
<b>GRI 303</b>	<b>Water and Effluents 2018</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	37, 40-42	
GRI 303-1	Interactions with water as a shared resource	42	
GRI 303-2	Management of water discharge-related impacts	42	
GRI 303-3	Water withdrawal	42	
<b>GRI 305</b>	<b>Emissions 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	13, 30, 32/33, 37, 40-42	
GRI 305-1	Direct (Scope 1) GHG emissions	42	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	42	
GRI 305-3	Other indirect (Scope 3) GHG emissions	42	
GRI 305-4	GHG emissions intensity	42	
GRI 305-5	Reduction of GHG emissions	32, 41, 43	
GRI 305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	42	
<b>GRI 306</b>	<b>Waste 2020</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	11, 13, 37, 40/41	
GRI 306-1	Waste generation and significant waste-related impacts	13, 42/43	
GRI 306-2	Management of significant waste-related impacts	42/43	
GRI 306-3	Waste generated	42	
<b>GRI 307</b>	<b>Environmental Compliance 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	37, 40	
GRI 307-1	Non-compliance with environmental laws and regulations		No incidents were notified during the reporting year.
<b>GRI 308</b>	<b>Supplier Environmental Assessment 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	37, 41, 43/44	
GRI 308-1	New suppliers that were screened using environmental criteria	43	A valid number of suppliers cannot yet be disclosed. We will address this topic in the course of the revision of our current supply chain strategy. We will report on this from 2023 onwards.

**MATERIAL TOPICS****PAGE****COMMENT****GRI 401 Employment 2016**

GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)

45, 48, 53

GRI 401-1 New employee hires and employee turnover

48/49

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

53

**GRI 402 Labor/Management Relations 2016**

GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)

49

GRI 402-1 Minimum notice periods regarding operational changes

49

**GRI 403 Occupational Health and Safety 2018**

GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)

13, 16, 52

GRI 403-1 Occupational health and safety management system

13, 16, 53

GRI 403-2 Hazard identification, risk assessment, and incident investigation

53

GRI 403-3 Occupational health services

53

GRI 403-4 Worker participation, consultation, and communication on occupational health and safety

53

GRI 403-5 Worker training on occupational health and safety

53

GRI 403-6 Promotion of worker health

53/54

GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

30

GRI 403-8 Workers covered by an occupational health and safety management system

13, 16, 53

GRI 403-9 Work-related injuries

13, 53

**GRI 404 Training and Education 2016**

GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)

13, 45, 49/50

GRI 404-1 Average hours of training per year per employee

50

We are currently unable to give a valid figure for the average number of hours spent on training. We report on the trainings attended and the participation rate.

GRI 404-2 Programs for upgrading employee skills and transition assistance programs

49-51

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

50

**GRI 405 Diversity and Equal Opportunity 2016**

GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)

13, 45, 51/52

GRI 405-1 Diversity of governance bodies and employees

45, 51/52, 54

**GRI 406 Non-discrimination 2016**

GRI 103 Management approach 2016 (including GRI 103-1, 103-2, 103-3)

51/52

GRI 406-1 Incidents of discrimination and corrective actions taken

52

## MATERIAL TOPICS

MATERIAL TOPICS		PAGE	COMMENT
<b>GRI 407</b>	<b>Freedom of Association and Collective Bargaining 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	44, 49, 58	
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	44, 49	
<b>GRI 408</b>	<b>Child Labor 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	44, 58	
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	44	No incidents were notified during the reporting year.
<b>GRI 409</b>	<b>Forced or Compulsory Labor 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	44, 58	
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	44	No incidents were notified during the reporting year.
<b>GRI 412</b>	<b>Human Rights Assessment 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	44	
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	44	No incidents were notified during the reporting year.
<b>GRI 414</b>	<b>Supplier Social Assessment 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	13, 43/44	
GRI 414-1	New suppliers that were screened using social criteria	43	A valid number of suppliers cannot yet be disclosed. We will address this topic in the course of the revision of our current supply chain strategy. We will report on this from 2023.
<b>GRI 416</b>	<b>Customer Health and Safety 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	30	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	30	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents were notified during the reporting year.
<b>GRI 418</b>	<b>Customer Privacy 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	24/25	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		The total number of substantiated complaints cannot be validly stated at present. We will report on this in the future.
<b>GRI 419</b>	<b>Socioeconomic Compliance 2016</b>		
GRI 103	Management approach 2016 (including GRI 103-1, 103-2, 103-3)	24	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area		No incidents were notified during the reporting year.

# CONTACT

Please contact us for further information.

**Dürr AG****Corporate Sustainability**

Carl-Benz-Straße 34  
74321 Bietigheim-Bissingen  
Germany  
Phone +49 7142 78 - 4387  
Fax +49 7142 78 - 2809  
sustainability@durr.com  
www.durr-group.com

**Published by**

Dürr AG, Carl-Benz-Straße 34  
74321 Bietigheim-Bissingen  
Germany

**Concept**

akzente kommunikation und beratung gmbh, Munich, Germany

**Editing**

akzente kommunikation und beratung gmbh, Munich, Germany  
Dürr AG, Bietigheim-Bissingen, Germany

**Design**

akzente kommunikation und beratung gmbh, Munich, Germany  
Kirchhoff Consult, Hamburg, Germany

**Photography**

Sascha Feuster

The English translation of our 2020 Sustainability Report is based on the German version. The German version is authoritative.

