

SUSTAINABILITY REPORT 2019



THE DÜRR GROUP

The Dürr Group is one of the world's leading mechanical and plant engineering firms. Business with automotive manufacturers and their suppliers accounts for 53 % of our sales of € 3.92 billion. Other customer segments include the wood-working industry and the mechanical engineering sector as well as the chemical and pharmaceutical industries.

Our five divisions

PAINT AND FINAL ASSEMBLY SYSTEMS

- Paint shops
- Final assembly systems
- Filling technology automotive¹
- Assembly technology¹
- Testing technology¹

€ 1,243.8 M
SALES

€ 64.5 M
OPERATING EBIT

3,634
EMPLOYEES



APPLICATION TECHNOLOGY

- Paint application technology
- Glueing technology
- Sealing technology

€ 592.8 M
SALES

€ 63.3 M
OPERATING EBIT

2,306
EMPLOYEES



CLEAN TECHNOLOGY SYSTEMS

- Air pollution control
- Noise abatement systems
- Coating systems for battery electrodes

€ 395.3 M
SALES

€ 23.3 M
OPERATING EBIT

1,418
EMPLOYEES



MEASURING AND PROCESS SYSTEMS

- Balancing technology
- Filling technology industrial
- Filling technology automotive¹
- Assembly technology¹
- Testing technology¹

€ 410.4 M
SALES

€ 40.2 M
OPERATING EBIT

2,293
EMPLOYEES



WOODWORKING MACHINERY AND SYSTEMS

- Machinery and equipment for the woodworking industry

€ 1,279.1 M
SALES

€ 82.7 M
OPERATING EBIT

6,569
EMPLOYEES



¹ Filling technology automotive, assembly technology and testing technology formed part of the Measuring and Process Systems division until December 31, 2019. They were transferred to Paint and Final Assembly Systems as of January 1, 2020.

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SUSTAINABILITY REPORT 2019

NFD

Dürr Group and business model

PROFILE

The Dürr Group is one of the global leaders in mechanical and plant engineering. We are home to outstanding expertise in the digitalization and automation of industrial manufacturing processes. Our machines, plant and services stand for production efficiency and sustainability, whether in the automotive industry, which is responsible for 53 % of our sales, or in other sectors such as the woodworking, mechanical engineering, chemical, pharmaceutical and electrical/electronic engineering industries. We run 112 sites in 34 countries. We operate globally with our Dürr, Schenck and HOMAG brands. In addition to North America and Western Europe, we are also strongly represented in the emerging markets¹. These accounted for 41 % of our order intake and 45 % of our sales in fiscal 2019.

GROUP ORGANIZATIONAL STRUCTURE

Dürr AG is the Group's management holding company. It holds – directly or indirectly – the investments in the Group companies and handles central tasks such as financing, controlling and accounting, as well as legal affairs, taxation, internal auditing, corporate communication and human resources management. Together with Dürr Technologies GmbH and Dürr International GmbH, which act as holding companies for equity interests, plus Dürr IT Service GmbH, Dürr AG forms the Corporate Center. Within the Dürr Group, there are the three sub-groups, Dürr Systems, Schenck and HOMAG, to which five divisions with their operating businesses are assigned. The divisions form the reportable segments within the meaning of the IFRS:

- Paint and Final Assembly Systems
- Application Technology
- Clean Technology Systems
- Measuring and Process Systems
- Woodworking Machinery and Systems

NFD

1 — GROUP STRUCTURE

Management-Holding	Dürr AG				
Sub-groups	Dürr Systems		Schenck		HOMAG
Divisions	Paint and Final Assembly Systems	Application Technology	Clean Technology Systems	Measuring and Process Systems	Woodworking Machinery and Systems

¹ Asia (excluding Japan), South and Central America, Africa, Eastern Europe

BUSINESS MODEL

Our core competence is the engineering of efficient production technology. We support our customers with everything ranging from individual machines to turnkey manufacturing systems. In response to Industry 4.0, we are expanding our offering related to the digital networking and control of production systems.

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:

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

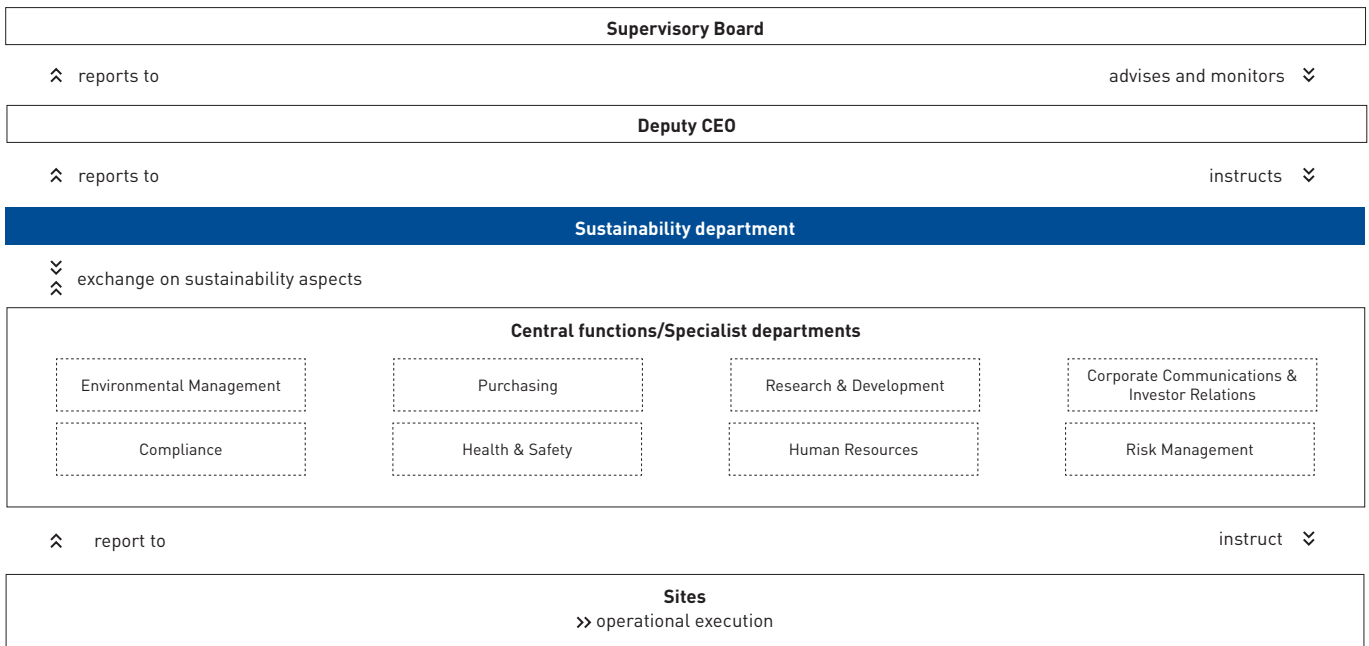
We are globally active in niche markets, in which we are the largest supplier, with market shares ranging from 25 to 50 %. 58 % of Group sales are attributable to mechanical engineering and 42 % to plant engineering. In mechanical engineering, we aim for EBIT margins of 10 to 12 %; in plant engineering, the target margin is 6 to 7 %. In terms of return on capital employed (ROCE), our plant engineering business achieves higher figures, in some cases in excess of 100 %, since the capital employed there is very low. In mechanical engineering operations, we aim for ROCE of 15 to 25 %. Our business model allows us on principle to achieve high operating cash flows and free cash flows.

Fundamentals sustainability

ORGANIZATION

Our economic activities are consistent with ecological and social concerns and the principles of responsible corporate governance. We are committed to the ten principles of the UN Global Compact.

2 — PLAYERS AND RESPONSIBILITIES IN THE AREA OF SUSTAINABILITY



Our activities and results in the area of sustainability are regularly evaluated by CSR initiatives and rating agencies such as the Carbon Disclosure Project (CDP) and EcoVadis. In 2019, corporate financing was one of the priorities of our sustainability efforts: The interest rates of our new Schuldschein loan and the new syndicated loan are in part linked to the Dürr Group's sustainability rating as determined by EcoVadis.

Corporate Sustainability was added to the remit of Dr. Jochen Weyrauch on Dürr AG's Board of Management on March 1, 2020. Prior to this, CFO Carlo Crosetto had been responsible for the sustainability function. The framework for action is defined by various Group-wide provisions. Measures and initiatives aimed at greater sustainability are usually planned centrally in consultation with the Board of Management and implemented decentrally.

Our sustainability reporting does not yet follow any framework. We plan on providing more comprehensive information regarding sustainability issues in the Dürr Group and on publishing an independent sustainability report in compliance with the standards of the Global Reporting Initiative (GRI) in the future.

MATERIALITY ANALYSIS

In 2017, we analyzed various non-financial matters in internal workshops and identified seven matters which are material for us:

- Innovation
- Compliance/anti-corruption
- Human rights
- People development and further training
- Health and safety
- Employee satisfaction/retention
- Employee recruitment

We review the material issues in regular discussions with the Group's specialist departments. In doing so, we consider the relevance of the issues for our business on the one hand and assess the impacts of our business operations on the issues on the other.

Following our review, we still regard the matter of the environment, which is required by the CSR Directive Implementation Act (CSR DIA), as non-material. This relates both to the relevance of environmental aspects to our activities and to the impacts of our business operations and our supply chain on the environment. Our core competences are engineering, construction, planning and order execution. These processes entail relatively low environmental impacts. Conversely, the value added as a result of production processes that are usually associated with relatively high impacts is comparatively low. We also classify the aspect of social matters as non-material.

NON-FINANCIAL DECLARATION

The non-financial consolidated declaration in accordance with Section 315b (1) of Germany's Commercial Code (HGB) is an integral part of the annual report 2019 and is spread across several chapters of the [management report](#) → [from page 19](#). The content of the non-financial consolidated declaration is marked in the relevant chapters with a line in the margin and the abbreviation NFD. The non-financial consolidated declaration did not form part of the audit of the annual and consolidated financial statements by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. At the request of Dürr AG, however, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft performed an audit of the non-financial consolidated declaration in order to obtain limited assurance in accordance with the ISAE 3000 (revised) auditing standard.

Innovation/Research and development

R&D GOALS

Our R&D work aims to deliver innovations that help our customers achieve maximum production efficiency while lowering per-item costs. In addition, we wish to set ourselves apart from our competitors and safeguard our market-leading position. Great importance is attached to innovations as part of our digital@DÜRR digital strategy.

R&D KEY FIGURES AND EMPLOYEES

As part of our measures to secure earnings, we reduced direct R&D expenditure in 2019 by 8.4 % to € 110.8 million. However, no cutbacks were made in strategically important areas of innovation, such as digitalization. The R&D ratio reached 2.8 %, compared to 3.1 % in the previous year. Order-related development costs are contained in the sales costs rather than the direct R&D costs. Capitalized development costs and their amortization totaled € 19.0 million and € 9.1 million (2018: € 14.5 million and € 9.9 million), respectively. Measured against the direct R&D costs, a capitalization rate of 17.1 % was achieved (2018: 12.0 %).

The proportion of the workforce engaged in R&D operations was 4.8 % at year's end 2019, corresponding to 789 employees (December 31, 2018: 782). We carry out R&D activities at sites in Europe, the Americas and China. Almost 90 % of R&D staff are employed in Germany. Numerous other experts work on new solutions as part of customer orders outside the R&D departments.

Responsibility for R&D lies with the five divisions. The "R&D/Tech-nology" cross-functional team coordinates cross-divisional R&D

activities and reports to the CEO. Processes and detailed issues relating to R&D work are governed by guidelines in the divisions. Developing new solutions represents around 70 % of our R&D expenditure, while some 30 % goes on maintaining existing products. Our R&D work generally focuses on specific products and applications. Basic research plays only a minor role.

3 — R&D KEY FIGURES

		2019	2018	2017
Group R&D ratio	%	2.8	3.1	3.1
Paint and Final Assembly Systems	%	1.5	1.3	1.1
Application Technology	%	4.6	4.0	4.1
Clean Technology Systems	%	1.2	2.6	2.0
Measuring and Process Systems	%	2.6	2.1	1.8
Woodworking Machinery and Systems	%	3.9	4.9	5.2
Capitalized development costs	€ million	19.0	14.5	9.6
Amortization of capitalized development costs	€ million	-9.1	-9.9	-12.7
R&D employees (Dec. 31)		789	782	713
R&D personnel costs	€ million	-79.3	-77.7	-69.1

NEW DEVELOPMENTS AND PATENTS

49 product innovations were completed in 2019. The number of patent families increased to 1,250, and the number of individual patents to 6,861 (December 31, 2018: 1,224 and 6,651). At 38 %, the Application Technology division is responsible for the largest proportion of our patents. The costs for protecting our intellectual property rose to € 9.3 million in 2019 (2018: € 7.6 million), as we had to rely increasingly on external support.

4 — R&D EMPLOYEES (DECEMBER 31)

	Group	Paint and Final Assembly Systems	Application Technology	Clean Technology Systems	Measuring and Process Systems	Woodworking Machinery and Systems
Total	789	79	183	34	77	416
% of divisional workforce	4.8	2.2	7.9	2.4	3.4	6.3

COLLABORATIVE RESEARCH AND BOUGHT-IN R&D SERVICES

Close contacts with scientific institutions and development partners guarantee that leading-edge R&D is conducted. Expenditure on externally sourced R&D services in fiscal 2019 came to € 42.2 million (2018: € 47.7 million). We received state research grants to the sum of € 0.2 million; this represents 0.2 % 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:

- **Digitalization/Industrial Internet of Things (IIoT):** The dominant trend in manufacturing technology is digitalization. This increases our customers' overall equipment effectiveness and enables adaptive manufacturing processes. One focus in the year under review was on smart applications, including digital maintenance assistants and analytics software for quality improvement. The use of artificial intelligence is playing an increasingly important role.
- **Increased flexibility:** Our customers need flexible production lines to be able to offer a wide diversity of models and variants. In doing so, we work on solutions that bypass rigid process chains and can be easily expanded.
- **Sustainability:** Consumers are increasingly opting for goods that have been produced in environmentally compatible processes, and the public is also looking more and more at the ecological footprint of producers. Energy and resource efficiency is therefore not only a cost issue for our customers. Several car manufacturers have set themselves targets for when they plan on achieving CO₂-neutral production.
- **Customization/batch size 1:** We are seeing growing interest in systems that enable individually configured end products to be manufactured efficiently on automated lines.
- **Optimization of per-unit cost:** 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.

- **Automation:** Maximum automation is the key to reproducible top quality and efficiency in industrial production. Our customers still have a great deal of potential for automation.
- **Electromobility:** There are differences in the final assembly of battery-powered vehicles and conventional cars – for example when connecting the power train and the body or during end-of-line performance testing. We are therefore developing assembly and testing technology specifically for electric vehicles. We are also aligning our painting solutions to the special requirements of the electric vehicle industry.
- **Autonomous driving:** Modern vehicles have an increasing number of driver assistance systems installed; the automotive industry is also working flat out on concepts for driverless vehicles. Highly sensitive automated test systems are crucial for testing and calibrating the required technology, for example sensors, during mass production.

R&D RESULTS

Paint and Final Assembly Systems

The painting line of the future breaks with traditional painting processes: Flexible individual boxes for the application of paint replace rigid line concepts whose cycle times are always based on the largest model and the paint with the longest application time. The modular box concept makes car manufacturers more flexible, as it facilitates the painting of different models in one paint shop. In addition, it enables the straightforward expansion of capacities according to customer requirements.

EcoProFleet, the world's first automated guided vehicle system specifically for paint shops, is available to complement the above. The freely controllable system transports vehicle bodies flexibly to the individual processing stations. It is precisely adapted to the requirements of the painting environment.

Application Technology

With EcoPaintJet Pro, Application Technology has taken the application of paint without overspray to the next level. The approximately 50 nozzles of the applicator have a diameter of about one tenth of a millimeter and can be controlled individually. This opens up even more possibilities for product customization, such as the sharp application of two colors onto a vehicle roof. As with a digital printer, the automatic application of lettering and logos can also be achieved.

Targeted maintenance and improved quality: Thanks to historical data and artificial intelligence, it is now possible to make concrete statements, for example about service requirements. The software DXQequipment.analytics – Advanced Analytics increases the availability and thus the efficiency of the painting robots.

Clean Technology Systems

Clean Technology Systems continues to drive the improvement in the emissions balance of its exhaust-air purification systems. The newly designed TARcom VII burner generation will further reduce nitrogen oxide emissions and thus enable compliance with more demanding limits.

Measuring and Process Systems

We have bundled digital innovations in balancing technology under the umbrella of the new digital brand, Schenck ONE. The Smart-Cockpit app makes the information of the connected machines centrally available and thus helps to increase productivity in production. Thanks to the MaintenanceCenter maintenance application, customers can plan and document their service work and thus gain a simple overview of the condition and maintenance history of their machines.

With the x-3Dsurface test stand, the vehicle geometry can be measured even more precisely and quickly at the end of the line. Vehicle manufacturers can now flexibly define measuring ranges and also inspect complex tire and body shapes with high precision. The retrofitting of existing test systems is possible without difficulty.

We have developed new digital applications in filling technology. For example, they help to manage vehicle-specific parameters and to verify that filling is performed correctly. Thanks to the analysis of historical data, the causes of errors can be detected and eliminated more quickly.

Woodworking Machinery and Systems

Woodworking Machinery and Systems (HOMAG Group) has developed easy-to-implement digitalization concepts for woodworking shops and medium-sized furniture manufacturers. Of particular importance in this regard are intuitive assistance apps and – for medium-sized companies – the TRANSBOT automated guided vehicle system, which transports workpieces between processingstations.

The fully automatic multifunctional bridge WALLTEQ M-380 with integrated blow-in plate has been developed for prefabricated house construction. It can be used to fill wooden elements with insulating materials. Thanks to the digital interface for work preparation, the

machine adapts the filling process exactly to the respective element. In contrast to manual filling, this reduces processing times, waste and dust exposure, thus increasing efficiency and protecting the environment and workers.

DÜRR TECHNOLOGY COUNCIL

The Dürr Technology Council advises the Board of Management on questions of technology strategy. The Council brings together scientific expertise, consultancy skills and senior management experience in the automotive engineering, automation and IT sectors. Its members are:

- Prof. Dr. Holger Hanselka (Chairman), President of the Karlsruhe Institute of Technology (KIT)
- Ulrich Dietz, Chairman of the Administrative Board of GFT Technologies SE
- Jonathan Guenak, Senior consultant, Roland Berger GmbH
- Dr. Eberhard Veit, former CEO of Festo AG
- Prof. Dr. Thomas Weber, former member of the Board of Management of Daimler AG

The Dürr Technology Council sees its role as a think tank and sparring partner for the Board of Management. It balances our innovation strategy against current trends in production and provides advice on the potential of technologies of the future. The Dürr Technology Council maintains constant contact with the Board of Management and, if necessary, exchanges information with the heads of divisions and managers from R&D, software and corporate development departments. It invites different representatives from this circle and external experts to its meetings.

In 2019, the Dürr Technology Council convened twice. At the first meeting in Darmstadt, the members were given an overview of Schenck’s activities and innovation strategy. The focus was on current product developments, including 3D printing and remote-controlled commissioning of balancing machines. Specialists from the company presented the innovations and then held discussions with the participants. Other topics of the meeting included battery production for electric cars, the ADAMOS joint venture and the modern ways of thinking and working of digital champions.

The second meeting, held at the Karlsruhe Institute of Technology (KIT), initially focused on sustainability aspects of the organizational structure, production, and product development. Another focus was on artificial intelligence, on which, in particular,

professors from different departments of the renowned KIT gave lectures and held discussions with the participants. The members of the Technology Council decided to continue the cooperation with contacts at KIT. The plan is to hold further discussions also on the requirements and opportunities for a consistent sustainability orientation of the organization and of product development.

Integrity

The corporate values of the Dürr Group are:

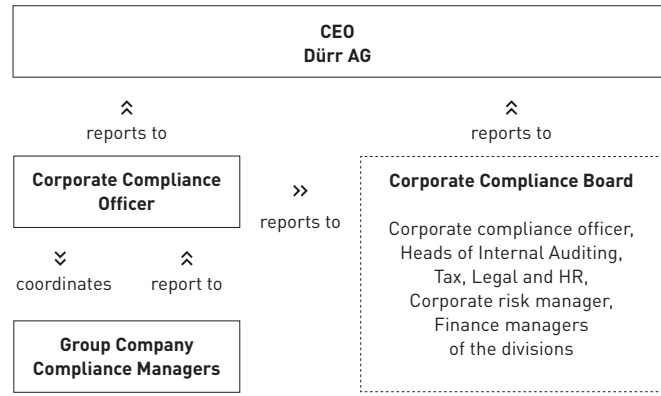
- Creating customer-focused value
- Entrepreneurial thinking and acting
- Innovation and technology
- Guaranteeing sustainability
- Valuing diversity

These five values are the foundation of our relationships with employees, customers, partners and shareholders. They form the basis of our code of conduct, which is available in ten languages. It postulates ethically correct behavior and contains principles for social responsibility and for dealing with business partners, competitors and colleagues. We also expect our suppliers to exercise the due diligence that we require internally. This requirement is set out in the code of conduct for suppliers, which has been a binding part of our contracts with suppliers since 2019.

COMPLIANCE/ANTI-CORRUPTION

Our compliance management system (CMS) provides the framework for action so that all activities in daily business operations can be carried out in accordance with legislation and in-house requirements. A Group-wide organizational instruction on compliance defines responsibilities, communication channels and measures. The central body is the Corporate Compliance Board, whose responsibilities include defining and further developing the compliance management system. Local compliance managers in the Group companies support the employees in meeting compliance requirements. The Corporate Compliance Officer is the contact person in the case of potential compliance violations and notifies the CEO and the Corporate Compliance Board of any concrete grounds for suspicion. The Board examines the need for other steps on a case-by-case basis.

5 — COMPLIANCE MANAGEMENT STRUCTURE



With regular compliance training courses that address the issue of corruption, among other things, we inform our employees and raise their awareness. Employees who face particular exposure because of their job are also required to complete advanced training courses on the subject of corruption and fair competition. Our Group-wide anti-corruption organizational instruction provides employees with a clear code of conduct for their dealings with business partners and in the event of conflicts of interest.

In 2019, we conducted mandatory online compliance training courses throughout the Group, consisting of a basic training course and refresher courses held every two years. Those employees of the Dürr Systems and Schenck sub-groups who had already received basic compliance training in previous years now completed the refresher course; all others completed the basic training. The training was new for HOMAG employees, who also participated in the basic training course.

In our employee survey of fall 2019, around 90 % of participants stated that they were comprehensively informed about compliance issues. Our aim is to prevent the giving and acceptance of bribes from the very outset. No cases of corruption were identified in 2019 and 2018.

HUMAN RIGHTS

It is our aim to ensure that no human rights violations occur in the Dürr Group or at our suppliers. In our code of conduct we have committed ourselves to ensuring that human rights are respected. We do not accept child or forced labor, we are committed to equal opportunities and do not tolerate any form of discrimination. If there is any suspicion of human rights violations of any kind, we check this using the compliance process described.

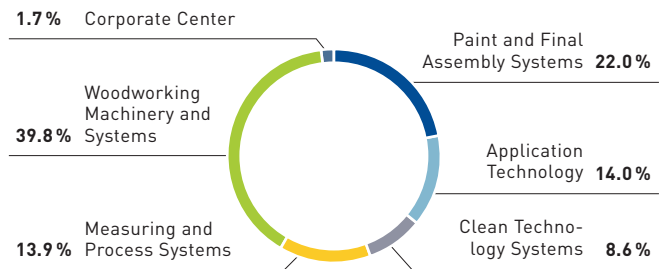
In 2019, we took systematic steps to prevent human rights violations in the supply chain in particular. We purchase the procurement goods and raw materials we need globally. We outsource a great deal of work to suppliers, especially in manufacturing operations. That is why, in the Dürr Systems sub-group, we consider the approach to employee and human rights as early as in the supplier selection process. At Dürr Systems, we monitor compliance with human rights as required by our code of conduct for suppliers by having included criteria on employee and human rights in our supplier audits since 2019. We plan to introduce this concept in other Group companies in the future.

Employees

As at year's end 2019, the number of employees working in the Group was up 1.1%, totaling 16,493 staff (December 31, 2018: 16,312). In Poland and India, we increased our capacities for intra-Group engineering services. Employing external staff enables us to respond to short-term market changes and fluctuations in workload. At year's end 2019, 1,250 external staff were working for the Group, equivalent to 7.6% of our regular workforce.

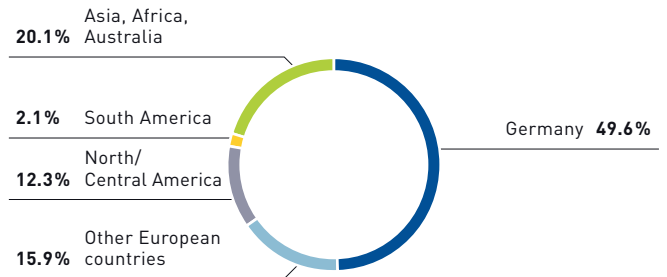
Half of our employees are based in Germany. China has the second largest workforce with almost 2,100 employees and around 320 external staff. The companies in the United States and Poland each account for almost 10% of the Group's workforce. In the emerging markets, the number of employees increased by 2.9% to 5,290 people, equivalent to 32.1% of the total workforce.

6 — EMPLOYEES BY DIVISION (DECEMBER 31)



	2019	2018	2017
Paint and Final Assembly Systems	3,634	3,472	3,457
Application Technology	2,306	2,246	2,063
Clean Technology Systems	1,418	1,472	603
Measuring and Process Systems	2,293	2,279	2,279
Woodworking Machinery and Systems	6,569	6,593	6,371
Corporate Center	273	250	201
Total	16,493	16,312	14,974

7 — EMPLOYEES BY REGION (DECEMBER 31)



	2019	2018	2017
Germany	8,181	8,152	7,830
Other European countries	2,617	2,567	2,361
North/Central America	2,028	2,027	1,394
South America	354	341	313
Asia, Africa, Australia	3,313	3,225	3,076
Total	16,493	16,312	14,974

8 — PERSONNEL KEY FIGURES

	2019	2018	2017
Number of employees (Dec. 31)	16,493	16,312	14,974
of whom apprentices and students at cooperative state universities (Dec. 31)	450	431	420
Proportion of female employees (Dec. 31) (%)	16	16	16
Part-time employees (Dec. 31)	598	507	499
Average length of service (years)	11	11	11
Employee turnover (%)	8.2	9.3	7.7

OUR WORKFORCE

The average age of our workforce is 42. Germany has the oldest workforces, with an average age of 45. China and India, where almost half of the employees are under 35, have the youngest workforces. At 21 %, the proportion of female employees is highest in China, while the percentage for the Group is 16 %. By participating in initiatives such as the Girls' Day, we want to encourage young women to pursue technical apprenticeships and cooperative state university courses, in particular. We are also creating favorable framework conditions throughout the company to better reconcile work and family life, for instance by offering flexible working hours.

47 % of our workforce have a university degree, while 50 % have chosen a non-academic, vocational pathway. There are more than 2,100 employees working in engineering, while 730 staff are responsible for project management – these two areas are particularly relevant for our business. Staff working in assembly and manufacturing form the largest function group, accounting for 31 % of the workforce. Further [personnel key figures](#) can be found in → [table 8](#).

The diversity of our employees has a decisive influence on our corporate culture. Part of this is mutual respect – regardless of background, gender, religion or age. According to our code of conduct, every employee has the right to be treated fairly, politely and respectfully.

PEOPLE DEVELOPMENT AND FURTHER TRAINING

Being an engineering company, we must keep pace with the digital transformation and other technological developments. This is why well-qualified specialists and managers are essential for the success of our company. Our people development and further training programs are designed to:

- prepare employees properly for new tasks, for example in the digitalization field
- ensure the availability of well-qualified managers
- promote the development of young, skilled personnel from the company's own ranks

The Corporate Human Resources department, which reports to the CEO, has overall responsibility for HR issues within the Group. The Corporate People Development department, which is part of Corporate Human Resources, is in charge of people development measures and further training.

The Group-wide, software-based "People Development" process helps us identify, develop and retain potential managers and young talent within our workforce, and to deploy them in the best possible way. At annual people development conferences, people developers and managers share their views on promoting employees with high potential and on internal succession planning. In 2019 we applied this process in all three sub-groups (Dürr Systems, Schenck and HOMAG) and identified 44 employees with high potential. Another topic was the identification of key positions in the Group.

In 2019 we launched the Dürr Group Academy, a central forum for further training. The online training platform, which has replaced the previous system, pools the further training activities of all Group companies and is available in 12 languages. This means all internal, organized training programs can be accessed online by most employees, and training documentation can be stored in a personalized media center.

Aside from online training courses, we also run face-to-face training and seminars. To ensure practice-oriented knowledge transfer, we also use internal specialist trainers. In 2019 the number of face-to-face training sessions held Group-wide dropped to just under 12,300 (2018: around 14,500). This is because, given the difficult market environment and the cost situation, we temporarily put on hold some further training measures. The participation rate stood at 0.7 training sessions per employee (2018: 0.9). Training events

to further build on specialist qualifications accounted for almost half of all attendances. These include training in IT and digitalization as well as technical and commercial expertise. In the digitalization field, we offer training and webinars which provide sales and service employees with the necessary knowledge about new applications.

We have expanded our internationally staffed corporate training events. These were attended by a total of 1,454 employees in 2019 (2018: 1,228). The key topics were leadership, sales and project management as well as technical and commercial knowledge. As part of our corporate training, we offer special training programs for managers: “Fit for Leadership” for young executives and the “Advanced Leadership Program” for experienced managers. Both programs are based on the Dürr Group’s Leadership Skills Model and are designed for international participants from various divisions. The “Fit for Leadership” program was attended by 358 people in 2019 (2018: 584), while the “Advanced Leadership Program” was attended by 223 people (2018: 288). Specially designed for project managers, the “Leadership Project Management Training” was attended by 64 participants in 2019 (2018: 109). The main reason for the lower number of participants in 2019 was that we have been running this training since 2016 and many managers who belong to the target group have already completed it.

HEALTH AND SAFETY

Our divisions’ business models pose various safety risks, which we want to minimize through our health and safety measures. The relevant instructions and requirements for health and safety and accident prevention can be found in our Group-wide and sub-Group-specific health and safety guidelines. Cross-functional teams are responsible for developing these guidelines further and for implementing them globally. All Group companies have local health and safety managers, who implement our standards and processes for health and safety locally. Regular internal audits are performed to ensure that health and safety guidelines and processes at our sites are complied with.

The aim of our health and safety Group strategy, “Striving for Excellence in Safety”, is to ensure the physical health of both our own employees and external staff, and to offer them a safe working environment. This is achieved, in particular, through preventative measures such as regular training and ongoing communication on health and safety topics.

In 2019 we delivered our first online health and safety training, which was compulsory for all Group employees. It replaces or complements the site-specific health and safety instructions and will be repeated on a regular basis. Employees exposed to particular risks receive additional, advanced training. In the case of emergencies while traveling, our employees have access to a professional emergency management service. Information for employees is published on a quarterly basis to raise awareness of health and safety issues. Our Group-wide health and safety reporting supports management in analyzing accidents and serves as a basis for improvement measures.

Going beyond accident prevention, we also ensure our employees’ wellbeing. We organize wellbeing days and offer numerous fitness packages and health-promoting measures, primarily at our German sites. The Group-wide sick leave rate was 3.1 % in 2019 (2018: 3.2 %).

9 — HEALTH AND SAFETY KEY FIGURES

	2019	2018 ¹	2017
Number of work-related accidents ² per thousand employees (including external staff, excluding commuting accidents)	14.1	14.8	12.7
Work-related accidents ² per 100 thousand hours worked (including external staff, excluding commuting accidents)	0.7	0.7	0.6
Work-related accidents ² resulting in death (including external staff)	0	0	0

¹ Figures exclude Megtec/Universal
² A work-related accident is an incident which requires at least medical treatment.

EMPLOYEE SATISFACTION AND RETENTION

Satisfied and motivated employees are key for our company’s success. We position ourselves as an attractive employer and boost our employees’ satisfaction through various offers and benefits. These include performance-based compensation, further training and career opportunities as well as flexible work arrangements relating to employees’ time and attendance, designed to meet our employees’ individual needs. Activities to promote work-life balance, sports, wellbeing and culture are also aimed at improving satisfaction.

Conducted every three years, our employee surveys help us measure employee satisfaction. The latest survey, carried out by an external service provider in the fall of 2019, had a participation rate of 82 %, thus exceeding the previous surveys (2016: 77 %). The good overall result increased by another 2 percentage points compared to 2016 on a like-for-like basis. The approval ratings for questions relating to engagement, enjoyment at work and pride in the company were particularly high. Compared with a benchmark group of other industrial companies, we achieved better results for the majority of the questions. There is room for improvement in particular regarding the communication of the corporate strategy, the organization of work processes, and development opportunities. We are developing Group-wide improvement measures to address these issues.

EMPLOYEE RECRUITMENT

The primary aim of our recruitment work is to fill any vacancies with suitable candidates as soon as possible. In 2019 around 1,300 new employees were hired throughout the Group (2018: almost 1,700). When recruiting new staff, we focus above all on highly qualified experts and digital specialists. In meeting this challenge, we want to use our attractive employer profile and benefit from our reputation as an innovative and digitally oriented company.

The Corporate People Development department is responsible for personnel and university marketing. It is in charge of the “PURE PASSIONEERING” employer branding campaign for the employer brands of Dürr, Schenck and HOMAG. The campaign visualizes our passion for innovative technology and specifically targets software and digitalization specialists. To attract suitable employees from this sought-after target group, we are increasingly relying on existing contacts and taking part in innovative recruitment events such as e-fellows.

In 2019 we established contact with graduates and professionals at 74 university and recruitment fairs worldwide. We promote the development of young academics by offering internships, work experience and opportunities for students to complete their theses. As a result, 351 people entering the job market gained their first practical experience in our company in 2019. In addition to traditional job postings on career pages and employment websites, we are also raising our profile in the labor market through social media such as Twitter, Instagram, Facebook and business networks such as LinkedIn and Xing.

Our attractiveness as an employer is underlined by independent awards and rankings:

- **Kununu Top & Open Company:** We have achieved an average score of 3.95 (out of 5) on the Kununu evaluation platform, thus substantially outperforming our industry peers (average 3.42).
- **FOCUS Best Employers:** In the employer ranking published by German magazine FOCUS, Dürr Systems came 30th and HOMAG 27th out of a total of 90 mechanical and plant engineering firms rated.
- **Best Companies for Vocational Training:** In a study conducted by business magazine Capital, Dürr Systems and HOMAG received the top mark of five stars for their vocational training programs. Schenck RoTec also achieved a good result of four stars.
- **Fair Company:** This quality seal confirms that we do not hire graduates as interns and that interns are paid appropriately.
- **Success Factor Family:** We are committed to a family-friendly personnel policy.
- **Outstanding Trainee Program:** This award shows that our Dürr Graduate Program is fair and provides career opportunities.

VOCATIONAL TRAINING

By offering opportunities for vocational training and study, we promote the development of young skilled personnel from our own ranks. We offer young people vocational training in 14 commercial and industrial/technical fields, plus ten study courses in the fields of engineering, business and information technology. In 2019 we employed 450 apprentices as well as students from cooperative state universities and “Studium Plus” students (2018: 431). 66 % of them were based at the HOMAG Group. Our Dürr Graduate Program offers high-achieving university graduates the opportunity to embark on a specialist or management career with good prospects, for instance in the fields of technology & innovation, software engineering & IIoT or project management.

Environment

Guaranteeing sustainability also includes the consideration of environmental aspects. We consider the environmental footprint of our own activities and our supply chain as well as the environmental impact of our products.

As an engineering company with a low vertical depth of production, our energy, material and resource consumption is relatively low, as is the amount of waste generated. In the supply chain, however, the environmental impact of our business activities is much greater. We take this aspect into account in the purchasing process by means of supplier evaluations and audits. We want to reduce the environmental impacts caused by the use of our products and the associated consumption of resources and energy. For this purpose, we develop efficient and environmentally compatible technologies. Information on this can be found under [“Innovation/Research and development”](#) → page 7.

We will monitor the environmental effects of our direct business activities more closely in the future and derive improvement measures from this. A Group-wide environmental policy is planned for this purpose. It will describe our understanding of environmentally sustainable management and our efforts in this area, and its purpose is to help reduce the environmental impacts of our activities, for example by reducing energy and water consumption and preventing waste. The environmental policy will provide a framework for action, and the principal responsibility for environmental aspects will continue to lie with the relevant site managers.

We continuously measure our consumption of energy and resources and the emissions generated within the Dürr Group. Where it is economically viable, we implement measures for reduction. Compared to 2018, our environmental indicators have largely deteriorated in relation to sales. This is due to the acquisition of the Megtec/Universal Group, which uses relatively old production equipment.

A large number of our production companies are already certified to the ISO 14001 environmental management system. In the future, all production and assembly sites and all sites with technology centers are to be certified according to this standard. Eleven HOMAG Group sites have a certified energy management system to ISO 50001. A number of sites carry out energy and quality audits. An overview of certifications held can be found at www.durr-group.com under Company/Sustainability/Certificates.

10 — ENVIRONMENTAL KEY FIGURES (ABSOLUTE)

	2019	2018 ¹	2017 ²
Number of sites	112	108	92
of which quality management certified to ISO 9001 ³	46	41	41
of which environmental management certified to ISO 14001 ³	16	14	14
of which energy management certified to ISO 50001 ³	11	10	10
Consumption			
Electricity (MWh)	63,144	55,980	57,080
Gas/oil/district heat (MWh)	69,609	62,813	67,736
Water (m ³)	201,979	201,279	208,362
Waste water output (m ³)	191,388	188,329	192,099
Waste (t)	12,235	10,574	10,508
of which recycled (t)	8,838	8,457	8,664
Emissions			
CO ₂ (t)	67,191	61,224	62,590
of which attributable to vehicle fleet (t)	12,601	12,586	12,185
SO ₂ (t)	33	29	30
NO _x (t)	50	44	46

¹ Figures for 2018 do not include Megtec/Universal. Megtec/Universal were taken into account in the number of sites.

² The Dürr Ecoclean Group, which was sold with effect from March 31, 2017, is no longer included in the environmental figures for 2017.

³ Sites used by several companies of the Dürr Group sometimes hold multiple certificates.

11 — ENVIRONMENTAL KEY FIGURES (INDEXED)

	2019	2018 ¹	2017 ²
Consumption			
Electricity	72.3	64.9	68.9
Gas/oil/district heat	53.7	49.1	55.2
Water	84.5	85.3	92.0
Waste water output	90.3	90.0	95.6
Waste	136.0	119.1	123.3
Waste recycled	128.8	124.8	133.2
Emissions			
CO ₂	71.9	66.4	70.7
CO ₂ attributable to vehicle fleet	118.5	120.0	121.0
SO ₂	71.3	64.0	68.1
NO _x	66.8	60.3	65.1

2010 = 100; in relation to sales

¹ Figures for 2018 do not include Megtec/Universal

² The Dürr Ecoclean Group, which was sold with effect from March 31, 2017, is no longer included in the environmental figures for 2017.

Social commitment

The Dürr Group's social commitment is manifold and includes, for example, donations and sponsorships. The priorities of our support are:

- Education: training, technology and science, universities, schools, kindergartens
- Sports: grassroots, youth and disability sports
- Social affairs: humanitarian and charitable projects
- Culture: cultural circles, support associations, donor associations

Our social commitment primarily takes place in the neighborhoods of our sites. At our Bietigheim-Bissingen headquarters, we support various educational and social institutions. Examples are the civic foundation, which is committed to affordable housing, early years rhythmical/musical education in children's daycare centers and the mentoring program "Kinderhelden" (child heroes) for children with difficult starting conditions. With its "HOMAG Cares" initiative, the HOMAG Group has been providing donations in kind and cash for over ten years.

In 2019, we launched our Group-wide campaign for "Donations instead of Christmas presents" and donated around € 70,000 to UNICEF, SOS Children's Villages and Plan International. In 2019, we donated a total of € 0.7 million for various charitable purposes (2018: € 0.8 million).

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The English translation of our 2019 sustainability report is based on the German version. The German version shall prevail.

