

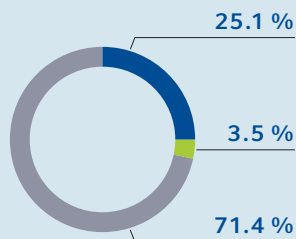


LEADING IN PRODUCTION EFFICIENCY



Sustainability

Report 2013/2014



Shareholder structure

- Heinz Dürr GmbH, Berlin
- Heinz und Heide Dürr Stiftung, Berlin
- institutional and private investors

INTERNATIONAL PRESENCE IN

26

COUNTRIES WORLDWIDE

June 30, 2014

SALES (in € million)

2,399.8

2012

2,406.9

2013

NUMBER OF BUSINESS LOCATIONS

54

June 30, 2014

NUMBER OF EMPLOYEES

7,899

June 30, 2013

SECTOR

Mechanical and plant engineering

8,324

June 30, 2014

Cover page: Taking a bath: here a car body passes through a dip tank. The paint is electrically charged to improve its adhesion to the metal surface. Dürr has now developed an intelligent process whereby the voltage is no longer applied to the entire tank but only the sections in which the car body is located at that particular moment. This leads to a considerable reduction in energy consumption. An important contribution to the sustainable production process provided by Dürr.

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Dürr is a mechanical and plant engineering group that holds leading positions in the world market in its areas of operation. It generates a good 80 % of its sales in business with the automotive industry. It also supplies the aircraft, machinery, chemical and pharmaceutical industries with innovative production and environmental technology. The Dürr Group operates in the market with four divisions: Paint and Assembly Systems plans and builds paint shops and final assembly systems for the automotive industry. Application Technology provides automated paint application, sealing and glueing with its robot technologies. Measuring and Process Systems produces machinery and systems that are used for balancing and cleaning in engine and transmission manufacturing as well as in final vehicle assembly, among other areas. The fourth division, Clean Technology Systems, deals with processes for improving energy efficiency and exhaust-air purification. Dürr has 54 business locations in 26 countries worldwide and employs approximately 8,320 staff (as at June 30, 2014). In 2013 Dürr achieved sales of €2.4 billion.

Unless otherwise indicated, this sustainability report is based on the figures of the 2013 annual report, which refer to the entire Group. Details on our activities in the area of sustainability can also be found in a chapter of our annual report.

For further information on this topic please go to www.durr.com.

Dear Readers,

Sustainability has always played a key role at Dürr. We have a responsibility, especially towards our employees, customers and suppliers but also towards society and the environment. This relates primarily to aspects such as working conditions, personnel development, protection against discrimination and our everyday commitment to the rule of law. But our responsibility also includes delivering products that conserve resources. Our customers appreciate Dürr because we help them achieve the highest quality – while lowering costs per unit produced. Their appreciation comes as no surprise. Painting in vehicle manufacturing, for example, is a very energy and cost intensive process. More than 50 % of the energy required for the entire production of a mid-sized car is used in the paint shop. This is also where the bulk of the emissions of an automotive plant is generated. To enable savings in the painting process thus means to help both the customer and the environment. The scale is considerable: a large paint shop equipped with Dürr's state-of-the-art technology saves more energy and CO₂ emissions per year, compared to an average system currently installed, than the entire Dürr Group consumes or generates worldwide during the same period. The same applies to the amount of water required.

In the last ten years, our developers have delivered many small and large innovations that achieve considerable reductions in energy consumption and emissions in the painting process: energy -67 %, water -71 %, CO₂ emissions -73 %, wastewater -63 %. We are proud of this – and see it as an incentive to deliver further savings. This applies not only to our paint systems but to the entire product portfolio. Efficiency for us is not a buzzword but a part of our company's DNA.

We work hard to ensure that we fulfil our responsibility in all areas. Our latest, and third, sustainability report once again provides an insight into what sustainability means for Dürr. We have kept the report deliberately short and concise – and therefore efficient.

We welcome your ideas on the topic of sustainability at Dürr. All contact details can be found in the imprint at the end of the report.

Best regards



¹ Conventional paint system of a German manufacturer 10 years ago compared to systems currently delivered



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

CONSERVING RESOURCES IN PRODUCTION

We presented our latest innovations at our »Open House« event in May. Our 24 stations were visited by a record number of around 1,400 international guests from the automotive industry and other sectors. The Open House takes place every two years at our headquarters in Bietigheim-Bissingen and has established itself as a key event among experts. In the following we will introduce some of the stations to illustrate what »conserving resources in production« means.

RODIP CATHODIC DIP-COATING

The car body takes a bath: immersed in the tank head-first, it performs a slow-motion somersault. E-coat paint floods the cavities and covers the metal surface in a protective film. The paint is electrically charged to improve its adhesion to the metal surface. Our painting specialists in the Bietigheim-Bissingen technology center have now developed this tried-and-tested high-quality process, known as cathodic dip-coating, one step further. Instead of applying a voltage to the entire Ro-Dip bath, as hitherto, the latest generation is designed such that a number of individually controllable rectifiers apply the voltage only where the body is located at that particular moment. The process, known as **EcoDC MACS**, lowers energy consumption, enhances quality and system availability – and cuts costs.



*Targeted voltage supply in the cathodic dip bath with **EcoDC MACS***

THE ECOREBOOTH / ECDRYSCRUBBER PAINT BOOTH CONCEPT

Since the beginning of the year Porsche in Leipzig has been painting its Macan model with energy and space-saving technology based on the **EcoDryScrubber**, our solution for the dry separation of paint overspray. Any paint that does not land on the car body is no longer separated by means of water but with the aid of filters with limestone powder. The booth air, which requires a costly conditioning process, therefore remains dry and can be used a number of times. Previously, new atmospheric air constantly had to be brought to a temperature of around 26 °C as well as the right level of humidity. In the solution developed by Dürr, the paint overspray is carried by air through a filter with fine limestone powder. The air can then be recycled, and no heating is required. Once saturated with paint particles, the limestone powder needs to be replaced. The old limestone powder is used, for example, in cement works. The

The demo version of our **EcoReBooth** paint booth concept was one of the highlights at the Open House.



The organic paint particles in the saturated limestone powder, which serves as a binding material, are burnt in a fluidized bed furnace. The binding material can be re-used up to three times.

most recent development by our R&D team is limestone recycling. The powder to which the paint particles are bound is heated in a fluidized bed furnace, thus regaining its paint binding properties. This allows it to be re-used up to three times.

With the help of this technology, the annual energy consumption of a fully automated paint shop can be reduced by up to 16 million kWh based on a production of 150,000 cars per year. This coincides with a 5,200-ton reduction in CO₂ emissions. As the only integrated manufacturer of all system elements in the paint shop, we – and therefore our customers – benefit from the cooperation of different specialists, and regularly look at the big picture and not just one section. The term **Eco⊕Paintshop** stands for a comprehensive concept which combines all systems and products that have a positive effect on the sustainability of the painting process.

① A large paint shop equipped with Dürr's state-of-the-art technology saves more energy and CO₂ emissions per year, compared to an average system currently installed, than the entire Dürr Group consumes or generates worldwide during the same period. The same applies to the amount of water required.

ECOBELL3 CI ATOMIZER

Attached to the end of the painting robot arm, these atomizers turn liquid paint into a fine spray and apply it to the car body. To reach every corner of the inside space, the atomizers used for painting the vehicle interior have to be relatively small. When developing the **EcoBell3 Ci** atomizer, our experts therefore placed particular emphasis on creating a highly compact design, optimizing paint application and reducing accumulation of paint in the atomizer. This cuts waiting times during which the atomizer is cleaned, and not only saves money but also lowers the consumption of cleaning agents and reduces emissions.



EcoBell3 Ci atomizer for interior painting shown in operation.

*Speed and material efficiency:
EcoLCC2 color changer*

ECOLCC2 COLOR CHANGER

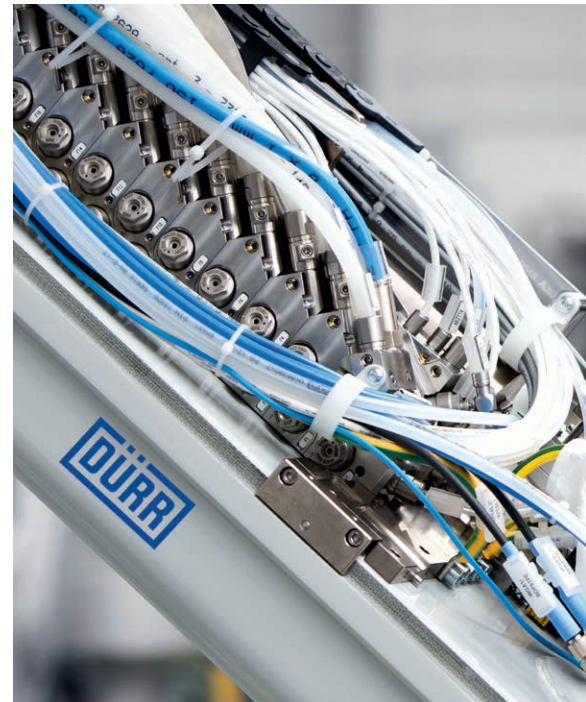
If one car is to be painted red and the next one gleaming white, the residual paint in the painting robot must be rinsed out completely to avoid the paint from turning pink. This color change is usually carried out during the time it takes for the next car body to arrive. Thanks to our high-speed vehicle positioning concept, **Eco⊕Speed**, this waiting time has been considerably reduced. Now, the time it takes to rinse out the old paint and load the new one also needs to be reduced. This is made possible by the A/B color change technology, two dosing pumps and two main needles in the **EcoLCC2** color changer. Our system is designed such that the individual color lines extend almost to the nozzle. Only there do they connect to a single line, which is rinsed during the color change. This saves paint, cleaning agent, time and energy.

ECO⊕SPEED

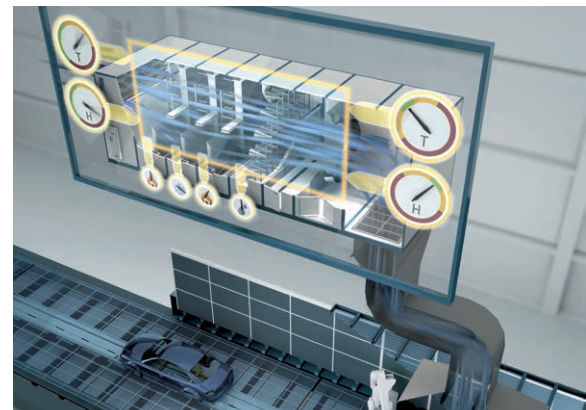
Getting to the right place faster: Thanks to the **Eco⊕Speed** conveyor system, the time it takes to transport the car body from one station to the next during the painting process is reduced from the usual 16 seconds to just 8 seconds. This enables more vehicles to be painted in the same amount of time, which means the energy consumption, for example for ventilation and heating of the system, is spread between several car bodies. As a result, consumption and emission levels per vehicle drop – by up to 15%. **Eco⊕Speed** demonstrates one of Dürr's particular strengths: we have experts for both conveyor and painting technology, which allows us to develop cross-sectoral innovations such as this one.

ECOSMART AC – INTELLIGENT PROCESS AIR CONDITIONING

EcoSmart AC allows carmakers to control the air supply and recirculation systems in the painting process. It is important to maintain very specific temperature and humidity levels during paint application. The **EcoSmart AC** automatically checks the setpoint and ensures that it is adjusted to external conditions. This takes place ten times per second, as does the optimal coordination of the different variables. This makes the air condition control even more effective, which leads to a considerable reduction in energy consumption and ensures the stable operation of the spray booth.



*Quick transit times between the
process steps increase efficiency:
Eco⊕Speed in operation.*



*It makes the control of air supply
and recirculation systems
in the painting process even more
energy-efficient: EcoSmart AC.*

A Dürr expert explains
 Dürr's filling system to our visitors.



MULTI-PHASE FILLING PROCESS

In vehicle assembly, coolant, brake fluid and other fluids are filled into the car with the aid of modern filling systems. We have introduced a new filling process for the refrigerant R744 (CO₂). Due to its physical properties, R744 previously had to be kept in liquid form and therefore permanently refrigerated. Thanks to Dürr's new multi-phase filling process, it is now possible for R744 to be processed in a supercritical state and, hence, independently of the temperature. Dispensing with the need for a refrigeration system reduces the energy and space requirement of the filling system, which results in lower investment and life-cycle costs.

METICULOUSLY CLEAN – PART CLEANING WITH ECOCWAVE

Parts used, for example, in engine manufacturing must be cleaned by removing oil and chips reliably and without residue. With its small footprint, Dürr's **EcoCWave** innovation for aqueous part cleaning can be integrated into any production line. **EcoCWave** offers greater process reliability, reduced idle times and lower energy consumption compared with conventional systems. Powerful spray flooding pumps ensure optimum cleaning quality through turbulent fluid flow.

RESEARCH & DEVELOPMENT

We want to maintain and expand our position as a technology leader. For this reason, we have continually increased our research and development (R&D) spending, raising it to € 43.0 million in 2013. In addition, our R&D workforce grew to 248 (as at December 31, 2013), an increase of some 25 % on the previous year (199 employees), thus outpacing growth in the overall workforce. Numerous other engineers and technicians are involved in projects on customer-specific process and production innovations. Some 70 % of our R&D funds is spent on developing new products and processes, with the remaining 30 % being used to optimize, standardize and modularize existing products.



Modern technology, modern outfit:
 our **EcoCWave** cleaning system

R&D KEY FIGURES

	2013	2012	2011	2010
R&D expenditure (in million €)	43.0	37.2	29.5	25.8
R&D employees (Dec. 31)	248	199	180	162

CUSTOMER EXCELLENCE

SUSTAINABLE RELATIONSHIPS WITH OUR CUSTOMERS – CUSTOMEREXCELLENCE@DÜRR

Our aim is not only to manufacture efficient products, work in buildings designed to be low-energy and operate a farsighted personnel policy, but also to build and maintain sustainable, i.e. stable and long-lasting, business relationships with our customers. This also means we need to keep in tune with our customers, know and meet their needs, and provide proactive support as a competent partner for services and further developments.

We have set ourselves the goal of becoming one of the best companies in our markets in terms of customer satisfaction and service. For this purpose, we launched a Group-wide optimization program last year, which combines all measures under one scheme: »CustomerExcellence@Dürr.«

The key question for us is whether our customers would recommend us – a reliable indicator of whether they were fully satisfied with our cooperation. For this reason, we follow up every project that we complete with a customer survey, which systematically records the level of customer satisfaction. Any ideas and suggestions for improvement are recorded in a clearly structured process, so that appropriate measures can be taken. We also train our employees worldwide in the area of customer focus/conduct.

Customer satisfaction is closely connected to the quality of our services. Our clear objective is to be number one in service. For this purpose, we have identified 43 individual measures in the area of service, many of which have already been launched. These include a multilingual 24-hour hotline and the installation of worldwide warehouses to shorten delivery times for spare parts.

AWARD-WINNING WORK

We regularly win customer awards for our products and cooperation. This appreciation bears witness to our trusted, often long-standing partnerships and the highest standards. We are therefore delighted with these awards, which motivate us to strive for further achievements. We have received the following awards in the last 12 months:

Fiat Supplier Award for Dürr subsidiary CPM in Italy

The Fiat Chrysler Group presented the Italian Dürr company CPM S.p.A. with the »Capital Equipment Supplier of the Year« award. The prize went to the flex decking system jointly developed with Fiat Chrysler, an innovative solution for the marriage of body and powertrain. The award, which was presented at the »Supplier Qualitas 2013« in Turin, recognized the excellent quality of CPM's work.



The winners of the Daimler Supplier Awards 2013 with Daimler's board members and purchasing managers as well as facilitator Judith Rakers. Fifth from right: Ralf W. Dieter, CEO of Dürr AG.

2013 Daimler Supplier Award

Daimler presented us with an award for excellent performance in the »International Procurement Services« category of the »Mechanical and Plant Engineering« sector. This relates, in particular, to the procurement of services and capital goods. Special mention was made of the great long-term partnership between Daimler and Dürr, which started around 1900. Dürr regularly implements projects for this automotive group, most recently at the German sites of Sindelfingen, Wörth and Rastatt as well as in Hambach (France), Kecskemét (Hungary) and Beijing (China). Once a year, Daimler presents the Daimler Supplier Award for above-average performance in terms of quality, cost, delivery reliability and innovative strength. Other assessment criteria include values such as fairness, reliability, credibility and the commitment to sustainable business practices.

Energy Saving and High Efficiency Technical Award 2013 in China

In September 2013 Dürr's **Eco**Paintshop received an award for its outstanding efficiency combined with top quality in the painting process. The award was presented by the Automobile & Parts magazine in Shanghai.

ENVIRONMENTAL FOOTPRINT

Minimizing the environmental footprint of our business activities is very important to us. We are firmly committed to reducing our emissions and are continually improving our processes. Although we saw a rise in our consumption and emissions in 2013 compared to the previous year, this was mainly the result of our increased vertical integration – we outsource a smaller proportion of our orders to third-party companies. We have enjoyed strong sales in the past few years and had to rely heavily on suppliers to cope with the high order volume. We have now expanded our internal production facilities to ensure quality and flexibility.

OUR MEASURES

We place great emphasis on recycling. Waste such as paper, plastic, steel, wood and electrical equipment is consistently sent for recycling.

We seek to identify opportunities to reduce consumption at our sites, and implement them by taking appropriate measures. Last year, for example, we replaced the fluorescent lamps at many sites with environmentally friendly LED lighting, and upgraded the old heating systems with modern ones that are considerably more efficient.

When constructing and operating Dürr buildings worldwide, we pay attention to energy efficiency. In China we have recently consolidated several sites, thus avoiding costly logistics and high emissions.

We are involved in the Mai Ndombe REDD project to protect the rainforest in the Bandundu Province of the Democratic Republic of the Congo. The project ensures that forest areas remain protected and help neutralize harmful greenhouse gases. By participating in this project, we offset the emissions produced by the natural gas consumption of our Schenck Technologie- und Industriepark in Darmstadt (around 487 tons of CO₂ emissions per year), and therefore remain carbon-neutral at this site.

PROCESSES

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

TRANSPARENCY

The topic of sustainability has been an integral part of our annual report for a number of years. In addition, we are now publishing our third separate sustainability report in succession. Furthermore, we closely work with institutes, non-governmental organizations and rating agencies, which examine the sustainability of companies through a number of surveys and publish their results. We see this as an important part of the exchange with our stakeholder groups. We participate in the Carbon Disclosure Project (www.cdproject.net), among others.

ENVIRONMENTAL KEY FIGURES (ABSOLUTE)

	2013	2012	2011
Number of sites	50	51	49
of which ISO 9001 quality management certified	39	39	39
of which ISO 14001 ¹ environmental management certified	19	20	20
Consumption			
Electricity (MWh)	32,723	32,489	28,833
Gas/oil/district heat (MWh)	42,478	40,342	42,025
Water (m ³)	124,555	113,174	92,636
Waste water output (m ³)	119,663	110,328	90,705
Waste (t)			
of which recycled (t)	4,797	4,066	3,509
	3,232	3,028	2,716
Emissions			
CO ₂ (t)	33,254	32,597	30,675
SO ₂ (t)	17	17	15
NO _x (t)	27	27	25

¹ Sites used by several Dürr companies sometimes have multiple environmental management certificates to ISO 14001.

ENVIRONMENTAL KEY FIGURES (INDEXED)

	2013	2012	2011
Consumption			
Electricity	61.0	60.8	67.3
Gas/oil/district heat	53.4	50.9	66.2
Water	84.9	77.4	79.1
Waste water output	92.0	85.0	87.3
Waste			
of which recyclable	86.7	73.9	79.6
	76.7	72.1	80.7
Emissions			
CO ₂	58.0	57.0	66.9
SO ₂	59.4	59.6	65.6
NO _x	59.0	59.1	68.4

(2010 = 100, in relation to sales)

EMPLOYEES

Our employees are the engine of our company. Our success would not be possible without their expertise, experience and enthusiasm. We therefore have a special responsibility towards our workforce, which we demonstrate in a variety of ways. Our workforce is growing steadily. On June 30, 2014, the number of employees was 8,324, which is a 5 % increase on the previous year (7,899 employees).

TRAINING

In 2013 we trained 75 young people in a number of different areas, e. g. as industrial mechanics, mechatronics engineers, technical product designers, industrial management assistants or shipping and warehousing clerks. In addition, Dürr employed 73 students from cooperative state universities and 8 »Studium Plus« students. They completed their practical training in the subjects of electrical engineering and electronics, mechanical engineering, mechatronics, industrial engineering, computer engineering and business studies. All students spend three to five months at one of our foreign sites to experience the international nature of our company.

We offer various training models to attract the experts and leaders of tomorrow. Apart from the classical vocational training, we also offer a cooperative state university program and an international trainee program. Once they have completed their training, most apprentices and students are offered permanent employment at Dürr. Our trainees have permanent contracts from the start.

PERSONNEL AND UNIVERSITY MARKETING

Despite the shortage of skilled professionals in Germany, we have been able to fill all open positions worldwide with highly qualified applicants. For this purpose, we have implemented a comprehensive program.

- We approach graduates at an early stage to recruit them into the company. In 2013 we attended 32 graduate career fairs, where we made initial contact with potential applicants. For comparison: we attended 25 fairs in 2012, and 16 in 2011. We also organize colloquia and presentations to strengthen our image as an innovative company. A view behind the scenes is offered on Girls' Day – an initiative that allows young girls to learn

EMPLOYEES BY REGION

	June 30, 2014	December 31, 2013	Juni 30, 2013
Germany	3,861	3,749	3,536
Other European countries	1,385	1,361	1,324
North/Central America	717	726	800
South America	340	335	317
Asia, Africa, Australia	2,021	1,971	1,922
Total	8,324	8,142	7,899

More than a third of our workforce is based in China and other emerging markets. Around 3,800 people are employed in Germany. We focus on training and development worldwide.



about technical professions, and seeks to spark their interest in a career in this area.

- In the reporting year, 66 student employees and 113 interns got to know Dürr; a further 61 students wrote their master's or bachelor's theses with us.
- Professionals with work experience are led by Dürr's attractive profile as an employer. This is based on important elements such as our world market leadership, our close relationship with the automotive industry, high-tech engineering, innovative strength as well as a combination of international focus and SME values such as ownership and flexibility. Furthermore, Dürr offers an attractive compensation package, flat hierarchies and good career prospects, and enjoys a positive image as a successful mechanical and plant engineering company and employer. This is underpinned by the number of employer awards we have received. The most prominent example: in 2014, we were named Germany's best employer in the mechanical and plant engineering sector by focus magazine.

	2013	2012	2011
Number of participants in Group and individual training events in Germany	7,032	6,737	5,215
Number of Group and individual training events in Germany	1,219	1,086	933
Training budget per employee in Germany	650	650	500
Bachelor's or master's theses	61	50	54
Student trainees	66	55	35
Apprentices	113	109	120

EMPLOYEES IN EMERGING MARKETS

in %

34

2013

24

2009

14

2005

TRAINING AND PERSONNEL DEVELOPMENT

We want our employees to carry out their tasks to the best of their ability. For this purpose, we give them the right tools and the training to prepare them for the challenges of their work.

In 2013 we further expanded the training program for our employees. In Germany alone, the number of people participating in training events rose from 6,737 in 2012 to 7,032 in 2013. Around 80 % of our German-based workforce took part in at least one training measure, which is considerably above the average for German companies (43 %).

Our employees abroad were offered locally organized training as well as an increasing number of centrally planned events. This training covers Group-wide topics such as employee management, project management and sales processes, and is mostly attended by international participants. In 2013, 567 participants came from abroad, which is almost 50 % more than in the previous year (383).

Our employees can now select and book training events by using the new online seminar portal, where they can also leave feedback for performance measurement. At € 650, the training budget per employee once again reached a high level in Germany.

396 employees took advantage of our leadership training, which prepared them for their future work as department heads and team leaders (2012: 332). Our newly designed »People Development« personnel development process also focuses on junior managers. This process is aimed at identifying potential and existing high performers and offering them individual career and development opportunities.

	2013	2012	2011	2010
No. of employees	8,142	7,652	6,823	5,915
of whom students from cooperative state universities	81	58	52	47
of whom apprentices	75	83	78	82
Average company service (years)	10	10	11	12
Staff turnover in %	6.0	4.6	6.0	6.7
Sickness rate in %	2.1	1.9	2.1	2.5
Proportion of women among the overall workforce in % (Dec. 31)	17	17	17	17
Age structure in %: German employees 45 years and older	53.1	54.2	54.7	56
Age structure in %: worldwide employees 45 years and older	39.9	40.6	42.6	54.3
No. of accidents per 1,000 employees (Germany)	13.1	12.9	14.4	10.2

WORKING CONDITIONS

Employees will only deliver top performance if they are happy at work. We make every effort to support them, for example by giving them ownership or providing a team-oriented work environment and international career opportunities. As a medium-sized company, we make sure that our rules are reasonable and pragmatic. With programs at Group or national level we seek customized models that will make it even safer as well as more pleasant and attractive to work for our company.

We offer, for example, individually tailored part-time programs and flexible working hours, and we have home office rules in place where applicable. We promote work-life balance and active health care. Depending on the location, employees can take advantage of back exercise courses, massage, sports groups, health checks etc. Our holiday clubs and day-care centers are highly popular among employees with children. In addition, Dürr expressly encourages its employees to get involved in civic, charitable and social activities.

Dürr shares its success with its employees: the wages and salaries we pay meet or exceed the thresholds set out in the collective agreement. In 2013 all full-time tariff employees in Germany received a profit-sharing bonus of €2,750; part-time staff received a pro-rata amount. Similar rules apply abroad.

Safety at work comes first: each location has qualified representatives for occupational health and safety. At Group level, these tasks are assumed by a top-level body. Dürr's directive on health and safety applies to all activities performed by and for Dürr – worldwide. Even though every accident is one too many, with 13.1 accidents per thousand employees (2012: 12.9), Dürr is a safer place to work than most others within the industry.

We carry out regular employee surveys to see whether we are on the right track. Having conducted local surveys in recent years, we carried out the first worldwide employee survey in 2013. More than 80 % of the participants stated that they enjoy their work and would recommend Dürr as an employer. Topics for which our employees have identified the need for improvement are taken very seriously. Encouraged by their feedback, we have defined a total of 318 individual initiatives, which are now gradually being implemented. We have already seen some initial success, in particular in the areas of cooperation, strategy communication and training.



DÜRR CHALLENGE

Employees who are highly qualified, motivated and open to the world are one of the key reasons for the success of our company. To make sure this continues, we approach young people who are about to complete their studies – with the aim of inspiring them to start a career at Dürr. University marketing is therefore an integral part of our comprehensive recruitment concept, which presents Dürr as an excellent and attractive employer and allows us to approach potential employees on a regular basis. We have created a special competition for student teams, whereby we ask them to make films about daily life in faraway cities, so they learn about an important aspect of working at Dürr: to look beyond borders.

SPOTLIGHT

»And the winner is ...« These words create anticipation and excitement – not only at the Oscars but also when the best film of the Dürr Challenge is announced. The difference is that, while the winners in Hollywood have thriving careers, the participants of the Dürr Challenge are only at the beginning of their professional life.

»We want to show young people how important it is to understand other cultures, to find their way around an unfamiliar environment as a team, and to build bridges with people there.«

The Dürr Challenge is unique. The company sends three teams of students to three different large cities. Their task is to observe people as well as their working life and culture, gather impressions and produce a short documentary on the results. »We want to show young people how important it is to understand other cultures, to find their way around an unfamiliar environment as a team, and to build bridges with people there«, says Klaus Achtelik, Head of Corporate Human Resources, »because these challenges are typical of a global company like Dürr.« The mechanical and plant engineering firm generates more than 50 %

of its sales in emerging markets such as China, Brazil, Mexico or South Africa. No wonder that intercultural competence plays a key role within the company.



The Shanghai team at the awards ceremony



Taking a break from filming at a street café in São Paulo.



THE MORE INDIVIDUAL, THE BETTER

In 2013 the competition was advertised for the first time at universities throughout Germany. Students from any faculty could apply using images, sounds or words – the more individual and creative, the better. Dürr chose 15 young men and women from hundreds of applicants, who were then assigned to three teams. The rules are simple: Dürr takes care of flight, accommodation and food. The teams observe, then shoot and cut a short film. They are each supported by a student from the Baden-Württemberg Film Academy in Ludwigsburg, with local Dürr employees providing additional guidance.

How does a layperson produce a documentary about daily life at the other end of the world? The 2013 Challenge showed how different the results could be. Dürr sent the student teams to Detroit, Shanghai and São Paulo. The urban jungle of Detroit was filmed from the perspective of a lovely yet energetic taxi driver. »We never knew what she had planned next«, reports team member Thea Kovac, »but this allowed us to see parts of Detroit which we would never have discovered otherwise.« The São Paulo team showed the contrasts of the city: poor and rich, joy and loneliness, derelict buildings and shiny façades. The most diverse documentary came from Shanghai: a bride and groom in the street, grandfather and grandson on a boat trip, traditional and modern impressions, an interview with a manager and short statements from Dürr's Chinese employees.

The winner of the Dürr Challenge is chosen by a jury, consisting of four Dürr employees plus Yves Lambert from the Baden-Württemberg Film Academy. The award is presented in style, in a repertory cinema with spotlight, trophies and 200 guests. After the three films are shown, the anticipation builds as the announcement is made: »And the winner is...« At last year's première, the Shanghai team had the edge. Unlike the Oscars, the Dürr Challenge gives every participant something to take home: the experience that the camera sees more than the naked eye.

In September 2014 the new applicants headed to three Dürr locations: Seoul, Istanbul and New York are this year's filming venues. The Dürr Challenge success story – to be continued!

CORPORATE GOVERNANCE AND COMMUNICATION

GOOD CORPORATE GOVERNANCE

Our corporate governance is based on the recommendations of the German Corporate Governance Code. It sets out the principles and goals of good corporate governance to which we are expressly committed. Every year the Board of Management and the Supervisory Board issue a statement detailing to what extent we comply with the Code. We have complied with the recommendations for years, with minor exceptions. The few, justified cases in which we do not comply are disclosed, and the reasons explained. The annual declaration of compliance can be found at www.durr.com under Corporate Governance/Declaration on Corporate Governance.

KEEPING TRACK OF OPPORTUNITIES AND RISKS

All entrepreneurial activities present opportunities and risks. To keep track of them, we have implemented a comprehensive and consistent system for recording, evaluating and processing opportunities and risks.

All entrepreneurial activities within the Dürr Group are based on the principle that

- Opportunities must clearly outweigh risks in every business activity.
- Purely speculative transactions are prohibited.
- Our actions must comply with prevailing laws as well as with ethical and moral standards.

Opportunity and risk management does not only concern the Board of Management. We promote an open opportunity and risk culture and encourage our employees throughout the company to identify opportunities and address dangers directly and at an early stage. Twice a year the different Group companies systematically record their assessments and discuss them locally. The reports are sent to the relevant department within the Group, where they are consolidated. The Board of Management and the Supervisory Board are regularly provided with detailed information on the system as well as the results gained, and adopt appropriate measures.

OUR EXTERNAL COMMUNICATION: TRANSPARENT, OBJECTIVE, FAST

When dealing with journalists, investors and other members of the public, we act in a transparent, objective and fast manner. We see the exchange with them as valuable, long-term cooperation, which also provides important ideas for corporate governance. The good results we have achieved in different surveys and competitions prove that our stakeholders appreciate this concept. You can contact our communications team by phone: +49 7142 78-1785 or email: corpcom@durr.com.

COMPLIANCE

Dürr is committed to the rule of law. As part of our social responsibility we must conduct ourselves in a respectful, honest, open and ethical manner. This applies to the entire Group as well as each individual employee. We have summarized the guidelines for our actions in our Group-wide code of conduct. This set of rules is available in 10 languages and sets out binding principles for our companies and workforce. The principles applied by Dürr include:



*The latest in compliance:
the compliance representatives gather at a training event.*

NO ILLEGAL PRACTICES

We act lawfully; we particularly condemn and fight against corruption and fraud. We actively ensure, through publications and regular training, that our employees know and observe our values. We have central compliance officers, for example, who provide advice in the event of conflict. We also operate a central intranet site containing all information and news on the subject of compliance as well as possible scenarios and the correct behavior.

DIVERSITY AND FAIR PLAY

Discrimination and harassment are not tolerated. Every Dürr employee has the right to fair treatment. In fact, »valuing diversity« is one of our five corporate values. We promote this diversity as it guarantees our success as a global company.

WORKING CONDITIONS

Forced and child labor are prohibited at Dürr, and we take an active stance against it. Dürr employees all over the world are free to join labor interest groups.



*Tobias Krug, Corporate Compliance
Officer at Dürr AG*

» We want to help colleagues all over the world to comply with the law and internal company guidelines. There are no gray areas.«

SUPPLIERS

Our commitment does not stop at the company gate. We only place orders with suppliers who promise to observe our values. These principles are set out in a separate document, a code of conduct for suppliers, which is publicly available and forms a mandatory part of our orders.

Dürr's code of conduct for suppliers can be found at www.durr.com/Company/Sustainability.

DONATIONS

No political donations have been made by Dürr. Financial support has always been provided in other areas, where applicable, for example in sport or education. A few months ago, we set out the principles of this long-term practice in our new donations guideline. It states Dürr's continuing policy not to make political donations.«

In May 2014 we invited all compliance representatives from our worldwide locations to a comprehensive training event, during which experts reminded them of the risks of corruption and antitrust violations. The meeting also served as a platform for exchange of experiences between the participants. »Compliance is not static – we are continually developing our system, and for this we rely on the feedback of our local compliance managers. This is essential for the quality of our measures«, says Tobias Krug, Corporate Compliance Officer at Dürr AG. »Once trained, our colleagues are the first port of call at their local sites, from Brazil to China, and must ensure that Dürr stands and is known for the same values throughout the world.«

SOCIAL COMMITMENT

A tradition of commitment: we have always played an active part in our community. We have a clear idea of the areas we want to be involved in: education, culture, sport (mass, youth and disabled) and humanitarian charity projects.

With the very young in mind, we have entered into cooperation with a day-care center in Bietigheim-Bissingen. Together with Heinz und Heide Dürr Stiftung, we support the center as a partner for promoting early years education. We have reserved places at the center to help our colleagues achieve a better work-life balance. We are currently planning a further day-care center in the form of a public-private partnership. As part of our cooperation agreements with schools, we offer internships, provide career consulting services to young people, and organize job applicant training schemes. We have taken on the role as educational mentor at local grammar schools. School graduates from Bissingen Secondary School who achieved outstanding results in the subjects of mathematics, IT, natural sciences and technology receive the Dürr MINT award. In 2013 all award winners were invited to attend a one-day robot programming course at Dürr.

For many years, the company and its employees have been making donations to a school for children with learning difficulties. We support the START foundation, which offers scholarships to children from ethnic minorities. Dürr is also involved in the All-German Grants Initiative, under which we fund three scholarships per year and sit on the selection committee at the University of Stuttgart. Further scholarships are awarded by Schenck RoTec in Darmstadt (five scholarships p.a.) and Dürr Somac at the Technical University of Freiberg (one scholarship p.a.). Several employees teach at universities. The associations and universities to which we provide financial support include the Donors' Association for the Promotion of Humanities and Sciences in Germany and the Cooperative State University of Stuttgart.

As the largest employer in Bietigheim-Bissingen, we feel a special commitment to this town and its citizens. We give financial assistance to cultural events, music provision for children, youth activities in sports clubs, and social organizations such as the Civic Foundation.

We organize the »Kultur erlebt« (Experiencing culture) scheme to enable employees as well as their families and friends to attend concert, theater and cabaret performances. In 2013 the financial support we provided to the local community around our headquarters reached a total of around € 150 thousand. At € 50 thousand, the support provided for early years music education at local nursery schools was the single largest donation.

We also assisted with natural disasters in 2013. Donations from Dürr were sent to the victims of the typhoon disaster in the Philippines and the flooded areas along the River Elbe. Our foreign companies also get involved. In the last nine years the Dürr Systems Employee Charity Committee in Plymouth in the United States has raised and donated around US\$ 170 thousand. Employees of Dürr Ltd. in the UK have taken part in various charity campaigns, with the money raised going to research into cancer and meningitis. In China Dürr supports the Chengdu Charity Federation, which helps earthquake victims, and the Shanghai Charity Foundation for socially disadvantaged children.

DONATIONS

in Germany, in € thousand

690
2013

511
2012

406
2011

344
2010

CHAMPIONS MADE BY DÜRR

From success to success: the little heroes of St. Georges Football Club have won several league and cup games. The players come from different districts of Port Elizabeth. This children's soccer team is just one of several teams in the region that receive support from Dürr South Africa. Our local colleagues provide coaching, while the Dürr Group helps with the equipment.



This is what winners look like: the team of St. Georges Football Club in Port Elizabeth with Michael Broek, Managing Director at Dürr South Africa, and his colleague.



A language trip to England – thanks to Dürr's support: the ninth graders of Bissingen Secondary School

ON TOUR THANKS TO DÜRR

41 ninth graders from Bissingen Secondary School traveled abroad to practice their English. The varied, 11-day program included daily English lessons, exciting trips to surrounding areas and lodging with host families, which provided an insight into everyday life. The trip had been organized by the teachers of Bissingen Secondary School, together with the renowned Devon School of English. The initiator, Martin Hauss, is pleased with the success of the educational trip as well as the support: »The group was very motivated and left an extremely good impression on everyone involved. As our educational mentor, Dürr provided generous support to our school, which also allowed financially disadvantaged students to attend the trip.«

FUTURE CITY

The key objective was to make maximum use of alternative or renewable energy sources. Students participating in the Michigan Regional Future City Competition were given the challenge of inventing the city of the future. A special award was presented by Dürr for the design that used these energy sources most efficiently.



The happy winners of St. John Lutheran School in Rochester (Michigan) with helpers and judge



Dear Readers,

As one of the largest employers and most innovative companies in Bietigheim-Bissingen, Dürr AG has not only secured itself an excellent economic position but also demonstrated great social commitment right from the start. Dürr AG supports our town, for example, in offering free early years music education at all children's day-care centers, and in providing more teaching at music schools, in particular for gifted children. Cultural events such as our »Best of Music« or »Bietigheimer Wunderland« open-air festivals are only possible because we have companies such as Dürr AG, who are committed to providing a lively community space so that company employees, for example, enjoy spending time in our town, either as residents or as visitors. Dürr AG has set the standard for a model partnership between companies and the local community – I am grateful for this excellent cooperation.

Best regards

JÜRGEN KESSING,
MAYOR
OF THE CITY OF BIETIGHEIM-BISSINGEN

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