



TTS Group Sustainability Report 2024

Transparency, Transformation,
Sustainability



Foreword

Dear readers,

Continuity and progress: These are the topics on which we have focused in our fourth sustainability report.

Continuity represents the fundamental idea of our family-run group of companies, which has been committed to sustainable corporate development and promoting sustainability for generations.

Progress, on the other hand, refers to our efforts to meet current challenges such as climate and resource protection, as well as social issues, in the best possible way – and to constantly develop ourselves further in order to meet future requirements.

In 2024, we created the framework conditions for even more committed climate protection for the entire TTS Group. We have taken several ambitious steps to strategically tackle the decarbonisation of our entire value chain. At the centre of this was the adoption of our Group-wide climate strategy. We have also submitted our reduction targets to the globally recognised SBTi (Science Based Targets initiative). These targets were officially validated in July 2025.

Our decarbonisation measures are planned for the long term and some have already been launched: To this end, we have developed

detailed concepts for the most emission-intensive production sites – particularly in Germany and the Czech Republic – in order to increase energy efficiency and in-house electricity generation. We have also driven forward the change in energy sources and the increased purchase of green electricity. In order to reduce the high emissions in our supply chains, we have intensified our strategic collaboration with our suppliers.

In politically and economically uncertain times on the global markets, we as the Management Board continue to stand united behind the issue of sustainability and are aware of our responsibility to the environment and society. As the sponsor for sustainability issues in the TTS Group, I am delighted to see how we have been able to expand the TTS Group's sustainability management in terms of personnel and professionalise it in recent years – and I am also looking forward to taking the next important steps.

**Best regards,
Dr Wolfgang Knorr**

A handwritten signature in black ink, appearing to read 'W. Knorr', with a long, sweeping horizontal stroke extending to the right.

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Strategy, business model and value chain	P. 07	Finding the right work-life balance	P. 33			Where content or key figures relate to the five brand companies, these brands are referred to in their abbreviated form. If the respective company form is mentioned, data explicitly refers only to this company.
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ESG highlights 2024



FURTHER DEVELOPMENT OF SUSTAINABILITY MANAGEMENT:
Since 2024, Festool GmbH has had its own sustainability management, under which environmental management is also anchored. A separate ESG controlling function has also been established at Group level. This structure makes it possible to provide specialised shared services for the subsidiaries of the TTS Group and to promote progress in the area of sustainability in a targeted manner.



REDUCTION OF FOSSIL RAW MATERIALS:
TANOS has expanded the Eco range with alternative plastic materials to five different sizes for Systainer³ M.



different sizes now available.

2024

Expansion of sustainability management to include additional expertise in ESG controlling and Festool sustainability.
different sizes now available.

ECOVADIS CERTIFICATION:
At the end of 2024, Festool GmbH was assessed in the area of sustainability by EcoVadis for the second time. Thanks to targeted measures and significantly improved transparency, the company was able to make considerable progress within a short space of time and was awarded the EcoVadis Committed Badge.



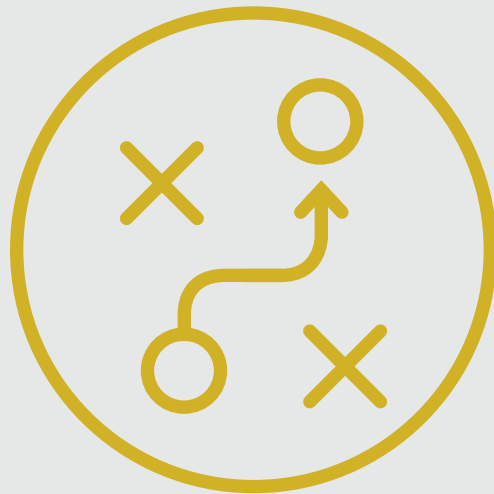
ESG highlights 2024



Green electricity for carbon-neutral energy supply

SETTING THE COURSE FOR DECARBONISATION:
Following approval by the Supervisory Board and the owner family, the TTS Group has adopted a Group-wide climate strategy with measures for decarbonisation. Among other things, investments were made in photo-voltaics, heat pumps and green electricity for carbon-neutral energy supply at the production sites.

CSRD



FURTHER DEVELOPMENT OF THE SUSTAINABILITY STRATEGY:
The TTS Group has carried out a double materiality analysis in accordance with the requirements of the CSRD (Corporate Sustainability Reporting Directive).



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SCIENCE BASED TARGETS

MATERIAL UTILISATION:
Festool was able to change all cushioning materials for product protection during transport – with the exception of special customer requirements – from bubble wrap to paper.



Switching from bubble wrap to paper!

AMBITIOUS CLIMATE TARGETS:
The TTS Group has submitted reduction targets to the SBTi (Science Based Targets initiative). These climate targets were then officially validated by the SBTi in July 2025 – as the validation took place outside of the reporting period, further information will follow in the upcoming sustainability report.



Corporate governance and sustainability management

Corporate governance and sustainability management

PRINCIPLES FOR PREPARING THE SUSTAINABILITY REPORT

The TTS Group's sustainability report is based on the content requirements and structure of the Corporate Sustainability Reporting Directive (CSRD). Although the directive cannot yet be finally applied due to a lack of national legislation and adjustments in the course of the omnibus procedure, key elements of the report have been taken into account.

The TTS Group strives to continuously improve the availability of sustainability information and to standardise data collection and management. This will enable it to fully fulfil the requirements of the CSRD in future and ensure comprehensive transparency across the entire value chain.

The TTS Group consists of several subsidiaries, most of which are 100% owned by the TTS Group. The five brand companies exolQ, Festool, SawStop, Shaper and TANOS operate as independent companies. The other subsidiaries of the TTS Group, some of which have supplier relationships with Festool, are together presented externally as parts of Festool.

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

The TTS Group stands for strong brands in the power tool market and comprises companies that manufacture and supply power tools, accessories and consumables. The range also includes organisation and storage solutions. New additions to the range include active support systems such as exoskeletons, which relieve the strain of physically strenuous activities and promote the health and productivity of users in the long term.

The group of companies serves various markets and is aimed at trade, industrial and private customers. Brands such as TANOS and exolQ are also aimed at cross-industry customer groups. Cleantec and



Headquater Wendlingen



Microcell are affiliated companies of Festool and also contribute to the wide customer base.

The value chains of the companies in the 2024 scope of consolidation include all key stages, from procurement through to the use and disposal of products.

Upstream value chain: The upstream value chain comprises multi-stage supply chains. The key materials include electronics, plastic, metal parts and packaging materials. These are sourced from international suppliers with whom we have long-standing partnerships.

The supplier structure differs depending on the product type and brand.

Own added value (operations): Centralised production takes place at our own production and assembly sites in Europe. The manufacturing process includes incoming goods logistics, production, quality assurance and dispatch preparation. Production is automated to varying degrees depending on the product line.

Downstream value creation: The finished products are delivered to retailers or end consumers via our own central distribution centres or logistics partners. Sales take place both directly (e.g. online) and indirectly via specialist retail partners in more than 50 countries – depending on the brand. A key objective in the utilisation phase is the long-lasting and safe use of the products. The availability of spare parts and reparability are integral parts of the product design. The brand companies offer service and repair services via authorised partners or their own workshops. Initial end-of-life management measures such as return, recycling and second-life strategies are currently being developed.

TTS Tooltechnic Systems



exoIQ

ExoIQ
Support systems
for human motion
sequences



FESTOOL

Festool
Power tools – Inspired
by craftspeople



SawStop

SawStop
Circular table saws
with the latest safety
technology



SHAPER

Shaper
Robotics company with
user-oriented technology



TANOS

Tanos
Packaging and transport
system for power tools
and accessories

Affiliated companies

TTS Cleantec GmbH
Full-service provider for all dust
engineering requirements

Microcell PU
Specialist for abrasives and
sanding pads for professional use

Aspro GmbH
Developer and manufacturer of
electronics and testing technology

Value chain section	Processes	Impact
Supply chain (T2-n)	Procurement of raw materials and preliminary products from global supply chains	Human rights, environmental standards, carbon emissions
Supply chain (T1)	Delivery of pre-assembled components and materials to our own production and assembly sites	Labour conditions, environmental standards, carbon emissions
Inbound and intra-logistics	Incoming goods, storage and internal transport of materials	Transport emissions including land use, packaging materials, energy consumption, process emissions, waste
Production	Manufacturing, electronics integration and final assembly	Energy consumption, resource utilisation, occupational safety, waste, process emissions
Outbound logistics	Packaging, storage and transport of finished products to customers or dealers	Process emissions, transport emissions including land use, packaging materials, waste
Marketing and sales	Product marketing via own channels or sales partners, customer support and retention, customer and market needs analyses	Product transparency, customer communication, product safety and user health protection
Utilisation and end-of-life	Utilisation by users and return, repair or recycling	Emissions during use, product service life, recyclability

Impact of the value chain on aspects of sustainability

SALES DEVELOPMENT AND FUTURE DIRECTION

In the 2024 reporting year, the turnover of the TTS Group was EUR 830 million. This corresponds to a decline of 4.5 per cent or EUR 39 million. The driving force for this development is falling demand due to the overall economic situation.

Sustainability is a top priority for the TTS Group – driven by corporate values and social requirements. This results in an increased focus on sustainable practices in all areas of the company. The TTS Group sees the associated challenges as an opportunity for innovation, optimisation and further development.

In future, the TTS Group plans to focus even more on sustainability and to develop more environmentally friendly products and services. In addition to the TTS Group, various stakeholders also benefit from this.

Customers can make a concrete contribution to social and ecological sustainability by purchasing products from the TTS Group.

The TTS Group’s **retail partners** benefit from greater transparency regarding the sustainability performance of the products. This not only strengthens cooperation with partners, but also makes an important contribution to sustainable development along the entire value chain.

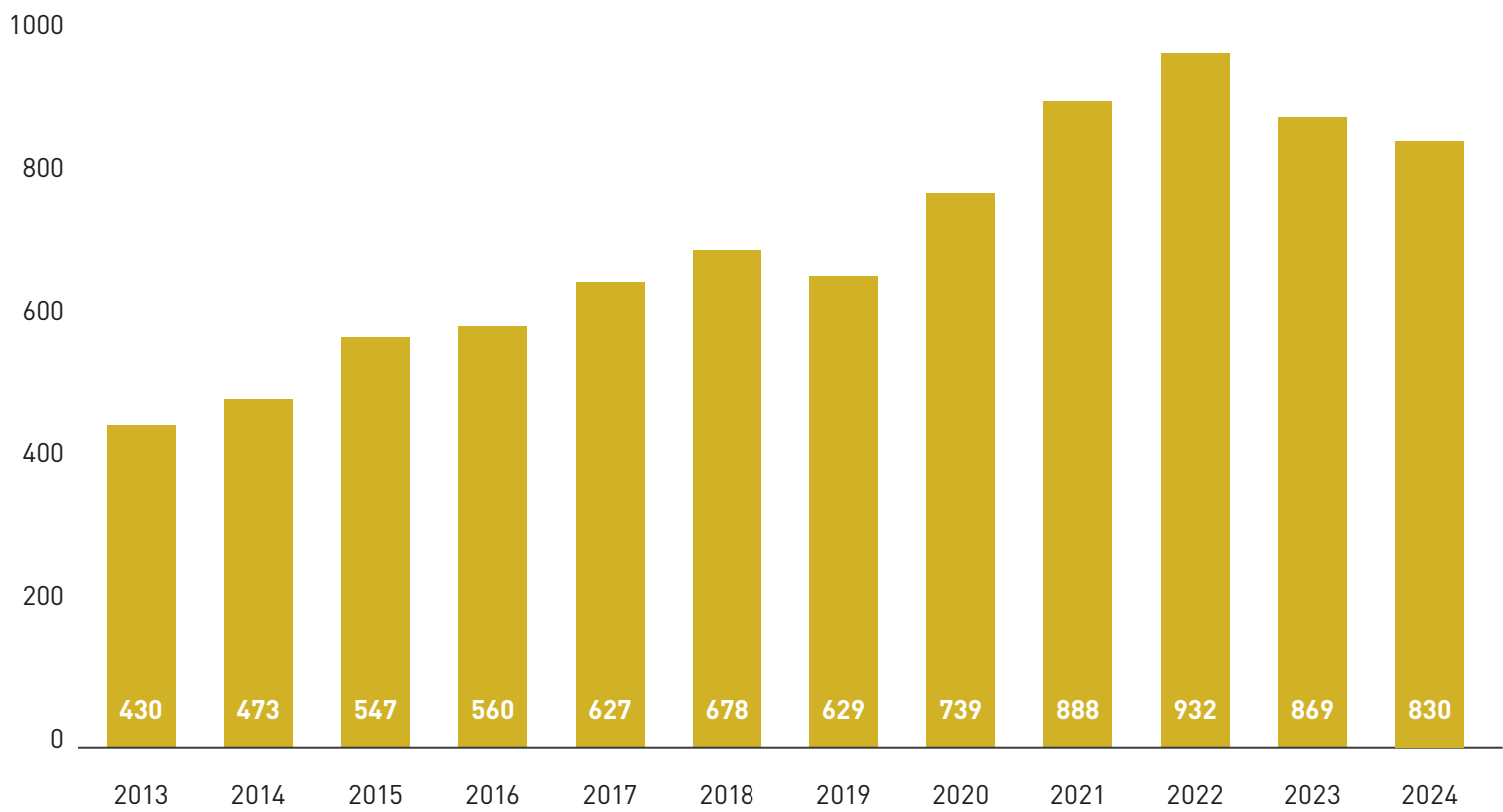
In future, **suppliers** will benefit even more from close, long-term cooperation characterised by sustainability. The TTS Group works together with its suppliers to promote sustainable practices throughout the supply chain. This leads to stable and environmentally friendly supply relationships in the long term.

The TTS Group offers **employees** a safe, respectful working environment and promotes personal and professional development through training. Additional health and social benefits make the TTS Group an attractive employer brand.

Overall, through its outputs and outcomes, the TTS Group ensures that it not only offers its customers, retail partners, suppliers and employees benefits now, but also contributes to a more sustainable and more responsible economy in the long term.

Sales development 2013 – 2024

In EUR millions



THE ROLE OF THE GOVERNANCE BODIES

SUPERVISORY BOARD

The Supervisory Board of the TTS Group consists of six members, including four men (external members) and two women (members of the owner family without a managerial role). It advises and monitors the Management Board in accordance with the law, the Articles of Association and the rules of procedure.

The Supervisory Board – headed by the Chairwoman of the Supervisory Board, Barbara Austel – performs the following tasks and advisory functions for the Management Board, among others: Preparing strategic decisions, assessing performance, monitoring the financial situation, identifying and evaluating risks and opportunities, and identifying the impact of the TTS Group’s activities. The Supervisory Board also reviews business activities in regular dialogue with the Management Board and, if necessary, with other management levels. As the highest governance body, the Supervisory Board is responsible for appointing the Management Board and for reviewing and approving change processes, targets and the consolidated accounts.

THE MEMBERS OF THE SUPERVISORY BOARD ARE::

- Barbara Austel – Chairwoman
- Rüdiger Hahn
- Michael Kalmbach
- Dr Axel Kniehl
- Stefanie Luik
- Werner Müller

The four external members work as managers or hold management positions in the areas of consulting, sales, auditing, logistics, development and production. In addition, they all have experience in collaborating with family-owned companies.

MANAGEMENT BOARD

The TTS Group’s Management Board consisted of three members in the reporting year, one woman and two men. The Management Board is responsible for strategy development, strategic alignment (vision, long-term targets), compliance, monitoring, stakeholder relations, and crisis and risk management. The members of the Management Board are:

- Sascha Menges (CEO)
- Dr Birgit Braches (CFO)
- Dr Wolfgang Knorr (CTO/COO)

In addition to their main tasks, the members of the Management Board take on additional roles as sponsors for important projects:

- CEO – Sponsor for corporate culture, diversity and inclusion
- CFO – Sponsor for strategic financial projects and IT
- CTO/COO – Sponsor for sustainability

In accordance with Section 76(1) of the German Stock Corporation Act, the Management Board is responsible for managing the company, and is therefore responsible for all issues and tasks arising from the company’s business or business policy. In accordance with Section 90 of the German Stock Corporation Act, the Management Board reports to the Supervisory Board. This means that the Supervisory Board has the right to control the management of the Management Board.

These legal obligations are implemented via a cascading strategy within TTS Tooltechnic Systems AG & Co. KG

- by the Articles of Association (AoA)/company agreement (as of 07/2023),
- the rules of procedure for the Management Board resulting from the Articles of Association (as of 07/2014), and,



Dr Wolfgang Knorr
(CTO & COO)
Dr Birgit Braches
(CFO)
Sascha Menges
(CEO)

(from left to right)

- in turn, the distribution-of-business plan resulting from the rules of procedure (as of 02/2024).

The management of the TTS Group is obliged to organise and lead the group of companies so that violations of the law are avoided. Managers play a key role in fulfilling this corporate responsibility.

ROLES AND RESPONSIBILITIES OF MANAGERS

The Management Board has issued the guideline for managers for the management of the TTS Group and the associated companies (“TTS Subsidiaries”). This guideline is aimed at employees with disciplinary responsibility, special professional responsibility or membership of committees. The guideline defines the contribution and responsibility of managers to proper corporate governance. The managers support the Management Board and supervisory bodies, implement strategic guidelines and ensure compliance with legal and internal requirements.

Their central tasks include:

- Alignment of the organisational unit with strategic goals
- Management and development of employees
- Implementation and monitoring of legal requirements and internal guidelines
- Introduction of traceable processes and effective internal controls
- Identification and handling of risks
- Responsibility for occupational safety

SUSTAINABILITY AS A PILLAR OF THE CORPORATE STRATEGY

The TTS2030 strategy forms the foundation of the TTS Group’s long-term orientation. Sustainability is one of the three corporate values and is firmly integrated into the corporate strategy as one of the central strategic pillars.

INTEGRATION TAKES PLACE THROUGH:

- 1. Defined sustainability goals:** In continuous coordination with the CTO/COO as the sponsor for sustainability, the sustainability officers have set overarching sustainability targets (see sub-section: Sustainability strategy – people, planet, process) for the TTS Group. These were validated and approved in an iterative process by the Management Board and the Supervisory Board. These objectives form an important part of the TTS Group’s strategic orientation.
- 2. Regular reporting:** The person responsible for sustainability in the TTS Group reports directly to the CTO/COO, and progress is made transparent and discussed through regular dialogue formats (e.g. board meetings, Festool Sustainability Executive Meetings, TTS Sustainability Steering Committee).
- 3. Monitoring and progress review:** Sustainability issues are an integral part of the regular monitoring processes. This ensures that all areas of the TTS Group work towards the defined sustainability goals.

Regular dialogue formats have been established within the TTS Group to monitor the implementation of the corporate strategy and therefore also sustainability issues:

- Management Board and Supervisory Board:** The Management Board meets regularly with the Supervisory Board to discuss strategic issues, including progress with regard to sustainability.
- Owner family:** The members of the owner family are closely involved in the company’s activities. They regularly take part in events, are in active dialogue with the Management Board and take responsibility for key issues. Barbara Austel is committed to diversity and the advancement of women, while Jakob Möhl is responsible for sustainability on the family side.

- TTS board meetings and workshops:** Strategic issues are reviewed at the regular board meetings (every fortnight) and at the half-yearly board workshops. Sustainability is always addressed in order to monitor progress.
- TTS Summit and brand reviews:** The TTS Summit is held annually, at which general managers and managers contribute to the strategy, including the sustainability targets. In addition, brand reviews are conducted three times a year to monitor the sustainability performance of the subsidiaries.
- Strategy circle and quarterly meetings:** The entire corporate strategy, including the sustainable orientation, is discussed in the quarterly strategy circles. Sustainability issues are also regularly on the agenda of the quarterly meetings for all managers (around 340 managers in total).

Through these structures, the TTS Group ensures that sustainability is not just an abstract vision, but is integrated into the realisation of the Group’s strategy.

SUSTAINABILITY MANAGEMENT

The TTS Group sees sustainability as a cross-cutting issue and organises sustainability management as a company-wide network that helps shape the sustainable development of the TTS Group. This network is managed by a central sustainability officer at the TTS Group, who defines the overarching strategy and Group-wide targets and measures in close consultation with the Management Board and the owner family. Furthermore, sustainability officers have been appointed in each brand company to act as contact persons and drive forward the implementation of the sustainability strategy in their respective areas. The network also includes committed individuals from various areas of the company who are involved and provide valuable input due to their interest, their passion for the topic and their willingness to play an active role in shaping it.

EcoVadis Certification
2025

At the end of 2024, Festool GmbH was awarded the EcoVadis Committed Badge.

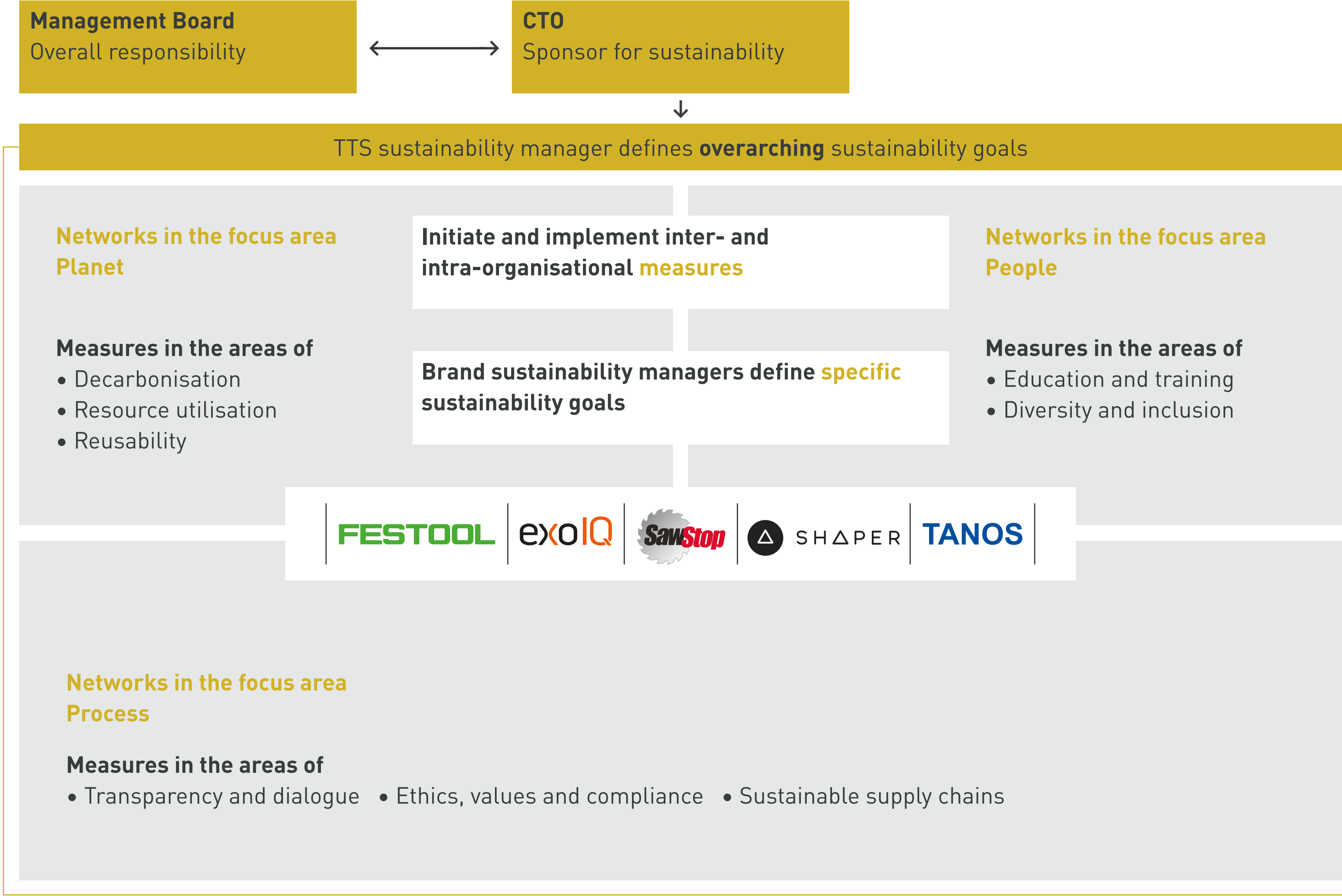
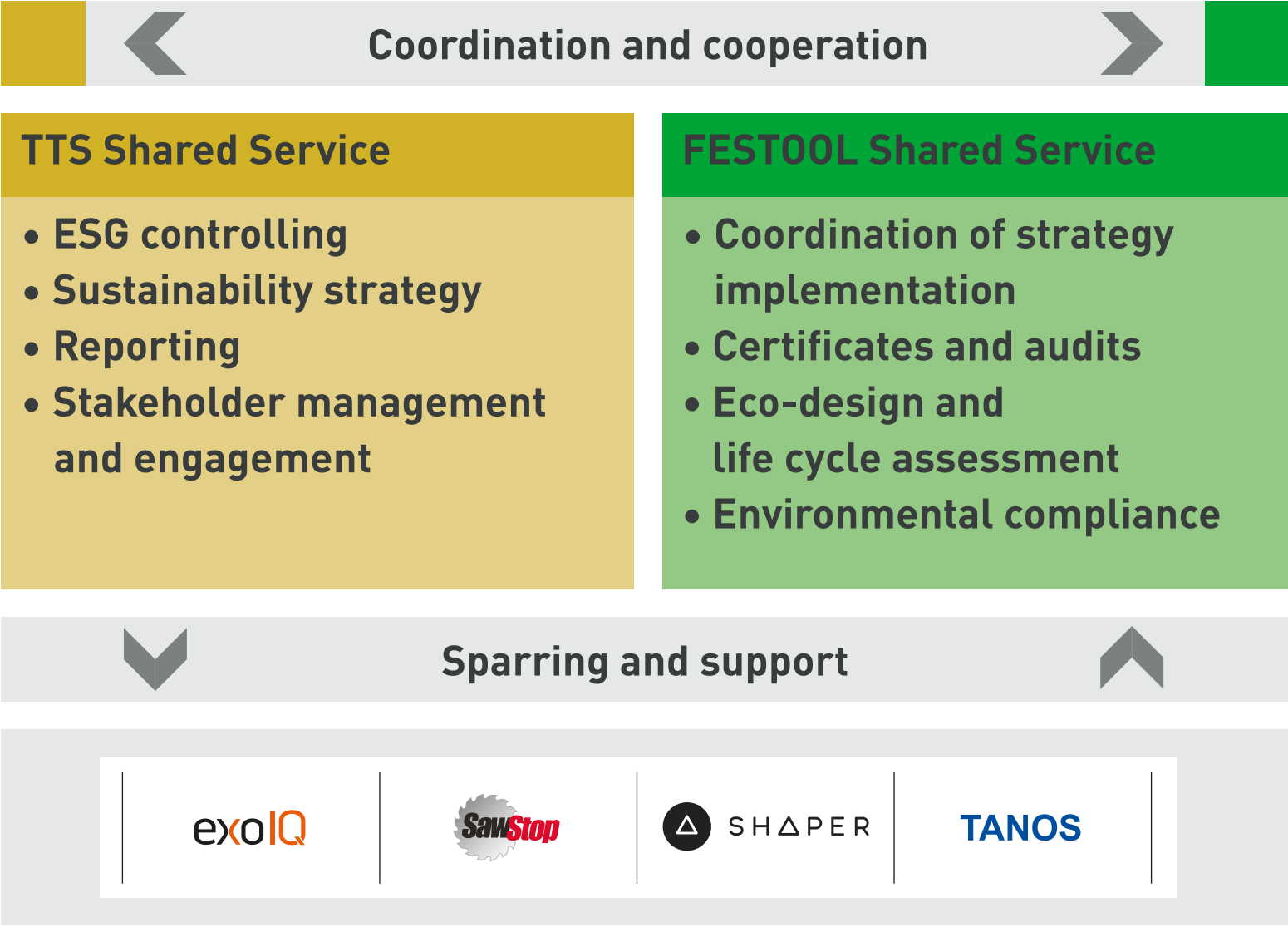


EcoVadis is an internationally recognised platform for evaluating sustainability performance in companies. Environmental aspects, labour and human rights, ethics and sustainable procurement are taken into account.

Festool GmbH uses EcoVadis to make its own sustainability performance transparent, to identify potential for improvement and to strengthen cooperation with customers and partners.

Festool, the largest subsidiary of the TTS Group, has also established a dedicated sustainability management team to strengthen product-related sustainability. This sustainability manager assumes a shared services function for other companies in the area of environment and resources.

Following the decision to expand sustainability responsibility to include ESG controlling in 2023, a dedicated responsibility for this was created in 2024 and data management and ESG compliance were significantly professionalised. Those responsible regularly exchange information in jours fixes, committees and network meetings in order to drive forward the sustainability initiatives.



SUSTAINABILITY STRATEGY – PEOPLE, PLANET, PROCESS

The TTS Group’s sustainability strategy forms a framework strategy and comprises three focus areas: People, planet and process. Each focus area contains prioritised fields of action.

Where appropriate, overarching sustainability targets are defined across the Group in order to provide the subsidiaries with a clear framework for developing their individual sustainability strategies. The following overarching areas of action and associated objectives have been defined for the TTS Group.

CLIMATE PROTECTION:

- Reduction of emissions for Scope 1 and 2 of 90 per cent by 2035 (compared to the base year 2022)
- Reduction of emissions for Scope 3 of 90 per cent by 2050 (compared to the base year 2022)

CONSERVING RESOURCES AND PROMOTING ECONOMIC CYCLES:

- Switch to recyclates in existing product lines and for new developments
- Reducing packaging materials and switching to more sustainable alternatives
- Critical evaluation and extension of business models

EDUCATION AND TRAINING OF EMPLOYEES:

- Expansion of learning opportunities relating to sustainability with the aim of increasing understanding of sustainability and sensitising employees to the topic
- Promotion of sustainable behaviour among employees
- Systematic alignment of learning formats and skills development with future requirements in the industry

DIVERSITY AND INCLUSION:

- Creating/promoting an awareness of diversity and equal opportunities as well as encouraging employees and managers to implement this in their working environment
- Promotion of female leadership and work-life balance
- Strengthening international/inter-cultural collaboration at a global and local level

TRANSPARENCY AND DIALOGUE:

- Establishment of consistent and stable data management for relevant sustainability areas (climate, resources, supply chains, reporting) by TTS together with the subsidiaries and affiliated companies by the end of 2026
- Integration of a continuous stakeholder dialogue into company processes

SUSTAINABLE SUPPLY CHAINS:

- Extension of transparency to indirect suppliers in certain product groups
- Optimisation of logistics processes



Focus and action areas of the TTS Group in the area of sustainability

STAKEHOLDER INTERESTS AND VIEWPOINTS

The TTS Group has a multitude of important stakeholders, who are associated with the Group in a different way and who influence its decisions. The TTS Group is in constant dialogue with these players in order to ensure effective cooperation. This active stakeholder engagement enables the TTS Group to understand the needs and expectations of its various interest groups and to make well-founded decisions and initiate measures on this basis.

STAKEHOLDER	FORMATS FOR COMMUNICATION AND INTERACTION	NEEDS AND EXPECTATIONS
Employees	There are numerous communication channels and touchpoints such as e-mails, (staff) meetings, live online meetings, campaigns and action days, which are regularly made use of. Information is also disseminated via the intranet, Teams channels, notice boards and posters. Various networks and joint workshops promote dialogue. An anonymous pool of ideas named “PAULA” enables employees to submit suggestions. There are direct contacts within the Group for any kind of information.	The employees on all levels contribute to the success of the TTS Group and are simultaneously affected by its decisions. Employees expect transparent communication, appreciation and opportunities to help shape the company. They value safe working conditions and sustainable jobs, meaningful tasks, a friendly and favourable working atmosphere, and personal development.
Customers	Interaction with customers is the responsibility of the individual subsidiaries within the Group. This includes marketing activities as well as sales and service activities that involve close customer contact. Customer surveys are regularly carried out in order to better understand the needs and problems of the customers and to address them.	Customers drive demand for products and services, and have expectations that influence the company’s decisions in terms of market success, profitability and stability. Customers expect high-performance, durable, safe and innovative products from the companies in the TTS Group, which are also manufactured responsibly. They also expect the highest quality of service and absolute reliability during use. Environmental compatibility and transparency in terms of sustainability are also playing an increasingly important role for customers – as the international customer survey 2023 also showed.
Dealers (in companies with indirect/ hybrid distribution)	Regular dialogue takes place with dealers in various formats, including face-to-face discussions, online meetings and annual agreement meetings. The sales departments maintain direct contact in order to support dealers in looking after their customers.	Dealers are crucial for the distribution of products, for the positioning of products and for direct customer contact. They make demands on their suppliers and can exert a considerable influence on the business activities of the TTS Group through their expectations. Retailers’ expectations include transparency and efficiency of cooperation, proactive role of manufacturers on the market and in the area of global trends and developments. Stable partner-ships, competitive and supportive sales and marketing structures also play a major role.

STAKEHOLDER	FORMATS FOR COMMUNICATION AND INTERACTION	NEEDS AND EXPECTATIONS
Suppliers	There is regular communication with suppliers that includes evaluations, audits and dialogues. Once a year, the TTS Group organises a supplier day for all key suppliers – either in person or online. The focus is on the exchange of information regarding market and industry trends as well as on key topics such as quality, innovation and sustainability. The participation of at least one member of the Management Board emphasises the importance of the format. The event concludes with the presentation of the supplier awards in three categories, including sustainability.	The suppliers provide critical inputs; their sustainable practices have a direct impact on the TTS Group’s overall environmental and social footprint. Suppliers expect clear requirements, fair business relationships and planning security. At the same time, transparency, ESG criteria and integration into sustainability goals are becoming increasingly relevant – also in the context of regulatory developments.
Young talent	The exchange with potential junior staff takes place via platforms such as LinkedIn as well as through partnerships and collaboration with vocational colleges, universities and universities of applied sciences. There are pupil open days, job fairs and other initiatives for reaching out to younger people and getting them interested in a career at the TTS Group.	Young talent constitutes the future workforce. Their preference for sustainable and ethical companies drives the TTS Group to develop responsible practices in order to attract top talent. Future employees expect meaningful work, development and learning opportunities, as well as a credible and appreciative corporate culture. Security and diversity are also among the deciding factors when choosing an employer.
Owner family	Family members actively participate in various events and take on responsibility for different topic areas. For example, Barbara Austel, as Chairwoman of the Supervisory Board, actively promotes diversity and inclusion as well as women in management, while Jakob Möhl deals with sustainability issues.	The owner family has an interest in the long-term success and reputation of the Group and ensures that sustainable business practices are in line with the family’s values. The family attaches great importance to the long-term orientation of the TTS Group. Responsibility, innovative strength and sustainability should not only make economic sense, but also be anchored in values.
Local communities	In addition to the various communication channels and formats, individual subsidiaries are involved in local environmental and educational projects and take part in donation or campaign days. There is also an active dialogue with local communities through cooperation with schools, initiatives and local communities.	Local communities are directly affected by the business activities of the subsidiaries. Supporting them is crucial in order to enable or maintain local acceptance of the subsidiaries. Local communities expect the Group to act in a socially responsible manner, secure jobs and make a positive contribution to regional development. Visibility, dialogue and local commitment are important factors here.
Society	The TTS Group is in regular dialogue with the public via sustainability reports, press work, websites and various social media channels.	The wider public is influenced by the environmental and social practices of the TTS Group and can, in turn, influence the image and acceptance of the Group. Global society expects companies to be transparent, comply with legal and ethical standards, and contribute to climate and environmental protection, as well as social justice. Acceptance comes from credibility, taking responsibility and a clear stance.

DOUBLE MATERIALITY ANALYSIS

In the 2024 reporting year, the TTS Group carried out a comprehensive double materiality analysis to identify material sustainability topics for future mandatory reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). This was based on the results of the 2023 double materiality analysis, the binding requirements of the CSRD and the “Implementation Guidance on Materiality Assessment” (IG 1) issued by the European Financial Reporting Advisory Group (EFRAG) in May 2024.

The analysis included an assessment of the potential and actual impact of business activities on the environment and society (“impact materiality”) as well as financially material risks and opportunities (“financial materiality”). In the process, IROs (Impacts, Risks, Opportunities) relating to the business activities of the entire TTS Group were collected, described and, finally, assessed for the respective sub-topics of the European Sustainability Reporting Standards (ESRS).

Methodological approach: The materiality analysis followed a structured process and was supported by external sustainability experts. The analysis included dialogue with numerous internal and external stakeholders, an examination of the value chain and a two-day IRO workshop with experts from the TTS Group:

Stakeholder dialogue: Eleven structured interviews and online surveys with retail partners, suppliers and employees, as well as customer and management surveys formed the basis for identifying relevant IROs.

Value chain: In addition to the stakeholder dialogue, the TTS Group has carried out a comprehensive analysis of the value chains. In the course of this analysis, the value chains of the TTS Group subsidiaries were described and analysed in detail. This analysis helped to identify additional IROs.

IRO workshop: In a two-day workshop, 13 internal experts evaluated and supplemented the IROs from the areas of environment, social affairs and governance.

Evaluation system: The assessment was carried out in accordance with the CSRD and using harmonised assessment models. Standardised scales from 1 (low) to 5 (high) were used to consistently assess the IROs. Accordingly, all impacts were assessed according to their extent, scope, immutability and probability of occurrence. Methods and scales from the TTS Group’s risk management were used for the financial materiality.

Materiality threshold: IROs with a severity level ≥3 and a probability of occurrence ≥4 are considered significant. This threshold was defined on the basis of content-related criteria as well as industry- and company-specific standards.

Results: A total of 143 IROs were evaluated; 32 of these met the materiality threshold. The results show priorities in the areas of climate change (ESRS E1), resource use and circular economy (ESRS E5), own workforce (ESRS S1), workers in the value chain (ESRS S2), customers (ESRS S4) and governance and supplier relationships (ESRS G1).

Individual changes compared to the 2023 materiality analysis resulted from a more differentiated assessment: Environmental pollution (ESRS E2) was no longer classified as material, since the direct influence of the TTS Group was considered to be low. The area of labour in the value chain (ESRS S2), on the other hand, is a new addition, which is partly due to increased regulatory requirements (in the context of the German Supply Chain Act) and an in-depth examination of the topic, which has further raised awareness of social impacts along the supply chain.

Quality assurance: The valuation was carried out in close consultation with the auditor and in compliance with the applicable CSRD requirements. The adoption of the final catalogue of key topics by the Management Board is planned for the first quarter of 2025. The results will form the basis for sustainability reporting in future. A regular review of the process and further development to better reflect strategic opportunities are planned.

ESRS	Materiality
Environment	
E1 Climate	✓
E2 Environmental pollution	✗
E3 Water and marine resources	✗
E4 Biodiversity	✗
E5 Resource utilisation and the circular economy	✓
Social	
S1 Own workforce	✓
S2 Workers in the value chain ¹	✓
S3 Affected communities	✗
S4 Customers	✓
Governance	
G1 Corporate policy	✓

¹ The topic of workers in the value chain (ESRS S2) is addressed in the governance section of this report.

GUIDELINES ON KEY ESG TOPICS AT THE TTS GROUP

The following overview summarises all of the guidelines available in the TTS Group that relate to working methods and processes in the areas of environment, social affairs and corporate governance.

GUIDELINE	DESCRIPTION	SCOPE OF APPLICATION	AVAILABILITY
Anti-Corruption Guideline	- Prohibition of any form of bribery and granting of advantages - Rules of conduct for invitations, gifts, donations and sponsoring to avoid conflicts of interest and ensure transparency - Obligations to report suspected cases and sanctions for violations	Group-wide	Intranet, targeted training courses
Privacy Policy	- Protection of personal data of employees, customers and partners – as an expression of digital responsibility, transparency and respect. - Clear rules on data collection, processing and storage in accordance with data protection laws (e.g. GDPR) - Establishing the rights of data subjects and reporting channels for data protection violations	Group-wide	Intranet, targeted training courses
Guideline for managers	- Responsibility and due diligence obligations within the various areas of the Group - Delegation of duties within the TTS Group from the Management Board to the managers - Requirements for the internal release of business processes - Requirements for the creation, approval and communication of internal guidelines and other regulations	Group-wide	Intranet
Policy statement on human rights and environmental concerns (Supplement to the Code of Conduct for Employees and Business Partners)	- Management's binding commitment to respecting human rights and protecting the environment along the entire supply chain - Orientation towards international standards (e.g. UN Guiding Principles, ILO core standards, OECD guidelines) - Integration of risk analyses, preventive and remedial measures and training into company processes - Establishment of a complaints mechanism and annual reporting to BAFA from 2025	Group-wide	Internet, intranet, targeted training courses

GUIDELINE	DESCRIPTION	SCOPE OF APPLICATION	AVAILABILITY
IT security policy	- Protection of sensitive data and systems through technical and organisational security measures - Responsible use of IT resources (e.g. passwords, mobile devices, software) to minimise risks - Strengthening digital resilience through clear responsibilities and preventive measures against cyber threats	Group-wide	Intranet, targeted training courses
Prevention of accidents at work	- Systematic risk assessments as the basis for all occupational health and safety measures (including regular updates) - Clear allocation of duties and instructions for managers and employees on how to carry out their work safely - Binding measures to prevent accidents, for example through technical, organisational and personal protective measures (STOP principle) - Continuous effectiveness testing and documentation to ensure and further develop safety standards in the long term	Specific instructions per function and production site	Intranet, targeted training courses
Dealing with competitors, dealers, importers and suppliers	- Compliance with antitrust law and prohibition of anti-competitive agreements - Clear rules of conduct for dealing with market partners (e.g. prices, information) - Prevention through training and fixed contact persons in case of uncertainties	Group-wide	Intranet, targeted training courses
Travel expenses policy	- Promotion of cost-efficient, environmentally and climate-conscious travel behaviour (e.g. by defining preferred means of transport, avoiding flights) - Definition of processes, responsibilities and deadlines for planning, authorisation and invoicing of trips - Regulation of the settlement and reimbursement of business trips at home and abroad	TTS Tooltechnic Systems AG & Co. KG, Festool Deutschland GmbH, Festool GmbH, TTS Microcell GmbH, TTS Cleantec GmbH, TANOS GmbH, ASPro GmbH, Shaper Tools GmbH, exoIQ, as well as external contractors and their employees, insofar as the application of these organisational instructions is agreed in the contract	Intranet
Guidelines for suppliers	- Description of the quality, process and sustainability requirements that suppliers to the TTS Group must fulfil - Formulation of the TTS Group’s expectations regarding suppliers active commitment to environmental, labour and social standards - Specifications for material labelling, product safety and traceability - Definition of requirements for transparency regarding substances, certificates and supplier structure - Binding framework for cooperation, audits and development	Group-wide	Intranet

GUIDELINE	DESCRIPTION	SCOPE OF APPLICATION	AVAILABILITY
Festool environmental standard	- Regulation of the handling of prohibited and declarable substances in all products supplied - Compliance with international substance bans (e.g. REACH, RoHS, ChemVerbotsV) - Obligation of suppliers to provide comprehensive information on critical ingredients (e.g. SVHC, nanomaterials) - Specifications for product packaging, batteries and organic products - Requirements for FSC®-certified materials and conflict-free raw materials - Violations may result in the return of the delivery and delivery stops	Festool GmbH and all affiliated companies	Intranet
Signature guideline	- Regulation as to who is authorised to sign on behalf of the TTS subsidiaries - Establishment of the dual control principle with clear approval and signature processes - Definition of formal requirements for the signing of contracts and declarations	Group-wide	Intranet
Code of Conduct for employees (CoC)	- Binding framework for legally and ethically correct behaviour in everyday working life - Commitment to fairness, integrity, diversity, environmental protection and human rights - Establishment of responsibilities, reporting channels and control mechanisms for compliance with the directive - Clear rules on topics such as corruption prevention, data protection, competitive behaviour and conflicts of interest - Promotion of respectful, non-discriminatory cooperation and a constructive feedback culture	Group-wide	Internet, intranet, targeted training courses
Code of Conduct for business partners	- Binding standards for legally compliant, ethical and sustainable behaviour by suppliers, service providers and other partners - Definition of expectations regarding human rights, working conditions, environmental protection, anti-corruption and fair competition - Compliance with international agreements such as the ILO core labour standards and the UN Convention on the Rights of the Child - Support for climate targets (including the Paris Agreement), call for measures to reduce the ecological footprint - Violations can have consequences up to and including termination of the business relationship	Festool GmbH and all affiliated companies and brand companies that handle their procurement via Festool Purchasing	Internet, intranet



Environment

Climate protection

Climate change is one of the greatest challenges of our time – with tangible effects on the environment, society and the economy. Manufacturing companies have a special responsibility to reduce emissions and actively contribute to limiting global warming.

This can only be achieved if companies work closely together along the entire value chain and within the industry. For the TTS Group, climate change increases the risk of supply bottlenecks and regulatory pressure. Cost increases in the form of initial costs for the transformation and higher process costs are also a consequence. At the same time, opportunities are opening up for sustainable business models, resource-saving innovations and more resilient production.

The TTS Group recognises its responsibility and consistently aligns its actions with international goals such as the Paris Agreement and the UN Sustainable Development Goals.

CLIMATE STRATEGY AND REDUCTION TARGETS

In 2024, the TTS Group reached a decisive milestone on the road to climate protection: A Group-wide climate strategy with reduction paths was adopted in order to create a clear framework for decarbonisation and to be able to tackle challenges strategically.

In addition, the TTS Group made a commitment to the Science Based Targets initiative (SBTi) in the reporting year and submitted its reduction targets and planned measures to the SBTi for validation. The TTS Group is therefore making it clear that it is aligning its actions with the current state of climate science and wants to make a measurable contribution to global climate protection.

SBTi Science Based Targets initiative

The SBTi is the highest recognised standard for climate targets worldwide.



The Science Based Targets initiative was founded in 2015 by the organisations CDP (Carbon Disclosure Project), United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) to support companies in setting emission reduction targets that are in line with climate science and the goals of the Paris Agreement – the 1.5 degree target. The SBTi is the highest recognised standard for climate targets worldwide.

The Group-wide, short-term climate targets (near-term target according to SBTi) by 2030 are as follows:

- Scope 1 and 2: Reduction of emissions by 65 per cent (compared to the base year 2022)²
- Scope 3: Reduction of emissions by 25 per cent (compared to the base year 2022)³

In the long term, the TTS Group is pursuing the goal of net zero emissions (net zero target according to SBTi):

- Scope 1 and 2: Reduce emissions by 90 per cent by 2035 (compared to the base year 2022)
- Scope 3: Reduce emissions by 90 per cent by 2050 (compared to the base year 2022)

The TTS Group’s GHG emission reduction targets include all emissions from Scope 1, 2 and 3, with all greenhouse gases included in accordance with the Kyoto Protocol. The TTS Group’s long-term targets include 100 per cent of total GHG emissions along the value chain. However, the category Scope 3.11 (utilisation of products sold) was initially excluded from the short-term targets, as it has not yet been possible to reliably define a well-founded target due to the ongoing development of product specifications. The Scope 3 targets set for 2030 therefore currently cover 70.5 per cent of total Scope 3 emissions.

Target setting was developed in line with science-based standards. The framework and methodology used are in line with the concept of the cross-sectoral decarbonisation pathway, taking into account underlying scenarios and policy framework conditions. In order to achieve the planned decarbonisation, key steps were taken in 2024, particularly in the area of energy production and consumption.



New building in Illertissen

Doubling of production and logistics space to around 7800 m²: We are continuously working to optimise our logistics processes in order to improve our carbon footprint.

² The target does not include volatile gases (such as coolants), which covers 98.1 per cent of Scope 1 and 2 emissions.

³ Emissions in the Scope 3.11 category (use of products sold) are not included in the target, which covers a total of 70.5 per cent of total Scope 3 emissions.

CLIMATE PROTECTION MEASURES

In order to reduce emissions in a targeted manner, various potentials were analysed and suitable reduction levers identified. To decarbonise the company’s own business activities (Scope 1 and 2), measures to increase energy efficiency and in-house electricity generation as well as switching energy sources and increasing the purchase of green electricity were planned.

In order to reduce Scope 3 emissions within the value chain, strategic collaboration with suppliers is being intensified. Since mid-2024, Purchasing has increasingly been in direct dialogue with suppliers in order to prepare for the transition to the collection of primary-data-based emission values. At the same time, joint pilot projects have been launched to identify more sustainable material alternatives.

When it comes to logistics, the focus is on creating complete transparency along all transport routes. To this end, all routes are recorded and hotspots identified in collaboration with an external partner – with the aim of implementing targeted optimisations in the next step.

For investments, the finance department and the owner family in particular work together to enable more sustainable investment decisions. This aspect is anchored in the TTS Group’s Investment Committee. The following measures were introduced in 2024 for the operational implementation of the climate strategy:

1. **Decarbonisation of the production sites:** Increase in green electricity procurement and investments in PV expansion and heat pumps in Germany and the Czech Republic in the double-digit millions range.
2. **Mobility turnaround:** Conversion of the vehicle fleet (obligation to fully electrify the vehicle fleet by 2030 in Europe and 2035 worldwide), revision of travel expense guidelines to avoid domestic flights, development of a charging station infrastructure and more offers for employees (public transport, cycling, carpooling).

3. **Reusability:** Product development with a focus on eco-design and recyclability.

4. **Supply chains:** Collaboration with suppliers and logistics service providers to reduce emissions and ensure data transparency.

5. **Data quality:** Prioritisation of the improvement of the data-base, particularly for hotspots such as Scope 3.1 (purchased goods), 3.4 (transport), 3.11 (use phase) and 3.15 (investments).

6. **Activation of employees:** Raising awareness of decarbonisation through training formats, internal communication, live presentations and participation in campaigns such as city cycling.

The TTS Group has developed a climate strategy and submitted its reduction targets to the SBTi for validation.

Outlook for 2025:
Carbon footprint of TTS products

The TTS Group already reports the Product Carbon Footprint (PCF) for selected products and now wants to improve data quality and transparency for retailers. Previously, PCFs were based on secondary data from databases and did not take transport, utilisation phase or end-of-life (EoL) into account.

From the end of 2025, extended PCFs based on ISO 14067 and the newly developed industry-specific DIN SPEC are to be applied – taking into account all life-cycle phases. At the same time, the number of products with recognised PCF is being successively expanded.

This is the next step in the TTS Group’s gradual introduction of complete life cycle assessments (LCAs). Initial sample calculations are already available, including for chargers, rechargeable batteries, electronic components, Systainers and a cordless impact drill. By actively participating in the new DIN SPEC, the TTS Group is contributing to the transparent and standardised calculation of PCFs for power tools.

THE CARBON FOOTPRINT OF THE TTS GROUP

In order to collect the carbon footprint continuously and on a standardised database, 2022 was determined as the base year. This year was defined according to a structured procedure and calculated in accordance with the GHG Protocol. The year 2022 is considered representative of the TTS Group’s business model and is a realistic reflection of typical operating conditions and emission patterns. A clear organisational and operational system boundary has been defined, in order to ensure that all relevant business activities and their impacts on emissions are covered.

Energy consumption and energy mix	Reporting year 2023	Reporting year 2024	%
Fuel consumption from coal and coal products (MWh)	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	493	293	-41
Fuel consumption from natural gas (MWh)	11,572	4386	-62
Fuel consumption from other fossil sources (MWh)	8374	7546	-10
Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources (MWh)	4830	397	-92
Total consumption of fossil energy (MWh)	25,269	12,622	-50
Share of fossil sources in the total energy consumption (%)	78	53	
Consumption from nuclear power sources (MWh)	0	0	0
Share of consumption from nuclear sources in the total energy consumption (%)	0	0	
Consumption from district heating (MWh)	50	411	+722
Share of consumption from district heating in total energy consumption (%)	0	2	
Consumption from purchased or received electricity, heat, steam and cooling and from renewable sources (MWh)	6942	9816	+41
Consumption of self-generated renewable energy other than fuels (MWh)	276	1053	+282
Total consumption of renewable energy (MWh) ⁴	7218	10,869	+51
Share of renewable sources in the total energy consumption (in %)	22	45	
Total energy consumption (MWh)	32,538	23,902	-27

⁴ The total consumption of renewable energies was not reported separately in the 2023 reporting year due to the requirements of the GHG Protocol, which is why the updated figures differ from the previous year’s figures.

GREENHOUSE GAS EMISSIONS

The TTS Group has used the GHG Protocol as the basic methodology for calculating greenhouse gas emissions. Within the various scopes, specific assumptions were made, such as the emissions during the usage phase of the products. These assumptions were carefully selected to ensure the accuracy and representativeness of the calculations. The emission factors were obtained from the Dbeis and Ecolnvent databases. These sources were selected due to their comprehensive and annually updated data, which enables a precise calculation of the emissions of the TTS Group. In addition, specialised calculation tools were used to quantify greenhouse gas emissions.

In the 2024 reporting year, Scope 1 and Scope 2 emissions were reduced at the German and Czech sites. This was mainly due to the increased use of heat pumps and photovoltaic systems as well as the purchase of green electricity. The declining use of fossil fuels and the increasing spread of electromobility also contributed to the reduction in emissions. Overall, the TTS Group achieved a reduction in Scope 1 and Scope 2 emissions of 41.6 per cent compared to the base year 2022. Scope 3 emissions fell significantly in 2024 compared to the previous year – mainly due to a reduced order situation.

When calculating emissions from non-European production sites for the 2023 and 2024 reporting years, the data for Scope 1 and 2 as well as Scope 3.3 were taken from the 2022 calculation.

The following table compares the carbon emissions according to Scope 1, 2 and 3 criteria for the base year and the reporting years 2023 and 2024. In accordance with the operational control approach, the scope of consolidation for the emissions calculation comprises the entire TTS Group.

GHG emissions	Base year 2022	Reporting year 2023 ⁵	Reporting year 2024 ⁶	Per cent*
	Scope 1 GHG emissions			
Scope 1Gross GHG emissions (tCO2eq)	6469	5323	3589	-45
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)	N/A	N/A	N/A	0
	Scope 2 GHG emissions			
Location-based Scope 2 gross GHG emissions (tCO2eq)	5551	6073	5632	+1
Market-based Scope 2 gross GHG emissions (tCO2eq)	2404	1882	1590	-34
	Material Scope 3 GHG emissions			
Total indirect (Scope 3) gross GHG emissions (tCO2eq)	583,626	520,362	412,783	-29
(1) Purchased goods and services	334,957	289,589	193,898	-42
(2) Capital goods	1009	687	686	-32
(3) Activities in connection with fuels and energy (not included in Scope 1 or Scope 2)	2076	2006	1411	-32
(4) Upstream transport and distribution	57,361	61,897	50,594	-12
(5) Waste generation in companies	2425	2814	1010	-58
(6) Business trips	348	505	295	-15
(7) Commuting employees	3220	3936	3738	+16

GHG emissions	Base year 2022	Reporting year 2023 ⁵	Reporting year 2024 ⁶	Per cent*
	Material Scope 3 GHG emissions			
(8) Upstream, leased economic goods	N/A	N/A	N/A	0
(9) Downstream transport ⁷	3914	4000	4481	+14
(10) Processing of sold products	N/A	N/A	N/A	0
(11) Utilisation of sold products	144,397	114,743	120,384	-17
(12) Treatment of products at the end of service life	4596	2860	1478	-68
(13) Downstream, leased economic goods	N/A	N/A	N/A	0
(14) Franchises	N/A	N/A	N/A	0
(15) Investments	29,324	37,324	34,807	+19
	Total GHG emissions			
Total GHG emissions (location-based) (tCO2eq)	595,646	531,758	422,004	-29
Total GHG emissions (market-based) (tCO2eq)	592,499	527,567	417,962	-29

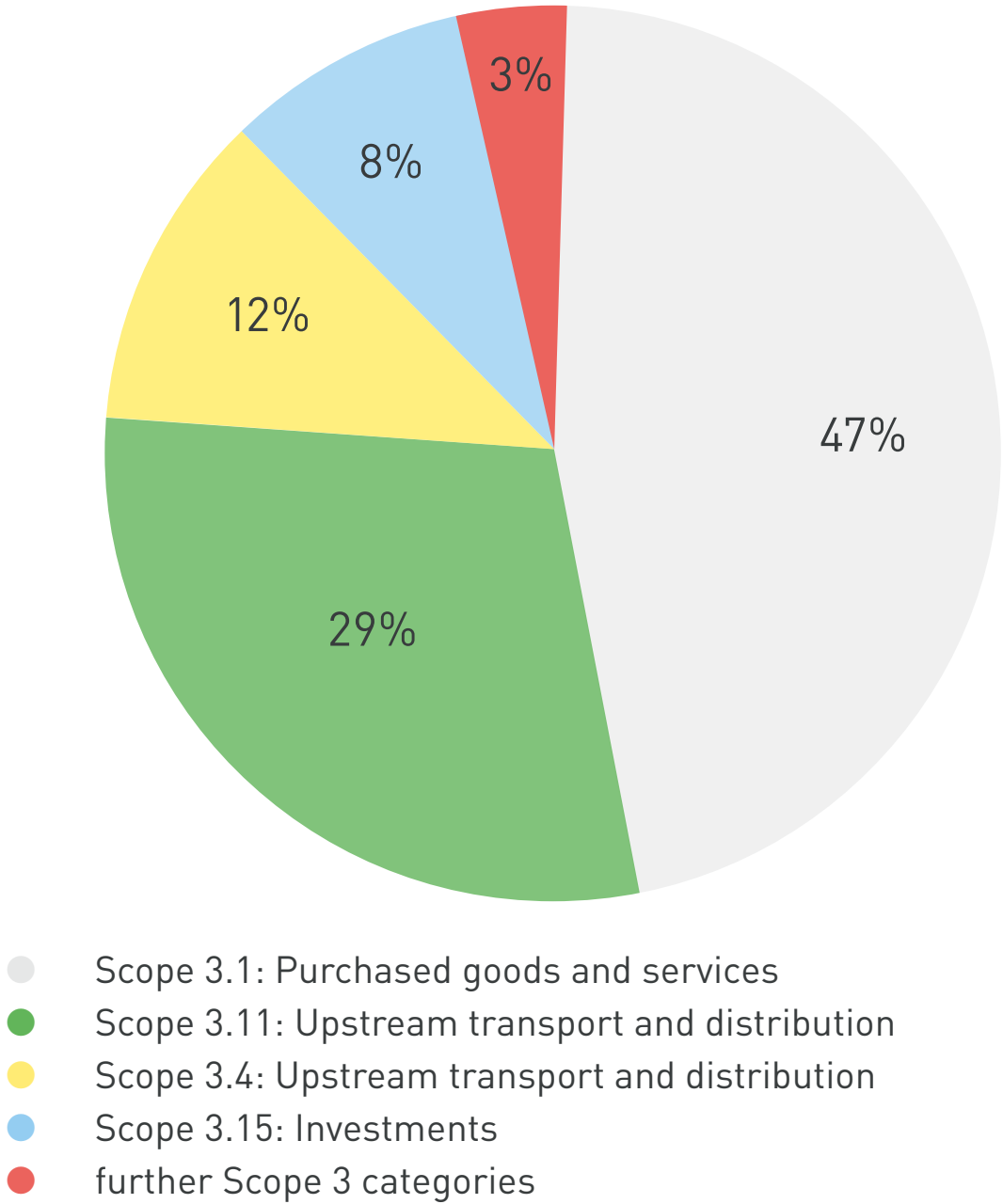
* Per cent (compared to the base year)

⁵ Emissions for the non-European production sites for the 2023 reporting year were taken from the 2022 calculation for Scope 1 and 2 as well as Scope 3.3.

⁶ Emissions for the non-European production sites for the 2024 reporting year were taken from the 2022 calculation for Scope 1 and 2 as well as Scope 3.3.

⁷ The emission values for Scope 3.9 were retroactively adjusted for the reporting years 2022 and 2023 as part of the SBTi process in order to ensure data consistency with the underlying methodology.

The following figure shows the Scope 3 categories that were taken into account in the calculation of the TTS Group’s upstream and downstream emissions.



Due to a lack of activity from the TTS Group in the following categories, they were not included in the Scope 3 calculation:

- 3.8 Property leased from third parties
- 3.10 Further processing of sold products
- 3.13 Property leased to third parties
- 3.14 Franchises

Resource utilisation and circular economy

Against the backdrop of a sustainable transformation, manufacturing companies must optimise their use of resources and implement sustainable production methods. The transition to a circular economy offers a promising approach to using resources more efficiently and minimising waste.

The TTS Group is pursuing the aim of extending the life-cycle of materials and products through reuse, repair and recycling, which can both reduce the environmental impact and bring economic benefits. Focusing on the durability of materials and products is a key aspect of this change. Durable products not only reduce the need for raw materials, but also the amount of waste that has to be disposed of. Thanks to innovative design approaches and the use of high-quality materials, products can be used for a long time and recycled efficiently at the end of their life-cycle.

APPROACHES AND GOALS FOR PROMOTING THE CIRCULAR ECONOMY

The TTS Group’s corporate strategy actively supports the transition to a circular economy by promoting the use of secondary resources. At the same time, this reduces dependence on the extraction of new raw materials.

The TTS Group also continuously checks whether the technical properties of the recycled materials meet the Group’s high quality standards. This is carried out in close cooperation with Festool’s Environmental Management and Product Development departments, which, as a shared service for the entire TTS Group, ensure that the secondary resources used are both functional and sustainable.

In addition, the entire product life-cycle is to be optimised in order to maximise resource efficiency, reusability and recyclability.

The products of the TTS Group are known for their reliability, robustness and durability. As data analyses of service cases show, the TTS Group’s power tools only need to be repaired or individual components replaced after an average of 9.6 years. The expected service life of the TTS Group’s products is 10 to 12 years, while the actual value is often over 20 years.

The reparability of electronic products is a key lever for significantly extending their service life and helping to save resources.

Separating the production technologies makes it possible to repair individual components. The comprehensive repair service for electrical appliances and the ten-year spare parts guarantee therefore directly promote the conservation of resources. For example, TANOS offers a component-specific exchange of parts for Systainer and accessories.

Through various research projects investigating ecological materials, the TTS Group is endeavouring to further reduce its ecological footprint and consolidate its role in the area of sustainable product development.

At the same time, the TTS Group is currently defining specific targets to increase the use of circular materials. Although there are currently no binding quotas for recycled content, work is underway to systematically and transparently record how recyclable and repairable individual products are. On this basis, improvements can be derived in the next step, which can be taken into account in the development phase in future.

In 2025, Festool GmbH will review the reintroduction of an environmental management system in accordance with ISO 14001 in order to ensure standardised and effective environmental management at the production sites of the TTS Group. Microcell PU Czech Republic s.r.o. and Festool s.r.o. are already certified to ISO 14001 and are therefore obliged to systematically record environmental aspects, derive measures and implement continuous improvements.

MEASURES FOR MATERIAL SELECTION

The TTS Group is endeavouring to make its packaging more sustainable through various measures and to increase resource efficiency in production and on the product.

CONVERSIONS IN THE AREA OF PACKAGING

A key step towards the use of organic materials is the current conversion of sales packaging from blister packs to cardboard solutions. This means that around 80 tonnes of plastic per year can be replaced by a biological material. Around 2500 Festool products and packaging with cellulose components have been FSC®-certified since 2020.

Another milestone was reached in the 2024 reporting year: Festool was able to switch all cushioning materials for transport packaging – with the exception of special customer requirements – from bubble wrap to paper.

Furthermore, the TTS Group has achieved an annual saving of 75 per cent in upholstery and plastic materials through targeted investment in a system for transport packaging. By reducing the space and weight per box, it was also possible to increase pallet utilisation, which means that fewer transport trips are necessary. The automatic gluing led to savings in strapping tape and a 66 per cent reduction in tape consumption. These measures reduce the use of plastic and promote the use of renewable and recyclable packaging solutions.

USE OF ALTERNATIVE MATERIALS FOR PRODUCTS

Another example of the commitment to the sustainable use of resources is the investment by TANOS and Festool in research into alternative plastic materials. After the Systainer³ M 187, made from a sustainable ABS plastic for the body and lid, was successfully launched on the market in 2023, the range was expanded to five different sizes in 2024. This alternative plastic saves 67 per cent of fossil raw materials and therefore 51 per cent of carbon emissions compared to the conventional Systainer³ M.

The TTS Group liaises closely with its suppliers regarding the use of raw materials and primary materials, which often account for the largest proportion of carbon in the parts purchased. The aim is to find alternatives with a reduced carbon value on the market, release them if technically feasible and then replace the existing raw material.

USE OF RECYCLED MATERIALS FOR PRODUCTS

Several projects are currently underway with the aim of increasing the proportion of recycled materials in products from the TTS Group. These projects are closely coordinated with Product Development, in order to develop innovative and sustainable solutions that fulfil both customer requirements and the environmental targets of the TTS Group. The first foam and EPP inserts with recycled content were successfully produced at TANOS in the 2024 reporting year. For less technically complex parts, such as deep-drawing inserts, TANOS has been using almost exclusively recycled materials instead of new raw materials for years. Parts of the Festool pre-separator are also made from recycled materials. Festool has also launched initial initiatives for the materials steel and plastic in order to increase the proportion of recycled material there as well.

RESOURCE CONSUMPTION

Within the TTS Group, the main product groups of electrical/mechanronic components, mechanically processed parts, moulded parts (including castings and plastics), accessories (including saw blades, bits and drills), as well as waste wood and cardboard are used in production. In 2024, the TTS Group consumed 17,170 tonnes of raw materials for production. Of these, 304 tonnes were secondary materials, i.e. recycled or secondarily reused components.⁸ For the Festool brand, the proportion of secondary materials used for procurement in production is 1.7 per cent⁹; for TANOS, secondary materials account for 1.1 per cent.



To promote the circular economy, there is a returns programme for selected used power tools.

The used device is professionally reconditioned and then reintroduced to the market as a refurbished product.

⁸ Due to data availability, this figure was only based on data from the Festool, TANOS and Microcell brands. The reduction in consumption compared to the previous year (2023: 26,788 tonnes) is the result of a correction in the data collection (correction of cancelled consumption and internal transfers).

⁹ The increase in the proportion of secondary materials used (2023: 1.3 per cent) is due to the corrected, reduced consumption (see previous footnote).

WASTE MANAGEMENT AND RECYCLING

The TTS Group endeavours to reduce waste to a minimum and avoid it completely wherever possible. When disposing of unavoidable waste, the TTS Group adheres to legal requirements. All products are reported to the country-specific disposal systems in accordance with national legislation, and are thus lawfully disposed of and utilised accordingly. The waste disposal service providers of the TTS Group are also committed to this.

By way of also addressing the issue of reusability within the context of a holistic circular economy, the TTS Group places great value on the environmentally friendly disposal of old devices. After many years of use, customers can return appliances free of charge to public collection centres, specialist dealers or the TTS Group’s customer service department. These old appliances are then fed into the recycling systems in an environmentally friendly manner, allowing valuable materials to be reprocessed.

The main components of the TTS Group’s waste include waste wood, cardboard packaging and metals. The total volume of waste generated in the 2024 reporting year was 2708 tonnes¹⁰. The figures are based on data from waste disposal records. Waste separation, waste transport and waste utilisation are carried out by a waste disposal service provider.

¹⁰ The exoIQ brand could not be included in the calculation of waste volumes due to a lack of data.



An important step towards the use of organic materials is the current conversion from blister packs to cardboard packaging.

The TTS Group promotes the circular economy through the durability and reparability of its products and the choice of materials.



Social



Own workforce

Employees are at the heart of the TTS Group and are crucial for dealing with current challenges. In view of the shortage of skilled labour, changing working conditions and the growing importance of sustainability and social responsibility, the skills and commitment of employees are indispensable. In order to remain an attractive employer, the TTS Group relies on targeted measures that encourage and support employees and create a motivating working environment.

The TTS Group expects all employees to comply with applicable laws and internal guidelines. The Code of Conduct forms the binding framework for responsible behaviour when dealing with colleagues, business partners and competitors.

In order to avoid legal risks and promote a fair working environment, regular training and further education programmes are offered. The training courses cover legal requirements as well as internal rules and standards of behaviour.

CHARACTERISTICS OF THE GROUP’S EMPLOYEES

The TTS Group has its main European sites in Germany and the Czech Republic, where the majority of its employees work. The number of employees is stated in headcount. The data is generated monthly on a system basis. The final data is analysed on the respectively appointed date at the end of the reporting period.

The following information relates to the employees in the scope of consolidation in the 2024 reporting year.

Number of employees	2024
TTS Group (total)	2230
Female	823
Male	1407
Germany (total)	1746
Female	605
Male	1141
Czech Republic (total)	484
Female	218
Male	266
Employees by employment contract	2024
Number of employees (total)	2230
Permanent employees (total)	2057
Female	766
Male	1291
Temporary employees (total)	147
Female	48
Male	99
Employees without guaranteed working hours (total)	26
Female	9
Male	17

	Total number of employees	Persons leaving the TTS Group	Staff turnover rate
Employee turnover	2287 ¹¹	160	7%

PROMOTING DIVERSITY AND EQUAL OPPORTUNITIES

The TTS Group promotes diversity and equal opportunities within the Group. In 2019, the TTS Group signed the Diversity Charter in order to embed these issues more firmly. The TTS Group thereby undertook to create a working environment free from prejudice and discrimination. This applies regardless of gender identity, sexual orientation, ethnic origin, age, disability, religious beliefs or personal worldview. The principles of the charter are also firmly embedded in the internal Code of Conduct.

The TTS Group respects the diversity of all employees and is continuously intensifying its diversity management:

The Group sees diversity as the basis for its management and corporate culture and, at the same time, as a means of increasing competitiveness. To this end, diversity has been integrated into the corporate values and the TTS2030 strategy. Responsibility for the topic lies with the Management Board and is supported by CEO Sascha Menges as a sponsor.

In 2022, a project team for Diversity & Inclusion (D&I) was set up to take responsibility for all targets and activities with a specially developed D&I roadmap. The members of the team are employees from various specialist areas. Together, the team has developed a comprehensive D&I strategy and defined three new focus areas:

- Diversity
- Equal opportunities
- Internationality

A D&I steering committee was also established and its members support diversity work at a strategic level and act as ambassadors in their areas.

In order to make progress in D&I work measurable, the TTS Group 2024 has started to define KPIs relating to the D&I focus topics and evaluate them for 2023 and 2024. For example, the use of flexible working time models and the quota of women in management positions were focused on in order to increase equal opportunities. In the area of internationality, the number of employees sent to work abroad on a temporary basis is tracked. Awareness-raising measures such as active communication and training focus on diversity, whereby the above-mentioned measures also contribute to strengthening diversity. Specific target figures are to be adopted by the Management Board in 2025.

The following tables provide an overview of the age structure and gender distribution within the TTS Group.

Age groups	Number of employees*	Percentage of employees
Under 30	327	15%
Between 30 and 50	1299	58%
Over 50	604	27%

Gender distribution in top management	Number	Percentage
Employees in top management (total)	58	
Female	13	22%
Male	45	78%

There is close collaboration between the HR department and the heads of division in order to promote women when filling vacancies. Furthermore, a three-part series of workshops to promote D&I in the recruitment process has already been initiated for employees in the HR department, and a workshop has been organised for senior management. Training courses are organised throughout the Group to develop the skills of all employees.

Furthermore, the visibility of recruitment and promotion processes is specifically increased in order to provide a transparent overview of the opportunities for employees and their advancement within the Group and the individual subsidiaries. Another building block for equal opportunities is a network for women in management positions (TTS Athena).

All new employees receive training on D&I during the induction days. This training is also available for all departments, with the option of setting department-specific priorities. The D&I learning path on the “Masterplan.com” digital learning platform is available to all employees in Germany. Employees involved in recruitment have received special training on promoting diversity in the recruitment process.

Activities such as cultural festivals, intranet posts and articles in the employee magazine “Tool Times” are used to raise awareness of various aspects of diversity. In general, all D&I activities are currently focused on Germany, and are to be gradually extended to other countries at a later date. The Code of Conduct and the Diversity Charter apply to the entire TTS Group.

¹¹ In accordance with the CSRD, employee turnover is calculated on the basis of the average total number of employees per year. Deviations from the total number of employees (2024: 2230) arise because this survey was carried out on the reporting date 31st December.

DIALOGUE WITH OWN EMPLOYEES AND
EMPLOYEE REPRESENTATIVES

The subsidiaries TTS Tooltechnic Systems AG & Co. KG, Festool GmbH and Festool Deutschland GmbH have a joint works council. There is also a works council at TTS Cleantec GmbH. The works councils are newly elected every four years and are a close and trustworthy partner for fair working conditions and forward-looking decisions, both for employees and for the Management Board and managers.

During ongoing operations, there are numerous opportunities for employees to express their needs and address questions to different management levels. For example, questions can be submitted before larger internal meetings and events to enable a direct exchange. The various formats of the cultural journey (see section “Governance and responsibility for the value chain”) also help to take into account the interests of the workforce and respond to individual concerns. There is also a performance and career development dialogue between employees and their managers at least once a year. The implementation rate in the 2024 reporting year was 99.1 per cent.

The TTS Group attaches great importance to evaluating the success of its HR work on the basis of a large number of performance indicators in addition to the quality guidelines. These include indicators such as the training rate, the internal hire rate and the perception of the company by its employees as an attractive employer. In 2023, a Group-wide employee survey was conducted in which employee satisfaction was assessed on various topics. This survey will be repeated in 2026.

TRAINING AND SKILLS DEVELOPMENT

In the TTS Group, the continuous development of employees is seen as a central management task. As a learning organisation, this makes it possible to respond proactively to future challenges and to develop and expand the necessary skills in good time. Through life-long learning and an active feedback culture, the TTS Group ensures that customer focus, and therefore competitiveness, remain at a consistently high level. We offer a wide range of opportunities for



Team spirit and sporting ambition take centre stage at the annual AOK company run.

The TTS Group has a clear focus on diversity management and the promotion of skills development.

personal and professional development. This includes regular further training, management training and junior staff programmes.

A project to develop a TTS competency model was launched in 2024 in order to continuously and purposefully develop employees. A diverse focus group – consisting of employees from different positions, countries, brands and roles – worked together to identify the interdisciplinary skills that are essential for the future direction of the Group. The result is a practical competency model that will be integrated into central HR processes in future – for example as a basis for performance assessments, in recruitment and in the further development of employees and managers.

Since November 2021, the TTS Group has been offering a self-directed learning opportunity via the digital “Masterplan” platform. This features international specialists and industry experts sharing their knowledge in short videos, known as “learning nuggets”. In this way, employees can independently explore topics such as digitalisation and sustainability in greater depth, and further develop their soft skills and methods for ‘new work’. In total, employees completed over 30,000 hours of classroom and online training in the reporting year.

FINDING THE RIGHT WORK-LIFE BALANCE

In accordance with legal requirements, employees of the TTS Group have the opportunity to take parental leave or leave for family reasons. In order to further promote the compatibility of work and private life, two places for childcare for children under the age of three are offered in Wendlingen. There is also a collaboration with the Kreisjugendring (District Youth Council) in the Wendlingen area for the care of school children during the Easter, Whitsun and summer holidays. These two offers can be used by employees of the companies TTS Tooltechnic Systems AG & Co. KG, Festool GmbH and Festool Deutschland GmbH.

SUSTAINABILITY COMMUNICATION AND
AWARENESS-RAISING FOR EMPLOYEES

Sustainability is a cross-sectoral issue that affects all areas – its implementation can only succeed if employees develop an understanding of the underlying relationships. The active involvement of employees is therefore a key concern of those responsible for sustainability at the TTS Group. The TTS Group aims to raise awareness of ecological, social and economic interactions in the corporate context through a variety of communication and exchange formats. By presenting sustainability in an understandable and easily accessible way, the aim is to motivate people to get involved.

Since 2024, new information channels have been established and existing ones further developed. The intranet contains regularly updated content on sustainability – including key figures, interviews, reports and background articles. In addition, newsletters are distributed and screens are used at central employee touchpoints such as lounges and coffee kitchens to provide visual stimuli.

German and English-language channels are also available in Microsoft Teams, which not only promote the transfer of knowledge but also the idea of networking – across departments and subsidiaries. The content and interests of employees on the topic of sustainability are regularly recorded via surveys or workshops and taken into account when designing measures. Campaigns such as Cleanup Day also raise awareness of specific areas of action and encourage participation.

HEALTH PROTECTION AND SAFETY

The activities of the TTS Group for health and safety at work apply to all persons, including employees, temporary workers, external service providers and visitors, who are present at one of the sites. The most senior management level has overall responsibility for occupational health and safety. Employees and managers are equally responsible for creating a safe and healthy working environment. This is supported by information for employees on posters and digital platforms. Furthermore, mandatory safety briefings and regular



On World Cleanup Day, around 100 dedicated employees in Wendlingen, Weilheim, Neidlingen and Česká Lípa filled over 90 rubbish bags together.

training sessions provide information on potential hazards and draw attention to possible dangers in everyday working life.

TTS Tooltechnic Systems AG & Co. KG, Festool GmbH, Festool Deutschland GmbH and TTS Cleantec GmbH carry out checks on the physical work environment to guarantee the health and safety of employees, customers and visitors. The accident rate per 1000 employees is calculated once a year for the Festool GmbH Neidlingen-Weilheim plant network.

The two subsidiaries TANOS and Microcell continuously carry out measurements on the subject of industrial accidents in their respective areas.

The TTS Group is supported by an external service provider in the areas of safety technology, occupational medicine and health management. This, in turn, is certified in accordance with DIN EN ISO 9001:2015 / ISO 45001:2018 / ISO/IEC 27001:2022 / MAAS-BGW (occupational safety management requirements of the German employers’ liability insurance association for health services and welfare care), and reviewed by an external auditor. All TTS Group employees are 100% covered by a health and safety management system that is based on legal requirements and/or recognised standards or guidelines.

RESPONSIBILITIES FOR HEALTH PROTECTION
AND OCCUPATIONAL SAFETY

The Health and Safety Committee regularly reviews the occupational safety processes at TTS Tooltechnic Systems AG & Co. KG, Festool GmbH, Festool Deutschland GmbH and TANOS GmbH as well as Festool s.r.o. In addition, the committee proposes ideas and suggestions for improvement, and is actively involved in their implementation. Cleantec has a separate occupational safety committee, which nevertheless follows the same principles. The Health and Safety Committee is composed of the Works Management, the Facility Management, company doctors, occupational health and safety experts, Division Managers and representatives of the HR department (Health Management) and the works council. Within the scope of quarterly meetings,

it assesses accidents at work and potential sources of danger on the basis of risk assessments and inspections, which are carried out by the respective department together with the responsible occupational health and safety expert and, depending on the situation, the company doctor.

Microcell works with an external partner to continuously and regularly assess and improve all related health and safety processes.

At TTS Tooltechnic Systems AG & Co. KG, Festool GmbH and Festool Deutschland GmbH, the Facility Management and the Management Board each bear operational responsibility for ensuring that a dialogue on health and safety takes place and that the results are taken into account in the TTS Group and the subsidiaries. At TANOS, the management is responsible for this role.

PREVENTION

Employees are provided with ergonomically designed workstations and sufficient protective equipment. Healthy workplace ergonomics are important at assembly workstations in particular. The TTS Group also offers regular occupational health consultations with company doctors at all production sites.

The company doctors at the respective site conduct a risk classification of the individual activities in cooperation with the occupational health and safety expert, and define medical prevention services tailored to specific workplaces (mandatory and optional examinations).

IMPROVING OCCUPATIONAL SAFETY

Employees can use a software solution for occupational safety to report potential hazards at any time, and these are then processed and documented by those responsible. A presentation is available to employees on the intranet that clearly explains which issues can be reported, how and where. Commercial employees and all other persons without intranet access are informed by their superiors during classroom training sessions. A separate contact person or the manager is available to you at all times. Further information on

reporting channels and compliance management can be found in the “Governance” section.

A response process for processing information has been implemented for the software that can be used to report potential hazards, which is available to all employees of TTS Tooltechnic Systems AG & Co. KG, Festool GmbH and Festool Deutschland GmbH. In this way, it is possible to respond effectively to specific reports, and possible violations can be reported to the authorities. Employees of TANOS and Microcell can contact their line manager or the occupational safety officer.

REMUNERATION AND COLLECTIVE AGREEMENT COVERAGE

Employees’ remuneration is based on remuneration principles that are based on the position, the market and the individual performance. TTS Tooltechnic Systems AG & Co. KG, Festool GmbH and Festool Deutschland GmbH are also bound by collective labour agreements for the metal and electrical industry. This applies to 68.7 per cent of employees at TTS Tooltechnic Systems AG und Co. KG, 81.7 per cent at Festool GmbH and 60.7 per cent at Festool Deutschland GmbH.

Remuneration generally consists of a salary with fixed and variable components plus additional benefits. These additional benefits often go beyond the statutory requirements and include, for example, personal insurance with special conditions and an occupational pension scheme. The TTS Group also offers many employees the opportunity to use a company bicycle, and has special rules on the use of company cars for specialists and managers. Employees also benefit from bonuses that are awarded on the basis of the return on sales (ROS) achieved and the turnover development. In this way, the TTS Group aims to attract committed, qualified specialists and retain employees.

The separate “ALLEZ” bonus programme offers incentives to employees in productive areas who are covered by collective agreements in the form of performance-related overtime payments.

In the TTS group, the gender pay gap averages 22.8 per cent. This figure corresponds to an unadjusted wage gap that does not take into account structural differences such as level of education, professional experience and working hours¹². In order to derive targeted measures to reduce the gender pay gap, the TTS Group will collect an adjusted figure in the next reporting year.

INCIDENTS AND COMPLAINTS RELATED TO DISCRIMINATION, HARASSMENT AND HUMAN RIGHTS

During the reporting period, employees of the TTS Group submitted a total of six reports via the complaints channels. No specific cases of discrimination or harassment were identified. No violations of human rights were identified either.

In addition, no complaints were submitted to the OECD (Organisation for Economic Cooperation and Development) national contact points for multinational enterprises.

¹² In accordance with the CSRD, an unadjusted gender pay gap is required.

Customers

Maximum product safety and optimum health protection for users are the overriding goals of the TTS Group in the area of customers: In this way, the Group helps its customers to avoid absences from work, maintain their health and performance in the long term and increase their overall productivity as far as possible. Direct and continuous dialogue with dealers and customers is therefore a top priority.

QUALITY AND PRODUCT SAFETY

As the TTS Group’s greatest impact on customers is through its products, the product development guidelines and implemented processes in accordance with advance quality planning are the key instruments for protecting the health of customers.

The Quality Management division ensures consistently high levels of quality throughout the Group. In this context, quality management sets specific product requirements in terms of reliability, safety and health protection. The TTS Group also has its processes validated by external auditors in accordance with ISO 9001 (standard for quality management systems).

The TTS Group involves suppliers, laboratories and customers in quality management in order to fulfil the high standards of quality and safety along the value chain. There are special guidelines for

safety-critical functions (SCF) that specifically define the process during product development (pre-development, development, implementation and qualification). All products consequently undergo a binding quality assurance process, from the prototype to series production. Together with other departments, the Product Development division assumes responsibility for product compliance management to ensure that all legal requirements and relevant standards are met.

Product development takes place in several iterative phases with employees from different departments. All product development projects are monitored in defined committees and undergo structured approval processes in which the respective development status (maturity level) is checked and approved for the next phase. The testing department and laboratories act from the customer’s

perspective and check reliability throughout the product life-cycle. The TTS Group is taking various steps to fulfil customer expectations and continuously improve its own processes: Through findings from product development, preventive risk management, ongoing material tests and process controls.

In addition to product safety, user-friendliness is a central element of the product promise: Products and accessory parts are designed as a holistic system, with the individual components complementing one another, thus enabling more efficient and simpler handling for the entire sector-specific application. To ensure the best possible protection against acute injuries over the product’s lifetime, the TTS Group makes sure that the products have a robust and reliable design and that various intelligent technologies also increase user-friendliness and safety. The above guidelines and instructions have been developed in accordance with the relevant German laws and take into account the applicable EU directives. The products are developed in agreement with Product Compliance Management.

In 2018, a customer experience (CX) team was created at Festool in order to continuously improve the customer experience at all important contact points. Customer experience training was introduced in 2021 to ensure that all employees have a standardised understanding of the topics of customer focus and competent customer service. This is an interactive, autodidactic e-learning concept that has been part of the standard onboarding process for all new employees since the beginning of 2022. Around 1300 employees have already completed this kind of training – primarily in local units and on the topics of customer service, repairs, sales, marketing and administration. In 2024, comprehensive CX training was conducted for all employees at headquarters.

PROCESSES AND FORMATS FOR CUSTOMER FEEDBACK

The contact options for customers vary within the TTS Group:

- Festool and TANOS offer various direct contact options: Via general e-mail and telephone contact, concerns are either resolved directly by customer advisors or forwarded to the relevant depart-

ments, depending on the topic. Various contact forms and access points are available on the website, depending on the request. Social media can also be used by customers to make contact. The aim is to be able to offer customers a direct solution at the first point of contact.

- exoIQ’s customers, in particular dealers and end users, are advised and trained in the use of the products by the sales force on site and in online formats.
- Festool’s retail partners have access to their own online areas in the Festool Dealer Portal, where they can find all the information and contacts they need. There is also direct contact with the sales and procurement teams.
- At TANOS, the focus is on direct communication with key accounts, supported by the sales team. Within the company, there is close cross-departmental collaboration between Customer Management, Product Management, Quality Management and Order Fulfilment Management. Customers are closely involved in project realisation from the initial idea to the finished product. TANOS provides solutions for ergonomic, efficient and well-organised working. This is reflected in individual product specifications such as the design, colour, format, closure and specific inserts.
- Microcell develops solutions in close cooperation with its customers, as all products are individually designed according to their needs. For Festool s.r.o. as a pure production company, direct customer contact is not necessary.

RECORDING CUSTOMER FEEDBACK

The respective facts are recorded via complaint management or transactional customer surveys. Customers are currently surveyed at the following contact points: Following an online repair procedure, a product registration, e-mail contact with Customer Service and a theft reported to Festool. Customer feedback is also continuously collected by the Group-wide Service division based on input from defective devices, warranty registrations/MyFestool logins and workshop requests. If it is established that customers have had a negative

experience with a product or service, the TTS Group has a systematic approach and concrete processes in place to bring about a solution.

ANALYSING CUSTOMER FEEDBACK

To ensure continuous quality assurance and identify potential areas for action at an early stage, the complaints recorded are regularly analysed and reviewed in consultation with the responsible departments. Festool has also established a system for analysing qualitative customer feedback. An AI-supported tool is used to efficiently support the analysis and evaluation of qualitative feedback. In the reporting year, more than 19,000 customer reviews, around 3700 comments and 10,000 complaints were collected and analysed with the help of customer surveys in 24 countries.

The TTS Group guarantees maximum product safety and health protection through strict quality controls and intensive dialogue with customers and partners.

DERIVING MEASURES

By collecting customer feedback in a structured way, measures can be derived to optimise processes, products or services. To this end, interdisciplinary teams work together to assess the current situation and plan suitable measures to prevent or eliminate negative effects. These improvements focus, for example, on optimising reparability and increasing customer satisfaction.

Close contact with customers pays off: The Net Promoter Score was a very good 80 across all countries and contact points with a low variance.



Governance



Governance

GOVERNANCE AND RESPONSIBILITY FOR THE VALUE CHAIN

The TTS Group’s corporate strategy aims to integrate sustainable management into all business processes and to assume responsibility along the entire value chain. In this way, the Group harmonises economic success with ecological and social aspects. The associated responsibilities and principles of corporate policy are presented below.

CODE OF CONDUCT

The TTS Group has a Code of Conduct for all employees. This contains guidelines for ethical corporate governance and is intended to promote a positive corporate culture.

There is also a behavioural guideline for business partners.

Both behavioural guidelines are based on the following principles of corporate governance with integrity:

- 1. Adherence to the law:** The TTS Group expects all employees to comply with the relevant laws and other regulations in their area of work. This also includes internal guidelines in their current version.
- 2. Fair competition:** The basis of the TTS Group’s economic development is to always achieve the company’s goals by fair means. The TTS Group therefore does not enter into any agreements with competitors, customers and/or suppliers that impair fair competition.

- 3. Anti-corruption:** All employees adhere to ethical standards. Therefore, they are not permitted to ask for or accept gifts. To ensure this, the TTS Group has drawn up an anti-corruption policy and regularly trains its employees.

This means that the TTS Group commits both its employees and its business partners to ensuring equal treatment and equal opportunities in their companies. If these principles are breached, the individuals affected can contact the TTS Group Compliance Officer.

The Codes of Conduct provide the legal and ethical framework for all business activities and contain clear rules that must be followed when dealing with colleagues, business partners and competitors. Among other things, this ensures that neither child labour nor any form of forced labour is tolerated. Although the issue of compulsory labour is not explicitly mentioned, the TTS Group’s corporate principles are based on clearly defined ethical standards and an unre-served commitment to respecting internationally recognised human

rights. This forms the basis for the corporate responsibility of the TTS Group.

Both guidelines are available to all employees of the TTS Group via the intranet. A separate guideline for managers sensitises them to their responsibilities and duties of care within the various areas of the company.

COMPLIANCE AND COMPLAINT MANAGEMENT

The Compliance Officer is in close contact with the Management Board and the Chairwoman of the Supervisory Board, in order to reg-ularly exchange information and discuss risks and violations. Issues that are relevant to compliance are then discussed during regular update meetings and, if necessary, in extraordinary meetings with the Management Board, which holds overall responsibility for com-pliance. The Management Board monitors and promotes processes that guarantee lawful and ethical cooperation in the Group and in dealings with customers and suppliers.

Compliance reports can be submitted in person, by e-mail or by post. Information sent by letter or e-mail can also be submitted anonymously. The TTS Group has established a structured procedure to efficiently review incoming information, respond appropriately, and systematically identify potential breaches of regulations. The reporting channels are open to both employees and external stake-holders. If a suspicion is confirmed, the Management Board and Supervisory Board are continuously informed of the results and measures taken.

Concerns and complaints relating to the Group and due diligence obligations can be submitted via the TTS Group’s reporting channels: <https://www.festool.com/company/compliance>

Compliance training was introduced by the TTS Group in 2023 as mandatory training throughout the Group and has been held annually ever since. In addition to the presentation of the compliance manage-ment system, the available reporting channels and the confidential handling of information and whistle-blowers are also discussed.

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Commercial employees receive separate training from their respective managers. In 2024, a project was launched with the aim of consolidating the zero-tolerance policy within the TTS Group with regard to sexual harassment and discrimination. In the course of this, reporting channels are to be made even more widely known and, at the same time, low-threshold offers are to be made to consistently report misconduct. The roll-out planned for summer 2025 includes the creation of additional points of contact through a trusted person programme and the option of contacting an external law firm anonymously in addition to the compliance officer. CORPORATE CULTURE The continuous development of the Group’s culture is a high priority, which is why a “cultural journey” was launched in 2023. Since then, key topics have been defined on an annual basis in order to promote the further development of the corporate culture. In the 2024 reporting year, all teams were provided with workshop modules focusing on “Collaboration and feedback” via the “Culturizer” tool, which they can work on independently. The cultural trip could therefore be rolled out across the Group in 2024. A total of over 500 workshops were held in individual teams. The “Culturizer” has proven to be an easily scalable tool for establishing central cultural topics in the overall organisation. SUPPLIER RELATIONSHIPS The TTS Group’s supply chain management implements comprehensive standards such as the Code of Conduct for Business Partners, the Supplier Code of Conduct and the Festool Environmental Standard in order to conserve resources and ensure safe working conditions in the supply chains. The TTS Group attaches great importance to responsible procurement of materials and primary products that meet strict environmental and social standards. By signing the framework agreement and the Code of Conduct for business partners, all			suppliers are obliged to comply with these standards of the TTS Group and thus fulfil their due diligence obligations. Annual assessments and coaching sessions are used for the qualification and evaluation of suppliers. This includes a strict review of qualifications and regular evaluations, in order to ensure that suppliers meet the high ecological and social standards. If suppliers do not meet these standards, this may lead to the termination of the business relationship. In addition, regular audits are carried out at selected suppliers, during which compliance with environmental and social standards is also checked, and potential risks and opportunities for improvement are identified. Through these specifications, the TTS Group aims to promote responsible and sustainable relationships with its suppliers, minimise risks and strengthen positive impacts on sustainability aspects within its supply chains. Close cooperation and personal contact are central to this: For example, the TTS Group provides news on products, internal projects and initiatives, market trends and the procurement strategy at the annual Supplier Day. To honour close partnerships, a The TTS Group aligns its business activities with behavioural guidelines and pays particular attention to fair supplier relationships.			supplier award is presented on this day, which takes ESG criteria into account, among other things. Compliance with environmental and social standards is a core element of purchasing practices and is therefore firmly anchored in the TTS Group’s procurement strategy. PAYMENT PRACTICES The terms of payment for each supplier are stored in the SAP system in Financial Accounting. Incoming invoices are paid automatically on the basis of these conditions. This ensures the timely fulfilment of liabilities and efficient management of payment processes in 95 per cent of cases. If there are discrepancies in quantity and price in the SAP system, the invoice is checked by the responsible purchaser. Prevention and detection of corruption and bribery Compliance with regulations on corruption and antitrust law is ensured by the TTS Group’s compliance management system. The Controlling department carries out regular audits of the monthly and annual financial statements to detect potential violations at an early stage. The internal audit is also responsible for conducting risk-oriented audits of sales organisations and subsidiaries – including ad hoc audits at short notice. The TTS Group has implemented a structured response process for processing incoming reports, which enables an effective response to reports and the detection of possible criminal offences. The steps for reporting to the Management Board or Supervisory Board are clearly defined. In the 2024 reporting period, the TTS Group was not aware of any cases of corruption or bribery or any proceedings for anti-competitive behaviour or violations of antitrust and monopoly law. Accordingly, no fines were imposed and no employees were dismissed in connection with incidents of corruption.	

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