
TRANSPARENCY
TRANSFORMATION
SUSTAINABILITY





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ABOUT THIS REPORT

Our first sustainability report last year represented the starting point for regularly providing information regarding the corporate responsibility of the TTS Group. With this second sustainability report for the 2022 business year, our objective is to increase transparency regarding our sustainability performance and to present the impact of our business activities within the social, ecological and economic dimensions. This report addresses our stakeholders – particularly employees, customers, business partners, suppliers, NGOs and other institutions – and describes the concepts and measures on which we are currently working. This report also explains how we are developing our products, solutions and processes, as well as our supply chains, both socially and ecologically.

This sustainability report for the TTS Group follows the framework of the Global Reporting Initiative (GRI) and was written on the basis of the GRI Standards (2021).

The activities described relate to the business year from 1 January to 31 December 2022. The report also contains comparison data from the previous year(s). The TTS Group publishes its sustainability report annually and plans to publish its next report in Autumn 2024.

During the reporting period, the TTS Group, with headquarters in Wendlingen, operated at four production sites in Germany and the Czech Republic. It was also represented by 24 Sales companies and 15 importers in a total of 39 countries. We take a holistic view of our sustainability performance in order to ensure a comprehensive reporting struc-

ture within the environmental, social and corporate governance dimensions. The report primarily concerns the core companies of the TTS Group in Germany and its production site in the Czech Republic, i.e. TTS AG & Co. KG, Festool GmbH, Festool s.r.o. and Festool Deutschland GmbH. We have also included the figures of TTS Cleantec in the analysis. By incorporating our Czech site in Česká Lípa in this year's report, we have been able to take into account international sites in the gathering of data for the first time. We will continue to incorporate our international sites and further TTS subsidiaries in future.

We use rounding in text and tables when presenting our key figures. Therefore, individual figures in the tables may not add up exactly to the total specified, and the percentages given may not reflect the corresponding absolute values precisely.

This sustainability report was completed on 4 August 2023.

In the interests of readability, this report does not contain gender-specific wording. The generic masculine form used explicitly includes all genders and is entirely without prejudice.



DEAR READERS,

We can look back proudly on a success story spanning almost 100 years, marked by our inventive spirit, down-to-earth attitude and quality awareness. To ensure we continue to fulfil our demand for perfection when it comes to durable and high-quality products, we are continuously working on the further development of the TTS Group and our brands. As a family-owned company, we have a clear attitude: economic activity must always go hand-in-hand with people and the environment. We have always had future generations in mind when it comes to our strategic alignment. Sustainability, therefore, is not only anchored in our company strategy, but also in our company DNA and is manifested in one of our three TTS values:

“Sustainability – We take responsibility for people, the environment and the future”.

Our second sustainability report describes our current ambitions: we openly explain the extent to which our business activities have an ecological and social impact and how we integrate climate and resource protection throughout our entire value chain and beyond. We also describe our compliance system and how we contribute to fair competition. We have also included our activities in the “Social” dimension in this report: this focusses on our own employees, but also encompasses our

commitment to all stakeholders in our supply chains for whom we assume a duty of care. We also take active measures for the protection of human rights.

We recognise the need to continuously further develop our commitment to sustainability in order to always find the right solutions to new requirements. In order to take a holistic view of the various facets of sustainability in the context of ESG (Environmental, Social, Governance) criteria, we will be publishing the first sustainability strategy for the entire TTS Group in 2023. Our strategy development takes place in continuous dialogue with our stakeholders to ensure their specific needs are taken into account. Our strategy sets out targets and milestones for key topics relating to aspects of corporate governance, products and customers, employees and society as well as production and the supply chain.

As Management Board, we stand for the topic of sustainability in the Group and in our respective areas. I am pleased that, in addition to my role as COO & CTO, I can take on the further development and management of the overall sustainability program within the Management Board as a sponsor. In addition to coordinating the overall activities, I would like to make my personal contribution in particular to product development, creation as well as environmental management.

I hope the report is an informative read for you.

Wolfgang Knorr
CTO & COO of the TTS Group

01

PORTRAIT OF THE TTS GROUP

————— Taking responsibility for people and the future – this commitment, which we work every day to fulfil, is part of our company DNA. It therefore goes without saying that sustainability should be anchored in our company strategy.



THE TTS GROUP AT A GLANCE

The TTS Group is renowned for its innovative, high-quality and durable power tools, products in the field of extraction technology and system solutions. We cover the entire value chain, from development to production and sales right through to after-sales services. We see sustainability as an integral part of the way we operate as a company.

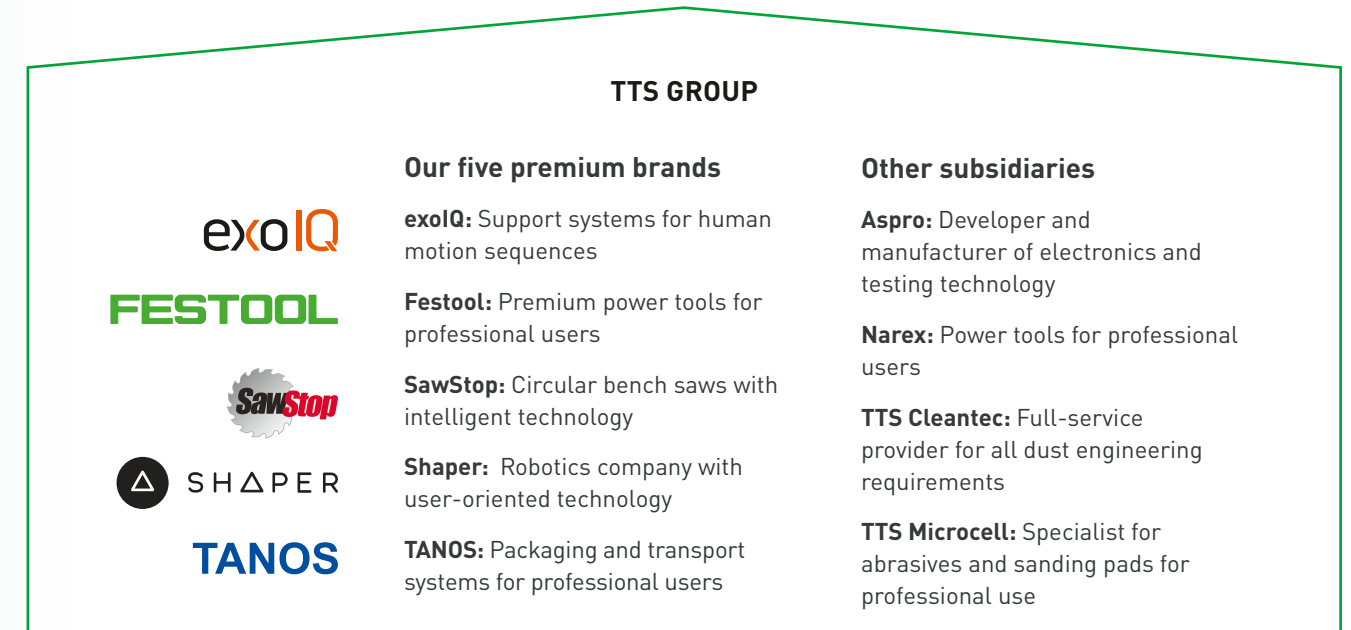
The feeling of togetherness is at the heart of our corporate culture. Our more than 3,000 employees are part of the TTS family, which is something we are particularly proud of as a Swabian family-owned company now in its third generation.

This feeling of togetherness also extends to our sustainability management, as we want to give future generations the same opportunities we have today. We therefore place great emphasis on climate protection, the preservation of resources and a responsible attitude to one another. The health and well-being of our users and employees are extremely important to us.

The TTS Group goes back to Fezer & Stoll, later known as Festo, which laid the foundations for our main Festool brand back in 1925. In 2000, the companies were divided: the Festo Tooltechnic GmbH & Co. KG power tool division became an independent company, Festool GmbH, and today's TTS group of companies was created. It has continuously grown since then through the foundation of its own subsidiaries and through strategic take-overs. Today, the Group consists of nine subsidiaries, most of which are 100% owned by the TTS Group.

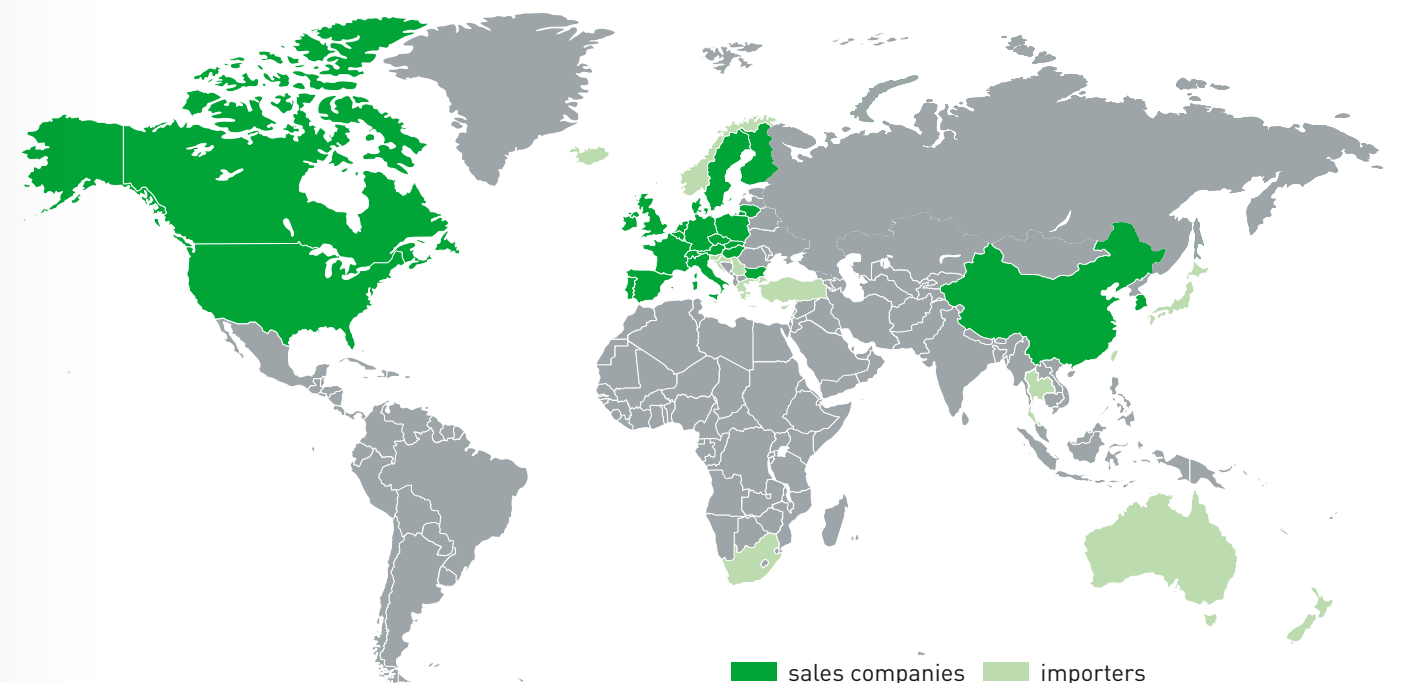
Within the scope of the strategic realignment of the TTS Group in 2022, the five premium brands exoIQ, Festool, SawStop, Shaper and Tanos became independent companies. Our other subsidiaries, some of which have supplier relationships with Festool, are together presented externally as parts of Festool.

Sustainability is one of TTS's core values and is therefore deeply rooted in the corporate culture.



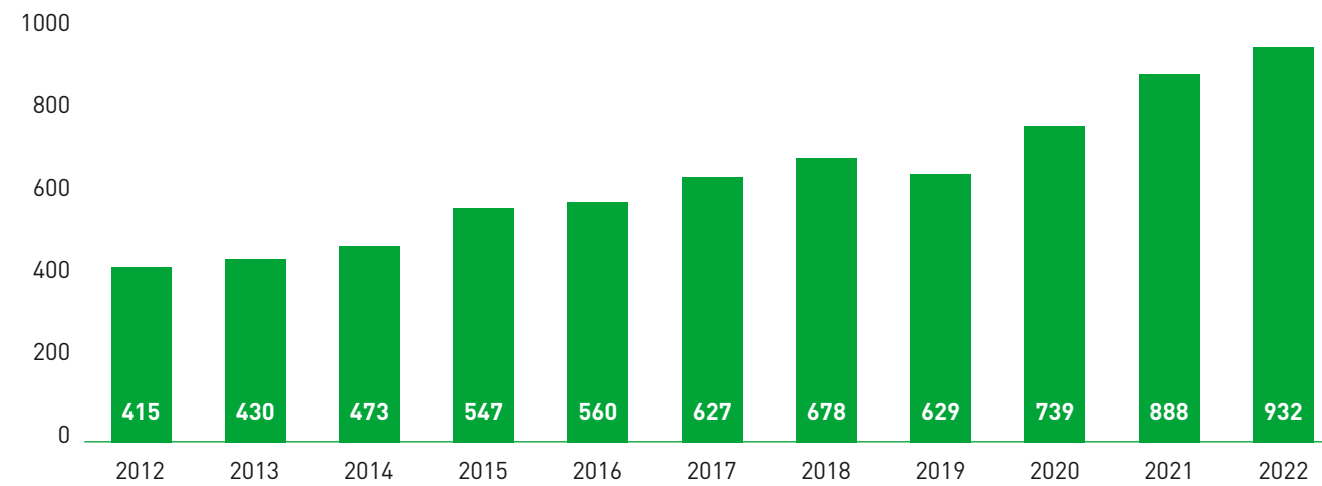
TTS Tooltechnic Systems AG & Co. KG operates as a holding company with its headquarters at the Wendlingen site. The central Finance, Controlling, HR, Facility Management, Tax, Legal, IT and Pur-

chasing departments for all subsidiaries and Sales companies operate from here. Festool, as the biggest brand of the TTS Group, operates production sites in both Germany and the Czech Republic.



Turnover development 2012 to 2022

in million EUR



The turnover of the entire Group was roughly EUR 932 million in the 2022 reporting year (2021: EUR 888 million). This corresponds to an increase of +4.9% or EUR 44 million in comparison with 2021, whereby foreign business contributed to the increase in turnover with +6.8%. The increase in turnover is a result of the successful introduction of new products, the processing of backorders and the price increases necessitated by increased purchase prices.

Over the course of several months, the new TTS2030 company strategy was developed together with a group of selected managers and employees and presented in October 2022. The strategy is derived from our "Purpose":

We enable ambitious people to craft a better tomorrow.

With this company purpose, we give employees a sense of purpose, create motivation and align all of our brands and their objectives in a single direction.

We empower ambitious people to shape a better future.

- **THE POWER OF BRAND DIVERSITY:**

The TTS Group combines five premium brands with individual alignments and expertise, which learn and benefit from one another.

- **THE POWER TO GROW:**

Depending on the development stage of our premium brands – from start-up to established industry player – we want to secure and expand market shares. This is how we can achieve and maintain market leadership in terms of innovation, technology and quality.

- **THE POWER OF CULTURE & LEADERSHIP:**

Our cross-brand collaboration, our leadership and our three TTS values of *Premium*, *Innovation* and *Shaping sustainability*, i.e. our corporate culture: the power of **WE**.



Headquarters in Wendlingen

CORPORATE GOVERNANCE

————— At TTS, economic success goes hand-in-hand with ecological and social responsibility. Our corporate culture is shaped by reliability, as well as by transparency, integrity and sustainability.

PRINCIPLES OF CORPORATE GOVERNANCE

As a global company, the TTS Group is aware of its social and ecological responsibility. That's why we embrace certain values and demand them from our business partners too. We guarantee responsible and lawful corporate governance through our policies and risk management system.

CORPORATE GOVERNANCE

Our corporate governance is marked by trust and integrity, both internally and externally. Decisions that affect important aspects of corporate governance are made based on iterative agreements between the various hierarchy levels. The Management Board and Supervisory Board work together and maintain a close mutual trust. Together, they set out the mission and the strategic alignment of the group of companies. The Management Board consists of the four management positions of CEO, CFO, CTO/COO and CSO/CMO. They work with the Division Managers and General Managers to agree on various sub-strategies.

In addition to their business management responsibilities, the respective members of the Management Board also take on additional tasks as the persons responsible for specific topics such as sustainability, diversity or corporate culture.

Our Supervisory Board – under the leadership of Chairwoman of the Supervisory Board Barbara Austel – has a total of six members. These include two female members of the owner family who do not perform a managerial role and four male members from outside the TTS Group, who were appointed based on their expertise in the fields of sales, production and development and others.

As a selection criterion for our highest governance body, we do not focus exclusively on expert knowledge but also take into account professional experience in family-owned companies. In order to avoid conflicts of interest within our stakeholder groups when selecting members of the Supervisory Board, we have defined codes of conduct for employees and managers as well as guidelines on ethical company management. The term of office for members of the Supervisory Board is between 3 and 20 years.

The role of the Supervisory Board comprises various tasks and responsibilities. The Supervisory Board works closely with the Management Board, providing input and impetus for strategy and sustainable company development as well as advice and feedback. The Supervisory Board is also actively involved and plays a crucial role in the development of guiding principles and values. It provides support through regular dialogue with the Management Board and, if necessary, with other management levels. As the highest governance body, the Supervisory Board is ultimately responsible for appointing the Management Board and for reviewing and approving change processes, targets and the consolidated accounts.



From left: Sascha Menges (CEO), Dr. Birgit Braches (CFO), Dr. Wolfgang Knorr (CTO & COO) and Christian Oltzsch (CSO & CMO)

COMPLIANCE

Our central tenets for integrity-based corporate governance are compliance, honesty, transparency, fairness and openness. As such, the TTS Group's approach to compliance is based on the following three principles:

- **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 includes internal policies as per their latest updates.
- **Fair competition:** The basis of our financial development is to achieve our corporate goals fairly. Therefore we do not make agreements with competitors, customers and/or suppliers that negatively impact fair competition.
- **Anti-corruption:** Our employees adhere to ethical standards. Therefore they are not permitted to ask for or accept gifts. To guarantee this, we have established our own policy at the TTS Group and train our staff regularly.

These principles are written into our Code of Conduct for business partners as well as our conduct policy for employees. The conduct policy provides the legal and ethical framework for our company and contains clear rules that must be followed when dealing with colleagues, business partners and competitors. This forms the basis for our corporate responsibility.

Both guidelines are available to all employees via the intranet. Compliance training has also been provided for our employees and mandatory training was introduced in 2023. A separate guideline for managers is also designed to make managers aware of their responsibility and duties of care within the various company divisions.

The Group Compliance Officer works in cooperation with the Legal department to ensure compliance with legal requirements and industry-specific standards. Both the Group Compliance Officer and the Legal department are available to all employees as a personal point of contact. Every company outside Germany also has its own compliance officer.



The compliance officer works in close contact with the Supervisory Board to resolve critical concerns: they attend two scheduled meetings per year to exchange information. 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. It monitors and promotes processes to guarantee lawful and ethical cooperation in the company and in dealings with customers and suppliers. This approach is currently being evaluated as part of the development of sustainability management, whereby changes may be made to the previous process.

Again in the 2022 reporting year, no fines or non-monetary sanctions were imposed on the TTS Group due to social or financial breaches or violations of environmental protection laws.

Compliance with anti-corruption and anti-trust regulations is monitored by our compliance management system. Our Controlling department carries out regular checks of monthly and annual financial accounts in order to identify any potential breaches in good time. Internal auditing is also subject to risk-based inspections of business premises, including ad-hoc inspections.

We have implemented a response process for processing information in order to effectively respond to specific notifications and report possible offences to the authorities. We have set up specific reporting channels such as e-mail, telephone and post, which can be used by employees as well as persons outside the company. If a breach is discovered by the authorities, we respond to this and revise our internal control processes. Information steps are reported to the Management Board and/or Supervisory Board. In the 2022 reporting year, no instances of corruption or procedures due to anti-competitive conduct or breaches of anti-trust and monopoly law were identified that resulted in warnings or terminations of employees.

The TTS Group attaches particular importance to digitalisation and the directly associated data protection. It is not just a case of us meeting legal requirements and protecting informational self-determination. We also see consistent data protection as a mark of honest and fair cooperation with our employees, customers and business partners.

The TTS Group meets legal requirements through a data protection management system. Responsibility for compliance with data protection requirements lies with the Management Board, which delegates the coordination of the data protection management system to the Group data protection controllers. The data protection team of the TTS Group is the point of contact should employees have any specific questions.

In addition, an external data protection officer has been appointed for German companies in the Group, who is consulted on individual operational issues by the data protection team. In the reporting year, no legitimate complaints were made regarding data protection or the loss of customer data.

TAXES

The TTS Group, as an internationally positioned company, has adopted a global Group tax policy. This ensures it can share information quickly and consistently at tax function level. For the German sites, there is a national tax policy to supplement the guidelines regarding the division of responsibilities and duties. Three principles are followed across the Group when describing the tax function:

- 1 The tax function should work both legally and economically.
- 2 It guarantees compliance with legal and regulatory requirements.
- 3 It manages the division of tax duties and responsibilities.

Responsibility for tax compliance obligations within the TTS Group lies with the Management Board and in particular the CFO. The CFO organises the tax function between the central function and Group-wide and national tax areas, supplies them with resources and is responsible for the tax compliance management system.

The TTS Group's tax strategy does not disadvantage third parties through its tax planning. The tax burden is to be kept as low as possible within the framework of applicable laws and ethical standards. Firstly, this approach embraces constructive collaboration with financial authorities, and secondly, it provides a defence of the Group's legal position regarding tax.

In the 2022 reporting year, the TTS Group did not take out any new promotional loans.

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Our commitment to fair play:
data protection that goes
beyond legal requirements.



SUSTAINABILITY MANAGEMENT

Sustainability is part of our company strategy as well as one of our three company values. That's why we are developing a holistic sustainability strategy for the entire Group, incorporating all functions and companies. To this end, we are deriving strategic areas of action from the sustainability issues that are most important to us.

SUSTAINABILITY ORGANISATION AND STRATEGY

Since 2020, a CSR control group has been driving sustainability issues across all areas of the TTS Group. The control group, together with the Management Board, is responsible for sustainability management within the TTS Group and in 2022 was made up of representatives of the Corporate Development, Corporate Communication, Human Resources (HR), Development and Environmental Management, Facility Management, Purchasing and Logistics, Sales and Marketing, Legal and Controlling departments. Corporate Communication is responsible for sustainability reporting.

In order to increase the integration of sustainability by means of exchange, knowledge building, project work and continuous feedback, a new governance structure for sustainability management will be established in Autumn 2023 together with the Group-wide sustainability strategy. The objective of this is to coordinate the numerous fields of activity in a holistic manner and make sustainability organisation more professional.



The CSR control group is made up of representatives from various specialist departments and undertakes sustainability management within the TTS Group together with the Management Board.

From left: Sven Wohl (Logistics), Tobias Pflug (Master's Student in Sustainability), Dorothee Koser (Development and Environmental Management), Celine Böhringer (Student Employee specialising in Sustainability), Anastasia Markemann (Sustainability Manager), Stefanie Kaufhold, (Festool Marketing), Alexander Kellar (Legal), Regina Utz (Corporate Communication), Xenia Guber (Corporate Communication), Gerhard Grebing (Sustainability Manager), Michael Beck (Facility Management), Jens Thieme (Purchasing), René Kruk (Sales)

MATERIALITY ANALYSIS AND STAKEHOLDER RELATIONSHIPS

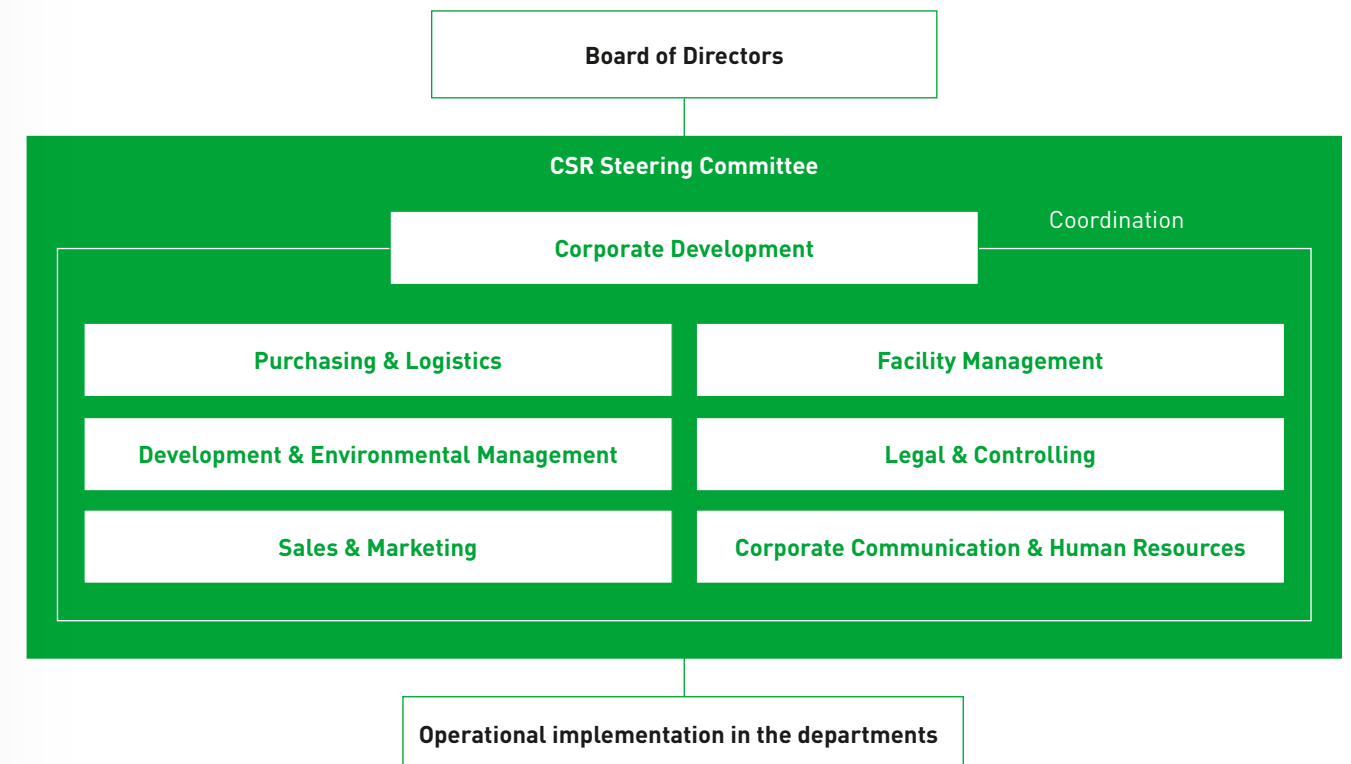
To determine key issues for our future sustainability strategy, the TTS Group carried out a materiality analysis in 2021. The analysis rates key issues using an ESG system (environmental, social, governance) and establishes both their internal and external relevance and impact. The materiality analysis has been revised in 2023 in order to review and, if necessary, expand key sustainability issues.

We also incorporated business relevance perspectives into the materiality analysis in 2021 in light of future reporting requirements under the European Corporate Sustainability Responsibility Directive (CSRD). The results were validated by the CSR control group in an externally moderated workshop and then approved by the Management Board.

Thirteen key issues were identified, which are also dealt with in this sustainability report.

In 2022, the key issues, together with the findings from stakeholder dialogues as well as further information from the analyse process, served as the basis for the further development of our strategic approach to sustainability.

Governance structure of sustainability management



The TTS Group is in constant contact with various stakeholder groups, whose needs we take into account as part of our sustainability management. In terms of strategic integration and the further development of the content of sustainability issues, the following stakeholders are the most relevant:

- Our **employees** give us major incentives when it comes to corporate sustainability. This report presents the status quo of our sustainability activities and targets by way of increasing awareness and encouraging the further exchange of ideas.
- **Retailers** are both customers and important partners of the TTS Group. We want not only to inform them about our products, but also to promote exchange across the supply chains and to highlight further sustainability aspects in order to ensure mutual transparency and support their own sustainability efforts.
- We consider the satisfaction and loyalty of **users** to be our top priority in all outward-facing corporate activities. As a premium manufacturer, we therefore want to make our customers aware of our sustainability efforts in order to create a point of reference to our company that goes beyond the use of our products.
- Our **suppliers** are an important part of our value chain for whom we assume a corporate duty of care. We want to expand our sustainable business relationships with our suppliers in order to shape the future of our social and ecological value chain.

We are taking our sustainability efforts as an opportunity to intensify dialogue with all relevant stakeholder groups: as well as being in continuous contact during day-to-day business, we carry out customer surveys. Our employees are involved through different channels, for example our

ideas tool or through direct contact with the sustainability team. Finally, we strengthen our network and exchange industry-specific information by means of membership in professional associations. The TTS Group currently supports the following associations and initiatives, among others:

- Südwestmetall employers' association
- Baden-Württemberg: Connected e.V. (bwcon)
- Diversity Charter
- ECC Club (of IFH Köln) – supporting member
- European Power Tool Association (EPTA)
- IHK Stuttgart [chamber of commerce] [mandatory membership]
- Stiftung Familienunternehmen [Foundation for Family Businesses]
- Verband Deutscher Maschinen- und Anlagenbau (VDMA) [German association of mechanical and plant engineering]
- Verband der Elektro- und Digitalindustrie (ZVEI) [electro and digital industry association]
- Zentralverband Hartwarenhandel e.V. (ZHH) [central association of the hardware trade]

Material sustainability topics

Corporate governance

- Corporate Governance
- Taxes
- Sustainability organisation and strategy
- Materiality analysis and stakeholder relationships

Products & customers

- Eco design
- Responsible customer relationships
- Product safety and quality
- Customer satisfaction



Employees & society

- Fair and attractive working conditions
- Continuing professional development
- Diversity and equal opportunities
- Occupational health and safety
- Social engagement

Production & supply chain

- Social and ecological supply chain
- Supplier management
- Environmentally friendly production
- Climate protection
- Waste management and resources

Stakeholder dialogues contribute to the continuous development of our sustainability strategy.

PRODUCTS AND CUSTOMERS

————— Durability and reparability are elementary properties of our products: In order to offer our customers these services whilst ensuring resource-friendly production, we will be focussing on both energy-efficient production and the principles of eco design in future during the production of our power tools and system solutions.



MANAGEMENT APPROACH

Maximum efficiency with minimal load on the user – we deliver this brand promise with our tools in order to make the day-to-day work of tradesmen simpler, more productive and safer. The design and development of our products are therefore key areas of the TTS Group and its various brands.

To ensure we offer high-quality product solutions that suit the applications in question, we systematically involve our customers in the development process. As well as this responsibility towards our customers, we are increasingly taking into account ecological aspects such as eco design approaches in our product development.

In our company strategy, sustainability and quality are directly linked. Our engagement in this regard focusses on aspects of climate protection, resource conservation and long-term health protection for our users, both within the scope of product development and during production. There's no question that: By placing an emphasis on durability and reparability, we improve the ecobalance of our products.

Through durability and reparability, we improve the ecobalance of our products.

The responsibility for the product portfolio and definition lies with product management. Development and quality management translate these requirements in the product development process into products which are safe and sustainable. Sustainability factors are being raised by various experts across different areas for developing and selling new products. Our promise of quality based on durability and reparability forms an integral part of our DNA and goes hand-in-hand with sustainable product development. In order to firmly anchor sustainability in our manufacturing processes in future, we have defined the following four focal areas: service life, material, circular economy and energy. In this context, we are following various eco design approaches and testing the use of sustainable and low-emission materials, for example. We will also be further improving the way in which our products can be dismantled in order to channel valuable materials back into circulation.

Tradesmen expect technically outstanding tools from us. In order to meet these expectations, we are intensifying dialogue with customers by providing opportunities for feedback such as surveys, thus enabling us to incorporate customer requirements for ecological, social and ethical product properties into our product development. By doing so, we make customers' voices heard within the company and help our employees see things from their perspective.

ECO DESIGN

Festool, as the core brand of the TTS Group, has been shifting the focus of its product strategy to sustainability and quality for many years: we are increasingly tying in the procurement and processing of high-quality components with the fulfilment of ever-increasing sustainability requirements. As such, we are making efforts to reduce the consumption of energy and resources as far as possible and thereby lower our emissions.

ENERGY-EFFICIENT PRODUCT DESIGN, DURABLE AND REPAIRABLE PRODUCTS

Festool products are popular primarily because of their reliability, robustness and durability. It is the service life of our power tools in particular, which in professional applications is determined by many factors, that delivers in terms of our customers' expectations. Findings from our data analysis of service incidents confirm that the demanding quality management requirements are being met and it takes 9.6 years on average before our power tools need to be repaired or individual components need to be renewed and replaced.

The reparability of our products is another central focal point: separating the production technologies used in the individual product makes it possible to repair individual components. Our all-inclusive repair service and the 10-year spare parts guarantee prolong the service life significantly, thereby contributing to the protection of valuable resources. We even repair tools that have been in use for 20 years or more in order to extend their product service life.



Our current focus...

... is on directly integrating environmental aspects into the development phase in order to produce resource-efficient, energy-efficient and sustainable products and prevent emissions from being produced in the first place.

Moriz Schmidt
Environmental Management

By procuring sustainable raw materials, we also improve the ecobalance of our products: the DOMINO wood joining machines, filter bags, air filters, sandpaper and multi-purpose tables product groups are now almost completely FSC®-certified (FSC-C164884) (Forest Stewardship Council®). Our holistic approach also means we are now using FSC-certified materials for the associated packaging, including the operating instructions.

By way of also addressing the issue of reusability within the context of a holistic circular economy, we are now thinking more carefully about the environment when it comes to the disposal of old devices. After many years of use, devices can be disposed of free of charge at public collection points, at specialist dealers or at the factory service centre. We then transport them to recycling systems in an environmentally friendly manner.

Almost all of the thermoformed tool inserts in our Sustainers are made from recycled plastics. In our screwdriver ranges in particular, such as the TPC/TDC now and the TXS/CXS in future, the inserts are set to be made from 100% recycled plastic. This material has many advantages over non-recycled plastics, not only due to its availability and good technical performance, but also due to its lower carbon footprint.



All DOMINO wood joining machines are subject to responsible forest management practices and are almost completely FSC®-certified.



The tool inserts for the Festool QUADRIVE TPC and TDC cordless screwdrivers are produced from 100% recycled plastic.

EC-TEC Brushless

With the EC-TEC Brushless, Festool has developed a truly innovative technology. We have already been able to convert a considerable proportion of our product series from conventional universal motors to the EC-TEC drives.

The EC-TEC motor from Festool was developed in order to optimise the performance of battery-operated and corded devices. By using brushless technology, the motor runs without wear, thereby extending battery runtimes. The EC-TEC drive is also more compact than conventional universal motors, which reduces material consumption. A further advantage is improved recyclability, as, in contrast to the impregnated rotor in the universal motor, reusable materials such as copper, metals and magnets can be separated from each other and then used again.

Thanks to its special power electronics, the EC-TEC motor always provides exactly the right amount of energy for the application in question. It thereby saves energy and guarantees an optimal power yield from a single battery charge. With devices such as plunge-cut saws, for example, the drive uses less electricity for the same performance, making it 10 to 15 percent more efficient than a conventional universal motor.



RESPONSIBLE CUSTOMER RELATIONSHIPS

Maximum product safety and optimum health protection for our users are quality features of our work. We want to help our users avoid work absences, maintain their health and performance in the long term and increase their overall productivity as much as possible. Direct and continuous dialogue with our customers is therefore one of our top priorities.

PRODUCT SAFETY AND QUALITY

Quality Management ensures a culture of consistently high quality across the entire group of companies, which all employees are guided by. In this context, the department imposes requirements on the safety and health protection offered by our products, initiates corresponding processes and monitors their implementation. The objective is always to protect the health of our users. As such, all of our products undergo a mandatory quality assurance process, from prototypes to series produced goods. Together with other departments, Product Development assumes responsibility for product compliance management to ensure that all legal requirements and relevant standards are

observed. Product Quality and Product Development are separate departments within the organisation. In addition, we have our processes audited by external auditors in accordance with ISO 9001.

In addition to product safety, user-friendliness is a central element of our product promise: as we design our products and accessories holistically as a system, the individual components complement one another perfectly, enabling more efficient and simpler operation for the entire trade-specific application.

Our products feature various intelligent technologies in order to provide the best possible protection against acute injuries. Worth particular mention here is the American company SawStop, which was incorporated into the TTS Group as a 100% subsidiary in 2017 and which specialises in saws with automated and intelligent technology. In 2020, the TTS Group launched the first portable table saw in Europe in the form of the Festool TKS80, which features SawStop AIM technology. Here, a capacitive sensor provides automatic protection and reduces the risk of serious cutting injuries. If the sensor registers contact with human skin, the saw blade stops in less than five milliseconds, disappearing into the machine bench and out of the hazard area.

The innovative Festool Guard technologies protect our users at work.



Festool is the only tool manufacturer in the world to independently produce and test all of its own extractors.

Another technology for optimum workplace safety is the electronic KickbackStop for sawing, drilling or screwdriving. A sensor in the electronics continuously monitors the twist angle and the speed in the rotary movement. If the tool becomes jammed, the machine immediately detects the critical state and switches off without delay to prevent kickback damage to the workpiece or injury to the user. Operating and safety instructions are included in every Festool product order and are also available online at all times. Customers can also find tips and information on the safe and correct use of our products in simply presented videos via Festool TV. The Festool "How-To" app provides assistance on mobile devices and explains specific functions of the individual tools and accessories. In addition, we also provide customers with information (for example on our website) on correct disposal and on the reuse of recyclable materials.

When it comes to our products, health and safety are our top priority.



The procurement of ...

... wood and paper from responsible forest management, in accordance with very high ecological and social standards, is extremely important to us. That is why we decided back in 2020 to make this visible to our customers by means of an eco-seal. The FSC (Forest Stewardship Council) is a recognised certification system. Over 90% of the cellulose content in our products and packaging now comes from FSC-certified sources.

Dorothee Koser
Team Leader in Environmental and Packaging Management

CUSTOMER SATISFACTION

In line with our philosophy, all communication should fulfil the high quality promise of our brands and their products. That's why our messages should reflect the actual performance of our products reliably and fairly, even if they are humorous, striking or distinctive. The cultural diversity of tradesmen is reflected in our diverse visual imagery, which clearly shows our products being used in typical ways for different trades and regions.

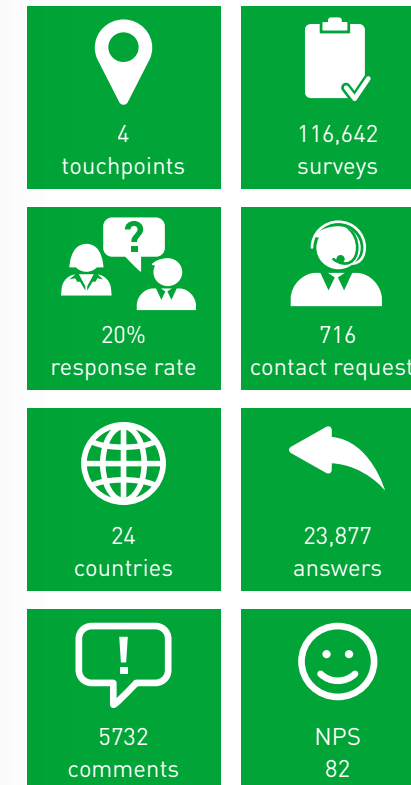
Our claim to being a customer-oriented organisation is reflected in our brand presence, which places our customers in the foreground. This also corresponds to our sustainability strategy, in which our customers represent an important stakeholder group.

By systematically collecting feedback on complaint management or carrying out transactional customer surveys, we can integrate information and complaints from our customers into our processes on a global scale. In the reporting year, we were able to gather over 24,000 customer ratings, including 5,800 comments, through customer sur-

veys in 24 sales countries. The aim of this measure is to increase customer satisfaction on both an ad hoc and a long-term basis through regular, international surveys. The net promoter score of the survey was a very good 82 across all countries, with little variance. This was the same score as the previous year. Around 10,000 complaints were also submitted from 19 countries, which we review and process in the respective specialist departments. For the current business year, the Group plans to establish a transactional survey at additional contact points and to enable qualitative feedback analysis using an AI-assisted system. Our customers are currently surveyed at the following contact points: following an online repair procedure, a product registration, e-mail contact with our Customer Service and a theft reported to Festool.

Back in 2018, a Customer Experience (CX) team was created in order to continuously improve the customer experience at all main contact points. Its main task is to derive measures from customer feedback and to provide employees with training on dealing with customers.

Customer survey facts



To ensure all employees have a uniform understanding of customer orientation and how to provide competent customer support, Customer Experience Training was introduced in 2021 as an interactive, self-taught e-learning concept. It comprises six modules and was integrated into the standard onboarding process for all new employees at the start of 2022 in order to strengthen our customer-orientation. Approximately 1,200 employees have already completed such training – primarily in our local entities on the subjects of customer service, repairs, sales, marketing and administration. The corresponding workshop format, designed to monitor and consolidate the training content, has also been implemented in six local entities in order to ensure positive experiences for our customers at all contact points.



In the Festool "How-To" app, our Festool experts explain the specific functions of the individual tools.

PRODUCTION AND SUPPLY CHAIN

————— We are committed to environmental protection and respect for human rights along the entire value chain – from the sourcing of materials to individual production steps, all the way through to supplier management and logistics.



MANAGEMENT APPROACH

Our responsibility extends far beyond our own operations, which is why we also satisfy stringent requirements for climate protection and social standards in our supply chains and production processes. We view it as our duty to use resources and energy efficiently and to avoid or, as far as possible, minimise their consumption. As such, we fulfil our high quality promise as a premium brand in every step of our value chain.

We can make the biggest impact through environmentally friendly production as well as energy-efficient and low-wear product design (see also section ['Products & Customers'](#)). To do this, ecological and social standards must be taken into account from the outset, by taking a responsible approach to the procurement of materials and primary products. Our supply chain management defines requirements in order to preserve resources and guarantee safe working conditions along the supply chains.

Purchasing is a cross-divisional function that operates across the entire TTS Group. Suppliers are selected and evaluated according to reliability, quality, environmental impact, innovation and cost criteria. We place ever-greater emphasis on our duties of care for environmental and social standards and require our suppliers to sign the TTS Group Code of Conduct by way of ensuring compliance with minimum human rights and ecological standards.

Responsibility for central environment management is anchored in Technology and Component Development. An environmental officer supports us in the recirculation of valuable raw materials, to ensure that production waste is recycled in an environmentally friendly manner, for example.

Our supplier structure is regional and characterised by long-standing business relationships.

SOCIAL AND ECOLOGICAL SUPPLY CHAIN

Sustainability is becoming increasingly important in our supply chains, from regulatory requirements such as the German Supply Chain Act (LkSG) through to our own targets for resource protection. Our supply chains are based on long-standing business relationships with local partners, who we involve in product development at an early stage.

OUR SUPPLY CHAIN

The TTS Group has production facilities at a total of three German sites and one Czech site. Requirements for the quality and safety of our products as well as sustainability are fulfilled according to the same standards at all four sites.

Our supplier network is predominantly European. Our objective here is to keep the transport routes to our four production sites and our central warehouse in Europe as short as possible. The procurement volume for the German sites amounts to around EUR 393 million, with deliveries from Asia accounting for around 15% of this. As a rule, we select our suppliers according to the "local for local" principle and prioritise suppliers that are closer to our production plants. Our supplier network comprises around 100 key suppliers, who produce a total of around 25,000 parts for the TTS Group using a diverse range of technologies.

We take a long-term approach to our cooperation with our partners from the outset; we have been working with approximately 80% of our key suppliers for more than ten years, and with many for more than two decades. Partnership in a developed network is a crucial success factor for us in the competitive landscape. We involve our suppliers in

the development process for new products from an early stage, thereby paving the way for seamless series production.

We buy in a vast range of product groups on account of our extensive product portfolio. We focus primarily on the procurement of components made from plastic as well as die-cast aluminium and magnesium.

SUPPLIER MANAGEMENT

Supplier management within the TTS Group consists of a five-stage process that includes risk management. Strategic and operational purchasing and the quality, development and logistics areas are responsible for this. The first process step involves the selection of our suppliers, whose qualification and assessment is followed by annual classification. Supplier development, which also includes coaching, takes place within the context of long-term cooperation. If our suppliers fail to meet the TTS Group standard while series production is under way despite these measures, we consider ending the business relationship where appropriate. All of the defined steps have the objective of ensuring the highest possible quality throughout the procurement process.



Within the TTS Group ...

... we have a high proportion of bought-in material and merchandise. As the purchasing team, we are keenly aware of our responsibility to actively shape and improve sustainability. When selecting suppliers, we place great emphasis on social and ecological criteria and get a good feel for a company by carrying out audits on site. It is important to us to incorporate the entire supply chain and not just scrutinise the direct suppliers with regard to sustainability.

Nathalie Loureiro
Purchasing Team Leader

Sustainability plays an important role in the assessment and development of our suppliers and is integrated into decision-making processes, as legal duties of care must be increasingly observed within the scope of supplier management. Besides our own adherence to environmental and social standards, regulatory requirements such as the German Supply Chain Act and a planned European supply chain law are establishing obligations to take greater care when selecting suppliers. We systematically assess legal, i.e. human rights, and environmental risks amongst our suppliers in accordance with legal requirements in order to introduce preventative or corrective measures if necessary.

New suppliers to the TTS Group go through a multi-stage assessment process until they are finally approved. This corresponds to the first step in the five-stage supplier management process. After self-registration, a supplier audit takes place, and a framework agreement is drawn up. All suppliers are contractually obliged to adhere to the TTS Group environmental standard. This standard defines

requirements for prohibited and declarable materials for all items used in products. A confirmation of conformity in accordance with RoHS (Restriction of Hazardous Substances), the German Packaging Act (VerpackG) and the European "REACH" Regulation on Chemicals must also be submitted.

Our suppliers' declarations of conformity are automatically analysed by Product Lifecycle Management (PLM) software. The quality and quantity of the documents are incorporated into the supplier evaluation. For our part, we regularly update suppliers on changes to regulations and requirements and ask them to implement the amendments.

Analysis of the supplier conformity assessment is supported by supplier audits, which we carry out worldwide each year on the basis of risk. Suppliers must also provide evidence that they are certified to ISO 9001, the internationally recognised management system. In addition, inspection processes for compliance with other international regulations are currently being established. These concern,

for example, proof of origin for certain raw materials, in particular "conflict minerals". In the future, we will ask our suppliers to disclose information using the internationally recognised "Conflict Minerals Reporting Template" to declare the origin of certain minerals, such as tungsten, in supply chains.

As we impose strict requirements with regard to performance, sustainability and innovation on our business partners, we want them to feel that their work is valued. This is why, every year, we

give an award to suppliers that achieve above-average performance in the categories of quality, delivery reliability, value for money, environment and partnership-based collaboration.

By way of defining the framework conditions for co-operation with our partners, suppliers are required to observe our Code of Conduct for business partners. This contains legal requirements concerning compliance, occupational safety, environmental protection and general human rights. We do not tolerate child labour on our own business premises or at those of our suppliers or other partners. We also enforce strict measures against the following breaches of freedom of expression or human rights: slavery and forced labour, disregard for occupational health and safety, failure to pay a reasonable wage, non-observance of the right to form trade unions or employee representative committees, denial of access to food and water and the unlawful withdrawal of land and livelihoods.

ENVIRONMENTALLY FRIENDLY PRODUCTION

As a production company, we are aware of our impact on the environment. We therefore work continuously on improving our production processes in order to reduce emissions and minimise the use of resources and packaging materials. To do this, we use renewable energies and invest in new production lines.

CLIMATE PROTECTION

Working with an external partner, we carry out analyses in order to adopt a holistic approach to reducing our greenhouse gas emissions and the use of resources. The measures and targets associated with this will be published in the next sustainability report for 2023.

We can make ourselves fit for the future by making forward-thinking, ecological investments. Above all, this involves replacing inefficient technical systems in buildings as well as additional investments in new buildings. We have already achieved positive results in the past year of operations with our first combined heat and power plant at our Group headquarters. Energy improvements compared with the previously installed gas and oil system were noticeable immediately, which has meant a reduction in our energy consumption.

Thanks to the combined heat and power plant, we are now able to achieve an efficiency of over 90% using gas as fuel – far more than in conventional gas power plants. The main objective of the combined heat and power plant is to generate electricity for the company and to feed any surplus into the public grid. We use the waste heat that is generated to heat the building in winter and to cool it

in summer. An adsorption refrigerator that is also integrated into the system is used for this.

In the long term, we want to make further investments in renewable energies in addition to our photovoltaic systems.

When analysing our environmental and climate impact, we at the TTS Group will include logistics within scope 3 emissions in the future. As an important first step towards sustainable logistics, we are building a new logistics centre at the Wendlingen site. Low-emission means of transport and alternative drive technologies are also to be taken into account more during the selection of service providers. In general, we will take indirect emissions from upstream and downstream services, in the sense of inbound and outbound logistics, into consideration in the evaluation of our suppliers.

WASTE MANAGEMENT AND RESOURCES

We want to guarantee environmentally friendly production as far as possible through our resource and waste management. Key factors here are the raw materials used in production, waste management and our packaging materials.

Energy consumption by energy source

in MWh	2021 (D)	2022 (D)	2022 (CZ)	2022 (Total)
Primary energy use	5,169	10,343	2,230	12,573
Natural gas	4,100	6,537	1,963	8,500
Liquid fuels	1,069	3,806	267	4,073
of which for company car fleet	1,069	3,528	267	3,795
Secondary energy use	8,343	7,040	3,379	10,419
Electricity	8,343	7,040	3,379	10,419
of which obtained from the electricity grid	8,022	7,040	3,379	10,419
of which from renewable energy sources	321	7,040	0	7,040
Total energy use	13,512	17,383	5,609	22,992

Greenhouse gas emissions (scope 1 and 2)

in t CO ₂ equivalents	2021 (D)	2022 (D)	2022 (CZ)	2022 (Total)
Scope 1	1,262	2,046	1,143	3,189
Natural gas	918	1,605	595	2,200
Fuel oil	0	81	0	81
Diesels	344 ¹	360	548 ²	908
Scope 2	3,260	0	1,040	1,040
Electricity	3,260	0	1,040	1,040
Total of scope 1 and 2	4,522	2,046	2,183	4,229

^{1,2} Calculation using "fuel based method"; in accordance with GHG Protocol. Consumption entirely due to TTS company car fleet.

Waste for recovery is generated along the entire value chain at TTS. The majority arises in production and logistics activities. The main materials in our production are waste wood, cardboard packaging and metals. We strive to keep waste to a minimum and to completely avoid waste wherever possible. When disposing of unavoidable waste, we comply with legal requirements. Our disposal contractors undertake to do the same.

An important area in resource management is packaging material. In the future, we would like to significantly reduce the packing materials and plastics in transport packaging.

We have initiated a range of measures to this end. For example, we want to swap the majority of blister packaging for cardboard boxes by the end of 2023. This would mean around 80 tonnes of plastic could be replaced by a more sustainable material. To

Accrued waste by site

2021 (in t)	Wendlingen	Weilheim	Neidlingen	Illertissen	Česká Lípa (CZ)	Total
Waste wood	134	87	41	16	no info	278
Cardboard packaging	244	160	145	151	no info	700
Metals	28	17	285	6	no info	336
Other	195	21	115	39	no info	370
Total	601	285	586	208	no info	1,684

2022 (in t)	Wendlingen	Weilheim	Neidlingen	Illertissen	Česká Lípa (CZ)	Total
Waste wood	139	136	17	12	46	350
Cardboard packaging	236	336	76	148	182	977
Metals	54	28	351	3	360	795
Other	222	66	134	58	0	480
Total	651	566	578	221	587	2,603

avoid extra packaging material, our products are delivered in long-lasting Festool systemainers®. In addition, we invested in a packaging facility for transport logistics in the reporting year. Through this investment, we intend to use the following packaging materials more sustainably:

- We want to reduce cardboard thickness and lower weight, and by doing so increase the number of units per pallet delivered.
- We are adjusting bubble wrap to fit individual packages, reducing the amount used.
- We are dispensing with strapping altogether.
- We no longer need to manually seal cardboard boxes, dispensing with adhesive tape.

The procurement of raw materials from responsible forest management in accordance with high ecological and social standards is a defined company goal at Festool. As such, we procure wood and paper products that are certified according to FSC

criteria. We have even been able to exceed our target of procuring 80% of the cellulose content in both our products and packaging from FSC-certified sources by 2023 (see also section 'Products & Customers'). We currently procure over 90% FSC-certified material, which corresponds to a total volume of around 3,900 tonnes per year. In 2023, we are striving to further increase the proportion of certified cellulose material.

By monitoring all the stations of an FSC-certified product along our supply chains – from the forest to individual production steps, all the way through to users – we have been able to achieve the "Chain of Custody" product chain certification.

Raw materials used

in t	2021 (D)	2022 (D)	2022 (CZ)	2022 (Total)
Magnesium	333	510	19	529
Aluminium alloys	2,912	1,899	639	2,538
Electrical sheet	590	1,040	2	1,042
Steel	1,876	2,600	1034	3,634
Copper	588	130	26	156
Plastics	5,924	4,588	811	5,399
Paper	1,959	2,574	209	2,733
Total	14,182	13,341	2,739	16,080



We take responsibility ...

... that goes beyond our operations by setting high standards in the field of climate protection and social standards – in our supply chains and in our own production processes. We strive to use resources and energy efficiently, whilst guaranteeing the highest quality at every point along our value chain as a premium brand.

Milan Čunát
General Manager in the Czech Republic

EMPLOYEES AND SOCIETY

————— An appreciative working environment, work/life balance and continuing professional development – taking responsibility for employees and society is part of our philosophy as a family-owned company.



MANAGEMENT APPROACH

We carry out strategic HR work in order to ensure the long-term success of our company with motivated, qualified and healthy employees. Our employees are also actively shaping the sustainable transformation; they are therefore essential to both the implementation of our targets and the development of our future sustainability strategy (see sustainability strategy in section ‘Corporate governance’).

As a family-owned company, we stand for secure jobs and a good work/life balance in a trust-based environment. Our HR department takes care of the needs of the entire workforce and is also responsible for new methods of working (New Work) within the scope of the HR strategy. During the transformation process, we place particular importance on improving cooperation and creating space for dialogue.

The HR department works closely with Facility Management on matters such as occupational health and safety. We have defined fundamental principles of cooperation in a Code of Conduct in order to guarantee occupational health and safety, non-discrimination, compliance and data protection at the workplace.

Besides our quality guidelines, we measure the success of our HR work on the basis of various performance indicators such as the training rate and internal hire rate, through to our appeal as an employer as perceived by employees. During the reporting year, a survey of the entire TTS Group workforce was prepared and this was conducted in the spring of 2023 in order to obtain a broad overview as well as feedback on strengths, weaknesses and internal need for action.

CULTURAL DEVELOPMENT WITHIN THE TTS GROUP

Our HR strategy pursues the objective of creating operational framework conditions that enable our employees to deliver top performance and thereby identify with their employer. Within the scope of the TTS2030 company strategy, we are therefore developing a new international HR mission that will be rolled out in 2023 and flexibly adapted to new framework conditions in future. This mission – as part of our HR strategy – will ensure that the TTS Group is able to find, further develop and retain qualified specialists in the long term. This approach is based on our corporate culture, our values and our management principles. Particularly in times of social change and taking into account the growth targets of the TTS Group, our values form the foundation for the cooperation that makes us stand out as one of the region’s most important social players.

The development of today’s TTS values

Premium:

We work hard for our customers.

Innovation:

We believe in variety and dare to do new things together.

Sustainability:

We take responsibility for people, the environment and the future.

began around three years ago as a concerted process by the three generations of the owner family. Then, together with the TTS Management Board and Supervisory Board, they discussed how these values could contribute to making good decisions. They form the foundation for the way we operate and determine how we work together within the entire organisation and make the company future-proof for generations to come.

We involve all employees in order to anchor the company values in our day-to-day work. Teams from all companies of the TTS Group throughout the world meet to discuss the values and interpret them to suit their individual fields of work. We work with an external partner, who supports us in adopting a three-stage process:

- 1 As a first step, which is to describe the actual corporate culture in the different companies and their departments, we conduct TTS culture workshops to engage in deep conversation with our employees.
- 2 The results of these workshops serve as the basis for developing a target vision for the future TTS culture.
- 3 Based on the actual corporate cultures of the entire TTS Group (step 1) and the common goal (step 2), targeted measures are developed that enable us to implement and continuously evolve this new corporate culture.



OUR EMPLOYEES

As an employer, we want to create an appreciative working environment, provide incentives and safeguard our competitiveness. As such, we offer our employees social security, flexible working models and performance-based bonuses. We also place great emphasis on the continuing professional development and personal development of our employees.

FAIR AND ATTRACTIVE WORKING CONDITIONS

Our employees' pay is based on Group-wide remuneration principles that are based on position, market and individual performance. TTS and Festool are also bound by collective agreements.

Our remuneration generally consists of a salary with fixed and variable components plus additional benefits. These additional benefits often go

beyond legal requirements and include, for example, an occupational pension, personal insurance with special conditions and a corporate benefit programme. We also give all employees the opportunity to use a company bicycle and have special rules on the use of company cars for specialists and managers. Employees also benefit from performance-based shares or bonuses, which are awarded based on the achieved return on

Employees by employment contract¹

	2020 (D)	2021 (D)	2022 (D)	2022 (CZ)	2022 (Total)
Number of employees (total)	1,608	1,675	1,799	451	2,250
Employees on a temporary contract	199	251	291	122	413
of which female	69	91	108	64	172
of which male	130	160	183	58	241
Employees on a permanent contract	1,409	1,424	1,508	329	1,837
of which female	477	485	510	146	656
of which male	932	939	998	183	1,181
Full-time employees	1,373	1,412	1,505	446	1,951
of which female	386	400	425	206	631
of which male	987	1,021	1,080	240	1,320
Part-time employees	235	263	294	5	299
of which female	160	176	193	4	197
of which male	75	87	101	1	102

¹ Including apprentices, dual-study programme students, interns, working students and Master's students. Excludes temporary workers (2022: 105 people) taken on in commercial areas (production and logistics) to cover seasonal fluctuations.

New recruits and staff turnover² over a three-year period

	2020 (D)	2021 (D)	2022 (D)	2022 (CZ)	2022 (Total)
New starters	104	194	262	52	314
New starters as a percentage of total staff	6.5%	11.6%	14.6%	11.5%	14%
Leavers	109	139	164	62	226
Turnover	3.9%	4.6%	4.8%	13.7%	10%

² The staff turnover rate was calculated using the BDA formula for all three years.

New recruits and staff turnover in detail

New recruits and staff turnover 2022 (D)	< 30 years old	≥ 30 < 50 years old	> 50 years old	Female	Male	Total
New starters	129	116	17	97	165	262
New starters as a percentage of total staff	7.2%	6.4%	0.9%	5.4%	9.2%	14.6%
Leavers	83	58	23	107	57	164
Turnover	7.6%	4.4%	4.4%	4.9%	4.7%	4.8%
New recruits and staff turnover 2022 (CZ)	< 30 years old	≥ 30 < 50 years old	> 50 years old	Female	Male	Total
New starters	21	27	4	19	33	52
New starters as a percentage of total staff	19%	25%	4%	18%	31%	48%
Leavers	25	26	11	26	36	62
Turnover	6%	6%	2%	6%	8%	14%

sales (ROS). In this way, we aim to recruit committed, qualified specialists and retain our employees in our workforce.

The majority of our employees are on permanent (83.8%), full-time (83.7%) contracts. Our full range of additional benefits is also available to part-time employees. Through "ALLEZ", our special bonus programme, we offer temporary employees in production areas an incentive to gain performance-based bonuses for extra work.

A collective agreement for the metal and electrical industry applies to all employees at our Wendlingen, Weilheim and Neidlingen sites. This is equivalent to 65.2% of all employees.

We also maintain a long-standing social partnership with the works council, which is an important institution in our company. It acts as a close,

trusting partner for fair working conditions and decisions that guide future action.

We see the staff turnover rate as a significant measure of how satisfied our employees are with their working conditions. Our target rate is 4-6%. In the reporting year, it was a satisfactory 4.8%, slightly above the previous year's figure (4.6%).

Entitlement to and take-up of parental leave³

Number of employees who are entitled to parental leave	... have taken parental leave	... have returned to work after parental leave
Female	95	77	34
Male	110	78	65
Total	204	155	99

³ The figures shown relate to the sites in Germany and the Czech Republic.

To promote the health of our employees and contribute to work/life balance, we are continuously improving our working conditions. We are aware that personal circumstances can change, sometimes abruptly. Our HR department is continuously extending our flexible working hour models as a result.

In addition to flexible working times, our employees have the option of taking time out from their job in the form of a sabbatical, for example. The TTS Group now offers more than 50 part-time models, which include both time tracking and trust-based working hours. Our “Remote Working” works agreement allows employees to work from home for a maximum of 60% of their working hours and in individual cases.

We are continuously developing our options, particularly for family matters. In Wendlingen, we offer crèche places in partnership with nurseries as well as childcare for school holidays. We have also made it easier to combine work and family by setting up special parent and child offices. These enable employees to work and look after their children at the same time.

CONTINUING PROFESSIONAL DEVELOPMENT

Within the TTS Group, the continuing professional development of employees is considered a central managerial task, as this is the only way that we, as a learning organisation, can proactively face future challenges and build up and further develop the necessary skills in good time. We maintain our customer focus and competitiveness at a consistently high level through life-long learning.

For us, attractive jobs go hand in hand with opportunities for development and qualification, which is why we place great importance on the long-term development of our employees. By this we mean our range of apprenticeships, regular CPD courses and management training courses, right through to young talent training programmes. Thanks to our active feedback culture, we also promote daily learning and cross-company exchange.

Since November 2021, the Masterplan.com digital learning platform has been available to all employees for self-taught training. Masterplan features international specialists and industry experts sharing their knowledge in short videos, known as learning nuggets. This allows our employees to work independently on topics such as digitalisation and sustainability and to further develop their soft skills and new work methods. With a total of 2,888 learning hours clocked in 2022, the offer has been taken up by a huge number of employees.



Regular events and workshops strengthen exchange and solidarity between our apprentices and students from the dual-study programme.

“Athena” – a coaching programme for female managers and women with high potential – was introduced in 2019 in order to promote the networking and visibility of women at TTS. Over a three-month course, the first 18 participants received training on personal development as well as cooperative coaching and exchanged approaches to solving problems based on real situations from their day-to-day work. The objective was to develop various perspectives on management styles and to establish an internal network for women in managerial

positions. We plan to start a new “Athena” group every year, who will undergo the coaching programme and connect with former “Athenas”. This will create an ever-growing network, which over time will include all subsidiaries and sites.

Continuous dialogue with managers helps our employees perform at their best. A performance review gives all employees covered by collective agreements the opportunity to talk about their personal development and assess their performance.

Hours of compulsory and voluntary training completed⁴

in hrs	2020	2021	2022
Compulsory training	983	816	522
Voluntary training	1,451	1,401	1,760
Total	2,434	2,217	2,282

⁴ The figures shown relate to the sites in Germany and the Czech Republic.



We decided to ...

... offer a dual-study programme within the TTS Group because, as a multi-brand Group, we have gained insights into the various brand companies, both in Germany and abroad. We have particularly enjoyed getting to know different ways of working and management styles but also cultures, which have already expanded our horizons and enriched our treasure trove of experience.

Katharina Helmstaedt
Motor Production Planner, Global Production Services

Luis Jag
Product Development Engineer

Non-pay-scale employees have a mandatory annual meeting with their managers, during which both parties define individual measures for professional further development.

In 2022, our employees underwent a total of 522 hours of compulsory training and 1,760 hours of voluntary training, all of which was organised by the HR department. This included training on employment law, project management and working methods such as FMEA (Failure Mode and Effects Analysis). In addition, we offered personal coaching, for example focussing on professional situation assessments or conflict management.

Talented youngsters are also given individual opportunities for growth within the TTS Group; with our Junior Talent Development Centre, we support promising young people from various specialisms and across international sites. Every new manager undergoes our internal year-long junior manager programme.

We see it as part of our social responsibility to open up future opportunities to young people by offering solid training, thereby strengthening the region. In the 2022 business year, the apprenticeship rate was 2.8% with 10 new starters, primarily in technical fields. We have created more apprenticeships at our German sites, which is necessary if we are to guarantee our own growth. The hiring rate of apprentices and students from the dual-study programme was 50% in the reporting year (2021: 60%).

DIVERSITY AND EQUAL OPPORTUNITIES

A diverse workforce creates diversity of opinion and opens up new perspectives – an essential prerequisite for innovation and success. The TTS Group respects the diversity of all employees and is intensifying its diversity management. The Diversity & Inclusion (D&I) project team, made up of nine employees, was established in 2022 to account for all targets and activities along a Diversity Roadmap.

The team is led by an authorised representative and is made up of experts from the Development, Innovation Management, Logistics, Textile Design, Value Management, HR and Finance departments. A D&I strategy was drawn up jointly in order to promote diversity and inclusion and bring new perspectives to the company.

We see diversity as the foundation for our management and corporate culture and at the same time as a way of increasing our competitiveness. As such, four goals for greater diversity within the company have been defined within the scope of diversity management:

- We want to establish diverse teams whatever the division.
- We want to increase the proportion of women in management positions.
- Our flexible working time options should be geared towards individual life planning.
- We want to enable more colleagues to spend time working abroad.

We are introducing various measures to pursue these goals: To encourage women when recruiting, a process of reflection is taking place between the HR department and the divisional managers. A three-part workshop series has also already been initiated by way of promoting diversity in the recruiting process and a workshop is available to higher management. A project team for diversity, equality and inclusion has also been established. The TTS Group currently employs people from 45 nations.



The TTS Group Diversity & Inclusion (D&I) project team, founded in 2022.



From left: Christian Voss (TTS Cleantec, Quality Management), Dominic Ender (TTS Tooltechnic Systems/Innovation Management), Matthias Maier (TTS Cleantec, Development), Charlotte Schleifenbaum (TTS Tooltechnic Systems, Diversity Manager), Lisa Straubinger (Festool, Logistics), Esther Holsten-Stühmer (exo-IQ, Textile Design), Moritz Felbinger (Festool, Value Management). Screen: Jennifer Vossebein (TTS Tooltechnic Systems, Finance), Absent: Mona Hindenberg (TTS Tooltechnic Systems, HR)



In 2019, we signed the [Charta der Vielfalt \[Diversity Charter\]](#) to make a binding commitment to diversity in the company. We 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.

We have firmly anchored the principles of the Charta in our internal Code of Conduct. Through our Code of Conduct, we also obligate our business partners to ensure equality and equal opportunity within their companies. If these principles are breached, the individuals affected can contact the [TTS Group Compliance Officer](#). One case was reported in the reporting year.

Since September 2022, the Management Board of the TTS Group has been made up of three men and one woman. In 2022, the works council consisted of ten men and seven women. The proportion of women in senior management was 12.5% in the reporting year, the same as the previous year. At the TTS Group, we are working towards increasing the proportion of women in management positions significantly in the coming years. A fundamental decision has been made by the TTS Group to offer part-time models over 50% across all management levels.

OCCUPATIONAL HEALTH AND SAFETY

At the TTS Group, we view the health of our employees as our greatest asset and an essential requirement for a productive and successful company. We include in this both the physical and mental health of our workforce. Our goals are to avoid workplace accidents and illnesses, reduce absences and improve the work/life balance as well as individual well-being of our employees.

Our approach to occupational health and safety within the TTS Group applies to all people, including employees, agency workers, external service providers and visitors who are present at our sites. The most senior management level has overall responsibility for occupational health and safety. The task of implementing preventative and legally prescribed measures has been allocated to the Facility Management department and to HR. We hold employees themselves and our managers equally responsible for creating a safe and healthy working environment. We help with this by providing information for our employees on posters and digital platforms, giving compulsory safety briefings and holding regular training.

The Health and Safety Committee regularly checks the occupational safety processes. The committee also proposes ideas and suggestions for improvement and is actively involved in their implementation. The Health and Safety Committee is composed of the works management, Facility Management, company doctors, health and safety officers, area managers, health and safety experts and representatives of the HR department and works council. The committee assesses accidents at work and potential sources of danger within the scope of quarterly meetings. It does so on the basis of risk assessments that are carried out by the respective division together with the relevant health and safety expert and, if applicable, the company doctor. Employees can also use software to report potential dangers at any time, which are

then processed and documented by the responsible persons. The company doctors at the respective site also conduct a risk classification of the individual activities in cooperation with the health and safety expert and define medical prevention services tailored to specific workplaces (mandatory and optional examinations).

With our health and safety management system, we ensure new legal requirements are implemented and our own processes are continuously developed.

Our workplace measures for long-term safe and healthy work can be broken down into three areas:

- **Occupational health and safety:** We provide our employees with ergonomically designed workplaces and ensure that sufficient protective equipment is available. We attach great importance to healthy workplace ergonomics at assembly workstations in particular. We have a sufficient number of company first-aiders at all sites and in all areas to guarantee a quick and correct response in the event of accidents. We raise awareness among employees and highlight potential dangers in day-to-day work through regular compulsory training on safety instructions and potential hazards. We also offer regular occupational health consultations with our company doctors at all sites.

Employees by gender, age group and hierarchy level

Division of employees by gender	2020	2021	2022 ⁵
Number of employees (total)	1,608	1,675	2250
of which female	546	576	828
of which male	1,062	1,099	1422

Age group of employees	2020	2021	2022 ⁵
Number of employees (total)	1,608	1,675	2250
< 30 years old	316	376	422
≥ 30 < 50 years old	905	930	1260
≥ 50 years old	387	368	568

Employees in senior management	2020	2021	2022 ⁵
Division by age as a percentage			
Female	8.7%	12.5%	25%
Male	91.3%	87.5%	75%
Age group as a percentage			
< 30 years old	0.0%	0.0%	0.0%
≥ 30 < 50 years old	56.5%	62.5%	50%
≥ 50 years old	43.5%	37.5%	50%

⁵ Including location in the Czech Republic



Notifiable accidents

	2020 (D)	2021 (D)	2022 (D)	2022 (CZ)	2022 (Total)
Employee injuries that occur at work					
Number of deaths due to injuries at work	0	0	0	0	0
Number of injuries at work with serious consequences	1	0	0	0	0
Number of injuries at work	16	8	17	9	26
Rate ⁶ of notifiable injuries at work	10.5	4.7	9.4	19.9	11.5

⁶ The figures refer to notifiable injuries per 1000 employees. Accidents involving temporary workers are dealt with by the agency, even though accidents involving temporary workers are also followed up internally.

- Health promotion and prevention:** With medical check-ups, special offers and occupational health consultations, employees can have their health assessed by a doctor and identify any risks at an early stage. We offer a subsidised TTS Company Bike to encourage employees to keep fit through cycling. We also offer our own company sport clubs for various sports and offer discounted membership for selected gyms. We also offer our employees massage treatments.
- Integration:** We help our employees re-enter working life after a long-term incapacity for work. We hold joint consultations to define measures that are tailored to the individual needs of the employee. In addition, we offer employees with mobility limitations suitable workplaces and enable age-appropriate work on a case-by-case basis.

SOCIAL ENGAGEMENT

As a family-owned company, our social commitment is part of our DNA. For generations, we have viewed ourselves as a corporate citizen with social responsibility and a long-term outlook. This is also reflected in our TTS2030 strategy. Our guiding motto in this regard is: "Strengthening every individual in a diverse society."

We view ourselves as a corporate citizen with social responsibility.

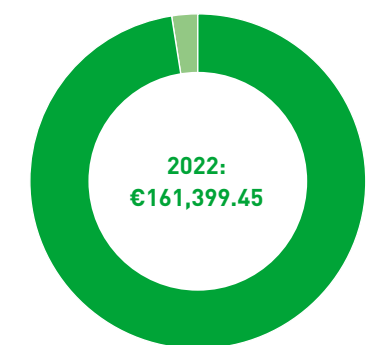
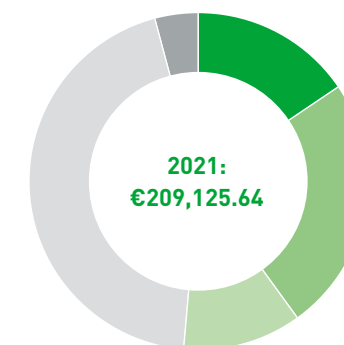
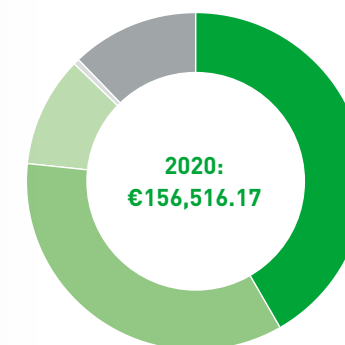
END OF HIGHLIGHT SENTENCE

We put our social commitment into practice by donating to organisations and initiatives for the common good which operate in line with the company values of the TTS Group. The principles and the awarding criteria for donations are set out in our Code of Conduct. Under the code, donations to social institutions or political parties must be approved by the Management Board. In the report-

ing year, we helped people in need by donating a total of more than EUR 160,000. At approximately EUR 140,000, the majority of this was spent on aid for those affected by the war in Ukraine.

Due to supply bottlenecks and material shortages, the TTS Group was not able to donate any tools in the 2022 reporting year. With our future sustainability strategy, which will be published in 2023, we will be systemising the focus of our donations in order to be able to continuously make monetary donations and donations in kind.

Amount and distribution of donations



- Social schemes / the disadvantaged / community schemes
- Higher education and vocational colleges, universities
- Regional
- Children, young people
- Miscellaneous

APPENDIX



GRI INDEX

Statement of use

TTS Tooltechnic Systems AG & Co. KG has reported the information cited in this GRI content index for the period 01/01/2022 – 31/12/2022 with reference to the GRI Standards.

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