

Dürr Group Climate Strategy 2030

Methodology Paper

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DÜRR GROUP.

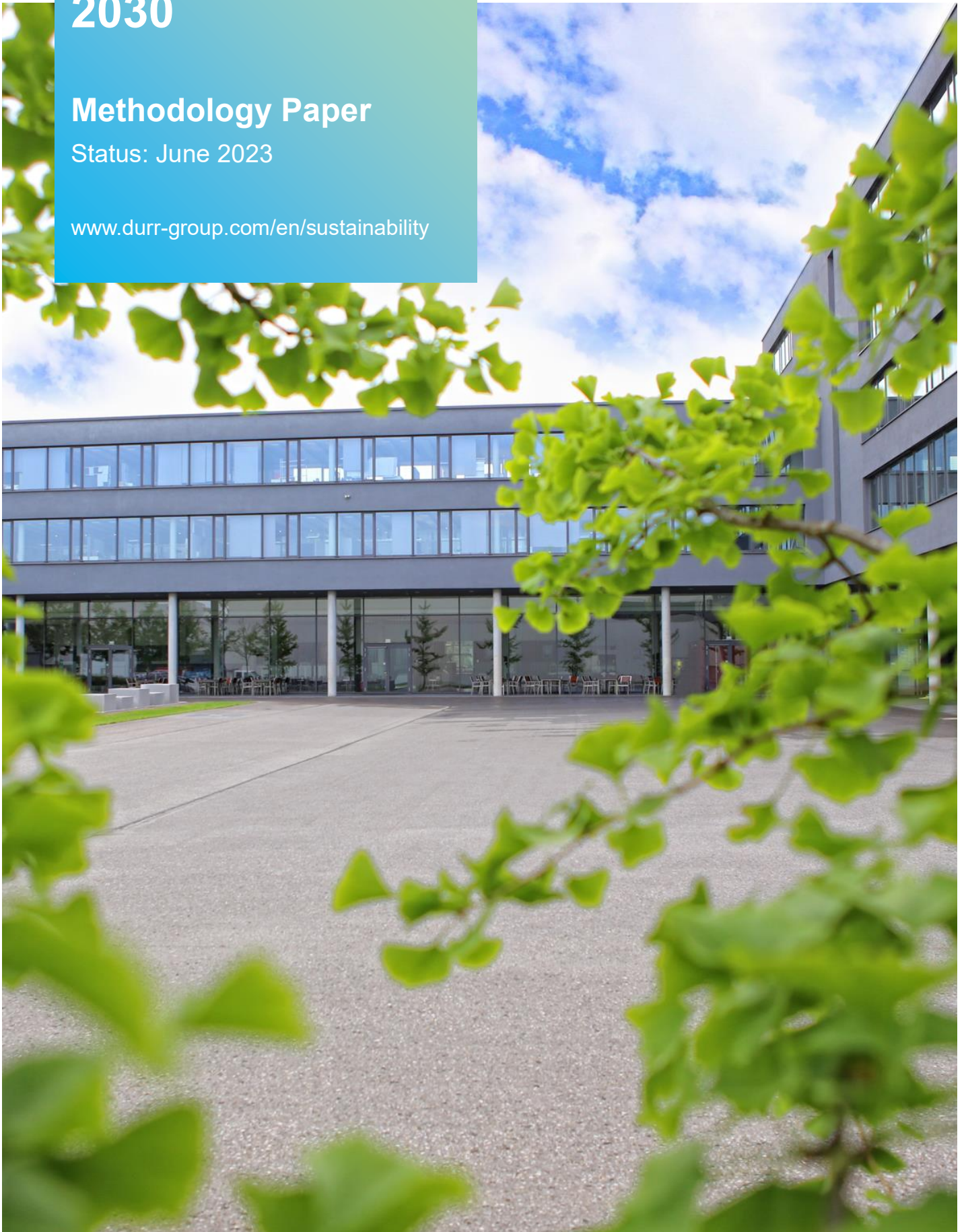
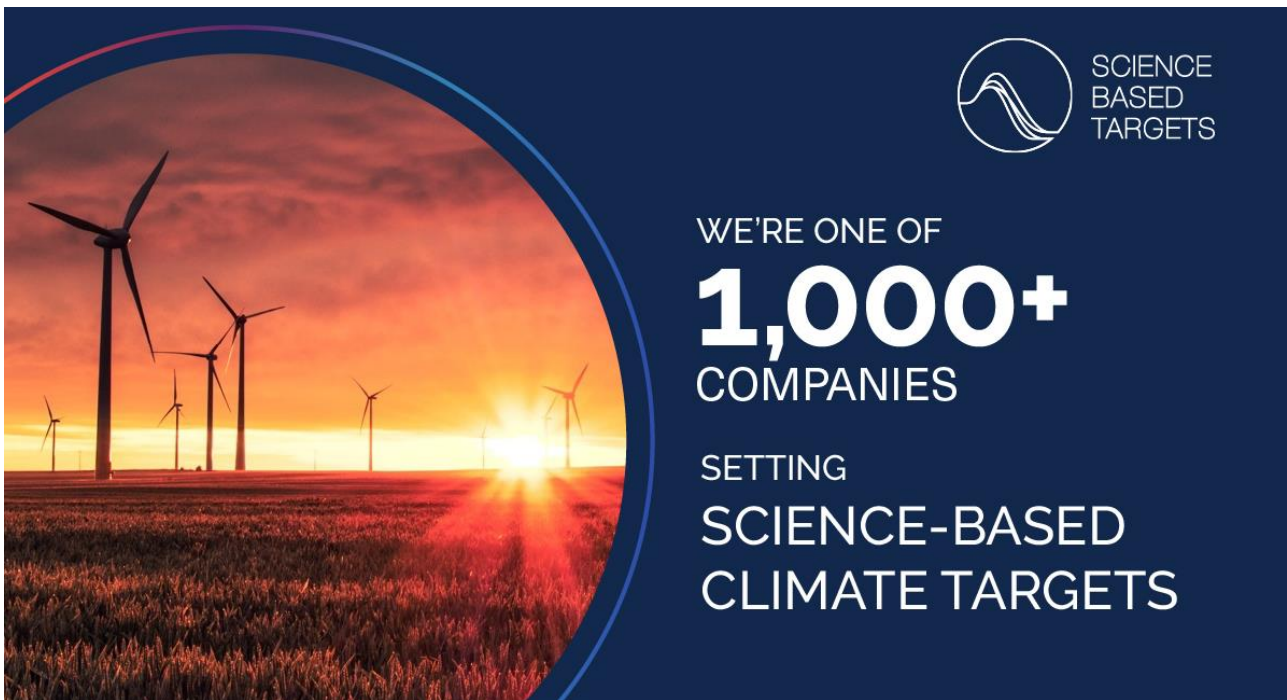


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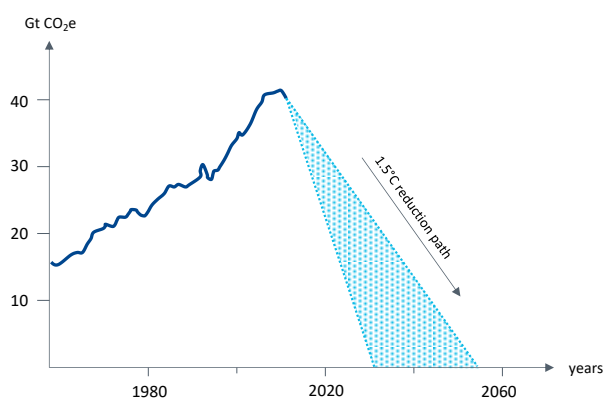
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1 Introduction

Climate change is one of the most pressing challenges of our time and is now more than ever a major concern for society, science, global politics as well as business. The Intergovernmental Panel on Climate Change (IPCC), in its → **Sixth Assessment Report (“Climate Change 2022: Impacts, Adaption and Vulnerability”)**, shows that global warming of 2.0°C will be exceeded during the 21st century unless deep reductions in carbon dioxide (CO₂) and other greenhouse gas (GHG) emissions are realized promptly and tightened over the upcoming decades. Recent → **scientific projections** are alarming, indicating a global warming between 2.1°C and 3.5°C in the year 2100, compared to pre-industrial times (status: November 2022).

Global warming beyond 1.5°C will entail significant climate-related risks and irreversible damage to natural habitats, ecosystems and biodiversity. It is most likely that exceeding this threshold will lead to a global increase in the frequency and intensity of weather extremes, droughts and tropical cyclones as well as an irreversible loss of the Arctic ice shield, snow cover and permafrost.



1| Development of global CO₂ emissions in bn tons
(Source: IPCC 2018, IPCC 2021)

Climate change is man-made. A large proportion of gases that are harmful to the climate are attributable to the combustion of fossil fuels. The mitigation of climate change requires rapid and effective action by all actors. In this context, the Dürr Group actively assumes responsibility: We have published our ambitious climate strategy in November 2021, based on scientific targets and validated by the → **Science Based Targets initiative (SBTi)**. We are committed to the resolutions of the Paris Climate Convention (2015), which have recently been reaffirmed at the UN Climate Change Conference in Glasgow (2021).

We underline our commitment by signing the → **Business Ambition for 1.5°C**, by participating in the global → **Race to Zero campaign** and – as a company with strong roots in Baden-Württemberg (Germany) – by joining the → **Baden-Württemberg Climate Alliance**.

Ecological sustainability has a long tradition at the Dürr Group. As one of the world's leading mechanical and plant engineering firms, our technologies make a significant contribution to reducing emissions in production at customers' sites worldwide. Since the 1960s, we have been active in developing environmental technologies. In addition, we consequently support our customers in driving current sustainability megatrends, such as battery production, the manufacture of renewable technologies and industrial scale timber house construction.

This document describes the principles and frameworks used to calculate and manage our direct operational carbon footprint as well as the methodology for collecting and estimating indirect GHG emissions in upstream and downstream processes. It is intended to provide insights into our data collection process as well as calculation methods. In addition, it serves as a guidance for companies that have not yet implemented a climate strategy. This document will be updated on a regular basis, so that interested stakeholder groups can track our progress toward achieving our climate targets.

It is imperative to limit global warming to a maximum of 1.5°C. We have a responsibility to achieve that goal as a company not only toward our investors or customers but also toward our employees, society and ultimately ourselves. We hope that this paper will encourage our business partners and suppliers to follow our path toward climate neutrality, by setting ambitious climate targets and defining credible measures for sustainable transformation.

Dürr AG – Bietigheim-Bissingen, June 20, 2023

Our five pillars for climate protection:

- We are committed to the decisions of the Paris Climate Agreement.
- Application of the Greenhouse Gas Protocol as a standardized approach for calculating emissions
- Validation of targets by the Science Based Targets initiative (SBTi)
- Science-based climate strategy in line with the 1.5°C target
- “Invest rather than compensate”: Based on the current state of scientific research, climate certificates are no option!

2 Methodology

The calculation of the Dürr Group’s carbon footprint is based on the guidelines of the → **Greenhouse Gas Protocol (GHG Protocol)** of the → **World Resources Institute (WRI)** and the → **World Business Council for Sustainable Development (WBCSD)**. The GHG Protocol is the world’s leading standard for GHG accounting, establishing a comprehensive framework for measuring GHG emissions from private and public sector operations as well as supply chains and for managing mitigation measures.

In addition, our climate strategy was developed in accordance with the requirements of the SBTi, a partnership between the → **Carbon Disclosure Project (CDP)**, the → **United Nations Global Compact**, the → **World Resources Institute (WRI)** and the → **World Wide Fund for Nature (WWF)**. The SBTi encourages companies to set targets for reducing carbon emissions at levels necessary to meet the goal of 1.5°C or well below 2°C compared to pre-industrial temperatures defined in the Paris Climate Agreement. The independent initiative examines reduction targets based on the latest climate science findings. Our GHG emission reduction targets were validated and approved by the SBTi and are in line with the global 1.5°C target.



2| SBTi approval letter
(Source: Dürr AG)

Greenhouse gases are atmospheric gases that trap heat in the atmosphere, thus contributing to the increase in global average temperature. Their respective Global Warming Potential (GWP) indicates the impact of all greenhouse gases on the climate compared to the impact of carbon dioxide. The → **United Nations Framework Convention on Climate Change (UNFCCC)** has defined seven greenhouse gases that need to be evaluated: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). In order to improve comparability, all emissions can be converted into so-called CO₂ equivalents (CO₂e).

For the calculation of our GHG emissions, the Dürr Group applies the principles of the GHG Protocol Corporate Standard:

- **Relevance:** ensure that the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users, both internal and external to the company.
- **Completeness:** account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.
- **Consistency:** use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to data, inventory boundary, methods, or any other relevant factors in the time series.
- **Transparency:** address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
- **Accuracy:** ensure that the quantification of GHG emissions is systematically neither above nor below actual emissions, as far as this can be assessed, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions about the integrity of reported information with reasonable confidence.

2.1 Organizational boundaries

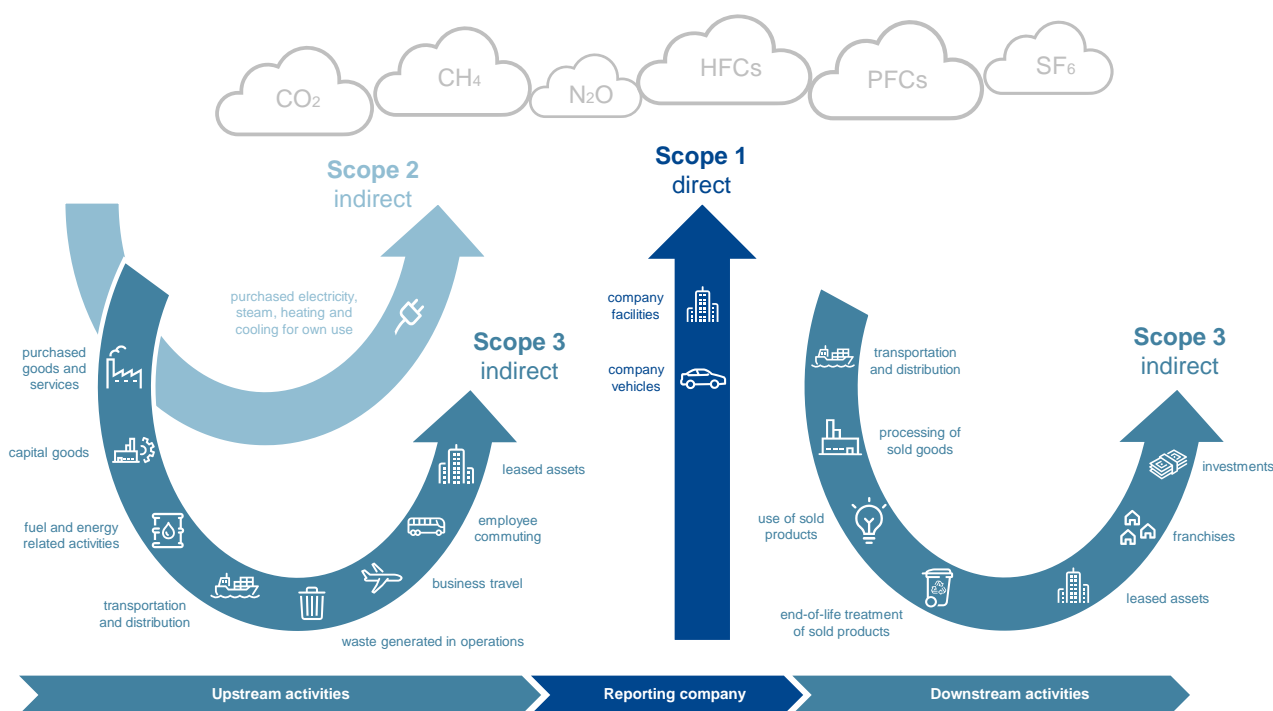
The choice of system boundaries helps determine which locations, either directly or indirectly connected to the company, are to be covered by climate management. For the calculation of its carbon footprint, the Dürr Group has applied the operational control approach and is therefore responsible for 100% of the GHG emissions from operations and activities over which it has control.

Due to the coronavirus pandemic and the associated special impact on our business, the year 2019 was chosen as a realistic base year for our climate strategy.

Since 2010, the Dürr Group has been collecting climate data from all its locations worldwide on an annual base. In the base year 2019, 46 sites out of 120 locations were accountable for 95% of the Dürr Group's total emissions. For these selected locations, additional querying and detailed analysis was carried out to verify existing data and collect additional data.

2.2 Operational boundaries

The GHG Protocol distinguishes between Scope 1, 2 and 3 for calculating carbon footprints.



3) Overview of the three scopes of the GHG Protocol
(Source: GHG Protocol)

Scope 1 emissions

Scope 1 includes all direct GHG emissions from combustion processes from sources owned or directly controlled by the company, as well as direct emissions of climate-relevant gases through intentional or non-intentional releases and process emissions.

As part of reporting on GHG emissions at the Dürr Group, activity data (energy consumption) is collected on the following Scope 1 emission sources:

- from the combustion of heating oil
- from the combustion of natural gas
- from the combustion of diesel, petrol, liquefied petroleum gas, and compressed natural gas

GHG emissions which are caused by fugitive gases were deemed to be negligible.

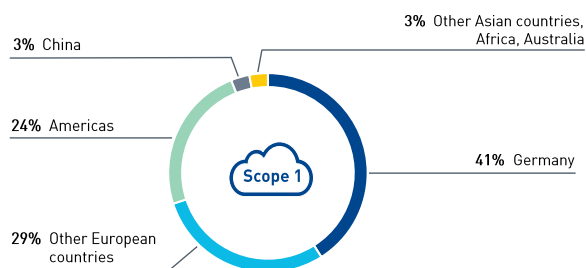
Scope 1 emission sources (in MWh)

	2022	2021	Change compared to the base year (2019)
Heating oil	5,466	3,768	15.4%
Natural gas	57,388	64,159	-3.5%
Renewable fuels	1,780	2,346	-15.7%
Total	64,633	67,926	-2.5%

Scope 1 emissions (in t CO₂e)

	2022	2021	Change compared to the base year (2019)
Heating oil	1,451	996	15.8%
Natural gas	4,512	11,751	-62.8%
Company cars	11,862	12,806	-19.0%
Total	17,825	25,553	-36.4%

Over the past 3 years, on average, more than 90% of total Scope 1 emissions originated from the consumption of gas and the use of fuels in company cars (mainly gasoline and diesel). In 2022, most of the Scope 1 GHG emissions were emitted in Germany, followed by the rest of Europe, Americas and China.



4| Regional Scope 1 emission share in 2022
(Source: Dürr AG)

Scope 2 emissions

Scope 2 includes all indirect GHG emissions resulting from purchased electricity or the production of electricity, steam, district heating and cooling consumed by the Dürr Group. As part of reporting on the GHG emissions for the Dürr Group, activity data (energy consumption) is collected on the following Scope 2 emission sources:

- from electricity consumption (under conventional and renewable electricity tariffs)
- Self-used electricity from own generation
- from use of district heating

The carbon footprint for the Scope 2 emissions of the Dürr Group has been calculated using both the market- and location-based methods:

- **Market-based method:** a method to calculate Scope 2 GHG emissions based on GHG emissions caused by the electricity provider from which the Dürr Group contractually purchases its electricity. It derives emission factors from contractual agreements or other instruments.
- **Location-based method:** a method to calculate Scope 2 GHG emissions based on the average emissions intensity of the grid area for defined locations where electricity consumption occurs, including local, sub-national, or national boundaries.

Scope 2 emission sources (in MWh)

	2022	2021	Change compared to the base year (2019)
Electricity from conventional sources	15,132	49,974	-69.7%
Electricity from renewable sources	41,759	4,656	796.8%
Self-used electricity from own generation ¹	7,018	-	-
District heating	8,334	5,108	120.9%
Total	72,243	59,738	10.3%

¹ Data only collected since 2022 (therefore no adjustment of previous year's figures). Thereof, self-used renewable electricity from own generation: 1.89% MWh.

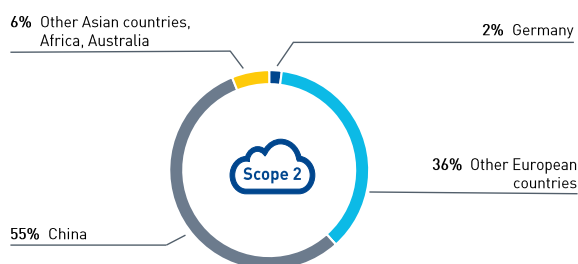
Scope 2 emissions (in t CO₂e)

	2022	2021	Change compared to the base year (2019)
Electricity			
market-based	8,729	22,591	-69.2%
location-based	28,469	30,358	-16.3%
District heating			
location-based	1,208	228	313.4%
Total¹	9,937	22,819	-65.3%

¹market-based

In the past three years, almost all Scope 2 GHG emissions originated from purchased electricity used by the Dürr Group. From 2021 onward, all German locations of our Dürr Systems, Schenck and HOMAG subgroups are supplied with electricity exclusively from renewable energy sources. By the end of 2023, all locations worldwide will be converted to green electricity without exception.

In 2022, most of the Scope 2 GHG emissions were emitted in China, followed by Europe (without Germany), other Asian countries and Germany.



5| Regional Scope 2 emission share in 2022
(Source: Dürr AG)

Scope 3 emissions

Scope 3 covers GHG emissions from upstream and downstream activities and is divided into 15 categories (see illustration 4):

Upstream Scope 3 emissions:

1. Purchased goods and services
2. Capital goods
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
4. Upstream transportation and distribution
5. Waste generated in operations
6. Business travel
7. Employee commuting
8. Upstream leased assets

Downstream Scope 3 emissions:

9. Downstream transportation and distribution
10. Processing of sold products
11. Use of sold products
12. End-of-life treatment of sold products
13. Downstream leased assets
14. Franchises
15. Investments

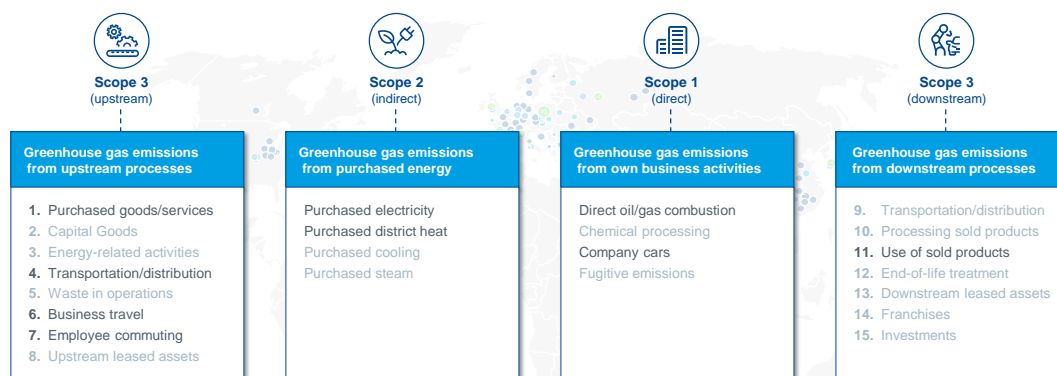
A materiality analysis was carried out to identify the most relevant Scope 3 categories for the Dürr Group. Based on the results of this analysis, the following categories were calculated in detail:

- Scope 3.1: Purchased goods and services
- Scope 3.4: Upstream transportation/distribution
- Scope 3.6: Business travel
- Scope 3.7: Employee commuting
- Scope 3.11: Use of sold products

We have made appropriate estimates for the remaining categories applicable to the Dürr Group.

Emission factors

The main sources for emission factors for the conversion of activity data (energy consumption) into CO₂e emissions are the German Association of the Automotive Industry (VDA), the International Renewable Energy Agency (IRENA) the Department of Business, Energy and Industrial Strategy (DBEIS), the Department for Environmental, Food & Rural Affairs (DEFRA), the Climate Action Tracker (CAT), the European Environmental Agency (EEA) and the German Association of Freight Forwarding and Logistics (DSLVL).



6| Category overview: corporate carbon footprint according to the GHG protocol

(Detailed analysis performed for dark grey categories, while estimates are made for light grey areas; Source: Dürr AG)

Scope 3.1 Purchased goods and services

Scope 3.1 emissions from purchased goods and services account for a varying share of 8% to 18% of total Scope 3 emissions of the Dürr Group in the past three years.

This category includes all upstream (i.e. cradle-to-gate) emissions from the production of products purchased or acquired by the Dürr Group in the reporting year. As we cooperate with more than 30,000 suppliers across the Dürr Group, primary data is not yet sufficiently available. Therefore, Scope 3.1 emissions associated with the purchase of goods and services are determined using the spend-based method. This means that Scope 3.1 GHG emissions from purchased goods and services are calculated by gathering data for each product group (purchasing volume in €) and applying a category-specific emission factor (source: DBEIS).

Scope 3.4 Upstream transportation and distribution

This category includes emissions from the transportation and distribution of products purchased in the reporting year. In this context, routes between our tier 1 suppliers and our own operations using vehicles that are not owned or operated by the Dürr Group are considered. Most of the emissions for this category are calculated using the spend-based method. For this purpose, the amount spent (purchasing volume in €) was determined for each type of transport (i.e. sea, train, road, air) and subsequently, mode-specific emission factors were applied (sources: DSLV, DBEIS). For some of our transportation and distribution activities we do already apply the more precise distance-based method to calculate our Scope 3.4 emissions which will be rolled out globally until end of 2024.

Scope 3.6 Business travel

This category includes business-related emissions caused by travel activities of our employees in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. In addition, emissions related to overnight stays in hotels are also included in our Scope 3.6 emissions. Flight, train, rental car and hotel bookings as well as related CO_{2e} emissions are managed and documented centrally by our mobility department and an external travel agency. Business trips with company vehicles are reported in Scope 1.

Scope 3.7 Employee commuting

This category includes emissions caused by the transportation of our employees between their homes and locations of the Dürr Group. The commute of employees and the resulting emissions were determined by a worldwide survey completed by the Dürr Group workforce in 2021. The feedback from 2,849 employees (global response rate: 16%) was evaluated and emissions were calculated based on specific emission factors (source: DBEIS). The figures were then extrapolated to the total number of Dürr Group employees (2022: 18,514).

As a result of this evaluation, it was possible to derive that our employees emit an average of 620 kg CO_{2e} per year by commuting to work. This number is highest in the US, UK and Mexico. On a global average, the car is used for 71% of the total commuting distance, while a share of 18% of the distance share is covered by train. The remaining distance is covered on foot or by bicycle and does not contribute to further emissions.

Scope 3.11 Use of sold products

Scope 3.11 emissions from the use of sold products at our customers' sites are of particular relevance to the Dürr Group, as these emissions account for a varying share of 80% to 91% of our total Scope 3 emissions over the past three years.

The evaluation of Scope 3.11 emissions is based on recorded, simulated or estimated energy consumption data for the machinery and equipment (generally powered by electricity and/or gas) delivered by the Dürr Group in the reporting year. Subsequently, the expected annual energy consumption for each piece of machinery or equipment is calculated by forecasting an annual production program or pattern for each customer segment. This annual energy consumption is then extrapolated for each product, taking into account an expected service life, and multiplied by a country- or region-specific emission factor (sources: VDA, IRENA, EEA) depending on the region in which the machine or plant is operated. In a final step, the resulting emission value per delivered machinery or equipment is multiplied by an efficiency factor that takes into account a predicted emission reduction (or in some cases increase) of the country-specific power grid during the expected time of operation. In cases where there was clear evidence that the customer had made a long-term commitment to purchase green energy, a zero-emission factor was applied.

3 Greenhouse gas emissions of the Dürr Group

Please click on the icon to download all our ESG figures in Excel.



3.1 Scope 1 and Scope 2

Scope	Emission source	2022		2021		2020		2022 vs. 2019
		t CO _{2e}	%	t CO _{2e}	%	t CO _{2e}	%	%
Scope 1	Oil	1,451	5.2%	996	2.1%	1,216	2.5%	15.8
	Gas	4,512	16.3%	11,751	24.3%	12,061	24.4%	-62.8
	Company cars	11,862	42.7%	12,806	26.5%	11,983	24.3%	-19.0
	Total	17,825	64.2%	25,553	52.8%	25,260	51.2%	-36.4
Scope 2	Electricity ¹	8,729	31.4%	22,591	46.7%	23,740	4.8%	-69.2
	District heating	1,208	4.4%	228	0.5%	359	0.7%	313.4
	Total^{1,2}	9,937	35.8%	22,819	47.2%	24,099	48.8%	-65.3
Scope 1 + 2	Total¹	27,762	100%	48,372	100%	49,359	100%	-51.0

¹Scope 2 emissions calculated using the market-based method in accordance with the GHG Protocol.
²Calculation of Scope 2 emissions (total) using the location-based method: 29,677 t CO_{2e} in 2022.

In 2022, we managed to further reduce our Scope 1 and Scope 2 emissions compared to the base year 2019:

- Oil for heating purposes is only used at very few locations of the Dürr Group. For these locations, we plan to consistently switch to low-emission heating systems in the coming years. Due to the energy crisis in Europe caused by the Russian war of aggression the use of oil for heating purposes and therefore corresponding emissions increased by 15.8% compared to 2019. We consider this development to be unique in 2022.
- As with oil, we also aim to gradually reduce our dependency on gas in the medium term. In the Dürr Group, gas is used primarily for heating purposes while a smaller proportion of our gas consumption can be allocated to the operation of our technical centers. Compared to the base year 2019, the emissions caused by the combustion of gas could be reduced by 62.8% in 2022 due to a general decrease in energy consumption and – as a transitional solution – the purchase of climate-neutral gas at our German locations.

- Emissions attributable to the operation of our vehicle fleet decreased slightly in 2022 compared to the previous year. Compared to the base year 2019, we were able to achieve an emission reduction of approximately 19%. We intend to continue this positive trend by consistently switching to low-emission drive systems.
- Compared to 2019, we also managed to achieve a significant reduction of 69.2% in the emissions associated with the purchase of electricity in 2022. Therefore, electricity purchase at our locations in Germany, North and South America and India were switched to renewable sources. By doing so we have increased the amount of renewable electricity in 2022 more than ninefold compared to 2021. By end of 2023, we plan to convert all locations of the Dürr Group to green electricity.
- The use of district heating is mostly limited to a few European locations of the Dürr Group and increased by 313.4% compared to 2019, nevertheless remaining at an overall low level. Due to the generally low emission factor of district heating, we see no immediate need for action for the locations concerned.

3.2 Scope 3

Please click on the icon to download all our ESG figures in Excel.



Scope 3 categories	2022		2021		2020		2022 vs. 2019
	t CO ₂ e	%	t CO ₂ e	%	t CO ₂ e	%	%
1. Purchased goods and services	1,149,959	17.7%	1,032,276	13.0%	658,490	7.2%	43.0%
2. Capital goods	40,788	0.6%	33,183	0.4%	23,099	0.3%	76.6%
3. Fuel and energy-related activities	8,955	0.1%	7,690	0.1%	5,783	0.1%	31.6%
4. Upstream transport and distribution	94,391	1.5%	92,439	1.2%	91,559	1.0%	16.4%
5. Waste generated in operations	238	< 0.1%	225	< 0.1%	222	< 0.1%	-8.9%
6. Business travel	10,072	0.2%	6,219	0.1%	6,544	0.1%	-46.0%
7. Employee commuting	11,483	0.2%	6,774	0.1%	6,727	0.1%	-40.3%
11. Use of sold products	5,163,031	79.9%	7,090,053 ¹	85.2%	8,014,904 ¹	91.3%	-27.9%
Total	6,478,917	100%	8,268,860	100%	8,807,328	100%	-20.2%

¹ Adjustment due to changes in the date of initial commissioning for selected machines and systems.

In 2022, the Dürr Group’s Scope 3 emissions amounted to around 6.5 million metric tons of CO₂e, 20.2% below the value in the 2019 base year. In this context, the main drivers for our indirect Scope 3 emissions can be allocated to the use phase of our sold products (2022: ~80%) and the purchase of goods and services (2022: ~18%).

Emissions related to the use of sold products (Scope 3.11) at our customers’ sites can fluctuate significantly each year, as they are influenced by the number, technical parameters, energy mix and the forecasted production program of our large-scale paint shop projects. Paint shops in general require a high input of energy, resources, and materials during operation and therefore account for about half of the indirect Scope 3.11 emissions of the Dürr Group. By contrast, machinery and equipment related to our other business fields of final assembly, testing systems, medical technology, environmental technology, balancing and diagnostic solutions and woodworking technology are less emission-intensive and show lower fluctuations. In 2022, emissions attributable to the use of our sold products were about 28% lower compared to the previous year. Main reason for this decline is the modest number of paint shops with ramp-up in 2022. Another reason is that our customers, particularly in the automotive sector, are increasingly investing in sustainable production technologies. This shows that we depend to a large extent on the willingness of customers to use resource-conserving, energy-efficient and low-emission

technologies offered by us in the future. In addition, emissions from our machines and systems can be reduced considerably if green electricity instead of gas and conventional electricity is used for operation. Therefore, the electrification of our products is one focus of our R&D agenda.

By contrast, emissions related to purchased goods and services (Scope 3.1) rose sharply in 2022. This was due to a strong order intake of the Dürr Group (+16.9%) compared to 2021. The resulting purchasing volume increased noticeably, which led to an increase in purchasing-related emissions. In order to reduce our upstream Scope 3 emissions, we do conduct sustainability-specific supplier trainings from 2022 onward and offer financial incentives for suppliers with climate friendly processes, thus supporting us on our way toward a CO₂-neutral supply chain from 2023 onwards.

In logistics, more goods transports are to be shifted from road to rail and transports by air freight are to be avoided wherever possible. In addition, the carbon footprint of logistics partners is to play a role when awarding contracts. Emissions related to remaining Scope 3 categories (i.e. business travel and employee commuting) remained at a low level in 2022. Here, we plan to continue avoiding unnecessary business trips in the future and to set up incentive programs for sustainable commuting behavior for our employees.

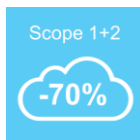
4 Target setting

The core objective of our climate strategy is to reduce the direct and indirect GHG emissions of the Dürr Group. By joining the Business Ambition for 1.5°C and having our climate strategy validated by the SBTi, we have committed to focus our ambition on limiting global warming to 1.5°C and achieving science-based net-zero emissions by 2050.

Targets adopted by companies to reduce GHG emissions are considered “science-based” if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Climate Agreement (to limit global warming to well below 2°C above pre-industrial levels and continue efforts to limit warming to 1.5°C). We had our climate targets confirmed as science-based by the SBTi in January 2022.

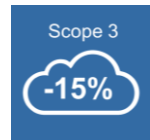
We have set ourselves the following climate targets:

Scope 1 and Scope 2 targets



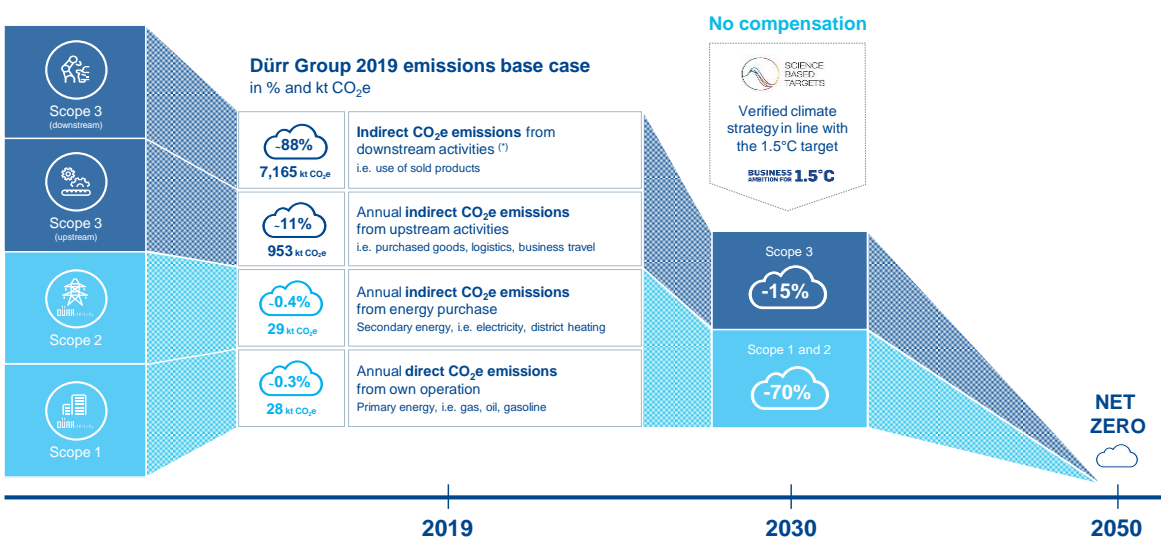
In order to achieve the global 1.5°C climate target, climate science requires annual linear reductions of Scope 1 and Scope 2 emissions of 4.2%. Given the base year of 2019, this would correspond to an overall absolute emission reduction of over 46% by 2030. We have decided to be more ambitious and have therefore set ourselves the target of reducing our Scope 1 and Scope 2 emissions by at least 70% by 2030 compared to the 2019 base-year level.

Scope 3 target



Climate science also requires annual linear reductions of 1.23% for Scope 3 emissions in order to achieve the global 1.5°C climate target. Given the base year of 2019, this would correspond to an overall absolute emission reduction of over 13% by 2030. We have set ourselves a clear target for our Scope 3 emissions: By the year 2030, we will have reduced our Scope 3 GHG emissions by at least 15% compared to the 2019 base-year level.

As shown in chapter 3, approximately 99% of our overall direct and indirect emissions result from the supply chain (8%-18%) and the use phase of our machinery and equipment at our customers' sites (80%-91%). Our business model is based on providing our customers with the most energy-efficient and resource-saving technologies in our industries. In this context, we have already made significant progress in increasing energy efficiency and reducing emissions of our machinery and plants in recent years. We are currently in good exchange with our customers, who are increasingly placing value on sustainable production. In this context, an important step toward CO₂-neutrality at our customers' sites is the electrification of processes previously powered by gas. Another important precondition is that our customers consistently switch to electricity from renewable sources. In addition, we see a further increase in the overall energy efficiency through the consistent use of digitalization and further hardware innovations.



(*) Assumption: 15 years operating time

7| Our path to net zero

(Source: Dürr AG)

Therefore, our target of reducing Scope 3 emissions by 15% by 2030 is a conservative scenario, which we aim to exceed significantly. In this context we are, however, heavily dependent on the purchasing behavior of our customers. In addition, our suppliers also play an important role in achieving our targets. To ensure that they follow our path, we plan to offer financial incentives to encourage our suppliers to implement their own CO₂ reduction targets.

5 Measures

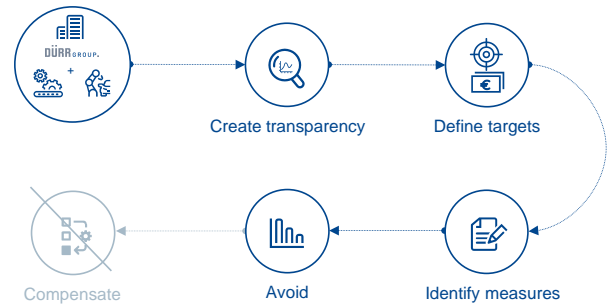
To achieve our climate targets for the emissions that can be directly influenced by the Dürr Group (i.e. Scope 1 and 2), the Dürr Group is implementing various types of measures. In general, there are four main categories:

- Purchase of renewable energy
- Own production of renewable energy
- Increase in energy efficiency
- Change in energy source (incl. fleet management)

The purchase of renewable energy and our own production of renewables aim to reduce the carbon intensity of the respective energy sources at our company sites. Energy efficiency and the change of energy source aim to reduce energy consumption and switch to less carbon-intensive energy sources (e.g. the use of heat pumps instead of fossil fuels).

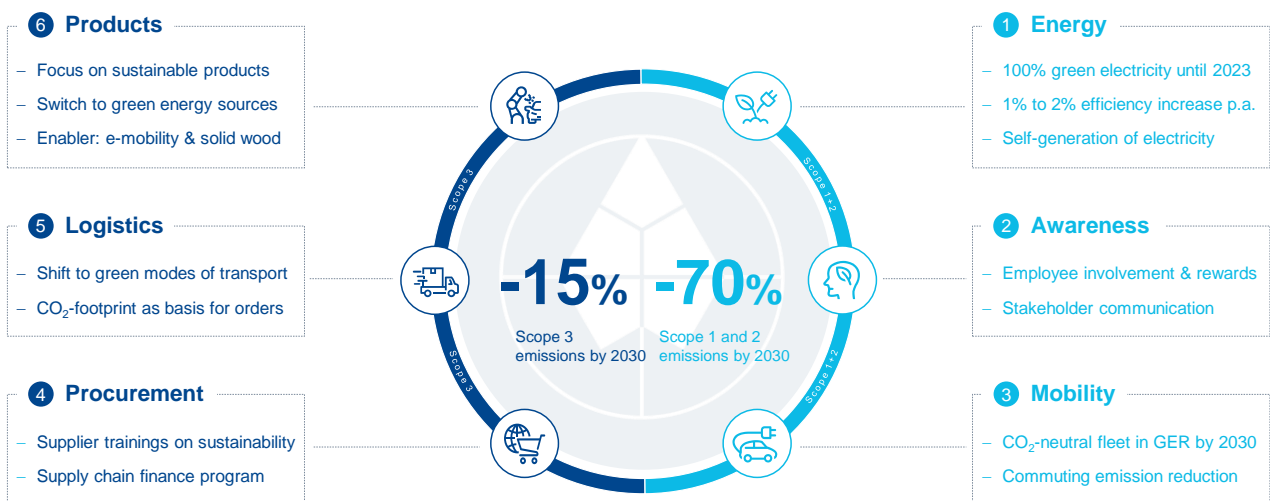
In addition to developing initiatives to reduce GHG emissions in the most emission-intensive categories (Scope 3.1 – purchased goods and services, Scope 3.11 – use of sold goods), the Dürr Group is also focusing on reducing emissions in business travel and employee commuting.

6 Our motto: “Invest rather than compensate”



Rather than compensating emissions through payments (offsetting emissions), the Dürr Group is investing in climate-friendly technologies in order to minimize greenhouse gas emissions.

By end of 2023, all locations worldwide will be converted to green electricity. Moreover, the Group is investing heavily in photovoltaics. In general, we aim to achieve an annual increase in energy efficiency of 1% to 2% (compared to the base year 2019).



8| Six levers for significantly reducing our Scope 1-3 emissions (Source: Dürr AG)

7 Enabling a sustainable transformation









The development of environmentally compatible products and solutions has a long tradition at the Dürr Group. As early as in the late 1960s, an environmental department was established because, as a Swabian family business, it was our firm conviction that our products were only good for our customers if they did not waste resources. Since then, we have continuously invested in the further development of solutions for our customers and have also broken new ground as pioneers on several occasions.

Our customers are increasingly investing in making their production processes sustainable. We are an important partner for this goal, developing low-consumption and low-emission products that can be used to significantly reduce the ecological footprint of automotive plants and factories in other industries. There is growing potential for marketing these products – especially as customers looking to make a purchasing decision are increasingly paying attention to the contribution new technologies make to their sustainability agenda.

We advise our customers on how to use our products and solutions in order to make their production processes more resource-saving, energy-efficient and less polluting. In combination with their own measures, such as the purchase of green electricity, our customers can effectively reduce their emissions and costs and achieve their own climate targets.

Furthermore, we use the potential that digitalization offers for climate protection. One example from our digital product range is the **DXQenergy** management software for intelligent energy management in paint shops. It monitors consumption values in combination with production data and enables the uncomplicated analysis of energy requirements for any period of time.

In addition, we are expanding in business areas that help our customers to manufacture sustainable products. Examples include production technology for timber house construction elements and our range of products for the manufacture of electric vehicles. The business of systems for coating battery cells holds a prominent position in the context of electromobility – additional factories are required, particularly in Europe, to produce enough batteries for the growing number of electric vehicles. Moreover, we develop energy- and resource-saving future technologies in the field of automotive painting and ensure fewer pollutants and cleaner exhaust air with our environmental technology products.

Resource efficient solutions	Industrial air purification	E-mobility	Timber construction
 <ul style="list-style-type: none"> Development of sustainable production technologies Continuous improvement of resource efficiency Enabler for our customers to achieve their climate targets 	 <ul style="list-style-type: none"> Reduction of unavoidable emissions and pollutants in several industries Power generation from decentralized heat sources using ORC technology 	 <ul style="list-style-type: none"> Enabler for e-mobility through production technology for batteries and e-drives Wide range of technologies: Electrode coating, battery gluing and assembly, e-drive balancing, refrigerant filling 	 <ul style="list-style-type: none"> Technology partner for sustainable solid wood constructions Push for use of climate-friendly construction materials Enabler for an industrial scale timber house production
 <p>100% Application due to overspray-free paint application</p>	 <p>- 100 mt CO₂e per year by Dürr oxidation plants</p>	 <p>+ 67% e-mobility Order income 2020 vs. 2019</p>	 <p>3 strong brands WEINMANN, System TM, Kallesoe</p>

9| Dürr Group: Enabler for a sustainable future [Source: Dürr AG]

8 Progress

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

Energy

- **Purchase of green electricity:** In 2022, we converted the locations in Germany, India, Canada, Mexico, Brazil, and the United States to green electricity. All other sites will follow in 2023.
- **Purchase of green gas:** We have been using natural gas as a transitional solution for supplying heat in Germany. This has been made carbon-neutral since the beginning of 2022 by means of externally audited certificates from our energy supplier. However, our goal is to gradually minimize gas consumption and switch to alternative technologies. For example, at our site in Holzbronn (Germany), we began replacing the existing heating system with air-source heat pumps in May 2023.
- **Energy efficiency:** We are further reducing our energy requirements by refurbishing existing buildings to improve energy efficiency and by converting lighting, heating, compressed air, ventilation, and air conditioning to low-consumption technology. At our German sites in Lemgo and Herzebrock, for example, we installed daylight control systems, in Beinasco (Italy) modern heating systems were installed, and in Darmstadt (Germany) we continued roof renovations on older factory buildings as planned.
- **Renewable energy generation:** In 2022, factory and office buildings in Bietigheim-Bissingen, Schopfloch and Holzbronn as well as Barcelona (Spain) were equipped with photovoltaic systems. In the spring of 2023, we put further plants into operation in Lemgo and Port Elizabeth (South Africa). In the second half of 2023, photovoltaic systems will be installed at further locations in Germany. This is expected to increase the total installed capacity of all photovoltaic systems in the Dürr Group to approximately 5.0 MWp by the end of 2023.



10| Photovoltaic systems in Holzbronn (Germany)
(Source: Dürr AG)

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



11| Solar filling station in Freiberg (Germany)
(Source: Dürr AG)

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

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

Mobility

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



11| Charging station in Bietigheim-Bissingen (Germany)
(Source: Dürr AG)

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

Awareness

- **Collection of ideas:** For three days in November 2022, the Dürr Group focused on ideas for environmental and climate protection. More than 700 employees throughout Germany took part in a so-called Ideation Jam. A total of 350 ideas for more sustainability in the product range and at our locations were submitted, discussed and further developed during the online brainstorming session. Some suggestions are already being implemented, including the installation of motion detectors for energy-saving lighting control in Püttlingen and the use of mugs instead of disposable cups in Darmstadt. We tied the campaign to a fundraiser to promote climate-resilient forests: We provided €17,500 to protect 35,000m² of native forest from the effects of climate change.
- **Communication:** We continuously strengthen the environmental and climate awareness of our employees through information and reporting on the intranet. We use training to raise awareness of the topic of sustainability among new employees and prospective managers.

We are planning to regularly report on our progress regarding the implementation of our climate strategy. This document will be updated accordingly. The next update is scheduled for the end of 2022. Until then, we will report on our progress in our → [sustainability report](#), on our → [homepage](#) and through → [social media](#).

If you have any further questions about the methodology, our approach or our climate data, please do not hesitate to contact the Corporate Sustainability department at the Dürr Group by → [email](#).

We look forward to your feedback!





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



WE TAKE RESPONSIBILITY With our 2030 climate strategy, we want to help achieve the 1.5-degree target set out in the Paris Climate Agreement. Keen to find out how? Scan the QR code for more information.

www.durr-group.com/en/sustainability