



TTS Group Sustainability Report 2025

Transparency, Transformation,
Sustainability

TTS Tooltechnic Systems

Governance

Corporate
governance and
sustainability
management

Environment

Social



Foreword

Dear readers,

As a family-owned company, we think not only in terms of business years, but also in terms of generations. This mindset shapes our understanding of sustainability. We want to act responsibly today so that our company will be well positioned tomorrow – for our customers, our employees, our partners and society.

With our fifth sustainability report, we show how we continue to turn this commitment into action. The report makes progress visible, highlights challenges and provides insight into the topics on which we are working with determination.

During the 2025 reporting year, we achieved important milestones in our climate management efforts. Our ambitious climate targets were validated by the internationally recognized Science Based Targets initiative (SBTi). This independent validation confirms that our targets are aligned with the latest climate science.

At the same time, we improved transparency regarding the environmental impacts of our products. The TTS Group, together with other companies, helped develop an industry standard for calculating the carbon footprint of power tools, which was adopted in 2025. Going forward, we intend to apply this standard to our own products and gradually introduce lifecycle assessments.

Meanwhile, the requirements for sustainability reporting are changing. The TTS Group is preparing for the future requirements of the CSRD (Corporate Sustainability Reporting Directive). Going forward, the TTS Group will include sustainability disclosures in the management report section of its annual report. As a result, this publication is the final sustainability report of the TTS Group in its current format. At the same time, Festool will publish its own voluntary sustainability report for the financial year 2026 for the first time.

Sustainability remains a long-term responsibility. We will continue to embed responsible practices throughout our business and report transparently on our progress.

I wish you an informative read.

Yours sincerely,
Dr. Wolfgang Knorr

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Sustainability strategy – People, Planet, Process			P. 15		Customers			P. 39		If content or key figures relate to the five brand companies, these brands are referred to in their short form. If the legal form of a company is mentioned, data refers explicitly only to that company.				
Stakeholder interests and viewpoints			P. 16		Quality and product safety			P. 39		When presenting key figures in the text and in tables, the TTS Group uses rounding. As a result, individual figures in the tables may not add up exactly to the totals shown. Percentages may also not reflect the corresponding absolute values precisely.				
Double materiality analysis			P. 18		Processes and formats for customer feedback			P. 40		The information described relates to the financial year from 1 January to 31 December 2025.				
Guidelines on key ESG topics at the TTS Group			P. 19		Analysing customer feedback			P. 41		With effect from 1 January 2026, the general partner changed from an Aktiengesellschaft (AG) to a Societas Europaea (SE). As of then, the company has been named TTS Tooltechnic Systems SE & Co. KG. The sustainability report therefore already uses the current legal name, even though this was not yet valid in the reporting period up to 31 December 2025.				
					Deriving measures			P. 41		The masculine form is always intended to apply to women, men and diverse people as well. For the sake of readability, gender-specific wording and multiple naming are omitted. All personal references are therefore to be understood as gender-neutral.				
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ESG highlights 2025



100TH ANNIVERSARY OF FESTOOL:

The TTS Group is proud of its long history and the values that have shaped the company for generations and continue to support long-term thinking and sustainable success.



AMBITIOUS CLIMATE TARGETS VALIDATED:

In summer 2025, the TTS Group's emissions reduction targets were validated by the Science Based Targets initiative (SBTi), officially confirming that the Group's climate action efforts are aligned with science-based, globally recognized criteria.

ISO 50001

ISO 50001 ENERGY MANAGEMENT CERTIFICATION:

Through ISO 50001 certification, the TTS Group not only increases transparency regarding energy consumption but also monitors energy performance and efficiency improvements using defined KPIs.



IMPROVEMENT OF ECOVADIS RATING:

After submitting the EcoVadis questionnaire in autumn 2025, Festool GmbH was assessed for the third time in April 2026 in the area of sustainability. The result: after the EcoVadis Committed Badge in the previous assessment, the TTS Group achieved a bronze award thanks to improvements relating to environmental sustainability.

ESG highlights 2025



**AMBITION TO INCREASE
THE REPRESENTATION OF WOMEN IN
MANAGEMENT POSITIONS:**

The Supervisory Board and Management Board defined the ambition that the proportion of women in management positions across the TTS Group should reflect the proportion of women in the overall workforce. The share of women in management positions increased during the reporting year.



**QUANTITATIVE ESG KPIS ESTABLISHED
AT FESTOOL:**

Based on the Group’s sustainability strategy, Festool aims to improve its sustainability performance in four selected focus areas by 2030. Progress will be measured using a newly developed sustainability index and a set of quantitative ESG KPIs.



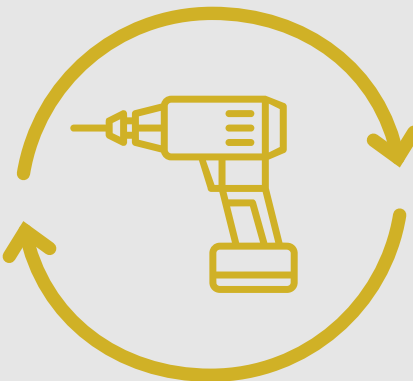
PACKAGING MATERIAL REDUCTION:

In 2025, the packaging portfolio was fully converted to cardboard packaging. The final process-related transition steps will be completed in 2026.

DIN SPEC

**INDUSTRY-SPECIFIC AND STANDARDIZED
PCF CALCULATION:**

As part of an industry-wide working group established to develop the new DIN SPEC standard, Festool contributed to the transparent and standardized calculation of Product Carbon Footprints (PCFs) for power tools.



NEW REFURBISHMENT PROGRAM:

Festool has introduced a program to extend the service life of selected products. Customers can return their used tools, which are professionally refurbished and prepared for a second use phase.



Corporate governance and sustainability management

Corporate governance and sustainability management

As in previous years, the TTS Group's sustainability report is based on the content requirements and the structure of the Corporate Sustainability Reporting Directive (CSRD). Although the directive cannot yet be fully applied due to the absence of national implementing legislation and the amendments introduced through the omnibus package, key reporting elements have already been incorporated in preparation for future reporting requirements¹.

FUNDAMENTALS FOR PREPARING THE SUSTAINABILITY REPORT

The TTS Group consists of several subsidiaries, most of which are 100% owned by the TTS Group. The five brand companies exoIQ, Festool, SawStop, Shaper and TANOS operate as independent companies². The other subsidiaries of the TTS Group, which are partly in supplier relationships with Festool, are presented externally as parts of Festool. The Festool brand will publish a voluntary sustainability report from the 2026 financial year onwards in response to stakeholder expectations. This separate reporting format will complement the TTS Group's mandatory CSRD reporting and highlight Festool's sustainability commitment.

¹ The deadline for the sustainability report was July 31, 2026, which is why subsequent regulatory developments could not be taken into account.

² The SawStop and Shaper brands are not included in the scope of consolidation; see the report information on [Page 3](#).



Headquarters Wendlingen



Preparation for CSRD reporting

The first legally mandatory sustainability reporting for the TTS Group will take place for the financial year 2027. In the transition phase before the first mandatory reporting year, the company group focuses on improving the availability of sustainability information as well as standardizing data collection and data management.

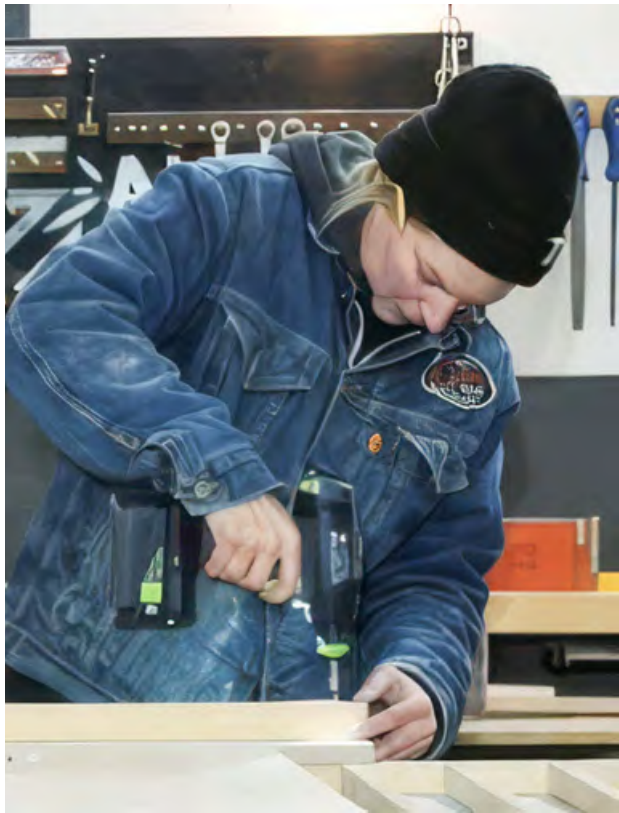
To fully meet the CSRD requirements, the TTS Group will not publish a sustainability report for the financial year 2026 in the existing format. Going forward, non-financial disclosures will be integrated with the preparation of the Group management report in accordance with the CSRD requirements.

TTS Tooltechnic Systems



exoIQ

ExoIQ
Support systems for human motion sequences



FESTOOL

Festool
Power tools – Inspired by craftspeople



SawStop
Circular table saws with the latest safety technology



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	Labor conditions, environmental standards, carbon emissions
Supply chain (T1)	Delivery of pre-assembled components and materials to our own production and assembly sites	Labor 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 utilization, 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 & 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
Utilization & End-of-Life	Utilization by users and return, repair or recycling	Emissions during use, product service life, recyclability

Impact of the value chain on sustainability aspects

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. In addition, the offering includes organization and storage solutions, as well as active support systems such as exoskeletons, which relieve physical strain during physically demanding tasks and support users’ health and productivity.

The group of companies serves various markets and is aimed at trade, industrial and private customers. Brands such as TANOS and exoIQ are also aimed at cross-industry customer groups. Cleantec and Microcell are affiliated companies of Festool and also contribute to the wide customer base.

The value chains of the companies in the 2025 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 long-standing partnerships exist. The supplier structure differs depending on the product type and brand.

Own value creation (operations): Centralized 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 centers 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 utilization 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 authorized partners or their own workshops. Initial end-of-life management measures such as return, recycling and second-life strategies are currently being developed.

SALES DEVELOPMENT AND
FUTURE DIRECTION

In the reporting year 2025, the TTS Group’s revenue amounted to EUR 807 million. This corresponds to a decline of 2.8% or EUR 23 million. The main reasons include ongoing geopolitical crises and the still challenging economic conditions.

Sustainability has top priority for the TTS Group – driven by company values and societal and regulatory requirements. This results in a stronger focus on sustainable practices across all business areas. The associated challenges are understood by the TTS Group as an opportunity for innovation, continuous improvement and further development.

Customers can contribute to social and ecological sustainability by purchasing products from the TTS Group, because efficient, precise and long-lasting products help conserve resources. At the same time, the TTS Group aims to raise awareness among customers on sustainability topics through information offerings and opportunities for dialogue.

Retail partners benefit from greater transparency regarding the sustainability performance of both the company and its products. This strengthens collaboration with partners and contributes to sustainable development across the entire value chain.

Suppliers benefit from close, long-term partnerships built on a shared commitment to sustainability. The TTS Group works together with its suppliers to promote sustainable practices throughout the supply chain. In the long term, this supports stable supplier relationships and contributes to environmental protection.

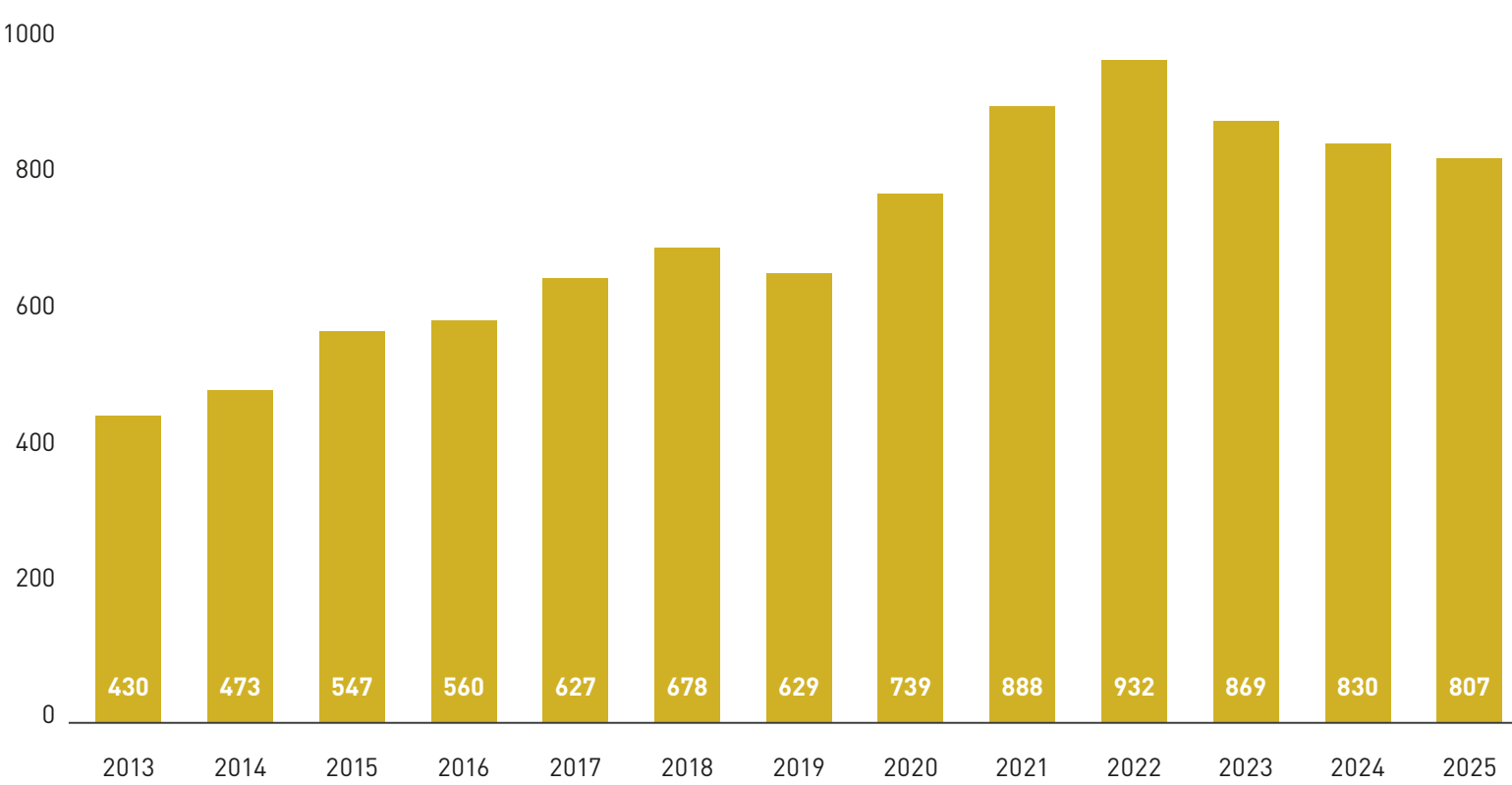
For **employees**, the TTS Group offers a safe and respectful working environment and supports personal and professional development through training. Additional health and social benefits make the TTS Group an attractive employer brand.

Overall, through its products and business practices, the TTS Group ensures that it provides benefits not only now but also in the long term – for customers, trading partners, suppliers and employees – contributing to a more socially and ecologically sustainable and responsible economy.

Sustainability is one of the three company values and is firmly integrated into the company strategy.

Sales development of the TTS Group

in EUR millions



Sustainability is one of the three corporate values and is firmly integrated into the corporate strategy as one of the central strategic pillars.



Dr. Birgit Braches
Dr. Wolfgang Knorr
(Co-CEOs)

THE ROLE OF GOVERNANCE BODIES

SUPERVISORY BOARD

The Supervisory Board of the TTS Group consists of six members: four men (external members) and two women (members of the owner family without a managerial role). Under the chair of Barbara Austel, the Supervisory Board advises and monitors the Management Board in accordance with laws, the articles of association and the rules of procedure.

Its tasks include, in particular, accompanying strategic decisions, monitoring the financial position, assessing risks and opportunities, and reviewing and approving transformation processes, targets and consolidated financial statements. In addition, the Supervisory Board is responsible for appointing the Management Board.

The members of the Supervisory Board are:

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

MANAGEMENT BOARD

In August 2025, Sascha Menges stepped down from his position as TTS Chair/CEO at his own request and left the Group. Since then, CFO Dr. Birgit Braches and CTO/COO Dr. Wolfgang Knorr have jointly led the TTS Group: Effective February 2026³, the TTS Group adopted a co-CEO leadership model. The Supervisory Board appointed Dr. Birgit Braches and Dr. Wolfgang Knorr as Co-CEOs and entrusted them with joint responsibility for the management of the Group.

As the Management Board, they are responsible for strategy development, strategic direction (vision, long-term targets), compliance, monitoring, stakeholder relations, and crisis and risk management.

³ The Co-CEO model was implemented after the reporting period. Given its significance for the governance and management of the TTS Group, it is nevertheless included here for context.

In addition, they assume sponsor roles for the following areas:

- Dr. Birgit Braches – strategic finance and IT projects
- Dr. Wolfgang Knorr – 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 SE & Co. KG⁴:

- by the Articles of Association (AoA)/company agreement (latest version: 11/25),
- the rules of procedure for the Management Board resulting from the Articles of Association (latest version: 11–12/25) and,
- in turn, the distribution-of-business plan resulting from the rules of procedure (latest version: 01/26).

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

⁴ Effective January 1, 2026, the general partner changed its legal form from a stock corporation (AG) to a European Company (SE). Since then, the company has operated under the name TTS Tooltechnic Systems SE & Co. KG. Therefore, only the current legal name is used in the sustainability report.

ROLE 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 responsibilities include:

- Alignment of the organizational 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 tracking:

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:** Regular meetings between the Management Board and the Supervisory Board to discuss strategic topics, including progress regarding 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 in half-

yearly “board workshops”. Sustainability is always addressed to monitor progress.

- **TTS Summit and brand reviews:** The TTS Summit is held annually, bringing together general managers and managers to contribute to the Group’s strategic development, including its sustainability targets. In addition, brand reviews are conducted three times a year to monitor the performance of TTS subsidiaries, including their sustainability performance.

- **Strategy Circle and quarterly meetings:** The entire corporate strategy, including sustainability orientation, is discussed in the quarterly strategy circles. Sustainability topics also regularly appear on the agendas 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 realization of the Group’s strategy.

SUSTAINABILITY MANAGEMENT

The TTS Group sees sustainability as a cross-cutting issue and organizes sustainability management as a company-wide network. This network is managed by a central sustainability officer within 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.

Since 2023, central data management and ESG compliance have been further professionalized through a dedicated function. At Festool, the largest subsidiary of the TTS Group, product-related sustainability topics are driven by a dedicated sustainability department. The team also provides shared services to other Group companies in the areas of environmental management and resource efficiency.

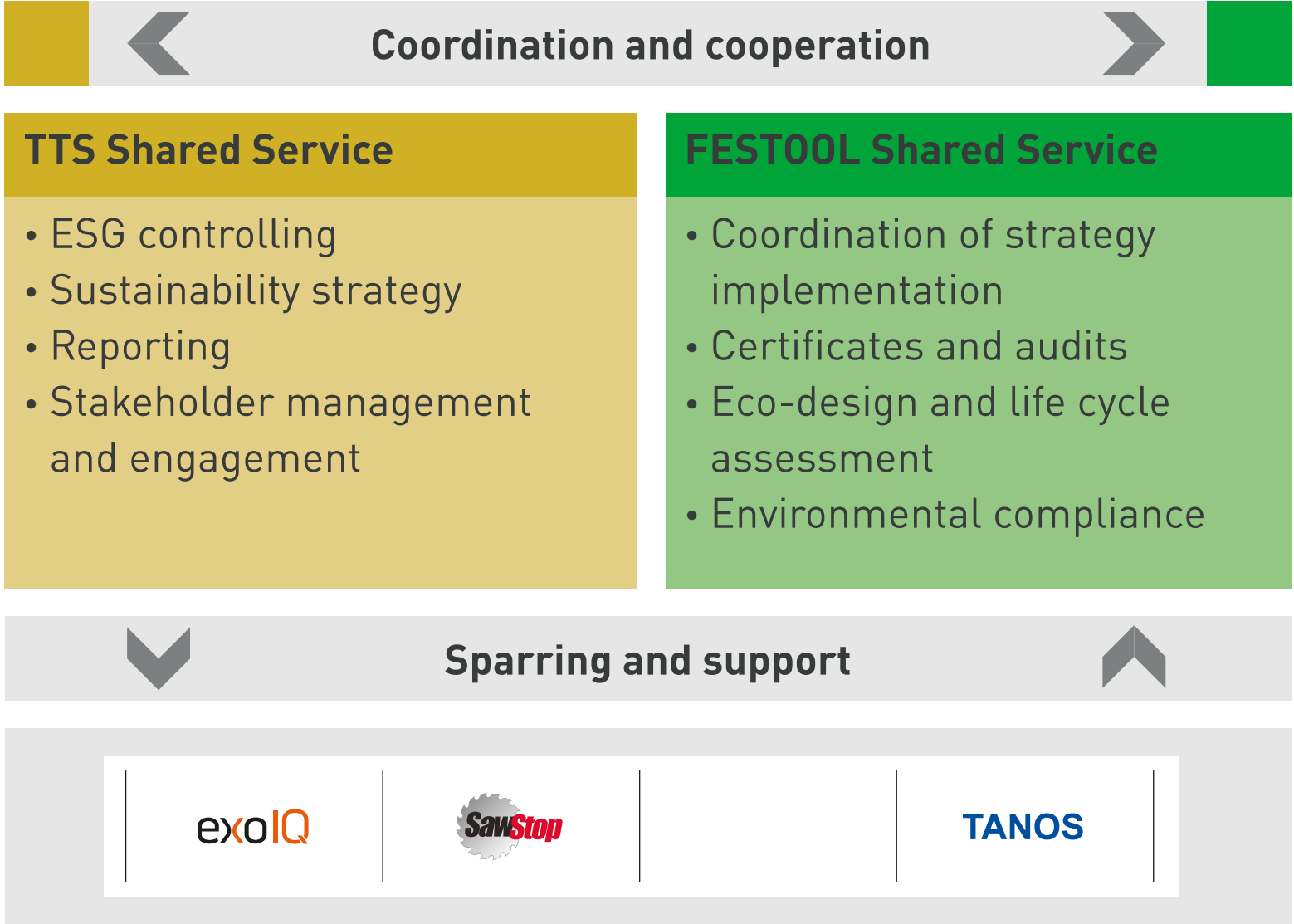
In addition, sustainability officers have been appointed in each brand company. They act as points of contact and drive implementation of the sustainability strategy within their respective areas. The network also includes engaged individuals from different business areas who contribute valuable input through their interest in sustainability, passion for the topic, and willingness to actively shape initiatives. The responsibilities work together in regular “Jours Fixes”, committees and network meetings to advance sustainability initiatives.

EcoVadis Certification
2025

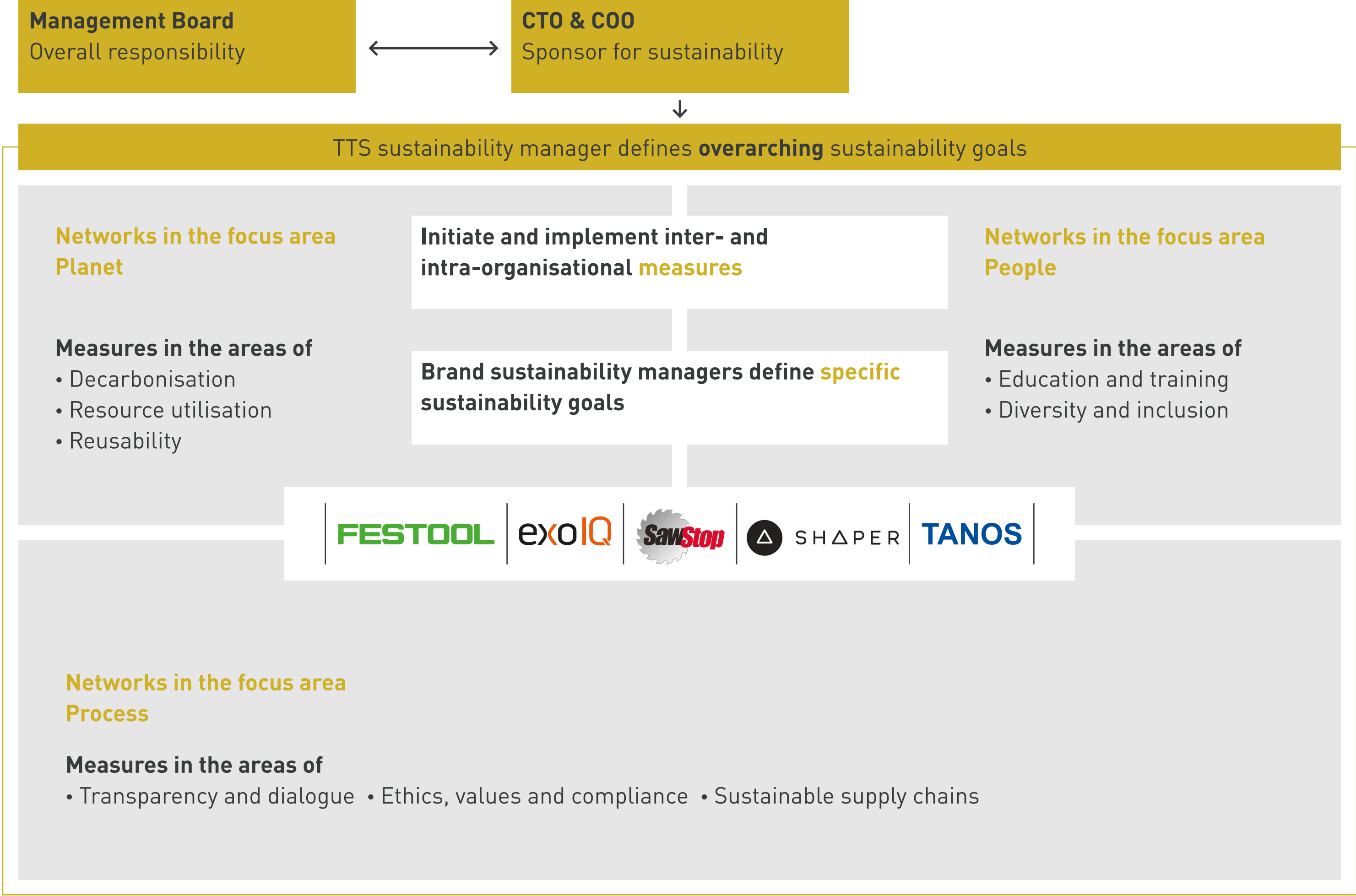


After Festool GmbH was awarded the EcoVadis Committed Badge at the end of 2024, the company continued to improve its sustainability performance, particularly with regard to energy management and SBTi validation. These efforts have paid off: In April 2026, Festool GmbH was awarded the EcoVadis Bronze Medal.

EcoVadis is an internationally recognized platform for evaluating sustainability performance in companies. Environmental aspects, labor 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.



Sustainability management in the TTS Group



TTS structure for sustainability management

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 prioritized 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 by 90% by 2035 (compared to base year 2022)
- Reduction of emissions for Scope 3 by 90% by 2050 (compared to 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 sensitizing employees to the topic
- Promotion of sustainable behavior among employees
- Systematic alignment of learning formats and skills development with future requirements in the industry

Diversity and Inclusion:

- Creating and promoting awareness of diversity and equal opportunity, and motivating employees and managers to embed this awareness in their work 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
- Optimization of logistics processes

To further deepen the Group’s framework strategy through brand-specific topics, Festool adopted its own five-year strategy in 2025 and anchored sustainability as a fixed part of its business. The sustainability topics are managed through a newly developed, quantitatively measurable sustainability index. The index bundles four elements:

- Product Carbon Footprint
- Corporate Carbon Footprint
- Employee Sustainability Empowerment
- Customer Sustainability Empowerment

This allows Festool to measure both the reduction of product- and company-related greenhouse gas emissions and the capability of employees and customers to take sustainable action. The focus is on awareness-raising, transparent information and concrete activation offers for internal and external stakeholders. The goal is to improve the sustainability score cumulatively by 20% against the 2025 baseline by 2030 – for example by reducing emissions or increasing empowerment. In 2026, the status quo for the four sustainability topics will be assessed and corresponding measures will be derived.



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.

STAKEHOLDERS	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. According to a survey conducted by the TTS Human Resources Department, 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 favorable 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 partnerships, 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 organizes 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 emphasizes 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. According to surveys conducted by TTS’s Human Resources department, 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 2024, 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 analyzed 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 harmonized assessment models. Standardized 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 financial materiality.

Materiality threshold: IROs with a severity level ≥3 and a probability of occurrence ≥4 are considered significant. This threshold was defined based on 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 labor 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 assessment was carried out in close coordination with the auditor and in compliance with the applicable CSRD requirements. The final catalogue of material topics was adopted by the Management Board in the first quarter of 2025. The results will form the basis for future sustainability reporting. 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	✓
S3 Affected communities	✗
S4 Customers	✓
Governance	
G1 Corporate policy	✓

GUIDELINES ON KEY ESG TOPICS AT
THE TTS GROUP

The following overview summarises all of the guidelines available in the TTS Group (in alphabetical order) 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
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 In case of violations: potential return of deliveries and delivery stop	Festool GmbH as well as all affiliated companies	Internet
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

GUIDELINE	DESCRIPTION	SCOPE OF APPLICATION	AVAILABILITY
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
IT security policy	• Protection of sensitive data and systems through technical and organizational security measures • Responsible use of IT resources (e.g. passwords, mobile devices, software) to minimize 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, organizational 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
Travel expenses policy	• Promotion of cost-efficient, environmentally and climate-conscious travel behavior (e.g. by defining preferred means of transport, avoiding flights) • Definition of processes, responsibilities and deadlines for planning, authorization and invoicing of trips • Regulation of the settlement and reimbursement of business trips at home and abroad	TTS Tooltechnic Systems SE & Co. KG, Festool Deutschland GmbH, Fes-tool GmbH, TTS Microcell GmbH, TTS Cleantec GmbH, TANOS GmbH, ASPro GmbH, Shaper Tools GmbH, exoIQ, as well as external contrac-tors and their employees, insofar as the application of these organizational 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
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
Signature guideline	• Regulation as to who is authorized 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 behavior 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 behavior 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 behavior 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 labor 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. Companies have a special responsibility to reduce emissions and actively contribute to limiting global warming.

This can only be achieved if companies work together closely along the entire value chain and within the industry. For the TTS Group, this creates opportunities for more resource-efficient innovations, more resilient production and supply structures, and future-proof business models. At the same time, risks such as potential supply bottlenecks, increasing regulatory pressure, and higher transformation and process costs must be anticipated and managed proactively.

CLIMATE STRATEGY AND REDUCTION TARGETS

In recent years, the TTS Group has achieved several important milestones on its path to climate protection. After adopting a group-wide climate strategy with reduction pathways in 2024, the Group’s climate targets were validated by the Science Based Targets initiative (SBTi) in 2025. The TTS Group therefore not only has a clear framework for decarbonization, but has also aligned its Scope 1, 2, and 3 greenhouse gas reduction targets with climate science and

the world’s leading standard for corporate climate targets. The targets were officially reviewed and validated by the SBTi and are based on a 1.5°C level of ambition.

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% (compared to base year 2022)⁵
- Scope 3: Reduction of emissions by 25% (compared to base year 2022)⁶

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: reduction of emissions by 90% by 2035 (compared to base year 2022)
- Scope 3: reduction of emissions by 90% by 2050 (compared to base year 2022)

The Group’s long-term targets cover 100% of total greenhouse gas emissions along the value chain. For short-term targets, Scope 3.11 (use of sold products) was initially excluded because a well-founded target definition was not yet reliably possible due to ongoing product specification development.

CLIMATE PROTECTION MEASURES

To reduce emissions in a targeted manner, various reduction potentials were analyzed and suitable reduction levers identified as part of the Group-wide climate strategy:

Decarbonization of sites: Increase in energy efficiency and on-site electricity generation, switching energy sources, and expanding the procurement of green electricity were identified as key levers for the decarbonization of the Group's own operations (Scopes 1 and 2).

Mobility transition: The TTS Group has committed to the complete electrification of its vehicle fleet (by 2030 in Europe and 2035 worldwide), aligned its travel policy to minimize domestic flights, begun developing a charging station infrastructure, and created more mobility options for employees (public transit, bicycles, carpooling).

⁵ The target does not include volatile gases (such as coolants), which covers 98.1% of Scope 1 and 2 emissions.

⁶ Emissions in the Scope 3.11 category (use of products sold) are not included in the target, which covers a total of 70.5% of total Scope 3 emissions.

Supply chains: To reduce Scope 3 emissions across the value chain, TTS Procurement is preparing the transition to the collection of primary data-based emissions data together with suppliers. At the same time, joint pilot projects have been launched to identify more sustainable material alternatives.

Logistics and transportation: The focus in logistics is on creating full transparency across all transport routes. In cooperation with an external partner, all routes are being mapped and hotspots identified with the aim of implementing targeted optimization measures in the next step.

Investments: When it comes to investments, the finance department and the owner family are working together in particular to enable more sustainable investment decisions.

To fully leverage the opportunities for reduction, collaboration with suppliers, logistics service providers, and all employees is crucial. The TTS Group intends to further strengthen this collaboration in order to, on the one hand, increase data transparency and, on the other hand, inform all relevant stakeholders about how they can contribute through training and dialogue initiatives.

To implement the climate strategy operationally, the following actions were carried out in 2025:

- To enable in-house electricity generation and storage, an expansion plan for PV systems and battery storage was developed in fiscal year 2025. This was preceded by approvals for investments in the tens of millions, which will be used to expand PV systems and storage technologies in Germany and the Czech Republic.
- To further increase efficiency and reduce ongoing energy consumption, Festool GmbH obtained ISO 50001 energy management certification for its production sites in Weilheim and Neidlingen. This



The TTS Group is driving the electrification of its vehicle fleet while continuously expanding charging infrastructure across its sites.

also ensures compliance with Germany’s Energy Efficiency Act. The certification creates transparency regarding energy consumption and enables energy performance and efficiency improvements to be measured based on defined KPIs.

- To improve data quality for calculating the Product Carbon Footprint (PCF) of power tools, an industry-specific DIN SPEC standard has been finalized. Based on this standard, PCFs will initially be calculated for selected products and then gradually expanded to additional products (see info box).

- To incorporate sustainability aspects more strongly into its financial investments, the TTS Group analyzed its investment portfolio and suitable sustainable funds in 2025. Based on this analysis, investments in selected sustainable funds are planned for 2026.

In addition to applying the new DIN SPEC for PCF calculation, the gradual introduction of full life cycle assessments (LCAs) in the coming years represents another important step toward greater transparency regarding the environmental impacts of products. Initial sample calculations are already available, including for chargers, batteries, electronic components, Systainers, and a cordless percussion drill/driver.

Furthermore, during the 2026 reporting year, the TTS Sustainability Steering Committee will approve and subsequently implement an internal CO2 pricing system.

DIN SPEC for PCF Calculation

The industry-specific DIN SPEC was adopted in 2025 and establishes a uniform methodological framework for calculating Product Carbon Footprints (PCF) for power tools. It is based on existing standards such as ISO 14067 and specifies their application for the industry. This makes PCF calculations more comparable, traceable, and transparent.

As part of the industry-wide project group for the new DIN SPEC, Festool GmbH contributed to the transparent and standardized calculation of PCFs for power tools.



The photovoltaic system on the roof of the assembly hall in Weilheim with a capacity of 600 kWp supplies the entire production site of Weilheim with its own electricity, achieving net zero.

THE CARBON FOOTPRINT OF THE TTS GROUP

To establish a continuous and standardized basis for calculating the carbon footprint, 2022 was selected as the base year. The base year was determined using a structured process, and emissions were calculated in accordance with the GHG Protocol. In accordance with the GHG Protocol, all companies and locations of the TTS Group are included in the calculation of GHG emissions and the relevant energy data, which aligns with the Group’s operational control approach. This represents an exception to the scope of consolidation in this report (see “[Information about the report](#)”).

The year 2022 is considered representative of the TTS Group’s business model and provides a realistic reflection of typical operating conditions and emission patterns. In addition, a clear organizational and operational system boundary was defined to ensure that all relevant business activities and their impacts on emissions are covered.

The energy data for the year 2024 was retroactively adjusted because energy-intensive, non-European sites were not included.

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 emissions generated during the use phase of 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 enable a reliable and accurate calculation of the TTS Group’s emissions. In addition, specialized calculation tools were used to quantify greenhouse gas emissions.

In the 2025 reporting year, Scope 1 and Scope 2 emissions remained lower than in the Base year. The reduction was primarily driven by the increased use of heat pumps and photovoltaic systems, as well as the procurement of green electricity at the German and Czech sites. In addition, the declining use of fossil fuels and the increasing adoption of electric vehicles contributed to the reduction in emissions.

Overall, the TTS Group achieved a 22.5 percent reduction in Scope 1 and Scope 2 emissions compared to the base year of 2022. Scope 3 emissions fell significantly in 2025 compared to the base year – primarily due to lower business activity.

At the same time, Scope 1 emissions rose again in the reporting year compared to the previous year due to the increased use of a combined heat and power plant in Wendlingen. This combined heat

Energy consumption and energy mix	Reporting year 2024	Reporting year 2025	%
Fuel consumption from coal and coal products (MWh)	0	0	0
Fuel consumption from crude oil and petroleum prod-ucts (MWh)	2,981	3,283	+10
Fuel consumption from natural gas (MWh)	5,580	9,096	+63
Fuel consumption from other fossil sources (MWh)	9,044	10,055	+11
Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources (MWh)	3,399	3,462	+2
Total consumption of fossil energy (MWh)	21,004	25,896	+23
Share of fossil sources in the total energy consumption (%)	65	70	
Consumption from nuclear power sources (MWh)	n/a	n/a	
Share of consumption from nuclear sources in the total energy consumption (%)	n/a	n/a	
Consumption from district heating (MWh)	411	296	-28
Share of consumption from district heating in total en-ergy consumption (%)	1	1	
Fuel consumption for renewable sources, including biomass	0	0	
Consumption of self-generated renewable energy other than fuels (MWh)	9,816	9,799	0
Total consumption of renewable energy (MWh) ⁷	1,053	1,087	+3
Share of renewable sources in the total energy con-sumption (in %)	10,869	10,886	0
Total energy consumption (MWh)	34	29	
Gesamtenergieverbrauch (MWh)	32,284	37,078	+15

⁷ 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.

and power plant was not in operation in 2024 for technical reasons. The increase in Scope 2 emissions compared to the previous year is attributable to the use of primary data from non-European sites.

Since the calculation of Scope 3.11 emissions was retroactively corrected for the 2024 reporting year, this also led to a reduction in total emissions. When calculating emissions from non-European sites for the 2024 reporting year, the data for Scope 1, 2, and 3.3 were carried over from the 2022 calculation.

The following table compares the carbon emissions across Scopes 1, 2 and 3 for the base year and the reporting years 2024 and 2025. In accordance with the operational control approach, the scope of consolidation for the emissions calculation comprises the entire TTS Group.

The TTS Group’s emissions reduction targets have been validated by the SBTi – Science Based Targets initiative for greater climate protection.

GHG emissions	Base year 2022	Reporting year 2024 ⁸	Reporting year 2025	Percent*
Scope 1 GHG emissions				
Scope 1 Gross GHG emissions (tCO ₂ eq) ⁹	6,469	4,287	5,349	-17
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 (tCO ₂ eq)	5,551	5,632	6,193	+12
Market-based Scope 2 gross GHG emissions (tCO ₂ eq)	2,404	1,590	1,523	-37
Material Scope 3 GHG emissions				
Total indirect (Scope 3) gross GHG emissions (tCO ₂ eq)	583,627	392,275	372,135	-36
(1) Purchased goods and services	334,957	193,898	184,500	-45
(2) Capital goods	1,009	686	278	-72
(3) Activities in connection with fuels and energy (not included in Scope 1 or Scope 2)	2,076	1,411	1,818	-12
(4) Upstream transport and distribution	57,361	50,594	47,181	-18
(5) Waste generation in companies	2,425	1,010	1,616	-33
(6) Business trips	348	295	259	-26
(7) Commuting employees	3,220	3,738	3,539	+10

GHG emissions	Base year 2022	Reporting year 2024 ⁸	Reporting year 2025	Percent*
Material Scope 3 GHG emissions				
(8) Upstream, leased economic goods	n/a	n/a	n/a	0
(9) Downstream transport	3,914	4,481	4,252	+9
(10) Processing of sold products	n/a	n/a	n/a	0
(11) Utilisation of sold products ¹⁰	144,397	99,876	93,364	-35
(12) Treatment of products at the end of service life	4,596	1,478	1,466	-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	34,807	33,863	+15
Total GHG emissions				
Total GHG emissions (location-based) (tCO ₂ eq)	595,646	402,194	383,677	-36
Total GHG emissions (market-based) (tCO ₂ eq)	592,499	398,152	379,007	-36

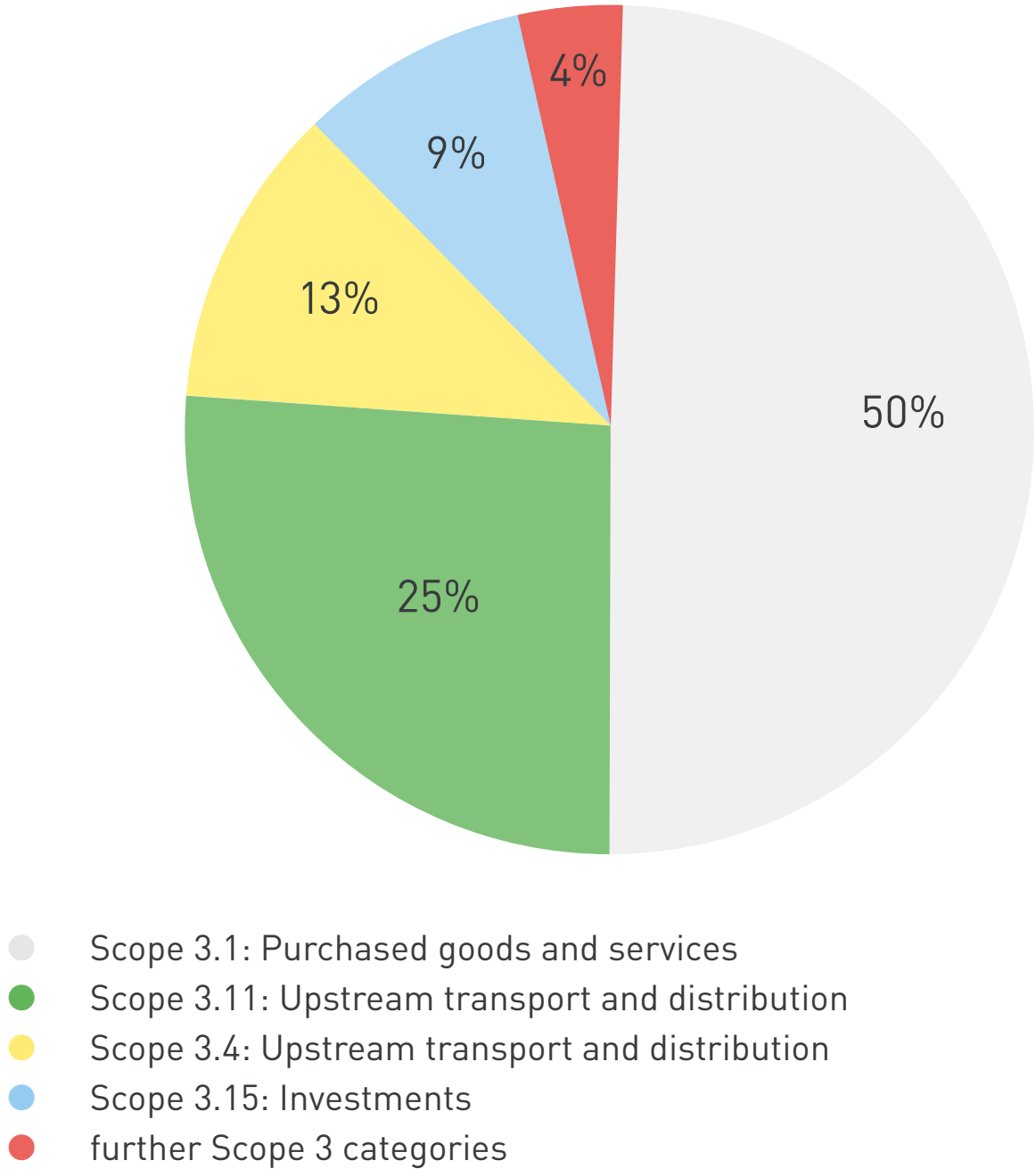
* Percent (compared to the base year)

⁸ 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.

⁹ The calculation of Scope 1 emissions was retroactively corrected for the 2024 reporting year.

¹⁰ The calculation of Scope 3.11 emissions was retroactively corrected for the 2024 reporting year, which further reduced total emissions.

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 utilization and circular economy

Manufacturing companies face the challenge of using resources more efficiently, reducing waste and designing products with an even stronger focus on durability, repairability and recyclability. The TTS Group is addressing these challenges by following the principles of the circular economy.

Through reuse, repair and recycling, the TTS Group aims to extend material and product life cycles, reduce environmental impacts and leverage economic potential. 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 lifecycle.

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. Through various research projects investigating sustainable materials, the TTS Group aims to further reduce its environmental footprint and strengthen its leading role in sustainable product development.

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 associated with the lowest possible emissions. Furthermore, the entire product life cycle is to be optimized in order to maximize resource efficiency, opportunities for reuse and recyclability.

The reparability of electronic products is a key lever for significantly extending their service life and helping to save resources. Modular and separable product designs make it possible to repair or replace individual components. The comprehensive repair service for electrical appliances and the ten-year spare parts guarantee therefore directly promote the conservation of resources.

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 requirements 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 reviewed the reintroduction of an environmental management system in accordance with ISO 14001 and assessed it positively. The aim is to harmonize effective environmental management across the production sites. Due to limited personnel resources, implementation of the certification is planned for 2027. Microcell PU Czech Republic s.r.o. and Festool s.r.o. are already certified to ISO 14001 and are therefore required to systematically identify environmental aspects, define appropriate measures, and drive continuous improvement.

MEASURES FOR MATERIAL SELECTION

The TTS Group is endeavoring 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

In 2025, the entire product packaging portfolio was successfully converted from blister packaging to cardboard-based solutions. This includes, for example, the packaging of sanding pads at Microcell, a specialist in abrasives and sanding pads that is an affiliated company of Festool. The serial implementation of this conversion is planned for 2026. As a result, the TTS Group has taken a significant step towards the use of biological materials and is thereby replacing around 80 tons of plastic per year.

Further measures already implemented include:

- Around 2,500 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% in upholstery and plastic materials through targeted investment in a system for transport packaging¹¹. By reducing the space and weight per box, it was also possible to increase pallet utilization, which means that fewer transport trips are necessary.

¹¹ Compared with the commissioning of the system in 2023.

- The automatic gluing led to savings in strapping tape and a 66% reduction in tape consumption. These measures reduce the use of plastic and promote the use of renewable and recyclable packaging solutions.

USE OF RECYCLED AND RECYCLABLE 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.

Another example of more resource-efficient material selection is the Systainer³ Eco range from TANOS. Since 2024, five size variants from M 112 to M 337 have been introduced using the plastic alternative ABS Eco. This type of plastic has the proven properties of ABS plastic and, in the black version, consists of 70% post-consumer recycled (PCR) material and is 100% recyclable. The material used for the Systainer³ Eco range has a carbon footprint that is approximately 51% lower than that of the conventional Systainer³ M.

At the same time, TANOS and Festool continue to work on testing alternative recycled materials and qualifying them for Systainer production. Furthermore, 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.



Festool Refurbishment gives tools a second life and helps conserve resources.

RESOURCE CONSUMPTION

Within the TTS Group, the main product groups of electrical/ mechatronic components, mechanically processed parts, molded parts (including castings and plastics), accessories (including saw blades, bits and drills), as well as waste wood and cardboard are used in production. In 2025, the TTS Group consumed 16,754 tons of raw materials for production. The metric includes the total weight of products as well as technical and biological materials used. Of this amount, 468 tons consisted of secondary materials, i.e. recycled or secondarily reused components.

For the Festool brand, secondary materials account for 3.1% of the materials procured for production, while at TANOS, secondary materials account for 0.8%.

Resource consumption	2024	2025
Materials (tons)	17,170	16,754
Secondary materials (tons)	304	468
Share (%)	1.8%	2.8%

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

EXTENDING PRODUCT LIFETIME

The TTS Group's products are known for their reliability, robustness and durability. As data analyses of service cases show, the TTS Group's power tools require repair or the replacement of individual components only after an average of 9.6 years. The expected service life of the TTS Group's products is between 10 and 12 years, while the actual service life often exceeds 20 years.

To further extend the useful life of selected products, Festool expanded its offering in 2025 by introducing a refurbished program, initially in the DACH region. Used tools are inspected, professionally refurbished and reintroduced to the market. This extends the service life of selected tools while reducing the use of new primary resources. In the future, the refurbished program is intended to be expanded to additional Festool products.

Durability and repairability are also key priorities at TANOS. For Systainers and selected accessories, TANOS offers component-specific replacement of individual parts, thereby helping to extend product lifetime.

Waste	2024	2025
Waste generated (tons)	2,708	2,781
Change compared to previous year	n/a	+3%

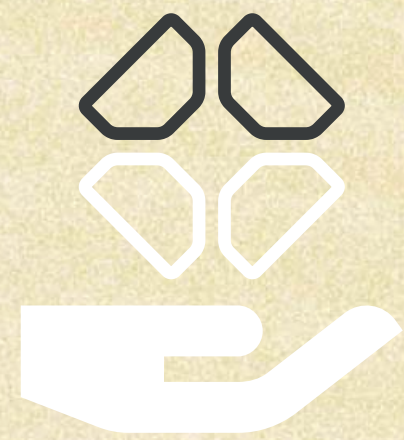
WASTE MANAGEMENT AND RECYCLING

The TTS Group endeavors 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 utilized 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 centers, 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 2025 reporting year was 2,781 tonnes¹². The increase compared to the previous year is attributable to a process change in waste wood recovery. Since 2025, used pallets have no longer been handed over to a wood recycling company but have instead been sent directly for recovery. The figures are based on data from waste disposal records. Waste separation, waste transport and waste utilization are carried out by a waste disposal service provider.

¹² The exoIQ brand could not be included in the calculation of waste volumes due to a lack of data.



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 labor, 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 behavior 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 programs are offered. The training courses cover legal requirements as well as internal rules and standards of behavior.

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 work¹³. The number of employees is stated in headcount. The data is generated monthly on a system basis. The final data is analyzed on the respectively appointed date at the end of the reporting period.

The following tables provide an overview of the composition of employees within the scope of consolidation of the reporting.

¹³ The companies included in the reporting consolidation scope are located exclusively in Europe. For further information, please refer to the information about this report on [page 3](#).

Number of employees	2024	2025
TTS Group (total)	2,230	2,163
Female	823	803
Male	1,407	1,360
Germany (total)	1,746	1,685
Female	605	585
Male	1,141	1,100
Czech Republic (total)	484	478
Female	218	218
Male	266	260

Employees by employment contract	2024	2025
Number of employees (total)	2,230	2,163
Permanent employees (total)	2,057	1,993
Female	766	736
Male	1,291	1,257
Temporary employees (total)	147	144
Female	48	57
Male	99	87
Employees without guaranteed working hours (total)	26	26
Female	9	10
Male	17	16

Staff turnover	2024	2025
Total number of employees	2,287	2,165 ¹⁴
Persons leaving the TTS Group	160	146
Staff turnover rate	7.0%	6.7%

¹⁴ In accordance with the CSRD, employee turnover is calculated based on the average total number of employees per year. Deviations from the total number of employees (2025: 2,163) arise because this survey was carried out on the reporting date of 31 December 2025.

The staff turnover rate is seen as an important indicator of employee satisfaction with their working conditions, with a target range of 4–6%. It amounted to 6.7% in the reporting year (2024: 7.0%).

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 has been continuously advancing this commitment through active diversity management since 2022.

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 & Inclusion (D&I) has been integrated into the corporate values and the TTS2030 strategy. Responsibility for the topic is anchored both within the Management Board as a whole and through the Diversity Management function. The thematic focus areas include:

- Diversity
- Equal opportunities
- Internationality

To make progress in D&I work measurable, the TTS Group started to define KPIs relating to the D&I focus topics in 2024. For example, the quota of women in management positions was 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. All of the measures mentioned contribute to strengthening diversity within the Group as a whole.

In the reporting year, the Supervisory Board and the Management Board defined an ambition to increase equal opportunities: the proportion of women in management positions should reflect the proportion of women in the overall workforce of the TTS Group. In 2025, women accounted for 35.1% of the workforce. The overall proportion of women in management positions was 21% in 2025. Management positions are defined as top management as well as department and team management roles. Top management comprises all members of the Management Board and all employees who report directly to the Management Board.

The proportion of female managers can only be increased through the filling of vacant positions and is therefore measured using a replacement rate. In the reporting year, one third of vacant management positions were successfully filled by women, resulting in a slight increase in the overall proportion of women in management positions.

The visibility of women and their career development opportunities plays a key role in this regard. Therefore, the wide range of development opportunities as well as the associated recruitment and promotion processes for women are actively communicated both externally and internally. Another building block for equal opportunities is the TTS Athena network for women in management positions.

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

In general, all centrally initiated and managed D&I activities are currently focused on Germany. 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. Employees involved in recruitment have received special training on promoting diversity in the recruitment process in order to raise awareness of biased behavioral patterns.

Activities such as meetings organized through the Athena network, keynote speeches, intranet posts and articles in the employee magazine “Tool Times” are used to raise awareness of various aspects of diversity. In total, more than 800 hours were invested across the TTS Group in these activities.

Age groups	2024	2025	2024	2025
Under 30	327	289	15%	13%
Between 30 and 50	1,299	1,268	58%	59%
Over 50	604	606	27%	28%

Gender distribution in top management	2024	2025
Female	22%	25%
Male	78%	75%

DIALOGUE WITH OWN EMPLOYEES AND
EMPLOYEE REPRESENTATIVES

The subsidiaries TTS Tooltechnic Systems SE & 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 elected every four years and are close and trusted partners in matters relating to 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 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 2025 reporting year was 99.2%.

The TTS Group attaches great importance to evaluating the success of its HR work based on 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. For 2026, a new approach based on pulse checks is planned in order to assess employee satisfaction and gather employee feedback several times a year.



The TTS Athena network provides a platform for exchange, networking and greater visibility for women.



At the annual AOK company run, team spirit and sporting ambition took centre stage. A total of 91 colleagues gave their best on the nearly 6 km course.

TRAINING AND SKILLS DEVELOPMENT

In the TTS Group, the continuous development of employees is seen as a central management task. As a learning organization, this makes it possible to respond proactively to future challenges and to develop and expand the necessary skills in good time. Through lifelong 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 personal and professional development. This includes regular further training, management training and junior staff programs.

In order to offer further training, leadership development and talent programs in a more practice-oriented manner, a TTS-specific competency model was introduced in 2025. This model has been integrated into all central HR processes and aims to establish uniform criteria across recruitment, employee development and the performance management process. As a result, existing competencies are assessed, for example, as the basis for defining individual development plans, and suitable training programs are determined on this basis.

Of particular significance in this context is the introduction of the new talent management process, “Talent Cycle”. To this end, the processes for employee appraisals were redesigned and fully integrated into the SAP SuccessFactors online solution. A diverse focus group, comprising employees from various positions, countries, brands and functions, worked together to identify the cross-functional competencies within the model that are essential for the future direction of the TTS Group.

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”. This enables staff to explore key topics such as digitalization, AI and sustainability in a flexible and self-directed manner, as well as to develop their soft skills and ‘New Work’ competencies. In total,



On World Cleanup Day in September, around 100 dedicated employees from Wendlingen, Weilheim, Neidlingen, Hamburg and Česká Lípa joined forces and collected more than 80 bags of litter.

employees completed over 13,000 hours of learning (previous year: over 30,000 hours) in face-to-face and online training courses during the reporting year. The increase in training hours in the previous year was due to an increased need for learning in the context of strategic transformation processes, new subject areas and actions to foster corporate culture. By 2025, training on many of these knowledge and information packages had already been completed.

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.

Under the T-ZUG (supplementary pay scheme), employees who have children up to the age of twelve living in their household, who care for relatives or who work shifts can choose between additional time off and an additional financial benefit. These two offers can be used by employees of the companies TTS Tooltechnic Systems SE & 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.

To support this, information channels are established and existing ones are continuously 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 World Cleanup Day also raise awareness of specific areas of action and encourage participation. In 2025, the new “Sustainability (Un)plugged” format was also established, focusing on the topic of sustainable mobility. In an open and low-threshold setting, internal and external speakers provided insights into selected sustainability topics. A dedicated Q&A session offered participants the opportunity to ask questions and exchange ideas.

HEALTH PROTECTION AND SAFETY

The activities of the TTS Group for health and safety at work apply to all people, 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 training sessions provide information on potential hazards and draw attention to possible dangers in everyday working life.

TTS Tooltechnic Systems SE & 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 1,000 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.

In 2025, Festool and Microcell also invested in the expansion of ergonomic workplaces and the automation of production processes at the Česká Lípa site. These measures are intended to reduce physical strain on employees and further strengthen safe working conditions.

TTS Tooltechnic Systems SE & Co. KG, Festool GmbH and Festool Deutschland GmbH are 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 and reviewed by an external auditor.

A central health and safety management system covers 100% of TTS Group employees. The system is based on legal requirements and recognized 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 SE & 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, safety representatives, 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 SE & 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 people without intranet access are informed by their superiors during classroom training sessions. A separate contact person or the manager is always available to you. 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 SE & 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 aligned with the position, the market and individual performance. TTS Tooltechnic Systems SE & Co. KG, Festool GmbH and Festool Deutschland GmbH are also bound by collective labor agreements for the metal and electrical industry. This applies to 68.7% (2024: 68.7%) of employees at TTS Tooltechnic Systems SE & Co. KG, 81.6% (2024: 81.6%) at Festool GmbH and 60.9% (2024: 60.7%) 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

The Supervisory Board and the Management Board have decided to increase the proportion of women in management positions. With this decision, the TTS Group has set a clear ambition for its diversity management.

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 program 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 averaged 21.5% (2024: 22.8%) in the reporting year. This figure corresponds to an unadjusted gender pay gap that does not consider structural differences such as level of education, professional experience and working hours¹⁵.

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 (Organization for Economic Cooperation and Development) national contact points for multinational enterprises.

¹⁵ In accordance with the CSRD, an unadjusted gender pay gap is required.

Workers in the value chain

The TTS Group has implemented binding standards within its supply chain management to ensure responsible supplier relationships and protect workers in the value chain. The TTS Group is committed to upholding human rights and social standards throughout its supply chains and to identifying potential risks at an early stage and responding appropriately. This is based on binding requirements for suppliers as well as defined reporting and review processes within procurement and supplier management.

In its Policy Statement on Human Rights and Environmental Issues, the TTS Group expressly commits to respecting human rights and complying with environmental standards throughout its supply chains. In addition, the Supplier Policy, the Code of Conduct for Business Partners and the Code of Conduct for Employees form the basis for responsible cooperation with suppliers and business partners. The requirements set out in these documents include, in particular, compliance with environmental, social and compliance standards, as well as the prohibition of human trafficking, forced labor and child labor. Although compulsory labor is not explicitly mentioned, the TTS Group’s business principles are based on clearly defined ethical standards and an unrestricted commitment to respecting internationally recognized human rights.

ASSESSMENT OF SUPPLIERS WITH REGARD TO SOCIAL CRITERIA

The above-mentioned principles and policies provide the legal and ethical framework for all business activities and contain clear rules that must be followed in dealings with both external and internal stakeholders. These requirements are considered as part of procurement processes. Suppliers are reviewed for compliance with relevant sustainability and social criteria as part of approval and assessment procedures, among other measures (see also the subsection [Supplier Relationships](#)).

A structured assessment matrix is used to manage risks within the supply chain. The matrix serves to identify potential high-risk suppliers. In addition to disruption risks, it takes into account sustainability criteria as well as international indices, including the Global Slavery Index and the ITUC Global Rights Index.

If defined standards are not met, the TTS Group initiates appropriate corrective and improvement measures. The implementation of these measures is monitored by the responsible procurement managers, and their effectiveness is reviewed. In addition, process audits are conducted in the case of recurring quality issues with selected suppliers. These audits review compliance with environmental and social standards and identify potential risks and opportunities for improvement.

REPORTS AND VIOLATIONS

At present, there is no direct engagement with workers or employee representatives in the value chain. However, their interests are taken into account indirectly through the policies and procedures described above. All stakeholders within the supply chains, including workers employed by suppliers and other business partners, have access to a grievance and whistleblowing system through which concerns and violations can be reported. Details regarding reporting channels and compliance management can be found in the Governance chapter.

In the 2025 reporting year, no reports or suspected cases relating to human rights violations in the value chain were received. Consequently, no audits or other measures were conducted with suppliers in this regard. Should a specific suspicion arise, appropriate actions are envisaged, ranging from further investigations and remedial measures to, as a last resort, termination of the business relationship.

In line with the TTS Group’s business approach, the objective is to ensure that no suspected cases or violations of human rights occur in connection with business activities. However, there are currently no specific targets aimed at reducing negative impacts on workers in the value chain, such as improving working conditions or promoting occupational health and safety. The TTS Group continuously reviews how existing processes and measures relating to sustainable supply chains can be further developed.

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 9001¹⁶ (standard for quality management systems).

¹⁶ ISO 9001 is an internationally recognized standard for quality management systems aimed at meeting customer requirements as well as legal and regulatory requirements.

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. All products consequently undergo a binding testing and certification process, from the prototype to series production. In its role as a shared service, the Product Development division, together with other departments, 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 lifecycle. 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 key element of the product promise: Products and accessories are designed as a holistic system in which the individual components complement one another, enabling more efficient and easier handling across the entire application area. To ensure the best possible protection against acute injuries throughout the product lifetime, the TTS Group ensures that its products feature a robust and reliable design and that user-friendliness and safety are further enhanced through various intelligent technologies. The aforementioned guidelines and instructions have been developed in accordance with the relevant German legislation and take applicable EU directives into account. Products are developed in compliance with Product Compliance Management.

In 2018, a customer experience (CX) team was created at Festool to continuously improve the customer experience at all important contact points. Customer experience training was introduced in 2021 in Festool's national subsidiaries and local units in the areas of customer service, repairs, sales, marketing and administration to ensure that all employees have a standardized understanding 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. In 2024, comprehensive CX training was conducted for all employees at headquarters. To date, around 2,000 employees at headquarters and in the national subsidiaries have completed the training.

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 departments, 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.
- At Festool, customer surveys are conducted following the following customer touchpoints: after an online repair process, a product registration, an e-mail or telephone contact with Customer Service, a theft report submitted to Festool, as well as after an order in the Festool Online Shop or a visit to the Festool Roadshow.
- exolQ’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 realization from the initial idea to the finished product. TANOS provides solutions for ergonomic, efficient and well-organized working.



The Abrasives Systerainer can be connected to the dust extractor and other system components via the T-LOC lock. The modular system allows different products to be combined and used together.

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

This is reflected in individual product specifications such as the design, color, format, closure and specific inserts.

- Microcell develops solutions in close cooperation with its customers, as all products are individually designed according to their needs. In addition, Microcell conducts annual customer surveys and incorporates the feedback received into its existing processes.
- For Festool s.r.o. as a pure production company, direct customer contact is not necessary.

ANALYSING CUSTOMER FEEDBACK

The respective issue is recorded through customer complaint management or transactional customer surveys. To ensure continuous quality assurance and identify potential areas for action at an early stage, the complaints recorded are regularly analyzed and reviewed in consultation with the responsible departments. In addition, Festool has established a system for analyzing qualitative customer feedback. An AI-supported tool is used to efficiently support the analysis and evaluation of qualitative feedback. In the reporting year, approximately 18,800 customer reviews, nearly 4,000 comments and more than 10,000 complaints were collected and analyzed through customer surveys and the customer complaint management system across 24 countries.

DERIVING MEASURES

If it is identified that customers have had a negative experience with a product or service, the TTS Group has a systematic approach in place to achieve a resolution. By collecting customer feedback in a structured way, measures can be derived to optimize 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 optimizing reparability and increasing customer satisfaction.

Close contact with customers pays off: The Net Promoter Score (NPS) across all countries and contact points was 79, with only minor variance. According to the NPS rating methodology, this represents a very good result.



Governance

Governance

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 harmonizes 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.

The Code of Conduct for business partners defines the TTS Group's fundamental understanding of partnership-based cooperation and sets out requirements relating to compliance as well as environmental and social standards (see the chapter “[Workers in the value chain](#)”).

Both behavioral 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.

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

COMPLIANCE AND COMPLIANT MANAGEMENT

The compliance officer is in close contact with the Management Board and the Chairwoman of the Supervisory Board, in order to regularly 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 compliance. 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 stakeholders. 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/integrity-and-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 management system, the available reporting channels and the confidential handling of information and whistle-blowers are also discussed. Commercial employees receive separate training from their respective managers.

Since 2024, additional focus training sessions on specific compliance topics have been conducted alongside the mandatory Group-wide compliance training. The objective is to provide employees in critical functions or risk areas with a deeper understanding of specific regulatory requirements and potential compliance risks beyond the

mandatory training and to further strengthen their confidence in handling such issues in their day-to-day work. The selection of relevant topics and target groups is based on risk assessments and derived from the Group-wide compliance risk matrix.

In the reporting year, the TTS Group launched the Group-wide initiative “See. Act. Protect.” This initiative promotes a respectful, safe and appreciative working environment as well as responsible interaction among employees. It is intended to help prevent misconduct such as bullying, abusive management behavior, sexual harassment and any form of abuse of power, and encourages employees to consistently report incidents.

A key component of the initiative is the expansion of confidential reporting channels, for which a trusted persons program was established. In Germany, thirteen trained trusted persons and, in the Czech Republic, three trained trusted persons are available as independent points of contact. Additional reporting channels include an internal online reporting form, direct contact with the compliance Officer and the option of contacting an external law firm. All reports are treated confidentially and are only pursued further in consultation with the reporting person.



The brochure “Observe. Act. Intervene.” promotes awareness of respectful conduct and a culture of appreciation throughout the TTS Group.

CORPORATE CULTURE

The continuous development of the Group’s culture remains a high priority. Key topics are defined on an annual basis to promote the further development of the corporate culture. In the 2025 reporting year, all teams were provided with workshop modules focusing on “Focus”, which they were able to work on independently. In these workshops, teams explored which topics with the greatest added value should be prioritized and how dedicated focus time could be established within their teams. These workshops were complemented by a keynote speech from an expert on focused work, which generated considerable interest. A total of 470 employees participated. In the event evaluation, 94% of participants stated that the content was relevant or highly relevant to their day-to-day work.

To further promote the corporate culture, the TTS competency model was published and implemented in all relevant HR processes during the reporting year. These behavioral criteria are now embedded in employee appraisals, ensuring that all employees and managers are assessed against them and receive corresponding feedback.

SUPPLIER RELATIONSHIPS

The TTS Group maintains its supplier relationships based on binding requirements relating to compliance, environmental and social standards, as well as responsible cooperation with business partners. Environmental and social requirements are a core element of purchasing practices and are therefore firmly embedded in the TTS Group’s procurement strategy. Suppliers are approved, assessed and, where necessary, subject to further review as part of the procurement process based on defined criteria. Reports of violations or irregularities are addressed through the established reporting and review processes. Further information on the management of human rights-related aspects along the value chain can be found in the chapter [Workers in the Value Chain](#).

The TTS Group aligns its business activities with behavioral guidelines and pays particular attention to fair supplier relationships.

The qualifications and evaluation of suppliers are carried out as part of annual assessments. These include a systematic review of relevant qualifications as well as regular evaluations to ensure compliance with environmental and social requirements. Based on the results of these assessments, the TTS Group’s Procurement department conducts coaching sessions with selected suppliers where necessary to support the implementation of requirements and minimize risks. Close cooperation and personal exchange with suppliers play a central role in this process. For example, as part of its biennial Supplier Day, the TTS Group provides information on product innovations, internal projects and initiatives, market trends and procurement strategies. Supplier awards are also presented during this event, including a Sustainability Award. This award recognizes suppliers that demonstrate exceptional commitment to sustainability, particularly with regard to environmental, social and governance (ESG) aspects.

PAYMENT PRACTICES

The TTS Group aims to treat suppliers fairly through transparent and reliable payment processes. The Group’s payment practices are contractually defined in its General Terms and Conditions of Purchase. For a large proportion of suppliers, the contractually agreed payment terms are generally 30 days net following acceptance of the products or contractual delivery of the service. The supplier-specific payment terms are stored in Financial Accounting within the SAP system and form the basis for the system-supported processing and settlement of incoming invoices. Properly submitted and verifiable invoices are processed on this basis and approved for payment. Invoices that do not contain the required information or where discrepancies exist regarding quantity, price or fulfilment of services are reviewed and clarified first. In such cases, payment is only approved once the matter has been resolved or the contractual obligations have been properly fulfilled.

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 organizations 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 2025 reporting period, the TTS Group was not aware of any cases of corruption or bribery or any proceedings for anti-competitive behavior or violations of antitrust and monopoly law. Accordingly, no fines were imposed, and no employees were dismissed in connection with incidents of corruption.

Festool GmbH

The following section presents selected key figures of Festool GmbH relating to resource utilization and the circular economy, as well as its own workforce.

RESOURCE UTILIZATION AND CIRCULAR ECONOMY METRICS

In 2025, Festool GmbH used 12,862 tons of materials for production. This metric includes the total weight of products as well as technical and biological materials used. Of this amount, 403 tons were secondary materials, i.e. recycled or secondarily reused components.

	2024	2025
Materials (in tons)	13,283	12,862
Secondary materials (in tons)	228	403
Total	1.7%	3.1%

OWN WORKFORCE METRICS

The following tables provide an overview of the composition of the workforce at Festool GmbH.

Number of employees	2024	2025
Festool GmbH (total)	1,151	1,124
Female	394	396
Male	757	728

Employees by employment contract	2024	2025
Number of employees Festool GmbH (total)	1,151	1,124
Permanent employees (total)	1,115	1,094
Female	382	383
Male	733	711
Temporary employees (total)	36	30
Female	12	13
Male	24	17
Employees without guaranteed working hours (total)	0	0
Female	0	0
Male	0	0

The employee turnover rate is regarded as an important indicator of employee satisfaction with working conditions. In the reporting year, it amounted to 6.3% (2024: 6.2%).

	2024	2025
Total number of employees	1,164	1,127 ¹⁷
Persons leaving the TTS Group	72	71
Staff turnover rate	6.2%	6.3%

¹⁷ In accordance with the CSRD, employee turnover is calculated based on the average total number of employees per year. Deviations from the total number of employees (2025: 1,124) arise because this survey was carried out on the reporting date of 31 December 2025.

¹⁸ In accordance with CSRD requirements, an unadjusted gender pay gap must be reported.

PROMOTING DIVERSITY AND EQUAL OPPORTUNITIES

Employees by age group	2024	2025	2024	2025
Under 30	125	108	11%	10%
Between 30 and 50	733	737	64%	65%
Over 50	293	279	25%	25%

Gender distribution in top management	2024	2025
Female	36%	44%
Male	64%	56%

In addition, employees and their managers participate in at least one performance and career development review each year. The completion rate in the 2025 reporting year was 100%.

All employees of Festool GmbH are covered 100% by a health and safety management system that is based on legal requirements and/or recognized standards or guidelines.

REMUNERATION AND COLLECTIVE BARGAINING COVERAGE

At Festool GmbH, the gender pay gap amounted to an average of 15.7% in the reporting year (2024: 17.1%). This figure corresponds to an unadjusted gender pay gap that does not take into account structural differences such as level of education, professional experience and working hours¹⁸.

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