

Sustainability Report

Compact 2025

FESTO



Automation for a world in motion.

Table of Contents

Report Profile

The Sustainability Report 2025 from the Festo Group is, as the issue from the previous year, published as a compact report. This concise report will provide you with an overview of the progress Festo has made on key sustainability issues.

This format is the company's response to the current transition in reporting. The Festo Group is currently preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD) and is already voluntarily following the first draft of the European Sustainability Reporting Standards (ESRS) as a framework for sustainability reporting. The company continues to closely monitor developments related to the EU Omnibus Regulation to identify regulatory changes at an early stage and implement them efficiently.

To increase transparency and comparability, this compact report is divided into the ESRS topic areas: Environmental, Social and Governance (ESG). The focus is on the progress made in the reporting year 2025.

The Festo Group, headquartered in Esslingen, Germany, is, as before, the subject of this report. Unless otherwise stated, the information in this report relates to the Group's global activities.

Reporting period and editorial deadline

The document relates to the period from January 1, 2025, to December 31, 2025, and is available in German and English. All future-oriented statements are based on assumptions valid at the time of going to press. The editorial deadline was March 31, 2026.

Contact person and project participants

Numerous employees of the Festo Group contributed to this report. If you have any questions, please contact the **local Festo Support** in your country. Your enquiry will be forwarded to the responsible specialist departments within Festo.

2	Report Profile
4	Foreword
6	Festo at Glance
8	Sustainability Strategy
1 Environment	
10	Climate Protection and Resource Efficiency
12	Corporate Carbon Footprint
16	SBTi-Targets
18	Sustainability at Our Locations
22	Material Use in Our Products and the Product Carbon Footprint
24	Use of the Products Sold
26	Resources
2 Social	
28	People at Festo
30	Employee Development
32	Festo as an Employer
34	Diversity
36	Basic and Further Training
40	Occupational Safety and Comprehensive Health Promotion
44	Human Rights in the Supply Chain
3 Governance	
48	Governance
50	Compliance



Dipl.-Ing. (FH) Thomas Böck,
Chairman of the Management Board of Festo SE & Co. KG

Dear Reader,

2025 was a special year for Festo as we celebrated our 100th anniversary. That is something we are proud of. Time and again, Festo has proven itself to be fit for the future, even in turbulent times. Thanks to our long-term commitment, responsible business practices, and the trusting cooperation of our customers, partners and employees, we have grown into an internationally recognized innovation partner for industry since our foundation in 1925.

This role comes with great responsibility, because innovations from Festo help to shape the future. In 2025, our anniversary year, we continued to support our customers in reducing the greenhouse gas emissions of their production facilities with the help of our products and services, while at the same time increasing their competitiveness. We also contribute to this goal by providing training for people to use technologies to further boost climate and resource efficiency.

And this innovation potential is not just used for our customers, but also for our own processes. The overarching goal is clearly defined: Net zero by 2050. In February 2025 we reached an important milestone: Our ambitious, science-based climate targets were officially validated by the Science Based Targets initiative (SBTi).

In addition to environmental considerations, we attached great importance to social responsibility in 2025 as a family business.

At Festo, everyone should have the same opportunities. We remain committed to issues such as diversity, the advancement of women, and flexible working hours. Occupational health and safety, respect for human rights in the supply chain and mental health are part of our understanding of sustainability, too, and are firmly embedded in our sustainability strategy.

In 2025, we also continued to focus on a central guiding principle of the company. At Festo, we see ourselves as a community that takes responsibility for social issues. To consolidate this approach, in 2025 we introduced the option for all employees to use some working hours for volunteering projects. Several thousand employees took up the offer in the very first year. I was delighted to find out how many people were involved in campaigns to protect the environment or provide food for the needy, and how they used their expertise to set up lessons to teach young people technology. My heartfelt thanks go to our employees for their commitment!

Dear Readers, I invite you to explore the following pages to find out how we practiced sustainability in 2025, and how we continued to work on further reducing our own environmental footprint as well as that of our customers. In the coming years, digitalization, artificial intelligence, biologization, and the circular economy will open up new opportunities for more sustainable automation technology. We are determined to play a key role in driving these developments forward.

Wishing you an inspiring read.

Dipl.-Ing. (FH) Thomas Böck
Chairman of the Management Board Festo SE & Co. KG

Festo at a glance

Festo stands for clear values, the highest quality, and customer-oriented innovations. We make a contribution to sustainable environmental, economic and social development through industrial automation technology and technical training. As a family-owned company, we think and act responsibly and with a long-term perspective.


In the 2025 financial year, the Festo Group achieved sales revenues of 3.33 billion euros and employed around 20,600 people. The company is represented by sales offices and distribution partners in a total of 176 countries worldwide. Festo invested 9.5 percent of its sales revenue in research and development.

The Festo Group is divided into the Automation and Didactic business divisions. Important industry segments include the automotive and tier-1 supplier industry, food processing and packaging, machine tools, intralogistics, the electronics industry, biotech, the pharmaceutical industry and cosmetics, the chemical industry and water technology as well as the increasingly important medical technology and laboratory automation (life science) and green hydrogen production. Festo also supports all automated process steps in the electromobility sector, from battery manufacturing to the production of electric vehicles and battery recycling.

As a partner for industrial motion, Festo offers pneumatic and electric automation that is fully integrated and networked, including suitable software and AI solutions as well as the appropriate training concepts. We call this "Seamless Automation." The focus is always on the most efficient and productive solution for motion tasks in industrial production. Our extensive expertise allows us to offer technology-neutral advice, thus opening the door to smart innovations and maximum CO₂ savings. And training is just as important as technology. Sustainability and the climate-friendly transformation of production are becoming the most important tasks along the entire value chain.



20,608
employees worldwide

EUR 3.33 billion 
total revenue in 2025

Total sales by region in percent	2023	2024	2025
Europe/Middle East	59 %	58 %	58 %
Asia	23 %	23 %	23 %
Americas	18 %	19 %	19 %



60
Companies

Production sites: 14 global production centers
Sales offices and distribution partners: in 176 countries

EUR 316 million
in research and development services 

The Automation business division

As an automation partner, it is our aspiration to enable the production of almost everything that we operate, move, and consume in our everyday lives. The Automation business division offers a wide range of solutions for factory and process automation. It comprises the development, manufacture, and sale of pneumatic and electric components, technical systems, and services. It also includes consulting expertise for automation tasks. Energy and resource efficiency along with the humanization of work are additional important competitive factors in all industry segments.

The Didactic business division

The activities of the Didactic division focus on technical basic and further training. As an international partner to training institutions, governments, government agencies, and businesses, we design and create Festo Didactic training centers and labs, as well as training systems and training programs addressing all aspects of automation technology worldwide. These systematically prepare people for working in dynamic and complex environments.

Festo Didactic celebrated its 60th anniversary in 2025. The range of courses is continuously adapted to the current requirements of industry and business and includes topics such as digitalization, AI, and energy efficiency.



In 2025, Festo revised its sustainability strategy.

Sustainability Strategy

As a family business focused on the long term, taking responsibility for current and future generations has been part of our identity from the very beginning. For us, sustainability includes environmental, social and corporate governance (ESG) and is a prerequisite for long-term economic success.

2025 was the start of a new strategic period for our corporate strategy. We have also set two specific sustainability targets for this strategy:

First, by 2030 we want to reduce our Scope 3 emissions from the upstream value chain and the use of our products by 25 percent compared to 2022. This target has already been validated by the Science Based Targets initiative (SBTi) in 2025.

Second, we want to further promote diversity within Festo and, in particular, increase the proportion of women in management positions.

By integrating these specific sustainability goals into our corporate strategy, we want to make it clear both internally and externally that sustainability is an integral part of our corporate strategy.

In addition to the corporate strategy, Festo has its own sustainability strategy. We fundamentally revised this sustainability strategy in 2025. The starting point was our CSRD-compliant materiality analysis, which we used to formulate five ESG strategy areas. We then defined specific targets for each strategic area, which were adopted at the end of 2025.

The new sustainability strategy will be implemented company-wide from 2026 onward.



» The CSRD allows us to align our sustainability strategy with a clear framework that enables us to measure

our progress. This makes sustainability in industrial environments a driver of our company's development. «

Marcus Stemler,
Head of Corporate Sustainability at Festo

Marcus Stemler and his Corporate Sustainability division are responsible for sustainability management for the Festo Group. The focus is on both corporate responsibility and positioning Festo as a long-term strategic partner for customers. The division is responsible for strategic planning and reporting, it minimizes risks by coordinating sustainability compliance, and oversees the operational management systems worldwide.

Environment

Climate Protection and Resource Efficiency

Environmental and climate protection, as well as the efficient use of energy and resources, are central tasks of our time. These topics are a fundamental part of our corporate and sustainability strategies. Our focus is on reducing greenhouse gas (GHG) emissions, both for our customers and for ourselves.

To achieve this goal, we have set ourselves clear climate targets, which were validated by the Science Based Targets initiative (SBTi) in 2025. The validation confirms that our goals are in line with climate research and shows in which areas we can make the greatest impact.

Our Corporate Carbon Footprint – the GHG emissions across all scopes – decreased by 1.7 percent in 2025 compared to the previous year. By 2050, we want to further reduce our GHG emissions towards “net zero.” In doing so, we are consistently following our route towards SBTi-compliant reduction and focusing on our own measurable emission reductions. We deliberately refrain from voluntary compensation.



Corporate Carbon Footprint (CCF)

Since 2022, Festo has been compiling a Corporate Carbon Footprint (CCF) as a greenhouse gas inventory for Scopes 1 to 3 according to the Greenhouse Gas (GHG) Protocol. The calculation is performed according to recognized methods and meets the requirements of the GHG Protocol. The CCF covers the majority of the greenhouse gas (GHG) emissions of the entire Festo Group, including all international sales companies.

Our GHG emissions from 2025 and the two preceding years can be found below. Overall, our CCF across all scopes and categories decreased by 1.7 percent in the reporting year compared to the previous year. In the future, we expect to be able to effectively reduce our GHG emissions towards “net zero.” We intend to achieve by creating a global transition plan for our infrastructure, among other things.

We are also already taking an internal CO₂ price into account when making certain decisions and are currently developing a concept for a more comprehensive, systematic control system.

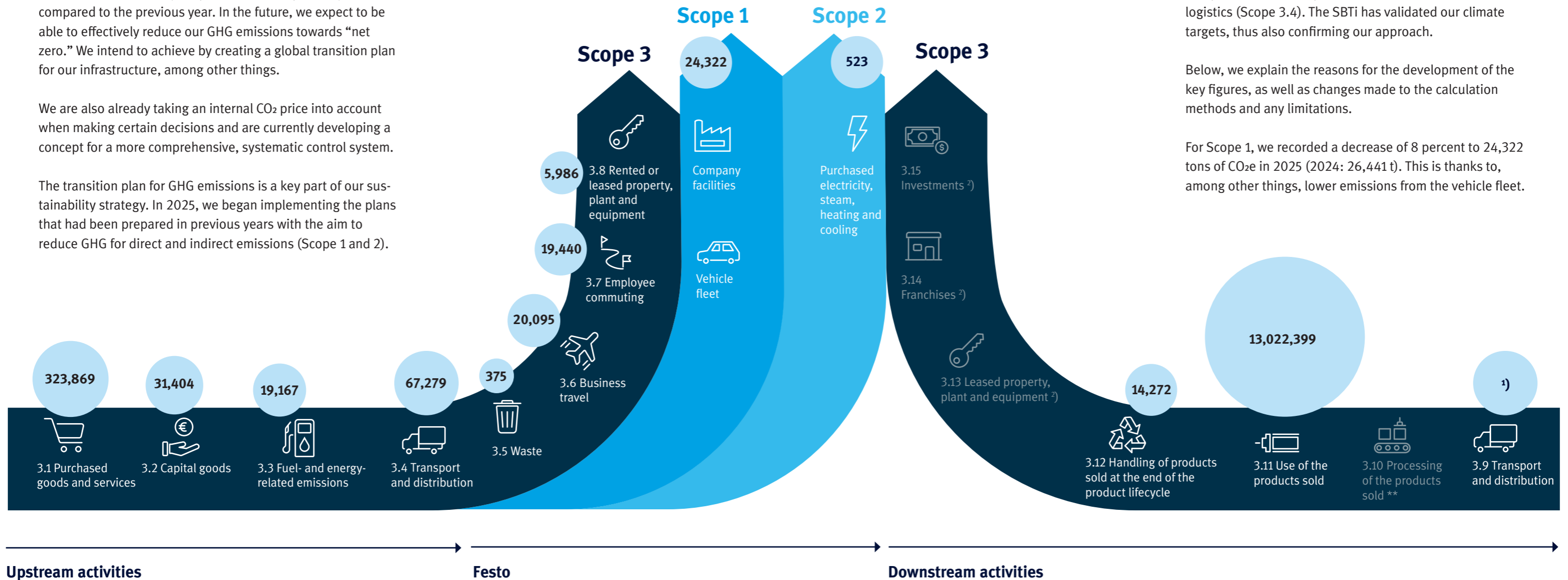
The transition plan for GHG emissions is a key part of our sustainability strategy. In 2025, we began implementing the plans that had been prepared in previous years with the aim to reduce GHG for direct and indirect emissions (Scope 1 and 2).

The introduction of an energy management system according to ISO 50001 at our production and logistics sites played an important role in this implementation.

For Scope 3 emissions, we are focusing our activities on the emissions that are generated through the use of the products sold (Scope 3.11). They account for more than 95 percent of our total GHG emissions. Furthermore, we will concentrate on other indirect emissions that are generation during the production of purchased goods and services (Scope 3.1), as well as procurement logistics and internal logistics (Scope 3.4). The SBTi has validated our climate targets, thus also confirming our approach.

Below, we explain the reasons for the development of the key figures, as well as changes made to the calculation methods and any limitations.

For Scope 1, we recorded a decrease of 8 percent to 24,322 tons of CO₂e in 2025 (2024: 26,441 t). This is thanks to, among other things, lower emissions from the vehicle fleet.



Greenhouse gas emissions 2025 (Scope 1, Scope 2 and Scope 3) in accordance with the GHG Protocol (in tons of CO₂e).

^{?)} 3.9 is excluded
^{?)} 3.10, 3.13, 3.14 and 3.15 = not relevant

Scope 2 emissions are reported using the market-based as well as the location-based method. The significant decline in recent years can be explained in the main by our decision to have all locations obtain certificates of origin for electricity from renewable energies. The remaining GHG emissions in Scope 2 are the result of purchasing district heating at several international sites.

Within Scope 3, categories 3.1 (purchased goods and services) and 3.2 (capital goods) are partially calculated based on the associated costs using expenditure-related emission factors.

Scopes 3.1 and 3.2 together account for 355,273 tonnes of CO₂e and showed a slight downward trend (2024: 361,080 t). Fuel and energy-related emissions (Scope 3.3) decreased by approximately 25 percent to 19,167 tons of CO₂e (2024: 25,692 t). This development is the result of lower emission factors compared to the previous year, especially the reduced emission factors of the International Energy Agency (IEA).

	2023	2024	2025
Scope 1 ¹⁾	25,820	26,441	24,322
Scope 2, location-based	n.a.	n.a.	59,448
Scope 2, market-based ¹⁾	8,087	442 ²⁾	523
3.1 Purchased goods and services	352,401	340,420	323,869
3.2 Capital goods	19,879	20,660	31,404
3.3 Fuel- and energy-related emissions	23,343	25,692	19,167
3.4 Transport and distribution	83,243 ²⁾	77,953 ¹⁾	67,279
3.5 Waste ³⁾	382	387	375
3.6 Business travel	19,683	21,751	20,095
3.7 Employee commuting	18,982	19,201	19,440
3.8 Rented or leased property, plant and equipment ²⁾	5,454	4,905	5,986
3.11 Use of products sold	12,972,026	13,238,347	13,022,399
3.12 Handling of products sold at the end of the product lifecycle	13,097	13,536	14,272
Total ⁴⁾	13,542,397	13,788,340	13,549,131

Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3) in accordance with the GHG Protocol (in t CO₂e).

¹⁾ Time Period 10/2024 – 09/2025

²⁾ Adjusted compared to 2024 due to a revised calculation approach.

³⁾ Waste from headquarters and production locations is included. Waste from national subsidiaries (sales offices, etc.) is not included.

⁴⁾ 3.9 = excluded, 3.10, 3.13, 3.14 und 3.15 not relevant

Since 2024, global emissions data for services directly requested by Festo in procurement, intercompany and distribution logistics in the area of transport with logistics service providers (Scope 3.4) have been consolidated on a service provider platform. The data uploaded by the logistics partners is based on a uniformly defined CO₂e standard calculation method and data structure. Where this is not the case, the CO₂e data is calculated directly. The emissions generated by the procurement logistics requested by our suppliers, on the other hand, are determined using our own model, which we further developed in 2025. As a result, the value for 2024 was retrospectively corrected upwards by 953 tons of CO₂e. The combined Scope 3.4 emissions amounted to 67,279 tons of CO₂e in the reporting year (2024: 77,953 t). The decrease of around 14 percent was due to a reduced air freight volume and the overall reduced transport volume brought about by the economic situation.

GHG emissions generated by business travel (Scope 3.6) decreased by about 8 percent to 20,095 tons of CO₂e due to travel restrictions (2024: 21,751 t).

The vast majority of GHG emissions are still generated during the use phase of our products (Scope 3.11). This figure fell by around 2 percent in the reporting year compared to the previous year. We noticed opposite effects: Lower average emission factors reduced emission levels, which partially offset unit growth in countries with generally higher emission factors.

Measures for the use phase of our products

We are implementing practical measures that are designed to reduce energy and resource consumption in automation. We are continuously improving the sizing of pneumatics, and adapting tubing, cylinders and valves to the actual requirements in order to minimize compressed air losses and to reduce compressor requirements and operating costs.

In addition, Festo offers precise, easy-to-control electric automation. It is the application that determines the choice of the most efficient drive technology. With “Controlled Pneumatics,” intelligent controllers adjust the compressed air consumption in line with the situation and reduce wear. Air-saving circuits in vacuum-based applications reduce the requirements for air using specific valve sequences and air storage strategies.

Another important contributing factor is the use of electricity from renewable energy sources by our customers. Customers who can demonstrate that they only use electricity from renewable sources are excluded from the calculation of our GHG balance.

Reforming global electricity procurement and the compensation approach

Festo obtains certificates of origin that have been issued for electricity from wind and hydropower plants in the different electricity grid networks. By doing this, it is possible to take the environmental characteristics of the electricity generated (free of emissions) into consideration without the electricity physically coming from the same power plants.

The certificates of origin meet the requirements of the European green electricity label EKOenergy or those of the American green electricity label green-E.

Since 2025, we have stopped acquiring voluntary compensation certificates and instead invest in real emission reductions in line with the SBTi-Targets



Festo helps its customers achieve their CO₂e targets through its Energy Saving Services — the Compressed Air Energy Efficiency Audit and the Pneumatics Sustainability Check.

SBTi-Targets

For Festo, climate protection is not a short-term project, but part of our corporate responsibility and our aspiration to act by focusing on the long term and the future. We rely on scientific principles to reduce our greenhouse gas (GHG) emissions. Festo joined the “Science Based Targets initiative” (SBTi) in 2024. This means we have committed to reducing our GHG emissions in Scopes 1, 2 and 3 in line with the Paris Agreement. The ambitious climate targets of Festo were scientifically validated by the SBTi in 2025.

We regularly review our progress towards these goals, both internally and externally, as part of the SBTi.



Short-term goals until 2030

- Reducing absolute GHG emissions in Scope 1 and 2 by 64.3 percent compared to the base year of 2022
- Reducing absolute GHG emissions in Scope 3 by 25 percent compared to the base year of 2022

Long-term goal until 2040

- Reducing absolute GHG emissions in Scope 1 and 2 by 90 percent compared to the base year of 2022

Long-term goal until 2050

- Reducing absolute GHG emissions in Scope 3 by 90 percent compared to the base year of 2022

“Net Zero” target by 2050

- Net-zero GHG emissions along the entire value chain



» Science-based climate protection targets are the key component of our climate protection strategy in order to decisively meet the challenges posed by climate change. The SBTi target path forms the basis for practical measures for systematically preventing and reducing our greenhouse gas emissions. «

Markus Gaukel,
Corporate Sustainability Development at Festo

Sustainability at Our Locations

Energy and resource management plays a central role at all our locations worldwide. We document and report our methods, measures and key figures every year. Since October 2025 we have been using an adapted data collection method in preparation for the publication obligation under the Corporate Sustainability Reporting Directive (CSRD). The key figures presented below therefore apply to the period from October 2024 to September 2025. Unless otherwise stated, they refer to our production and logistics network, including corporate head office in Esslingen (Festo certification network).

Fossil fuel consumption and Scope 1 emissions

Energy consumption in the form of natural gas, heating oil, diesel and gasoline amounted to 62,320 megawatt hours in 2025 (2024: 77,206 MWh). According to the method adapted for 2025, greenhouse gas (GHG) emissions in Scope 1 amounted to 13,278 tonnes of CO₂e during the period under review.

Electricity and district heating consumption, as well as Scope 2 emissions

We source our electricity exclusively from renewable sources. During the calculation period, the electricity demand covered by the supply networks amounted to 132,815 MWh. This amount was about 2 percent higher than in the previous year (2024: 130,123 MWh). This increase is the result of including another location in the certification network and the expansion of existing locations. Two locations are heated using with district heating, In 2025, this resulted in GHG emissions of 402 tons of CO₂e. Further information on electricity procurement can also be found in the chapter [Corporate Carbon Footprint](#).

Expansion of renewable on-site power generation

Festo has been investing in generating its own electricity using photovoltaic (PV) systems since 2004. We commissioned new PV systems at three international locations in 2025. The total installed PV capacity of Festo was thus increased by 18 percent compared to the previous year; it totaled 18.4 megawatt peak in the calculation period (2024: 15.6 MWp).

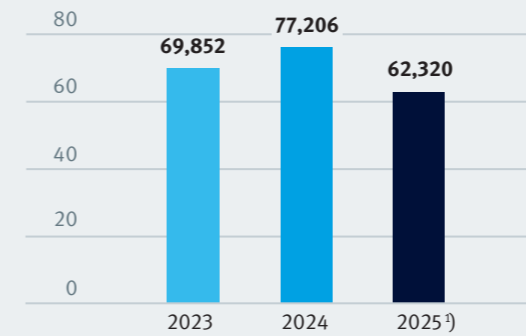
In 2025, all our PV systems globally generated a total of 20,300 megawatt hours of electricity.

In-house generation for the production and logistics network as well as corporate head office amounted to 14,756 megawatt hours in 2025.

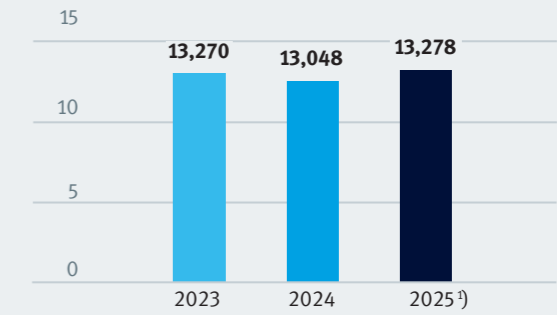
Total energy demand and sales-related GHG emissions

The total energy demand related to sales, including renewable in-house generated electricity was 62.3 megawatt hours per million euros (2024: 60.1 MWh/million EUR), an increase of 3.7 percent compared to the previous year.

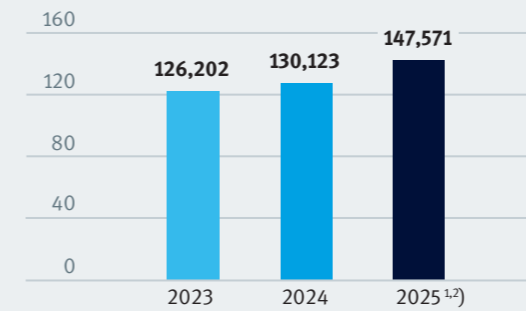
Sales-related GHG emissions for Scopes 1 and 2 increased by 7.4 percent year-on-year to 4.1 tons of CO₂e per million euros in revenue (2024: 3.8 t CO₂e/million EUR in revenue). This can be attributed, among other things, to the decision not to issue voluntary compensation certificates.



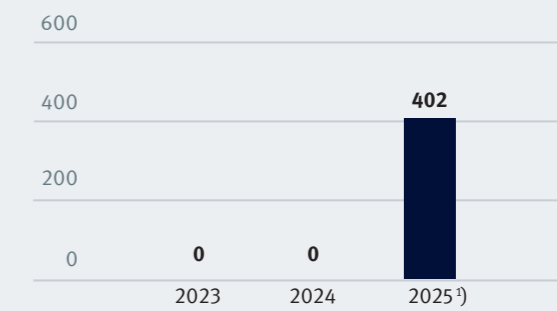
Primary energy (heating oil, diesel, gas, MWh)



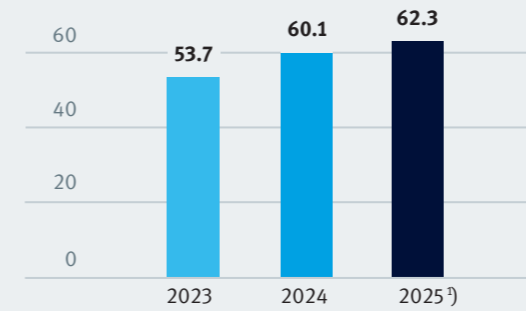
Direct greenhouse gas emissions (Scope 1, t CO₂e)



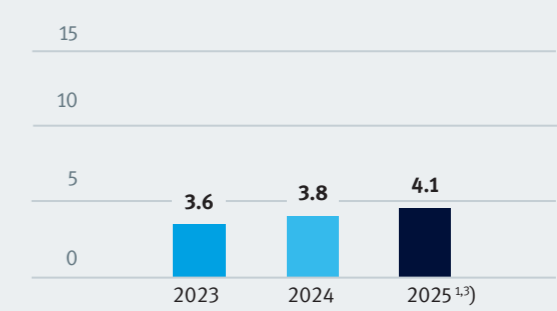
Final energy (electricity, district heating, MWh)



Indirect energy-related greenhouse gas emissions (Scope 2, t CO₂e)



Energy consumption in relation to sales (MWh/million €)



Greenhouse gas emissions (Scope 1 und Scope 2), in relation to sales (t CO₂e/million €)

¹⁾ Time Period 10/2024 – 09/2025

²⁾ From 2025, including self-generated electricity from PV from the sites of the production and logistics network.

³⁾ Due to the emissions caused by district heating consumption that are no longer compensated.

Controlling and managing energy

All our sites, with the exception of three smaller factories, and our corporate head office are equipped with energy monitoring systems. They allow us to monitor energy consumption, identify the causes of excessive consumption, and to quickly identify corrective measures. Since 2024, we have been implementing an energy management system according to ISO 50001 at all production and logistics sites. Our German factories have been ISO 50001 certified since 2025. The international rollout of the energy management processes proceeded as planned in the reporting year.

Environmental compliance

Festo did not commit any serious violations of environmental law during the reporting period. However, we cannot rule out the possibility that individual fines were imposed for minor violations of regulations (e.g., for the transport of dangerous goods).

Waste KPIs and transport of waste

We aim to avoid creating waste or we recycle it at all sites. Between October 2024 and September 2025 the amount of waste decreased by 3.1 percent to 12,344 compared to the previous year (2024: 12,733 t). Approximately 84 percent of the total amount was non-hazardous waste, and around 16 percent was hazardous waste. The recycling/recovery rate for all waste categories is nearly 93 percent.

Optimized packaging concept

We also optimized our packaging concept in 2025 so that it consumes fewer resources. For example, we replaced disposable pallets/cardboard containers with reusable transport boxes. In delivery logistics, Festo uses stretch film with a lower material thickness and a recycled content of 35 percent (post-consumer recycled material made from processed household plastic waste).

We are continuing to work on increasing the proportion of packaging made from renewable materials such as wood, paper, cardboard and corrugated cardboard. In addition, Festo intends to use only packaging with good material properties and that can be recycled to a high degree.

During 2025, the proportion of packaging made from renewable materials in our largest distribution warehouse was over 97 percent of the weight of all packaging materials. It is also our goal to limit the amount of packaging used for our shipping volume. For Germany, this figure was slightly more than 20 percent during the period under review. And by providing user documents online instead of in print, we can save over 170 tons of paper annually.

Water consumption and wastewater

Festo relies on effective water management to ensure its operations are as resource-efficient as possible. Between October 2024 and September 2025, the total water consumption at Festo was 315,630 cubic meters — slightly higher than in 2024 (303,579 m³).

Groundwater extraction has increased, mainly due to the opening of a new factory in India, which covers a large part of its water needs from groundwater. The largest shares of total water consumption were for production (30.0 %) and sanitary facilities (33.4 %). Refrigeration using evaporative cooling systems accounted for 19.4 percent, the remainder was attributable to processes such as irrigation and canteen operations.

Being sustainable together: suggestions from employees

Festo directly involves its employees in the further development of the company. Every year they can submit proposals for the internal “Continuous Improvement World Cup,” for example, on sustainability issues that are relevant for their locations. An internal, global panel of judges consisting of factory managers and experts determines the best ideas. So far, the sustainability-related initiatives have mainly focused on suggestions for improving energy and resource efficiency. These have ranged from reusable garbage bags and reducing the use of packaging film to recycling aluminum ash from our die-casting furnaces.

Nonhazardous and hazardous waste

According to disposal procedure	2023	2024	2025 ¹⁾
Nonhazardous recycling	10,003 t	9,879 t	9,751 t
Nonhazardous disposal	522 t	611 t	596 t
Hazardous recycling	1,666 t	1,890 t	1,702 t
Hazardous disposal	352 t	353 t	295 t
Total	12,543 t	12,733 t	12,344 t

¹⁾ Time Period 10/2024 – 09/2025

Water discharge and water withdrawal

Water discharge by quality and destination	2023	2024	2025 ¹⁾
Production wastewater	73,737 m ³	80,336 m ³	82,185 m ³
Sanitary wastewater	82,846 m ³	90,243 m ³	100,386 m ³
Cooling generation, including air conditioning	19,277 m ³	20,011 m ³	21,480 m ³
Other	18,182 m ³	25,912 m ³	27,650 m ³
Total	194,042 m³	216,502 m³	231,701 m³
Water withdrawal by source: public water supply and groundwater withdrawal			
Groundwater	5,971 m ³	6,916 m ³	15,233 m ³
Public water withdrawal	271,824 m ³	296,663 m ³	300,397 m ³
Total	277,795 m³	303,579 m³	315,630 m³

¹⁾ Time Period 10/2024 – 09/2025

Material use in Our Products and the Product Carbon Footprint (PCF)

Material use and the Product Carbon Footprint

The Product Carbon Footprint (PCF) indicates how many greenhouse gas (GHG) emissions are produced throughout the entire life cycle of a product and where effective savings potential lies.

PCF: From cradle to grate

The PCF accounts for all GHG emissions generated during the manufacturing phase for materials, energy and transport from cradle to grate. We assess the use phase separately, as the emissions generated during this phase can vary depending on the product's area of application.

The PCF calculation method is currently being further developed. By using a more precise calculation method to represent the PCF in detail, down to the level of the part number, we want to provide our customers with greater data quality.

Our goal is to gather this data for our entire product portfolio.

Festo CO₂e: A practical tool for our customers

We initially developed Festo CO₂e as a temporary solution with a simplified calculation method. This figure represents all the GHG emissions that are generated during the production process of a product. With the Festo CO₂e, our customers can estimate what the share of Festo components in the CO₂e footprint of their machines is. This practical tool can therefore help customers calculate their Corporate Carbon Footprint (CCF).

Sustainable product development

Developing products right from the start with the lowest possible emissions is also part of our corporate strategy. Based on internal guidelines, we adhere to the following principles:

- Product designs that save CO₂e
- Designs that save materials and selecting materials to save CO₂e (e.g., recycled materials)
- Maximum service life thanks to ease of repair and maintenance
- Integrating CO₂e reduction targets in the product development process
- Avoiding critical and environmentally harmful ingredients

Further information can be found at:
www.festo.com/material-compliance



The reprocessing of aluminium briquettes offers great savings potential.



At Festo Experience Centres around the world, customers and Festo experts are breaking new ground by developing joint innovative solutions using the latest technologies.

Use of the Products Sold

When it comes to climate protection, we at Festo focus in particular on reducing our Corporate Carbon Footprint (CCF). The largest share of the CCF is attributable to greenhouse gas (GHG) emissions generated by customers when using our products. In 2025, we continued to work on making Festo products as energy-efficiently to operate as possible in customer applications, thus keeping their GHG emissions as low as possible.

Focus: GHG emissions during the use phase

In 2024, we primarily analyzed and evaluated our measures to reduce the Product Carbon Footprint (PCF) of our products in the manufacturing and use phases. Based on the results, in 2025 the Science Based Targets initiative (SBTi) validated our target to reduce Scope 3 emissions. The target also includes emissions generated during the use phase. Information about the SBTi validation and our climate targets can be found in the chapter “Sustainability Strategy” and in the section [SBTi-Targets](#).

Energy-efficient automation

We support our customers in designing their systems to be economical and energy efficient. To achieve this, we offer various technologies and consulting services. A key factor for energy efficiency is the choice of drive technology. Depending on the application, pneumatic, electric or hybrid solutions may be best. Correctly sized components and pressure settings play a major role, especially in pneumatic systems. In addition, modern control technologies can help to further reduce energy consumption.

We also provide our customers with digital tools that help them calculate and visualize energy savings and GHG emissions. That enables them to compare costs and environmental impacts across the entire product life cycle. Our support includes:

- **Information sources in the Festo Experience Centers** on energy-efficient automation
- **Training courses and workshops** from Festo Didactic to raise awareness of sustainable technologies
- **Comparative calculations** of the total cost of ownership and GHG emissions for pneumatic and electric drive systems
- **PCFs** for the relevant customer application on request
- **Energy efficiency audits** to analyze and optimize production facilities with Festo Energy Saving Services

Excerpt of our products for reducing GHG

The products we offer fall into three categories depending on how their design and functionality help reduce GHG emissions:

- **More sustainable in production:** Cylinders like ADN-S, DSNU-S and DGRC save up to 60 percent on materials and CO_{2e} in production.

- **More sustainable in operation:** Intelligent technologies such as the energy efficiency module MSE6 and the vacuum generator OVEM reduce the compressed air consumption by up to 90 percent compared to previous technologies and also improve cycle times. The new solution Smart Switching Lite saves energy. Thanks to a novel valve for our valve manifold VTUX, the supply air is already switched off during the movement. This results in air savings of 60 percent while simultaneously improving cycle times by 40 percent.

- **More sustainable at the end of the use phase:** Resource-efficient build methods as well as repair and recycling concepts allow products to be reused and disposed of correctly.

Optimizing compressed air efficiency

Our Festo Energy Saving Services help companies improve their compressed air usage. Certified experts conduct compressed air energy efficiency audits according to DIN EN ISO 11011 by analyzing compressed air generation, the pipeline network, and the end consumers. Potential savings are documented and prioritized, enabling companies to implement specific measures.

Energy Saving Services Portal

Festo offers customers a web-based portal to support the efficient implementation of energy-saving measures. Customers can digitally manage their audit results and savings potential on this platform, as well as document leakages and optimization measures, calculate CO_{2e} savings and monitor the status of their improvements in real time. Companies that wish to carry out their own inspections can purchase a license for the portal and manage their own audits. In addition, we offer workshops in which we show customers how they can identify and utilize energy-saving potential in their own systems.

You can find more information about our sustainable solutions at:
www.festo.com/energyefficiency

Resources

At Festo, regional procurement and processes aligned with the circular economy form the core of our resource management. The goal is to use materials as efficiently as possible and to maintain stable, future-proof supply chains.

Circular economy-oriented procurement

For our company and our impact on the environment and people, it is crucial where we source our manufacturing materials from and with what specific material properties. In 2025, Festo purchased a total of 26,672 tons of raw materials. Plastics, aluminum and (stainless) steel are some of the most important materials in our production. Since resources are finite and their extraction pollutes the environment, it is important to develop comprehensive concepts to reduce material consumption. That is why we rely on, for example, methods based on the circular economy.

One main focal point is aluminum. Because bauxite, the raw material for aluminum production, is a critical raw material that has significant environmental impacts. One approach is to increasingly replace primary aluminum with secondary aluminum. Festo achieved a secondary aluminum content of 78.1 percent in 2025.

In Hungary, we go one step further. There, aluminum waste is melted down directly to produce the raw materials needed, thus bypassing various intermediate steps. We are currently testing the feasibility of using this technology at German sites.

Regional distribution of the purchasing volume

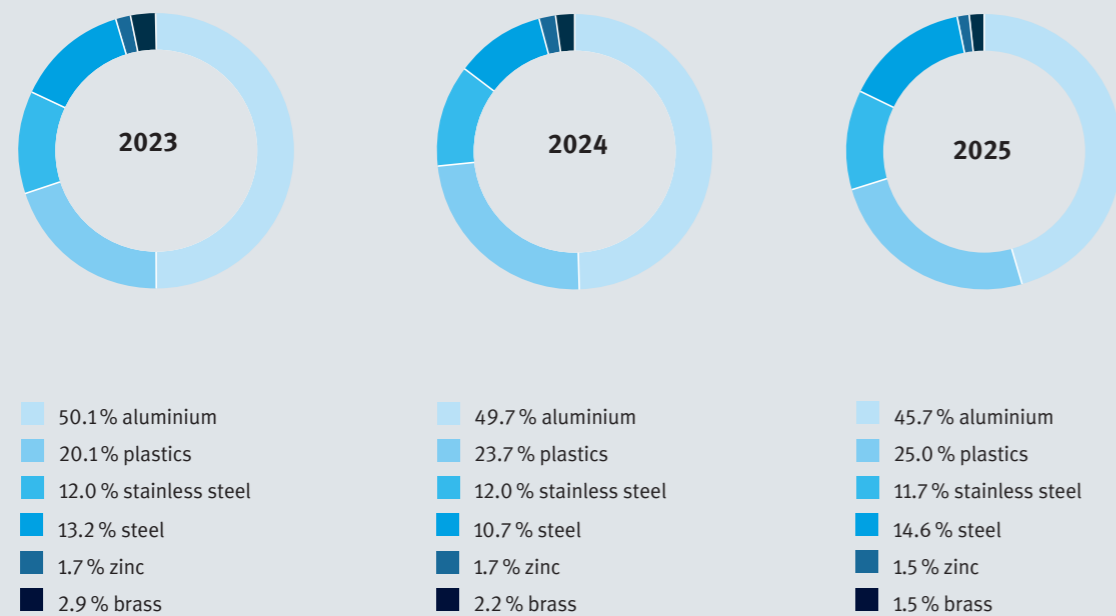
The direct and indirect purchasing volume (production materials and non-production materials) of Festo continued to decline slightly from EUR 1.536 billion (2024) to EUR 1.519 billion (2025). This is partly due to the economic situation.

The non-production materials apply to all production sites (Festo Global Production Centers, GPCs for short) and the sales companies. The production materials are relevant for all production sites. Festo is constantly expanding its global supplier network, consisting of both local and non-local suppliers. By “local” we mean procurement within the region of a particular Festo national company.

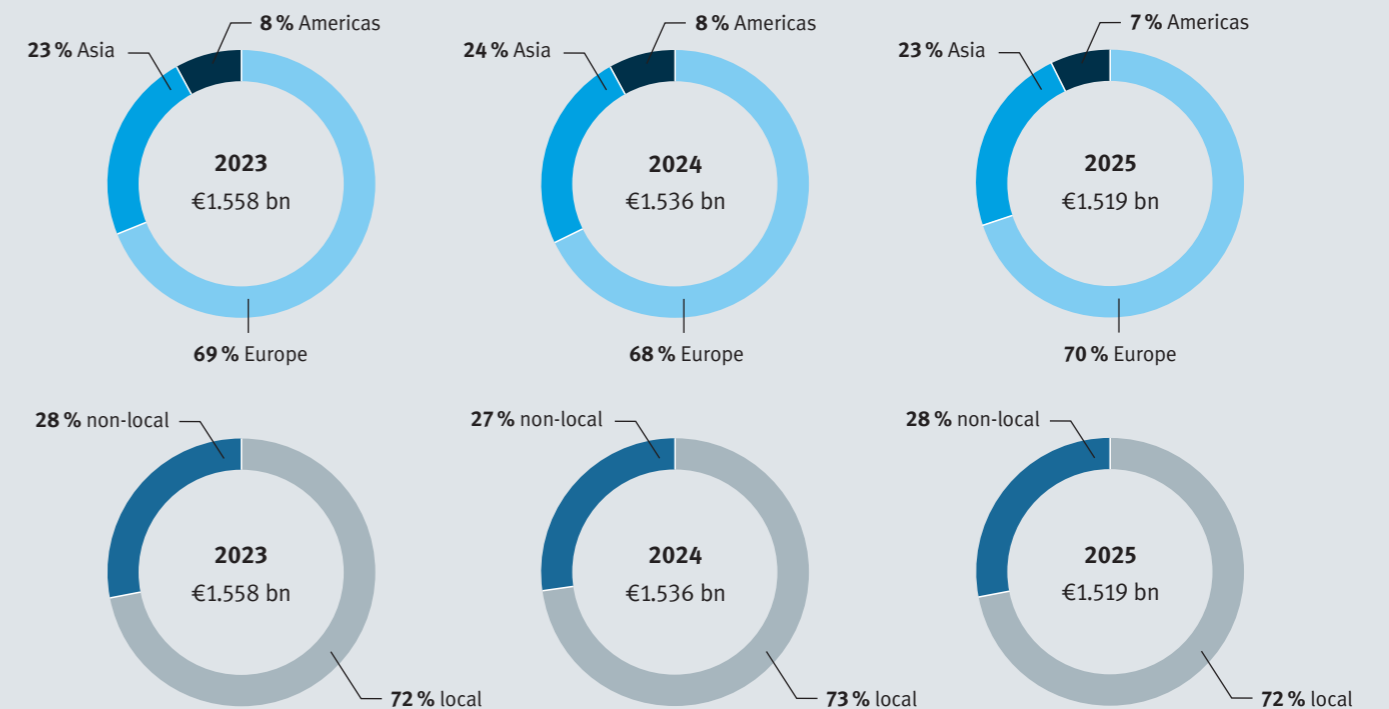
The number of local suppliers fell slightly in 2025, compared to the previous year.

We continued to pursue the “local for local” strategy in 2025 in order to reduce, among other things, delivery times and improve flexibility throughout the supply chain and transportation routes. The objective is to continue to increase procurement of goods in those countries and regions where production also takes place.

The graphs below show the regional distribution of the direct and indirect purchasing volume of the Festo Group as well as the proportion of local and non-local suppliers.



Distribution of the purchase volume by material.



Regional distribution of the direct and indirect purchasing volume of the Festo Group.

Social People at Festo

Festo is the work of many hands. We owe our international success to the dedication and innovative strength of the people who work for us. The working environment we offer is characterized by positive, safe, and non-discriminatory collaboration based on trust and diversity. A core part of our corporate culture is lifelong learning, focused in particular on artificial intelligence and digital technologies, to ensure that employees are well qualified for future tasks. We also offer employees flexible working hours to help them achieve a good work-life balance.

The standards we set for occupational health and safety are high, with an emphasis on early prevention. Last but not least, we are committed to protecting human rights and thus also oblige our business partners to comply with social and environmental standards.



Employee Development

Having dedicated, qualified, and adaptable employees is one of the prerequisites for Festo to ensure its business success. That is why we strive to attract, retain, and develop the best employees.

In 2025, the Festo Group had a total of 20,608 employees worldwide. This figure includes the total workforce including trainees, interns, students, and temporary employees.

Employees by region

	2023	2024	2025
Total number of employees	20,545	20,596	20,608
Africa	104	114	108
Americas	2,376	2,386	2,332
Asia	3,762	3,900	3,985
Australia	78	76	75
Europe, excluding Germany	5,878	5,891	5,920
Germany	8,347	8,229	8,188

Employees and management bodies by age and gender

	2023	2024	2025		2023	2024	2025
Total number of employees	20,068	20,092	20,032	Total management bodies	1,171	1,172	1,170
Employees by gender				Management bodies by gender			
Male	70 %	70 %	70 %	Male	89 %	88 %	88 %
Female	30 %	30 %	30 %	Female	11 %	12 %	12 %
Employees by age				Governance bodies by age			
< 29 years	13 %	13 %	13 %	< 29 years	0 %	0 %	0 %
30 – 49 years	57 %	57 %	58 %	30 – 49 years	48 %	47 %	47 %
> 50 years	29 %	29 %	30 %	> 50 years	52 %	53 %	53 %

Permanent and temporary employment relationships

The total number of permanent and temporary employment relationships can be found in the table below. In addition, there are activities that were carried out by trainees, interns, and students that do not fall under either of these two categories. The number of these people has been rising since 2024 and totaled 576 in 2025.

New employees and staff turnover

Both the total number of new employees and the staff turnover by gender, age group, and region are shown below. Staff turnover has been falling since 2023.

Employment relationships by gender and region

	2023	2024	2025		2023	2024	2025
Permanent and temporary employees	20,068	20,092	20,032				
Permanent by gender				Temporary by gender			
Male	65 %	65 %	66 %	Male	5 %	5 %	4 %
Female	27 %	28 %	28 %	Female	3 %	2 %	2 %
Permanent by region				Temporary by region			
Total	18,404	18,696	18,749	Total	1,658	1,396	1,283
Africa	99	106	100	Africa	0	0	0
Americas	2,344	2,356	2,309	Americas	6	8	10
Asia	2,627	2,865	3,037	Asia	1,116	999	914
Australia	73	74	74	Australia	5	2	1
Germany	7,768	7,694	7,678	Germany	287	249	214
Europe, excluding Germany	5,493	5,601	5,551	Europe, excluding Germany	244	138	144

The percentages are rounding values.

New employees and staff turnover

	2023	2024	2025		2023	2024	2025
Total hires	1,934	1,834	1,469	Total departures	2,342	1,950	1,608
New entries by gender				Departures by gender			
Male	64 %	68 %	69 %	Male	66 %	67 %	68 %
Female	36 %	32 %	30 %	Female	34 %	33 %	32 %
Other	0 %	0 %	1 %	Other	0 %	0 %	0 %
New entries by age				Departures by age			
< 29 years	44 %	46 %	44 %	< 29 years	27 %	31 %	27 %
30 – 49 years	49 %	46 %	49 %	30 – 49 years	46 %	45 %	44 %
> 50 years	7 %	8 %	7 %	> 50 years	26 %	24 %	28 %
New entries by region				Departures by region			
Africa	1 %	1 %	0 %	Africa	1 %	0 %	0 %
Americas	15 %	15 %	14 %	Americas	14 %	14 %	15 %
Asia	25 %	22 %	22 %	Asia	15 %	17 %	19 %
Australia	1 %	1 %	0 %	Australia	1 %	1 %	0 %
Germany	19 %	22 %	22 %	Germany	28 %	30 %	26 %
Europe, excluding Germany	39 %	38 %	41 %	Europe, excluding Germany	41 %	37 %	40 %

Festo as an Employer



» The people at Festo have been shaping technological progress for over 100 years. We not only want to be an attractive employer for our employees, but also a reliable partner for their professional and personal development. That is why we have created an environment in which diversity is practiced and joint action is promoted. «

Eva Maria Nagel,
Head of HR Operations and Systems at Festo

Festo as an employer

Our aim is to attract new talent and offer existing employees an attractive working environment. Our corporate culture at Festo is central to this goal: it lays the foundation for respectful cooperation, lifelong learning, and growth for all within the company. We are continuously developing this culture using specific measures and programs. Mobile working, a modern digital infrastructure, and innovative collaborative space concepts give our employees the opportunity to organize their work individually and independently. We take into account the needs in different phases of life and offer flexible working hours such as part-time work, parental leave or carer's leave, which in some countries goes beyond legal requirements. This is how we support the work/life balance and promote a future-oriented and modern way of working.

Remuneration and benefits

In addition to fair overall remuneration, Festo offers attractive benefits to all employees in Germany, whether they are in full-time or part-time employment. The offer ranges from the company pension scheme, company health promotion and various training courses to after-work activities for everyone. The benefits are an expression of our appreciation and are a key part of our corporate culture. We have grouped them in the Festo Benefits Framework under the motto "Be.Well Do.Well." This framework is intended to provide greater transparency and further boost our attractiveness as an employer.

You can find an overview of our offer on page 33 in the [Sustainability Report 2024](#).



Corporate Citizenship

Taking responsibility for each other, for the environment, for future generations is how community has been interpreted at Festo for many years. The Corporate Citizenship Program demonstrates our commitment worldwide. On the occasion of the 100th anniversary of Festo in 2025, we supported 100 global organizations with donations for projects in the areas of education, environmental and climate protection, and support in difficult life situations.

We also give all employees worldwide the opportunity to get involved in social or environmental projects. Festo therefore gives employees time off during working hours and promotes personal responsibility, personal commitment and team building. In 2025, several thousand employees worldwide were involved in projects relating to the United Nations Sustainable Development Goals, for example, in waste collection campaigns, distributing food, or giving lessons in technology to young people.



Festo employees with a bionics learning kit at the "Aldeas Infantiles SOS México" charity's Technology Day in Mexico City.

Diversity

Diversity as a success factor

At Festo, people from 98 nations work together, with different backgrounds and perspectives. We see this diversity as an important success factor for innovation. It helps us overcome barriers, gain new perspectives and develop innovative solutions together. When collaborating in transnational teams, we value different working and communication styles, and we create an inclusive working environment that promotes employee satisfaction and attracts and retains talent worldwide. To underline our commitment to diversity, equal opportunities and inclusion, we included measures to promote “Diversity, Equity & Inclusion” (DE&I) in our corporate strategy at the beginning of 2025.

Countering discrimination

Festo is committed to a non-discriminatory environment. All employees should be given fair opportunities, regardless of age, ethnic origin and nationality, gender and

gender identity, physical and mental abilities, religion, beliefs and worldview, sexual orientation and social background. We encourage our employees to address and report discrimination at an early stage. In Germany, for example, they have access to a dedicated complaints office, while internationally employees can use our whistleblower portal. In 2025, two violations of the General Equal Treatment Act (AGG) were reported, investigated and concluded in Germany.

Promoting inclusion

For us, the inclusion of people with severe disabilities and people treated as such is not only a legal obligation, but also a social responsibility. We want to promote physical and digital accessibility and provide an environment that takes individual needs into account. This claim is reflected in the Code of Conduct of the Festo Group. In the reporting year, we conducted a survey among employees with disabilities and published key messages

on a campaign day. On the International Day of People with Disabilities, the representative body for severely disabled employees also organized an obstacle course at two Esslingen sites to further raise awareness of inclusion among the workforce and create a greater understanding of disabilities.

Women at Festo

We continued our “Female Empowerment Program” in 2025. It supports female managers and women with great potential with a structured development process, coaching, and an alumni network. The regional mentoring program launched in 2024 also continued in the reporting year. The initiative was launched by four companies in the vicinity of our headquarters in Esslingen and is aimed at women in middle management positions. In 2025, Festo also joined a nationwide, cross-company mentoring program that has the same goal. In addition to these programs, Festo is working on further improving the general conditions for female employees, for example, with flexible working time models and additional mentoring opportunities.

Creating awareness

Knowledge is an important catalyst for unlocking the potential of diversity. We have carried out the following activities, among others:

- In various workshops for managers and all employees, we discussed how gender-cultural differences – i.e., those resulting from gender roles and cultural expectations – shape the way we work together.
- To mark Diversity Day, we published a video in Germany that provides a clear explanation of DE&I.
- As part of our Global Learning Week, we organized a panel discussion to highlight the benefits of diverse perspectives and interviewed managers who lead particularly diverse teams.

Benefiting from diversity

DE&I is an important part of being an attractive employer for Festo. In the reporting year, we continued to develop our HR recruitment processes, talent management and employer branding in order to make diversity even more visible and further promote equal opportunities for individual growth. A new “Female Landing Page” highlights our actions aimed at promoting women; one example being a scholarship for women studying for a Master’s degree in engineering. We have also introduced the “Moment of Diversity” as part of our Talent Management program, with talent conferences during which nominated talents are discussed and confirmed. The “Moment of Diversity” is intended to help prevent people from being unconsciously excluded from talent nominations (due to aspects such as language, pregnancy, age, gender or part-time work), thus making it possible for them to be nominated subsequently. We have increasingly advertised part-time positions during the recruitment process in order to appeal to more people.

In addition, a survey of our national companies has given us a comprehensive insight into global diversity activities. We now want to share best practices internationally. The first meeting of the Festo global diversity community took place at the end of 2025.

Employee networks: promoting exchange

There are various networks available for employees to exchange ideas. These include the LGBTQIA+ network (Lesbian, Gay, Bisexual, Transsexual/Transgender, Queer, Intersexual and Asexual) and Proud@Festo, where LGBTQIA+ people and employees can network and support the visibility of diverse people and lifestyles, and advocate a tolerant coexistence. There is also a network of women for women, Women@Festo. One of its aims is to promote professional and interdisciplinary exchange and allow potential talents to be more visible. You can find more information on DE&I at Festo under [Diversity on our website](#).



The “Female Empowerment Program” supports women at Festo with their career planning.



Since 2025, Festo has offered the Biomechatronics degree program.

Basic and Further Training

Education

At Festo, we attach great importance to providing our trainees and students with the knowledge and skills that are crucial for the future success of the manufacturing industry. The focus is primarily on digitalization and sustainability, also in combination with each other. Digital technologies can lead to more efficient processes and therefore be a key factor in the transformation of industry. Our aim is to prepare junior employees specifically for an increasingly virtual and networked working world that prioritizes energy- and resource-saving practices. This is how we, as a company and as an employer, want to remain competitive in the long term.

Varied training program

We continuously invest in the training of future specialists worldwide and offer over 15 apprenticeships and study options, from commercial areas to technical topics and IT specializations. In 2025, we provided 11.8 million euros precisely for this purpose. In Germany, we generally take on graduates on a permanent basis and thus

aim to retain skilled workers in the long term. We are continuously developing our training and study programs. For example, at our headquarters in Esslingen we launched a cooperative degree course in biomechatronics with Reutlingen University in 2025.

We also provide stimulus for the topic of future technologies. In 2025, the third year of the “Artificial Intelligence and Machine Learning” course was successfully completed. This additional qualification from the Chamber of Industry and Commerce (CIC) deals with the opportunities, challenges and ethical issues surrounding AI and teaches basic knowledge about data analysis and machine learning.

Apprentices worldwide

In 2025, Festo trained 452 young people all over the globe. Following a decline in 2024, the number of trainees rose again in the reporting year.

Further training

As an independent, family-owned company, Festo thinks and acts responsibly and with a long-term perspective. The philosophy of lifelong learning is an important part of our corporate culture. We want to give our employees the opportunity to develop their skills and prepare for future requirements by providing numerous training opportunities such as courses on our central learning platform, expert talks, and management training.

Learning focus 2025: digital transformation

In 2025, the focus of our training courses was on digital transformation. We used different formats to address digital change and shared growth. Participants were able to find out more about digital skills, collaborative learning and innovative technologies such as electric automation or artificial intelligence (AI) by attending lectures, taking part in practical workshops, having conversations with start-ups and exchanging ideas with each other. The main event was our “Learning Week 2025,” which was totally dedicated to the topic of digitalization. It offered more than 2,500 participants a platform for exchange, fresh ideas and real-life approaches for transferring what they had learned directly to their day-to-day work. As part of the “Festo Spring School,” we also created a specialist training program specifically for employees from software development and electrical automation. More than 65 participants took the opportunity to develop their skills and make global contacts.

How much our learning opportunities are used

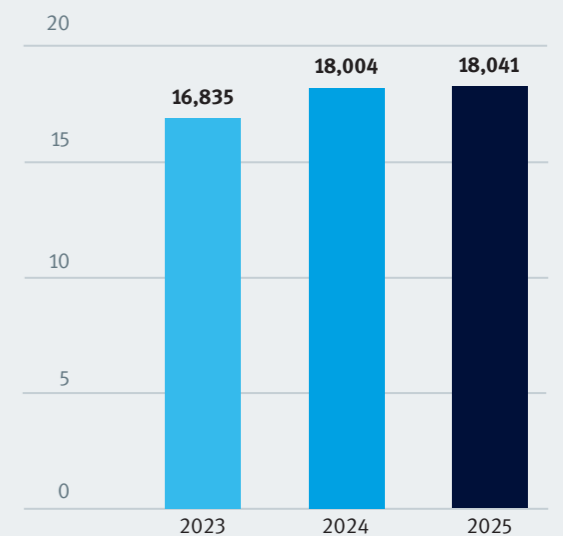
The learning opportunities from Festo were well received. The user figures speak for themselves: in 2025, 18,041 employees used the “Festo Learning Campus,” the central learning platform for employees. 5,403 employees attended our global Expert Talks, held by experts from different Festo departments. The LinkedIn learning courses integrated into the Learning Campus were also used extensively again in the reporting year: around 5,050 users watched approximately 62,600 learning videos (2024: approx. 5,700 users and 64,600 learning videos).

Trainees	2023	2024	2025
Total	432	409	452
Germany	221	205	227
China	94	104	102
Hungary	62	48	69
India	34	33	36
Switzerland	21	19	18
Bulgaria	0	0	0

Number of apprentices in the years 2023 to 2025 by countries.

Expert Talks	2023	2024	2025
Total	90	67	53
Global Expert Talks	46 %	46 %	51 %
German Expert Talks	54 %	54 %	49 %
Subscribers			
Total	5,951	7,011	5,403
Global Expert Talks	52 %	54 %	67 %
German Expert Talks	48 %	46 %	33 %

Distribution of number and participants of Expert Talks.



Number of Learning Campus users worldwide.

Developing employees and managers

With our talent management process, we want to identify high-potential employees and specifically nurture them in order to secure our innovative strength and competitiveness in the long term. In order to do this, we are creating a customized development plan that combines individual goals with the company's strategic objectives.

Having well-trained and competent managers is a crucial requirement for the long-term success of Festo. That is why we support their ongoing development. One of our initiatives, the global "Leadership Excellence" program, was awarded first place in the St. Gallen Leadership Awards in the reporting year. The prize, awarded by the Institute for Leadership and Human Resource Management at the University of St. Gallen and the German Association for Human Resource Management, specifically recognized the modern leadership instruments, the global and local formats as well as the AI-supported tools used in the program.

Our other development programs such as "First Leadership Level Program," "Advanced Leadership Program" and "Executive Development Program" focus on different leadership skills depending on the level.

They include, for example, topics such as developing employees and teams, leading and inspiring employees, or driving the company's success.

In 2025, we continued and expanded the range:

- We carried on with the "Leadership Essentials" virtual event series following positive feedback in Germany and internationally.
- In addition to our virtual events, we have introduced an inspirational newsletter. This provides managers worldwide with information on management principles every six weeks.
- We have extended the 360° feedback for different management levels, which every manager goes through every two years, to Germany. This means that all managers worldwide are now involved in the process.
- Finally, we continue to strengthen the communication skills of our managers worldwide with the AI-supported training platform "Festo DialogueGPT."



Festo offers a wide range of training programs for all employees.

Occupational Safety and Comprehensive Health Promotion

Ensuring the health and safety of our employees is a top priority for us. Occupational health and safety are integral parts of our corporate philosophy. We use a wide range of measures to promote safety awareness and health literacy among our employees.

Embracing prevention

Preventing accidents is a major concern of occupational health and safety (OHS) at Festo. To achieve this, we rely on a safety culture that is based on company guidelines and the relevant legal requirements. The occupational health and safety department cooperates closely with all Group divisions at all Festo locations to promote these guidelines. It draws on our global occupational health and safety network, which we use to encourage promote the exchange of knowledge.

OHM management system

We control our OHS processes at all Festo locations with a global occupational health and safety management system based on ISO 45001.

Key measures from 2025

In the reporting year, we completed our OHS process map and rolled it out globally, thereby increasing the transparency of our processes. It helps us to identify and target additional potential for improvement. At the same time, we were able to complete the implementation of key performance indicators (KPIs) for monitoring the

global occupational health and safety system, and integrate the KPIs into our dashboards. We also expanded our global occupational health and safety network. That forms the basis for the continuous development of our management system and is a platform for sharing best practices. Furthermore, we launched a global training concept to raise awareness of OHS at all locations and to integrate the topic in the organization more fully.

Several global and local occupational safety audits were also carried out. The results were used to identify critical areas and carry out specific improvements. We assessed our progress using an internal maturity model based on ISO 45001. As a result, we realized that we have continuously improved in our pursuit of OHS excellence and have complied with all binding obligations.

Prevention based on risk assessments

In order to effectively prevent injuries and other health risks, we carry out risk assessments for all our workplaces. In the reporting year, we extended this to the planning of our future workplaces. Since then, we have added risk assessments to all planning processes at Festo. This helps us to prevent risks and stress from occurring in day-to-day work in the first place, it makes our managers and employees more aware of the issue at an early stage, and it avoids additional costs for any adjustments that may be needed.

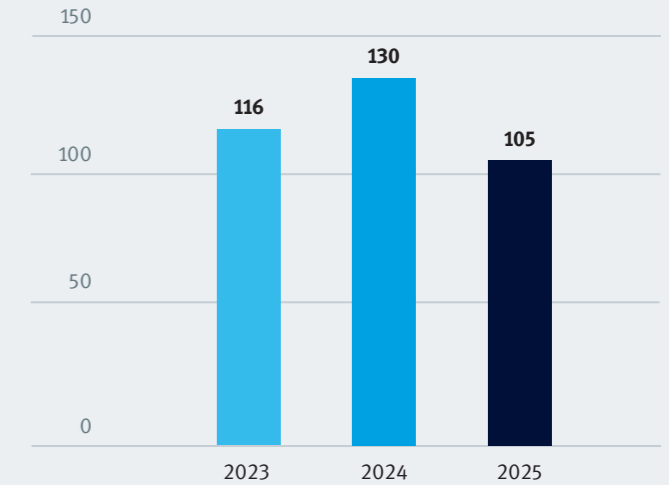
Raising awareness

It is important that employees at our locations worldwide are familiar with the Festo OHS standards. That is why we once again implemented many local measures in the reporting year:

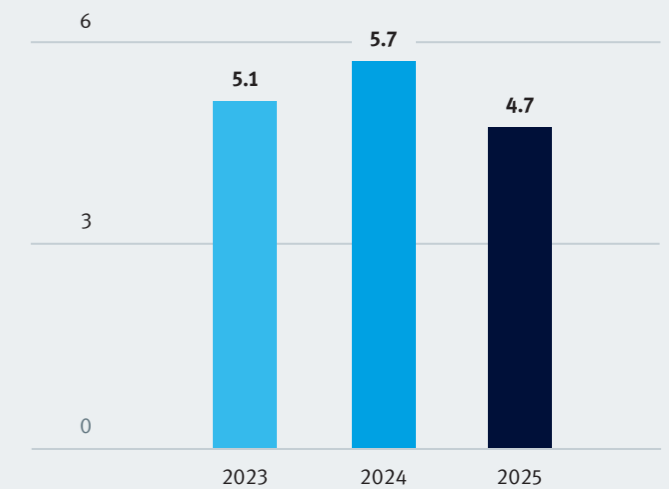
- Festo sites in Saarland organized action days and created educational videos to raise awareness of near misses and unsafe situations. During these action days, employees were confronted with different situations at various themed stations and made aware of the importance of occupational health and safety in a fun way.
- In Bulgaria, ergonomic measures were adopted to optimize manual lifting tasks and prevent musculoskeletal disorders. We used a presentation wall to raise awareness of the topic of occupational health and safety. That was also used for seasonal tips and best practice examples to promote safety.
- Our locations in China, India, and Brazil once again organized national safety weeks complete with training courses and campaigns.

Highly recommended

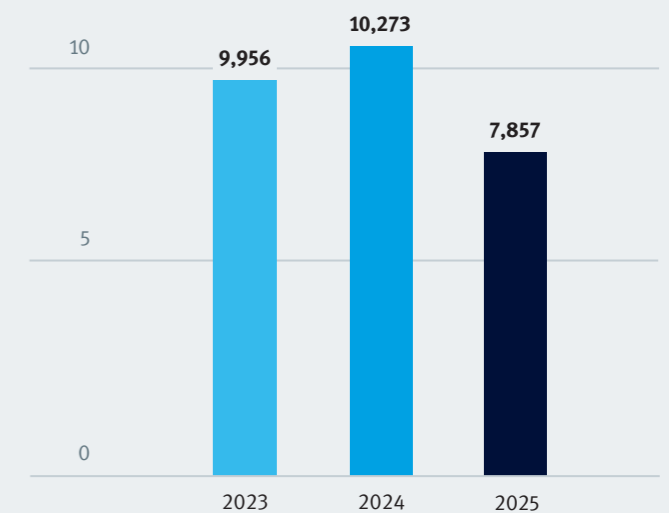
We once more called on our employees to take part in our tried-and-tested global “CIP World Cup.” During this event, locations around the world presented best-practice solutions on topics such as occupational safety and ergonomics. This reaffirmed that improvements and productivity increases can be achieved in a simple and cost-effective way. The abbreviation CIP stands for continuous improvement process (CIP). This is firmly embedded in the corporate culture at Festo and plays a key role in promoting innovation in everyday working life.



Occupational accidents with an absence of at least one day. ¹⁾

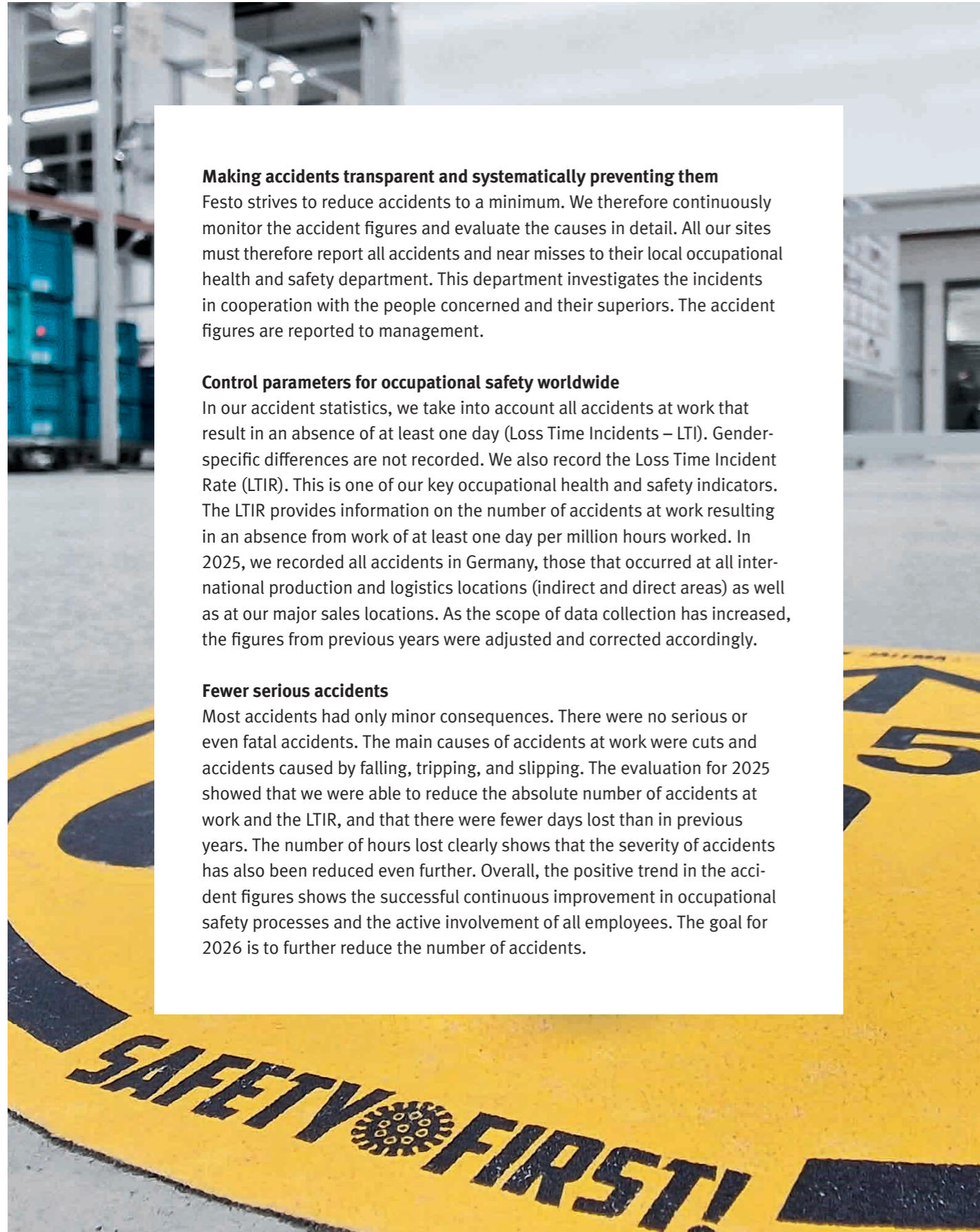


Accident frequency rate, worldwide.



Accident frequency rate, worldwide.

¹⁾ Due to changes in the calculation methodology, there are deviations in the previous year's values.



Making accidents transparent and systematically preventing them

Festo strives to reduce accidents to a minimum. We therefore continuously monitor the accident figures and evaluate the causes in detail. All our sites must therefore report all accidents and near misses to their local occupational health and safety department. This department investigates the incidents in cooperation with the people concerned and their superiors. The accident figures are reported to management.

Control parameters for occupational safety worldwide

In our accident statistics, we take into account all accidents at work that result in an absence of at least one day (Loss Time Incidents – LTI). Gender-specific differences are not recorded. We also record the Loss Time Incident Rate (LTIR). This is one of our key occupational health and safety indicators. The LTIR provides information on the number of accidents at work resulting in an absence from work of at least one day per million hours worked. In 2025, we recorded all accidents in Germany, those that occurred at all international production and logistics locations (indirect and direct areas) as well as at our major sales locations. As the scope of data collection has increased, the figures from previous years were adjusted and corrected accordingly.

Fewer serious accidents

Most accidents had only minor consequences. There were no serious or even fatal accidents. The main causes of accidents at work were cuts and accidents caused by falling, tripping, and slipping. The evaluation for 2025 showed that we were able to reduce the absolute number of accidents at work and the LTIR, and that there were fewer days lost than in previous years. The number of hours lost clearly shows that the severity of accidents has also been reduced even further. Overall, the positive trend in the accident figures shows the successful continuous improvement in occupational safety processes and the active involvement of all employees. The goal for 2026 is to further reduce the number of accidents.

Comprehensive health promotion

In addition to preventing accidents and health hazards in the workplace, we want to actively promote the health of our employees. In 2025, almost 3,400 employees took part in the company health promotion program. We also carried out a targeted campaign in the reporting year.

Four focus topics “From head to toe”

By launching “Stay.Well,” we created new initiatives for workplace health promotion to mark the 100th anniversary of Festo in 2025. In addition to tried-and-tested fitness and relaxation courses, as well as the “Mobile Break” and our annual company run at the St. Ingbert-Rohrbach site, the “Stay.Well” team included a topical theme on the agenda each quarter. The new “From head to toe” campaign allowed us to reach out internationally to 2,800 employees at 26 national companies.

Quarter 1: Musculoskeletal disorders

In the first quarter, we focused on the musculoskeletal system to highlight one of the biggest causes of illness in an occupational context. The program in Germany included a “back check” to measure the strength ratio between the abdomen and back, functional mobility tests, and spine screenings using a hand-sized “Medimouse®” measuring device. Participants were able to find out exactly what their personal condition was. At the same time, the tried-and-tested vibration plate training at the Esslingen-Berkheim site was actively promoted. This can strengthen muscles and compensate for one-sided strain by activating small groups of muscles in the body.

Quarter 2: Cancer screening

In the second quarter, we focused on cancer prevention and risk factors such as smoking. In addition to an international online presentation on nutrition, we facilitated bowel and skin cancer screenings, as well as vitamin D measurements and lung function tests in Germany. Some employees also took part in our program to help them quit smoking in Scharnhausen and Rohrbach.

Quarter 3: Cardiovascular

To mark “World Heart Day” in September, we dedicated the third quarter to cardiovascular issues. This included, for example, an international talk during which we presented “Facts and myths about heart disease.” Our company medical service at the Esslingen locations carried out on-site heart examinations using cardiac echocardiography and ECG, as well as measurements of blood vessels. Under the motto “Understanding metabolism,” we also provided information in Germany about the widespread disease diabetes and set up appropriate diagnostic and preventive services. This enabled us to convince many employees to take preventive measures.

Quarter 4: Mental health

The final topic was mental health. Both the international presentation on “Healthy Sleep” as well as the national talk on “Managing Stress” were important incentives. Employees in Germany were able to have subjectively perceived states of sleepiness and wakefulness objectively measured using “pupillography.” We also presented the “brainLight relaxation system” at the Esslingen-Berkheim site. It is designed to promote relaxation using audiovisual stimulation. Participants were able to see its effectiveness for themselves on site.

Human Rights in the Supply Chain

Our systematic and global approach to respecting human rights

Our global approach to due diligence with regard to human rights is based on operational risk management. The person responsible for this topic at the Festo Group is the Human Rights Officer. This officer also chairs our Human Rights Committee, which meets quarterly and consists of experts from the areas of Strategic Purchasing, Corporate Compliance, Internal Control Systems and Risk Management, Global Health and Safety, Human Resources, and Sustainability. The committee monitors the application and continuous improvement of our approach, which consists of four basic points:



The chart shows the systematic approach to respecting human rights and related environmental rights.

Further details can be found on our company website:
www.festo.com/valuechainworkers

1. Declaration of principles and voluntary commitment to ensure the protection of human rights and the associated environmental rights in our own business operations and at our direct and indirect suppliers and to prevent legal violations. The declaration contains, among other things, our commitment to the United Nations Universal Declaration of Human Rights. It was updated in 2025.

2. Annual risk analysis of human rights and environmental aspects in our value chain. Based on our process in 2025, we identified a total of 193 suppliers in countries with high and medium risk for potential violations of human rights, and assessed them accordingly.

3. Complaints mechanism based on a whistleblower portal for anonymous reports as well as the Sustainability area and the Compliance Office for directly communicated reports. Of a total of 84 reports received in 2025, none was assigned to the category of human rights.

4. Annual reporting on risk analysis and the resultant preventive measures. This report is addressed to the Management Board and the relevant authorities. In this Sustainability Report, we also provide information on our activities to apply the German Supply Chain Due Diligence Act (LkSG).

Risk-based management of supply chains

Festo takes a risk-based approach to managing its global supply chains in order to minimize human rights, labor and environmental risks and to meet the requirements of the LkSG. In 2025, around 2,700 suppliers were analyzed; approximately 800 had to complete an LkSG-oriented self-disclosure form. By evaluating this self-disclosure form, a well-founded risk and compliance assessment can be made for around 98 percent of the purchasing volume.

Due diligence processes: methods and measures

- The following criteria and activities form the core of our risk-based due diligence processes. Some of the aspects are examined in greater detail in the section below. Annual risk analysis (country-, sector- and supplier-related risks) and risk classification to prioritize testing and prevention measures.
- Standardized self-disclosure forms record protected legal positions, social and environmental practices, and country-specific risks.
- Contractual obligation of all business partners to comply with the Festo Code of Conduct for Business Partners.
- Multidimensional catalog of criteria for the continuous qualification and evaluation of suppliers.
- Risk-based sustainability audits (remote and on-site) to review, provide feedback, and adopt measures.
- Extensive training for procurement staff and suppliers on the LkSG and environmentally relevant protected resources; the training formats are also used for remedial measures, if necessary.

We are currently revising our risk analysis and changing the method to a new, tool-based approach. The change-over is planned for 2026. The new method is intended to make the risk assessment data-driven, more efficient, and more transparent.

Responsibilities, escalation model means, and reporting obligations are embedded in the compliance and purchasing organization. If we identify violations, we gradually introduce corrective measures and follow up on whether they are effective.

Reducing risks through preventive measures

In addition to having updated the declaration of principles and the way the complaints procedure is managed in the reporting year, we focused on preventive measures that are based on the results of the risk analysis. We continued to raise awareness among our employees in order to make our complaints mechanism known throughout the company. Furthermore, we integrated environmentally relevant legal provisions of the LkSG into our ISO 14001 environmental management system, and launched a training and communication campaign on the LkSG. We informed specialists and managers in all purchasing areas of the Festo Group about the applicable due diligence guidelines and the expected new regulations. At the same time, we continued the LkSG basic training from previous years.

Requiring commitment from business partners

As part of our due diligence processes, all suppliers must confirm in writing that they comply with our Code of Conduct for Business Partners. By signing the agreement, they also undertake to demand of their suppliers that they comply with these requirements. The Festo Code of Conduct for Business Partners is currently being supplemented with additional requirements (including the topics of deforestation, access to resources, and reducing emissions), which will apply to all existing and future suppliers. In addition, all new suppliers are evaluated and checked according to environmental and social standards as part of the supplier qualification process. If we identify risks of non-compliance at a supplier, they will not be qualified. We also analyze if there is a risk that our existing suppliers could deviate from our standards, classify them according to this risk, and regularly check the extent to which they comply with the requirements.

Supplier evaluation based on environmental certifications

All our suppliers also undergo specific assessment processes with regard to various environmental and climate protection targets. We distinguish, among other things, between suppliers with a higher and those with an average environmental impact. If their manufacturing processes are associated with a higher environmental impact, for example because of the industry-specific use of chemicals, we require certification according to ISO 14001 or validation according to the Eco-Management and Audit Scheme (EMAS). To evaluate distributors, we use an appropriate certification from the actual manufacturer. ISO 14001 or EMAS certification is optional for suppliers with an average environmental impact.

Increasing transparency on conflict minerals

Additionally, we expect our business partners to comply with all applicable regulations on conflict minerals. In order to be able to assess this, we investigate from which smelting plants the raw materials for our products come. In doing so, we rely on the methods of the Responsible Minerals Initiative. As part of the supplier self-assessment process, we also request information from our business partners about the use of possible conflict minerals. Moreover, we complete the Conflict Minerals Reporting Template (CMRT) of the Responsible Minerals Initiative to ensure transparency so that the proportion of certified smelters worldwide can be increased.

Product purchasing: complying with legal requirements

We inspect the products we purchase using an internal standard. The aim is to comply with the required substance bans and declaration obligations. The European Chemicals Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the EU Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS), among others, are decisive for achieving this. You can find out more in the Compliance section on the Sustainability pages of our [company website](#).

New sourcing strategy with social and environmental requirements

Festo is currently developing a global sourcing strategy that systematically integrates social and environmental criteria into the procurement process. The aim is to increase transparency in the supply chains and to set binding internal standards for evaluating and selecting suppliers. The new strategy includes:

- Clear, measurable requirements for human rights and environmental standards in the procurement process.
- Linking the results of evaluations (self-disclosure forms, audits, performance indicators) with decisions to give out awards.
- Implementation using tool-supported processes and clearly defined milestones.

External assessment of the sustainability performance of Festo

In 2025, we once again participated in ESG ratings in order to continue to develop our sustainability management process. The external evaluations help us to identify potential for improvement, apply the resulting measures, and ensure transparent documentation along the entire value chain.

We primarily use the EcoVadis and Integrity Next platforms for the external assessment of our sustainability performance. Furthermore, we take part in assessments and analyses on platforms such as the Responsible Business Alliance (RBA) and NQC Supplier Assurance so that we can meet both individual customer requirements and industry-specific specifications.

Governance

Festo is committed to always acting fairly and in accordance with applicable laws, regulations, standards and guidelines. Having legally compliant business processes and acting with integrity are crucial in this context, as do respect for UN human rights and ensuring corporate due diligence along our global value chains.

Respect for values and rules creates the basis for credible action, promotes responsible decision-making and firmly embeds sustainability in corporate thinking and action in the long term.

In order to achieve the goals of sustainable development, we set binding ethical and governance standards and have implemented strict processes worldwide to ensure that they are consistently observed.



Compliance



» For Festo, sustainability is inextricably linked to employees and business partners being able to openly address grievances. We consistently follow up on these types of reports and deal with them transparently, which reduces risks for Festo. «

Dr. Martin Kay,
Head of Corporate Governance at Festo

Dr. Martin Kay has been responsible for the Corporate Governance division since 2025; it combines the Legal, Compliance, Audit, Risk Management, Business Continuity and Data Protection departments across the company. The focus is on the long-term and global integration of areas relevant to governance and on strengthening efficient structures.

Compliance means that laws and internal rules are adhered to. Maintaining integrity and responsibility towards people and the environment is therefore absolutely fundamental for Festo. Acting ethically and in compliance with the law and regulations at all our locations is our top priority.

Compliance management system

To ensure that legal and reputational risks are avoided, Festo has a compliance management system (CMS) that focuses on the topics of corruption, fraud, antitrust law, and management culture. It has been implemented globally and is continuously further developed. This is achieved primarily through feedback from training courses, the results of internal audits and reports from the whistleblower system.

Our compliance guidelines are a key part of the CMS. The Code of Conduct sets out the basic requirements for all our employees. At the same time, the Code of Conduct for Business Partners contains our principles of conduct, which we consider appropriate and indispensable for any type of business activity. In addition, we have an anti-corruption guideline that regulates how the benefits and potential conflicts of interest are managed, and an antitrust guideline that defines conduct when dealing with competitors.

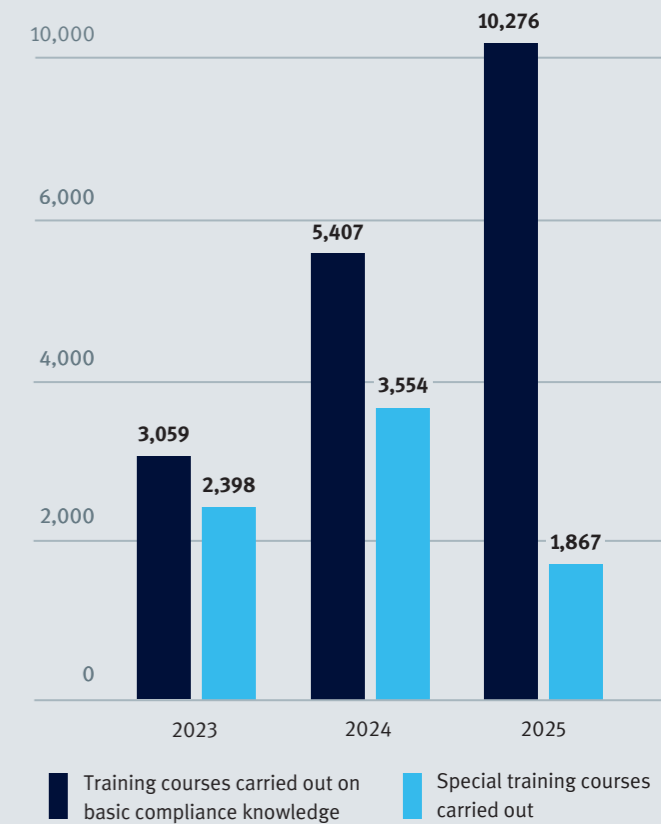
In 2025, employees worldwide received training to raise awareness of this issue. Furthermore, Festo has a zero-tolerance approach: no violation goes without appropriate sanctions. Our whistleblower portal gives employees and business partners around the world the opportunity to report any misconduct anonymously without having to fear any disadvantages.

Compliance with and implementation of the CMS processes are the subject of regular audits by the Group Internal Audit. Aside from this, our CMS has been frequently audited by external auditors based on the IDW PS 980 standard since 2015. They certified the unconditional suitability and effectiveness of the CMS in 2022. We are not aware of any legal proceedings initiated due to anti-competitive behavior or the formation of cartels or monopolies.

More details are available in the compliance section of our [sustainability website](#).

Compliance Guidelines 2025

1. Code of Conduct
2. Code of Conduct for Business Partners
3. Anti-Corruption Guideline
4. Antitrust Guideline



Information and training in anti-corruption strategies and measures.

Responsible for content:

Christian Österle,
Head of Corporate Communication

Editorial management and content concept:

Marcus Stemler, Jessica Weber

Project management:

Anna Abel, Jessica Weber

Graphics and design:

Claudia Enderle

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Festo SE & Co. KG
Rüter Strasse 82
73734 Esslingen
Germany