

# Sustainability Report 2022

**FESTO**



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## Company portrait

# Festo at a glance

At Festo, we pursue the goal of making tomorrow’s working world more productive, simpler and more sustainable on a daily basis. That is why we are developing solutions for automation and technical education that prepare people, companies and organisations for the demands of the future.

As a family-owned company that operates around the world, we know how important roots are in this process. That is why we are not just globally represented, but have local companies with their own local identity. The result is a global network of around 20,800 employees in around 60 countries with over 250 branches. Our products and services are available in 176 countries on this earth. In the 2022 financial year, the Festo Group generated sales of approximately EUR 3.81 billion, of which around 7% is invested annually in research and development. The share of training and development measures amounts to 1.5% of sales. → [GRI 2-1](#)

The Festo Group is divided into the Automation and Didactic business divisions. Important industry segments are automotive, food and packaging, electronics and assembly, biotech, pharma and cosmetics, chemicals and water, as well as – with growing importance – medical technology and laboratory automation (life tech), which have been in focus since the beginning of the pandemic. Festo also supports all automated process steps in the field of electromobility, from battery production to the production of electric vehicles. → [GRI 2-1](#)

Total sales by region	2020	2021	2022
Europe/Middle East	62%	60%	57%
Asia	22%	24%	25%
The Americas	16%	16%	18%

GRI 2-1: Total sales by region

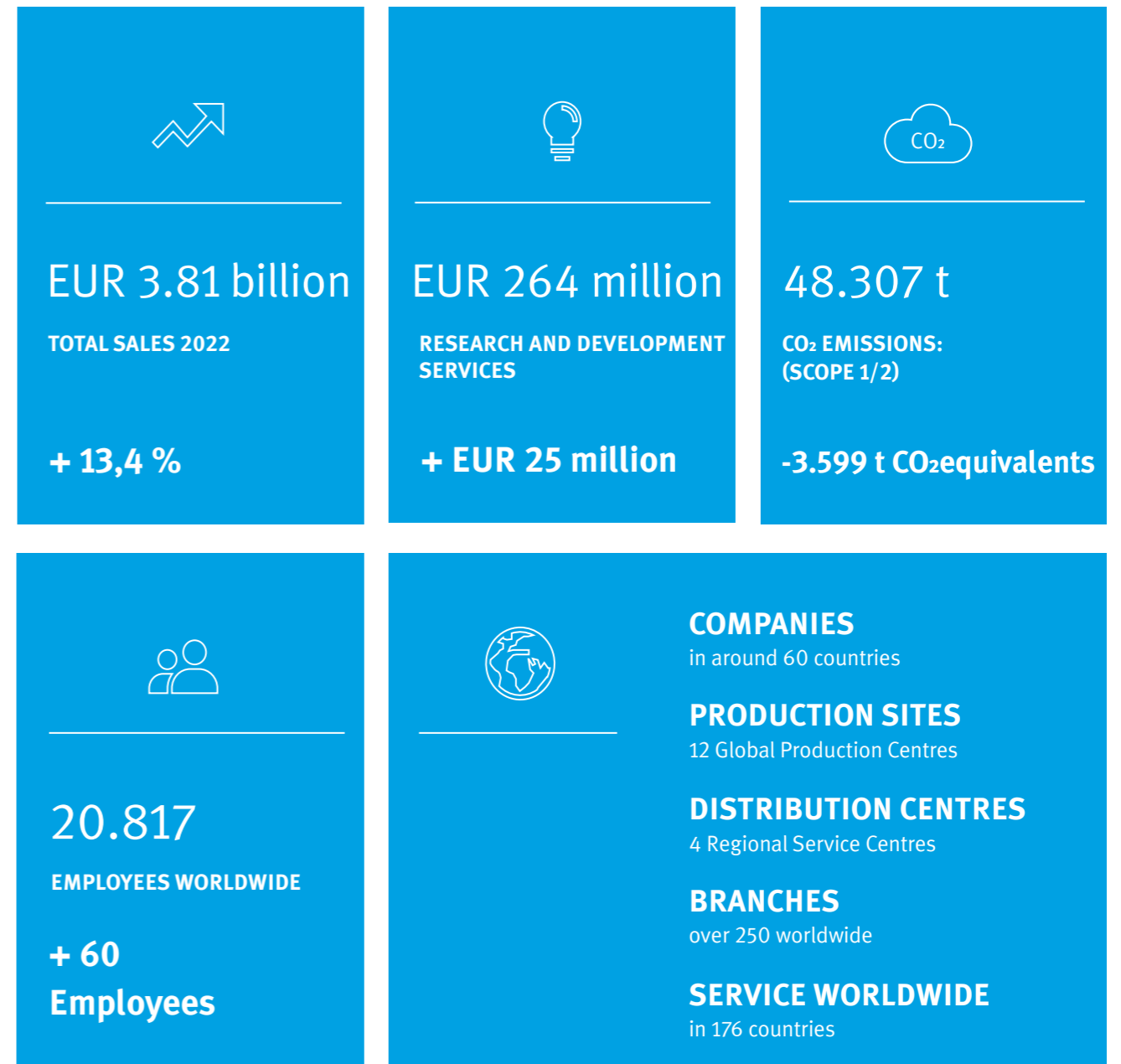
### The Automation business division

The Automation division offers a wide range of solutions for factory and process automation: the business purpose comprises the development, manufacture and sale of pneumatic and electrical components, technical systems and services as well as the transfer of knowledge for automation tasks such as control, regulation, positioning and handling of machines, apparatus and technical processes. In terms of customer solutions, the increasing demand for energy and resource efficiency and humanisation of work is becoming a competitive factor in all industry segments. → [GRI 2-6](#)

### The Didactic business division

The group’s activities in the Didactic division stand for technical basic and further training and, for more than five decades, have included the continuous development of professional, industry-oriented learning products and services relating to automation technology. The educational offerings focus on pneumatics, hydraulics, electronics and mechatronics as well as sensor technology, robotics, CNC and fieldbus technology.

Festo Didactic is a system partner of companies as well as private and public educational institutions to make and keep people fit for work through education and training and to allow them to participate in economic development. → [GRI 2-6](#)



→ [GRI 2-1](#), [GRI 2-2](#), [GRI 201-1](#)



Dr Oliver D. Jung  
Chairman of the Management Board at Festo SE & Co. KG

**Dear Readers,**

The world is changing. Business and society alike face existential challenges. The United Nations expects that there will be around 9.7 billion people on the planet by 2050. All these people need food, medical care and training. At the same time, we are already seeing the effects of ongoing climate change and growing resource conflicts.

At Festo, we see sustainability as an integral part of our corporate strategy. We are convinced that economic and environmental aspects have to be in harmony in order to secure the long-term prosperity of each and every one of us and to meet the challenges. As a responsible family-run company, the social dimension of sustainability is of great importance to us. As a matter of course, we also meet our corporate due diligence to safeguard human rights in our value chain.

As we further develop our products and services, we constantly ask ourselves where automation technology can be an enabler for more sustainability. The focus is on simplifying work, providing medical care and lifelong learning. As a cross-technology automation company and a leading global provider in the field of technical education, we want to make an essential contribution here.

Our products and services can be used in a way that is open to new technology – for example, in battery

production, in hydrogen production and in the manufacture of alternative fuels. In doing so, we are supporting structural change as part of the industrial transformation towards a circular economy.

Sustainability begins with our product development. For many years now, we have been working on topics such as lightweight construction in order to further reduce the use of materials in our products. The design of our value chains also aims to reduce CO<sub>2</sub> emissions. By increasing the localisation of production activities and the further expansion of renewable energies at our plants, we want to continuously reduce our CO<sub>2</sub> consumption. As of this year, all of our buildings in Germany as well as our production and logistics sites around the world have been CO<sub>2</sub> neutral in terms of Scope 1 and 2. All other locations around the world will follow by 2026 at the latest.

I hope you enjoy reading the Sustainability Report 2022.

Dr Oliver D. Jung  
Chairman of the Management Board at Festo SE & Co. KG

→ [GRI 2-1](#), [GRI 2-11](#), [GRI 2-23](#)



# Blue World

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Automation and technical education with Festo: enabler for sustainable solutions to tackle humanity's greatest challenges.

How to treat our blue planet presents humanity with unprecedented challenges. The ability to securely supply and support the world's population in the face of demographic change seems to be in insoluble conflict with the protection of our natural resources. Festo deals with these conflicting priorities with its expertise in automation technology and technical education and anchors them in the 'Blue World'.



## Our blue planet presents us at Festo with major challenges. How can we help to solve these challenges with automation technology and technical education?

Festo has anchored its solution-finding skills in its Blue World approach:

With the technology fields of pneumatics, electrical automation, process automation, digitisation and artificial intelligence, Festo enables the transformation of industrial production into an efficient and more climate-friendly way of manufacturing, such as in the field of biotechnology.

With our human-centred approaches, we make life easier for people in the workplace, support healthcare with our LifeTech technologies and enable people to learn and use new technologies efficiently with our learning systems.

With our resource-conserving approaches, we use automation technology to support structural change in certain sectors, such as the automotive industry and show how automation technology can better protect our most important resources such as water, earth and air. This also includes increasing localisation in order to shorten transport routes and value chains and thus minimise emissions.

## Safe supply for the population, support for demographic change



## CO<sub>2</sub> neutral production, minimised use of resources



## Assist people at work

What systems and solutions does Festo offer that make the workplace more ergonomic and relieve people of difficult and strenuous tasks, both physically and mentally?

On the one hand, the focus is on intelligent and collaborative robots that can work hand in hand with humans and provide relief, particularly in a work environment with difficult and tiring tasks.

On the other hand, digitisation offers great potential for complementing people's skills and increasing productivity. Artificial intelligence software tools and methods can carry out complex analyses of large amounts of data and generate information that helps people make decisions. Great attention is paid to the ease of use and the intuitive design of the technical assistants.



The pneumatic cobot enables safe collaboration without a safety fence.



### The Festo Cobot

With the world's first pneumatic cobot, Festo is ushering in a new era of human-robot collaboration. The pneumatic helper is the innovative solution for tasks in production – wherever a third hand is helpful or processes need to be automated, whether for feeding parts or performing routine movements. There is no other technology where human-robot collaboration is as sensitive as it is with flexible pneumatics.

The Festo Cobot is particularly economical for small and medium-sized companies: firstly, because only little investment is necessary, and secondly because of its flexible application scenarios: even small batch sizes and work steps can now be processed automatically. Thanks to its intuitive and simple commissioning and programming, the training time is also fast and efficient.



# Improve health

Population growth, demographic change and pandemics are placing ever greater demands on healthcare and preventive health measures. How can technological innovations in automation technology speed up medical technology and laboratory diagnostics while ensuring high quality and safety standards?

Fast and precise diagnostics are required. Under the term 'LifeTech', Festo offers systems and components for medical technology and laboratory automation. Thanks to decades of experience and innovative strength in the automation of industrial manufacturing processes, a high level of efficiency and productivity as well as maximum reliability are achieved in these areas.



From standard market products to customised subsystems: Festo Life-Tech offers everything from a single source for medical technology and laboratory diagnostics.



## Festo LifeTech

Festo supplies components for the automation of analytical applications for laboratory facilities. The offer includes electric and pneumatic drives as well as controllers, dosing systems and grippers, equipped with sensors for measuring and checking.

Automated handling speeds up the work with samples and fluids and also offers safe handling of the test material. This reduces the causes of errors, for example by preventing mix-ups. In addition, it guarantees sterile and consistent analysis conditions even with higher test volumes and delivers fast and accurate results.

The automatic detection, opening and closing of sample containers, including the addition, dosing and pipetting of fluids, guarantees efficiency, productivity and time savings for laboratories. Festo also offers expertise and components for miniaturised laboratory systems designed for mobile use.



# Lifelong learning



How do we enable people to master the new technologies? After all, productivity and competitiveness cannot be maintained and increased by modern, high-quality automation solutions alone.

Rapid technological change means that companies need to continuously train their employees and develop their skills in order to maintain their productivity over the long term. Employees themselves ensure their employability by continuously acquiring the most sought-after skills through on- and off-the-job training.

Driven by innovations and changing societal needs, completely new job profiles are constantly being created and existing jobs are being transformed. As the world's leading provider in the field of technical education, Festo is a global partner for educational institutions, governments, public institutions and companies.







### Festo Learning Experience (Festo LX)

The Festo LX digital learning portal offers a holistic approach to technical basic and further training. We pursue a blended learning approach that combines theoretical knowledge with practical exercises. Festo LX provides the right learning content for the learning systems from Festo Didactic. Knowledge can be learnt independently and tested on the physical equipment so that it can be used in a targeted manner in later day-to-day work.

Thanks to the large number of learning formats, learning is motivating and varied. Festo LX enables digital learning that is as individual as people themselves.

Digitisation not only changes the required skills taught in technical basic and further training, but also how these are learned.





# Industrial transformation

Entire branches of industry and sectors are undergoing profound change. With Industry 4.0, production is increasingly interlinked with state-of-the-art information and communication technology. How will we manage to bring about this change in our machine and plant control systems?



Festo also consistently relies on industrial intelligence and AI at its own plants. The findings from these applications are incorporated into customer projects in a targeted manner.



This structural change is particularly evident in the automotive industry. Combustion drives are transforming into regenerative drive systems with massive effects on production environments, processes and supply chains. Intelligent machines independently coordinate increasingly complex manufacturing processes and generate data that is converted into information using artificial intelligence in order to identify specific areas where there is potential for optimisation. This improves quality and reduces the use of resources.

When it comes to battery cell production for electromobility, Festo provides the technology to manufacture high-quality batteries reliably and cost-consciously. This includes the automation of processes from the preparation of raw materials and the fully automated production of battery cells to transport and assembly systems for precisely assembling battery parts.

### Festo Automation Experience (Festo AX)

With Festo AX Solutions, Festo uses artificial intelligence to offer algorithms that make it possible to record status data of components in order to predict their potential failure – including during recycling. A wide variety of components are moved here.

Adaptive gripping with corresponding algorithms and robot solutions enables the efficient and fast recycling of individual materials.





# Ecological innovations

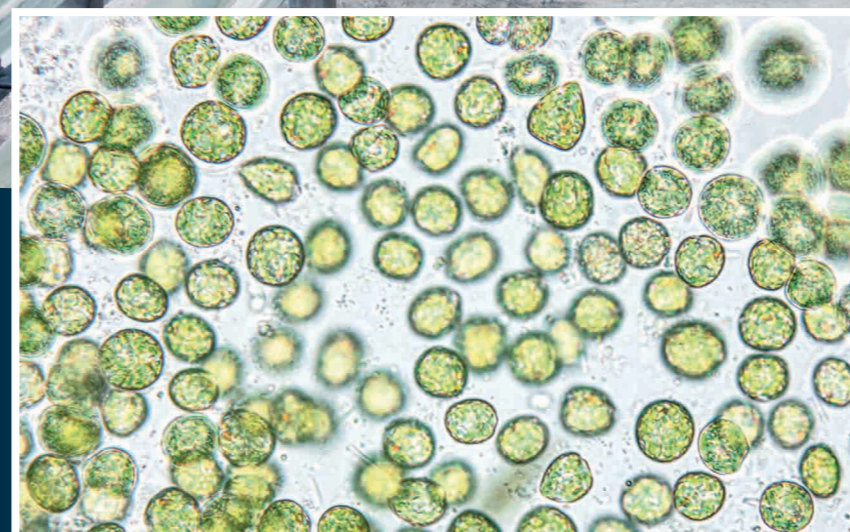
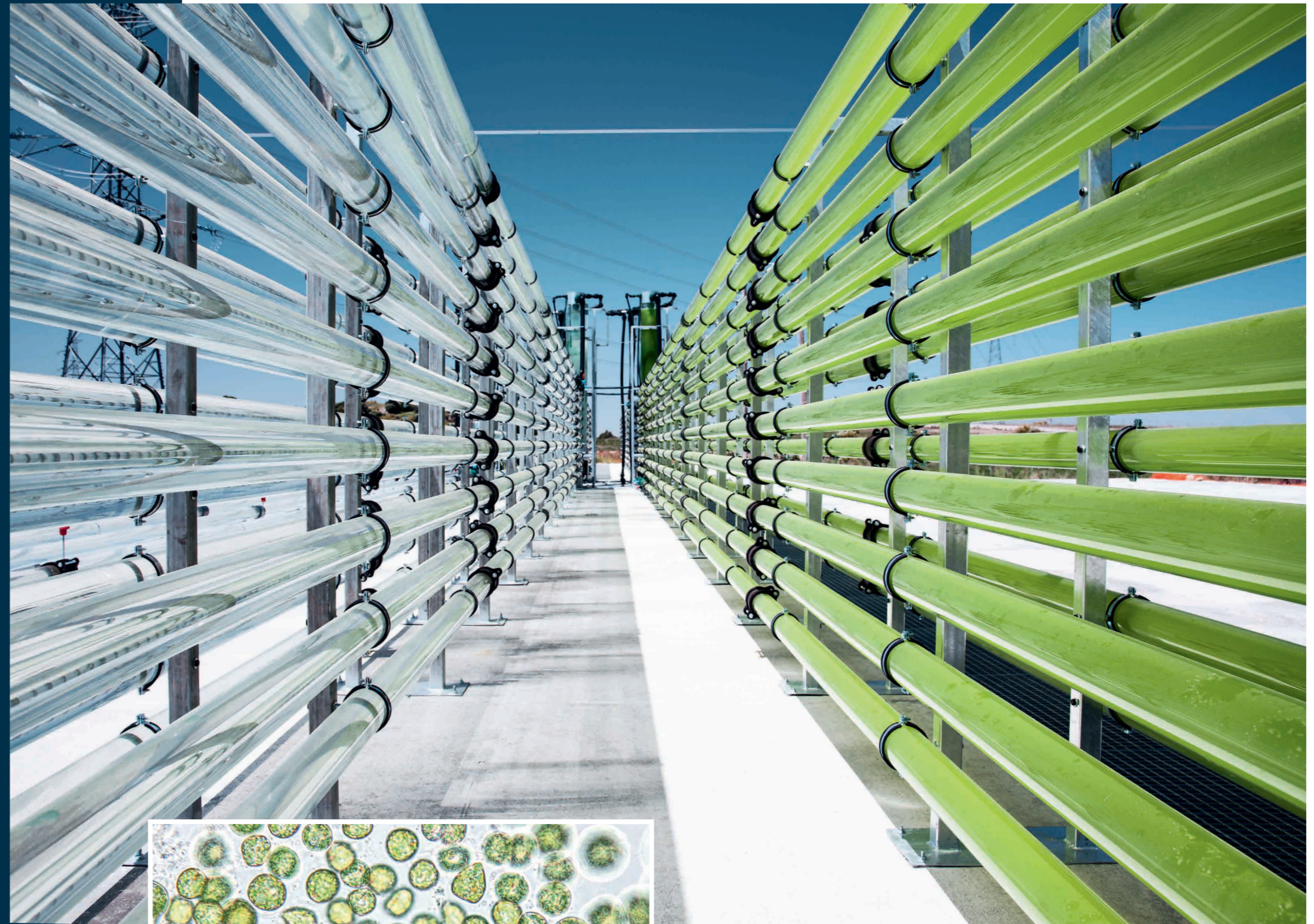


Climate and resource protection are becoming the most urgent task. How do we achieve energy savings and the reduction of CO<sub>2</sub> emissions? How can we reduce our material consumption, recycle more and find alternative materials?

It's all about opening up new solution areas for automation and the transformation towards a circular economy.

Economists have been predicting the end of linear growth for some time now. Moving towards a closed circular economy is the next major goal with new growth potential. Here, too, nature is the great role model for us, because in nature there is no waste and no wastage.

The inclusion of biology as a field of action for automation is particularly promising for Festo. In this way, the smallest factory of the future will be located in a biological cell. Experiments with algae, seen as little climate saviours, are already producing extremely promising results today.



During their natural photosynthesis outdoors, algae bind ten times more CO<sub>2</sub> than terrestrial plants. With the right technology, their efficiency can be increased a hundredfold.



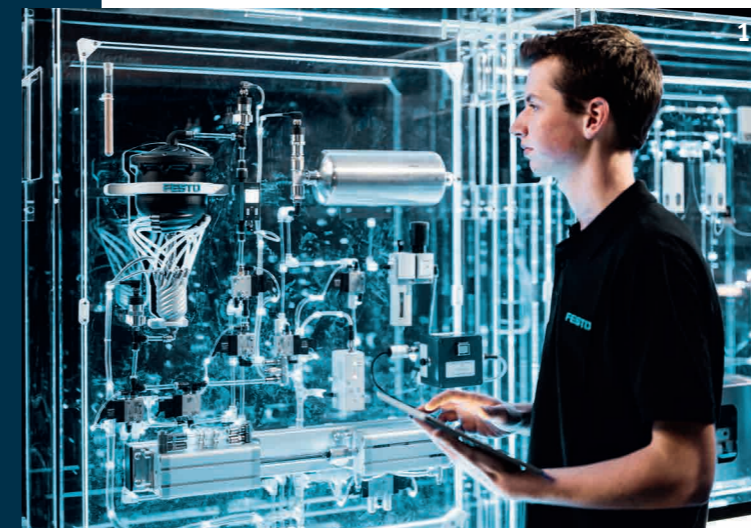


### Festo BionicCellFactory

The BionicCellFactory is a universal model factory. It depicts the automation of the biological transformation towards the circular economy. The combination of expertise in the biosciences, sensor technology and innovative automation technology offers new growth opportunities for pioneering biotechnology, which at the same time relieves the strain on our natural environment.

With automation technology from Festo, biomass can be produced on a large scale, depending on the application requirements for the chemical, food and pharmaceutical industries. This process consists of five modules, from the optimised cultivation of the algae cells with continuous monitoring and analysis through to harvesting and the further processing and refinement of the various components.

We are further expanding our portfolio in the field of biotechnology: we ensure stable and precise process control with maximum productivity. This includes optimised fumigation and feeding strategies, control algorithms, soft sensors for real-time biomass determination, and system concepts for bio-based production processes. We will also support plant operators with remote diagnostics, maintenance and control as part of cloud solutions.



Holistic process: 1. CO<sub>2</sub> collection: binding of CO<sub>2</sub> from the ambient air, 2. Analysis: monitoring cells using quantum sensors and artificial intelligence, 3. Cultivation: automated photosynthesis of biomass, 4. Harvest: harvesting of cells using a centrifuge, 5. Enzymatic transformation: gentle splitting of cell components



## Resilience in value chains



Long supply chains and a dependence on singular raw material sources bring risks in times of pandemics, warfare or high energy prices. How can we better safeguard globalised supply chains and find a more environmentally friendly way to deal with our environment?

In addition to the manufacture of the products, logistics are an important competitive factor, as goods need to reach our customers quickly and safely, while causing as little environmental impact as possible.

Festo relies on a local-for-local strategy. Thanks to a decentralised production network, local markets – with their local market needs – can be supplied more quickly and reliably thanks to short transport routes.

### Festo supply chain

At Festo, a CO<sub>2</sub> reduced supply chain begins with the development of new products and the question: What risks can already be taken into account during the design phase of the products in order to support product development and market entry?

The level of material stocks, risks of individual suppliers defaulting and selected delivery routes follow this consideration. Our selected means of transport are as CO<sub>2</sub> reduced as possible, while the digitisation of the supply chain ensures early detection of disruptions and their elimination.





## Our goal: the transformation to a circular economy

Today's challenges call for innovation-friendly and broad-based partnerships. We see the next development boost for industrial production in the shift towards a circular economy. Together with our customers and partners, we want to drive this transformation forward. Innovations are the key to greater sustainability.

**A secure supply for the population,  
demographic change**



**CO<sub>2</sub> neutral production,  
circular economy**



# Corporate Responsibility

» Sustainable decisions require a holistic view of ecological, economic and social aspects. Sustainability is therefore an integral part of Festo's corporate strategy. «

Christian Österle,  
Head of Corporate Communication and Sustainability at Festo



Christian Österle is Head of Corporate Communication and Sustainability and is thus globally responsible for communication, design, the brand name, history and sustainability at Festo.

He is responsible for the ongoing development and monitoring of the implementation of the sustainability strategy at Festo.





Sustainability is firmly anchored in our corporate strategy. The Management Board of Festo SE & Co. KG is committed to this. From left to right: Dr Jaroslav Patka, Frank Notz, Gerhard Borho, Dr Oliver D. Jung, Dr Ansgar Kriwet.

## Sustainability management

The United Nations (UN) has formulated 17 Sustainable Development Goals (SDGs) at the economic, social and environmental levels. For Festo, a strategy in line with these sustainability goals, systematic sustainability management and transparency are key elements on the way to achieving this. → GRI 3-3

### Frame of reference for our sustainability management

There were no significant changes to the organisation of Festo and the supply chain in the reporting period. No acquisitions were made in 2022. → GRI 2-6

As part of our ‘Local for Local’ approach, we will expand our international production capacities in India, Mexico and Turkey. We will also include these locations in our sustainability management. → GRI 203-1

Basic information about Festo for 2022 can be found in the company portrait on pages 4 and 5. More detailed information about our business areas is available on our website [www.festo.com](http://www.festo.com).

### Sustainability management

Thinking in terms of generations and responsible, long-term business practices are deeply rooted in the family-run company Festo. Essential elements of our sustainability strategy are therefore firmly anchored in our corporate strategy. This covers the following five directions:

- Competitiveness
  - Growth
  - Innovation
  - Culture
  - Sustainability
- GRI 2-6, GRI 2-9

In the future, the following three sustainability topics from the corporate strategy will be managed and promoted at management board level:

- Reduction of the carbon footprint
  - Digital education
  - Capability shift
- GRI 2-6, GRI 2-9

These measures are subject to a quarterly assessment by the Management Board, are supported by senior executives and follow a project organisation.

The other topics of the sustainability strategy are evaluated every six months and further developed with the responsible areas. This is carried out under the responsibility of the Corporate Responsibility (CR) department, whose responsibilities also include sustainability reporting. → GRI 2-6, GRI 2-9

### Identification of key issues

The interests of both internal and external stakeholders were taken into account in the identification of topics. There are two groups within the external and internal stakeholders.

‘Formative stakeholders’ have concrete expectations of Festo as a company and also have a direct influence on its business activities. In addition, there are ‘other stakeholders’ whose interests are taken into account but whose influence is considered to be rather limited. Specifically, these two categories are as follows:

#### Formative stakeholders

- Shareholders
- Management Board
- Customers and their customers
- Employees

#### Other stakeholders

- Suppliers
  - Local population
  - Science
  - Public
  - Non-governmental organisations (NGOs)
  - State
  - Supervisory institutions
- GRI 2-26, GRI 2-27, GRI 2-29

The diagram on the next page shows the key topics and areas of action for Festo in the field of sustainability.

→ GRI 3-2

When deriving and updating the key topics and areas of activity, we will in future be guided by the requirements of the European Corporate Sustainability Reporting Directive (CSRD). → GRI 3-1, GRI 3-2



# Sustainability strategy

In March 2020, the Management Board of Festo SE & Co. KG adopted the sustainability strategy, which has since been regularly updated. In 2023, the sustainability strategy and the corporate strategy will be even more closely integrated.

An important decision in 2022 was to bring together the topics of energy efficiency and climate protection across the entire supply chain into a field of action that is now managed holistically. This has led to a consolidation of the sustainability strategy from six to five action areas.

## CO<sub>2</sub> reduction and energy efficiency → Chapter 3

This large, restructured area of activity is the focus of our sustainability efforts. On the basis of the corporate carbon footprint (CCF) calculated for the first time in 2021 in accordance with the GHG Protocol, we intend to evaluate the options for a successful participation in the Science Based Target initiative (SBTi) in 2023. The high calculated emissions from the use of our products at the customer's site represent a major challenge for us.

**Scopes 1 and 2 and 3.8:** We will continue to invest in new photovoltaic systems and energy efficiency measures at our locations in 2023. As a result of these measures, we expect an additional 2,500 MWh per year of our own renewable power generation and annual energy savings of around 2,500 MWh.

In addition to our production network, these measures will also apply to Festo's sales companies. These companies will be included in primary data collection on energy consumption and CO<sub>2</sub> emissions for the first time in 2023. This creates the conditions for CO<sub>2</sub> neutrality for the entire Festo Group by 2026 at the latest.

**Scope 3.1 and 3.4:** In terms of the materials we use in 2023, we will continue to focus on improving the quality of data on our CO<sub>2</sub> emissions and exploring the use of lower-CO<sub>2</sub> materials through selected projects. The same applies to distribution logistics. On the one hand, we increase the transparency and resilience of the balance sheet. On the other hand, we are continuing to systematically switch individual products from air freight to sea freight.

**Scope 3.11:** With regard to our products and services, we will continue to develop the existing offerings to increase energy efficiency for our customers in 2023. For the first time, we will be able to calculate the product carbon footprint (PCF) of selected components ourselves and make it available to our customers (see Chapter 5 for details).

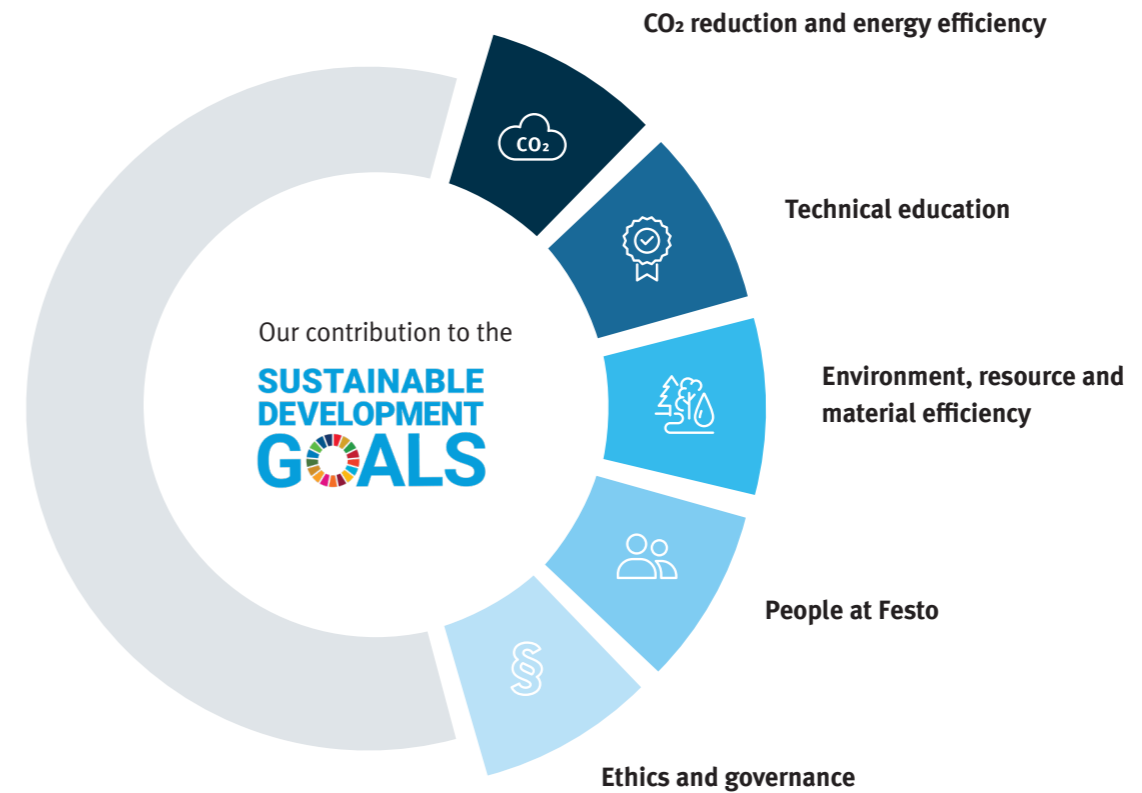
## Technical education → Chapter 4

The technical training and further training of our customers at Festo Didactic is another important pillar of our sustainability efforts.

Examples of our activities are:

- Making high-quality learning content accessible to as many people as possible with the Festo LX digital learning portal
- Learning solutions as the key to environmentally friendly innovations
- Getting young people excited about technical topics with Bionics4Education
- Promote learning through competitions with numerous activities

The introduction of an environmental management system according to ISO 14001 is planned for Festo Didactic SE and the Canadian plants of Festo Didactic.



The five areas of action of our sustainability strategy → GRI 2-6, GRI 2-22, GRI 3-2

## Environment, resource and material efficiency → Chapter 5

In 2022, we restructured the topics in this field of activity. At our own locations, we will work on the efficient use of materials, operating materials and waste reduction and the economical use of water as part of our ISO 14001-certified international environmental management.

With regard to the entire value creation process, the focus is on our products and their packaging. The focus here is on saving materials and using materials that do not contain any critical ingredients or have a comparatively lower carbon footprint. In 2023, we will assess our potential contribution to the circular economy and identify measures.

## People at Festo → Chapter 6

Within this area of action, we will continue to work on the long-term issues relating to the qualification and further development of our employees, the expansion of occupational health promotion and safety, and equality and diversity in the company.

## Ethics and governance → Chapter 7

The focus of the Ethics and Governance area is on our global compliance management system and the fulfillment of corporate due diligence obligations for human rights. In 2023, after the conditions have been created in 2022, we will implement the requirements of the Act on Corporate Due Diligence in Supply Chains (LkSG) at our suppliers and in our own business units.

The following chapters also explain our activities in the areas of activity in the reporting period 2022 using corresponding GRI indicators.



## Networks and committee work

Partnerships and networks mean significant added value for mutual exchange and working across corporate boundaries. Our Automation and Didactic business divisions work both nationally and internationally as part of various committees and associations concretely on the issue of sustainability. → [GRI 2-28](#)

### Automation

**5 G Alliance for Connected Industries and Automation (5 G-ACIA) | Working group for Business and Human Rights of the German Engineering Federation (VDMA) | Stuttgart CSR network | Various employer associations | European industry umbrella organisation ORGALIM (indirectly via VDMA and ZVEI) | EuropElectro (representing the interests of European industry in China) | Fraunhofer Institute for Production Systems and Design Technology ISO and IEC standardisation committees for automation technology | Industry 4.0 platform | Stiftung KlimaWirtschaft – German CEO alliance for climate and economy | SustaiNet – business network | VDMA Blue Competence sustainability initiative | German Electrical and Electronic Manufacturers' Association (ZVEI)**

### Didactic

**ADEA – Association for the Development of Education in Africa | German-African Business Association | International Academy for Production Engineering | Didacta Association | Digital Industries | Don Bosco Tech Africa | European Institute of Innovation & Technology (EIT) | EuroSkills | iMove | German Asia-Pacific Business Association | OEastern Europe Business Association of Germany | Industry 4.0 platform | UN organisations such as UNESCO, UNIDO, UNICEF, UNHCR | VDMA | WEF – Advanced Manufacturing and Production | Worlddidac | WorldSkills Africa | WorldSkills International | ZVEI**





# CO<sub>2</sub> reduction and energy efficiency

A major challenge for our planet is climate change, which is caused by the constant enrichment of the earth's atmosphere with man-made greenhouse gases, especially carbon dioxide (CO<sub>2</sub>). Climate protection and the economical use of energy are therefore two of the most important tasks of our time, which are firmly anchored in our corporate and sustainability strategies. Our focus is on reducing CO<sub>2</sub> emissions – both for our customers and for ourselves. From 2023, all our buildings in Germany as well as our global production and logistics sites will be CO<sub>2</sub> neutral with regard to Scope 1 and 2. From 2026, the entire Festo Group will be CO<sub>2</sub> neutral. After that, we will continue to work on energy-saving measures and the retrofitting of our heating technology in order to continuously reduce the need for compensation. → [GRI 3-3](#)



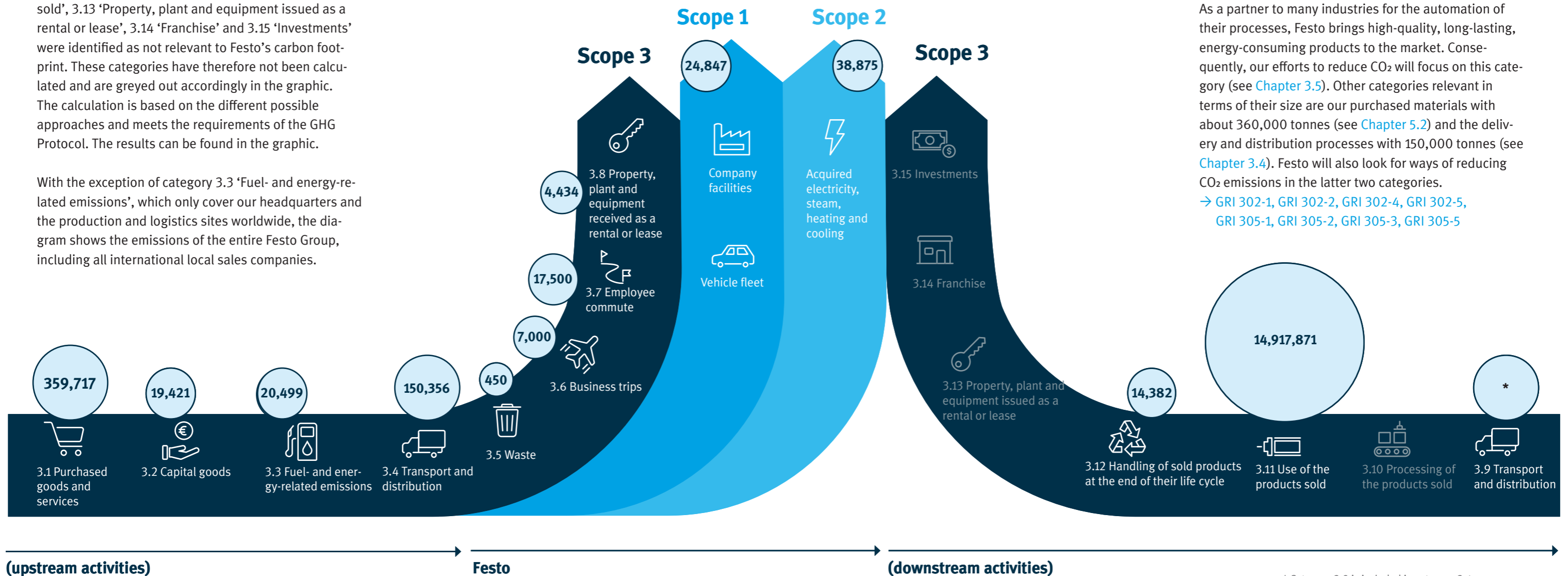


## 3.1 Corporate carbon footprint (CCF)

In 2022, Festo first estimated the corporate carbon footprint (CCF) across all three Scopes in accordance with the Greenhouse Gas Protocol (GHG Protocol) for 2021. This initial calculation was carried out with the assistance of an external management consultancy.

The four categories 3.10 'Processing of the products sold', 3.13 'Property, plant and equipment issued as a rental or lease', 3.14 'Franchise' and 3.15 'Investments' were identified as not relevant to Festo's carbon footprint. These categories have therefore not been calculated and are greyed out accordingly in the graphic. The calculation is based on the different possible approaches and meets the requirements of the GHG Protocol. The results can be found in the graphic.

With the exception of category 3.3 'Fuel- and energy-related emissions', which only cover our headquarters and the production and logistics sites worldwide, the diagram shows the emissions of the entire Festo Group, including all international local sales companies.



We are aware that it will be necessary to continuously develop the calculation methods and assumptions made. Nevertheless, this first corporate carbon footprint shows a clear result: more than 95 per cent of all emissions are generated in category 3.11 'Use of the products sold'.

As a partner to many industries for the automation of their processes, Festo brings high-quality, long-lasting, energy-consuming products to the market. Consequently, our efforts to reduce CO<sub>2</sub> will focus on this category (see Chapter 3.5). Other categories relevant in terms of their size are our purchased materials with about 360,000 tonnes (see Chapter 5.2) and the delivery and distribution processes with 150,000 tonnes (see Chapter 3.4). Festo will also look for ways of reducing CO<sub>2</sub> emissions in the latter two categories.

→ GRI 302-1, GRI 302-2, GRI 302-4, GRI 302-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5

Greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) based on the GHG Protocol emissions (in tCO<sub>2</sub>-eq).

\* Category 3.9 is included in category 3.4





Rainer Seifert is head of the Corporate Responsibility department, which is responsible for preparing the GHG-compliant corporate carbon footprint.

The insights gained across all three Scopes are a valuable building block for the future derivation of CO<sub>2</sub> reduction targets.

» With the corporate carbon footprint across all relevant categories, we now offer transparency. And the focus of our efforts on certain areas, such as the use of our products by the customer, becomes clear. «

Rainer Seifert,  
Head of Corporate Responsibility at Festo



## 3.2 Our locations

### Primary energy consumption and Scope 1 greenhouse gas emissions

Among the primary energy consumptions, we document the fuel oil and natural gas consumption caused by the operation of our buildings and, to a much lesser extent, some of our production processes. It also includes the fuel consumption of the vehicle fleet, which is predominantly leased. We report on the CO<sub>2</sub> emissions caused by this in Scope 1. → [GRI 302-1a](#)

Our production processes do not cause direct emissions of other greenhouse gases (e.g. process emissions). The emissions of cooling agents from cooling and refrigeration plants are negligible compared to CO<sub>2</sub> emissions. They are therefore not reported on.

In 2022, the primary energy demand amounted to 79,683 megawatt hours, down 8.1 per cent compared to the previous year. This is due to opposing effects. Short-term energy-saving measures in connection with the gas shortage led to significantly lower consumption at the German locations. In addition, a milder winter not only resulted in lower consumption in Germany, but also at all European locations. In China, the primary energy demand rose sharply as production volumes grew again towards the end of the pandemic, partly offsetting the positive trend.

Scope 1 emissions are essentially derived from primary energy consumption. Only a shift between the various energy sources such as fuel oil, natural gas, diesel and petrol can lead to slight deviations. The influencing factors are correspondingly identical with those of primary energy consumption. Scope 1 emissions are shown in the second diagram on the right and amounted to 16,563 tonnes of CO<sub>2</sub> equivalents in 2022. → [GRI 305-1](#)

### Final energy consumption and Scope 2 emissions

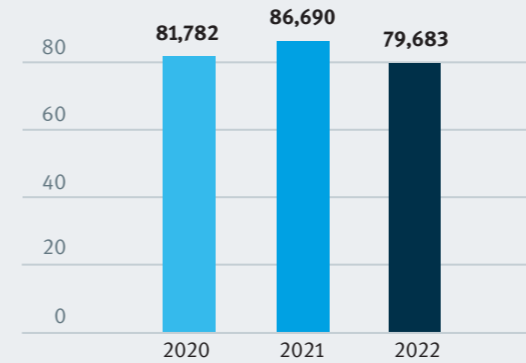
Festo obtains its final energy almost exclusively in the form of electricity. Two locations are heated with district heating in an environmentally friendly manner. The associated emissions are reported in Scope 2. → [GRI 302-1c](#)

Final energy demand amounted to 140,623 megawatt hours in 2022 and was roughly on a par with the previous year. Due to the catch-up effects of the second year of the pandemic, it was not possible to achieve any significant absolute savings.

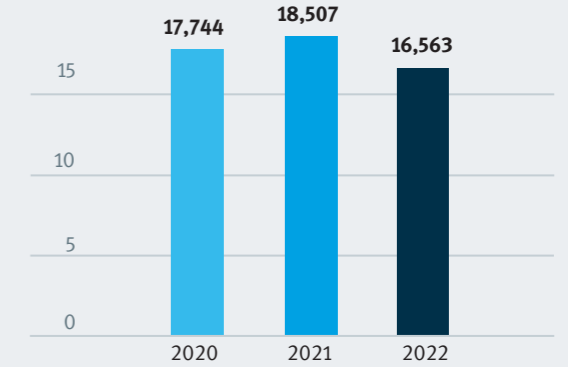
By contrast, Scope 2 emissions caused by final energy demand fell by a further five per cent year-on-year to 31,744 tonnes of CO<sub>2</sub> equivalents. This is due both to internal measures, in particular the expansion of in-house power generation with photovoltaic systems, as well as to external factors such as the general expansion of renewable energy systems by our energy suppliers. → [GRI 305-2](#)

Total Scope 1 and Scope 2 greenhouse gas emissions amounted to 48,307 tonnes of CO<sub>2</sub> equivalents in 2022.

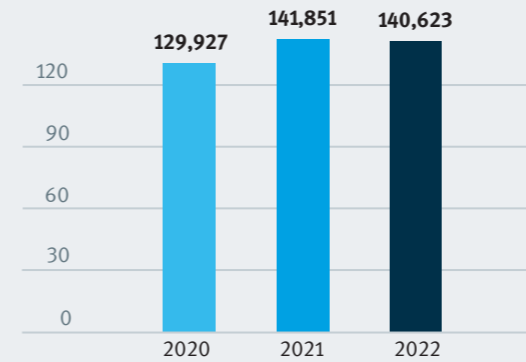
The total energy demand in relation to turnover (primary and final energy) fell by 15 per cent compared to the previous year to its lowest level ever of 57.8 megawatt hours/million euros. Turnover-related emissions of Scope 1 and 2 fell by 18 per cent compared to the previous year, also reaching the lowest level ever of 12.7 tonnes of CO<sub>2</sub> equivalents/million euros. As a result, energy requirements and greenhouse gas emissions are now decoupled from turnover. The much faster development in emissions is due to the purchase of green electricity. → [GRI 302-4](#), [GRI 305-4](#), [GRI 305-5](#)



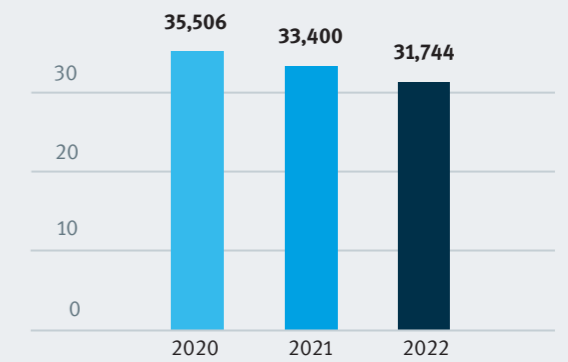
GRI 302-1a: primary energy (fuel oil, diesel, gas, MWh)\*



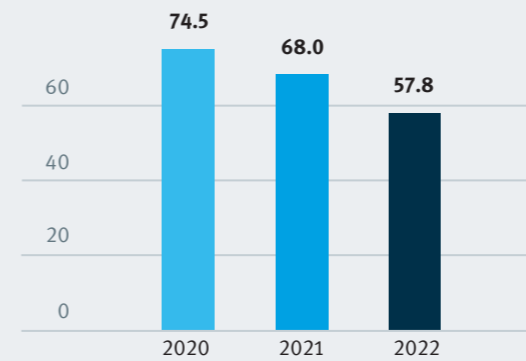
GRI 305-1: Direct greenhouse gas emissions (Scope 1, t CO<sub>2</sub>-eq)\*



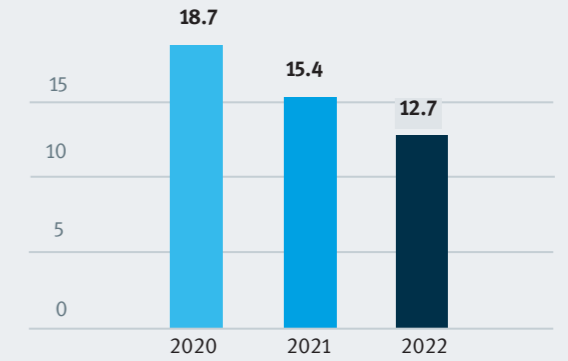
GRI 302-1c: final energy (electricity, district heating, MWh)



GRI 305-2: Indirect energy-related greenhouse gas emissions (Scope 2, t CO<sub>2</sub>-eq)



Energy consumption in relation to sales (MWh/EUR millions)



GRI 305-4: Greenhouse gas emissions (Scope 1 and Scope 2) in relation to turnover (t CO<sub>2</sub>-eq/EUR millions)

\* The figures for 2021 had to be corrected due to late reports from the plants.





In 2022, the total output of our photovoltaic systems worldwide increased by 70 per cent.

### Guarantees of origin for electricity

For our locations in Germany, we have been reporting on the procurement of green electricity since 2021 and have set the corresponding Scope 2 emissions to zero. For the amount of electricity consumed by Festo, the electricity supplier acquires guarantees of origin issued for electricity from wind and hydropower plants in the European electricity network. This method makes it possible to take advantage of the ecological characteristics of electricity generation (zero emissions) without the electricity coming physically from the same power plant as the cancelled guarantees of origin. The procedure is thus accepted by the Greenhouse Gas Protocol.

From 2023, we will be purchasing green electricity in accordance with the system described for all international production and logistics sites. The guarantees of

origin will then also meet the requirements of the European green electricity label EKOenergy and the US green electricity label green-E. The availability of green electricity labels is still under review for the locations in China, India and Singapore. Once the current electricity supply contract expires, only EKOenergy-labelled guarantees of origin will be used for the German locations.

In the medium term, we intend to further improve the ecological quality of green electricity and examine whether electricity and guarantees of origin can be procured together from 2027 onwards, i.e. acquired from the same plants, or whether ecological electricity supply contracts, so-called Power Purchase Agreements, can be concluded. Both options would provide a greater incentive to expand electricity generation from renewable energies.

### Measures

#### Expansion of in-house renewable power generation

In the reporting year, all areas suitable for installing photovoltaic (PV) systems at the production and logistics sites were identified, evaluated and prioritised in accordance with their yield forecasts and profitability.

At the locations in Bangalore (India), Jinan and Shanghai (both China), Lupfig (Switzerland) and Warsaw (Poland), PV systems with an installed capacity of 3,549 kilowatt peak (kWp) were constructed and commissioned. The total PV capacity installed at Festo has thus been increased by 70 per cent and now amounts to 8,398 kilowatt peak (kWp). In the reporting year, 5,498 megawatt hours of PV electricity were generated.

#### Energy controlling and saving

With the exception of three smaller plants, our locations are equipped with energy monitoring systems. These make it possible to monitor energy consumption, identify abnormally excessive consumption and its causes, and take corrective measures at short notice. Routines to monitor consumption during non-production periods have been implemented and intervention thresholds have been defined.

#### Festo Energy Saving Services:

Festo Energy Saving Services (FESS) analysed the compressed air systems of all production plants, from compressed air generation and preparation to distribution and the use of compressed air. In addition, leakage detection was carried out in representative areas. Furthermore, the local maintenance departments were trained and enabled to independently conduct leakage detection in order to ensure this is carried out in the future. The optimisation potentials identified by FESS are being implemented.

#### Energy-efficient lighting

In addition, a further 18,100 square metres of production space were converted to energy-saving LED lighting.

#### Energy teams

Energy teams were set up at all production sites in 2022. Their task is to further develop energy controlling and to identify and implement both investment and behavioural measures in production and building operations. The energy teams drew up a list of measures with an investment volume of over 11 million euros. Of this total, 4.4 million euros will be invested in the current year, spread over 37 measures.



### 3.3. Purchased goods and services

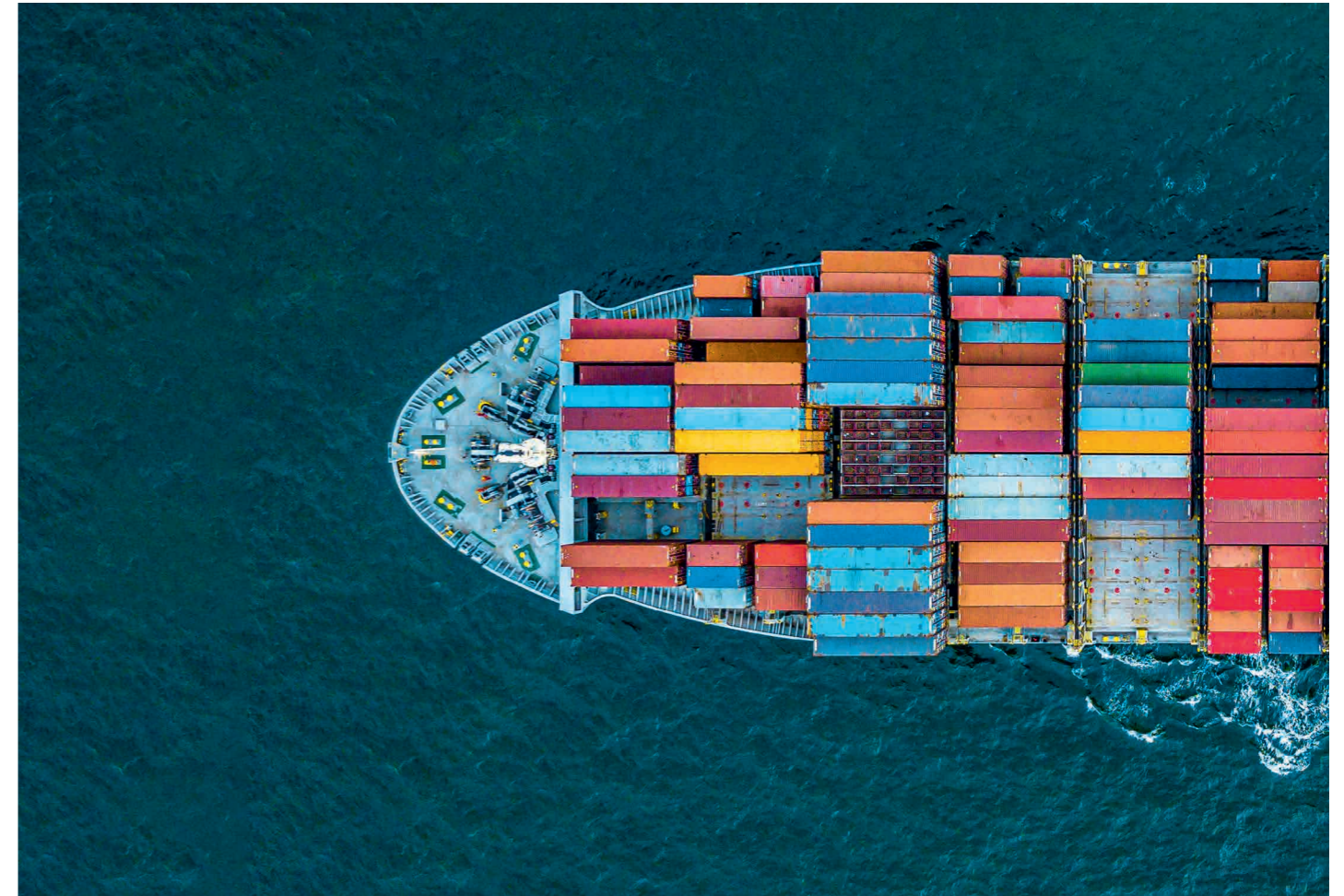
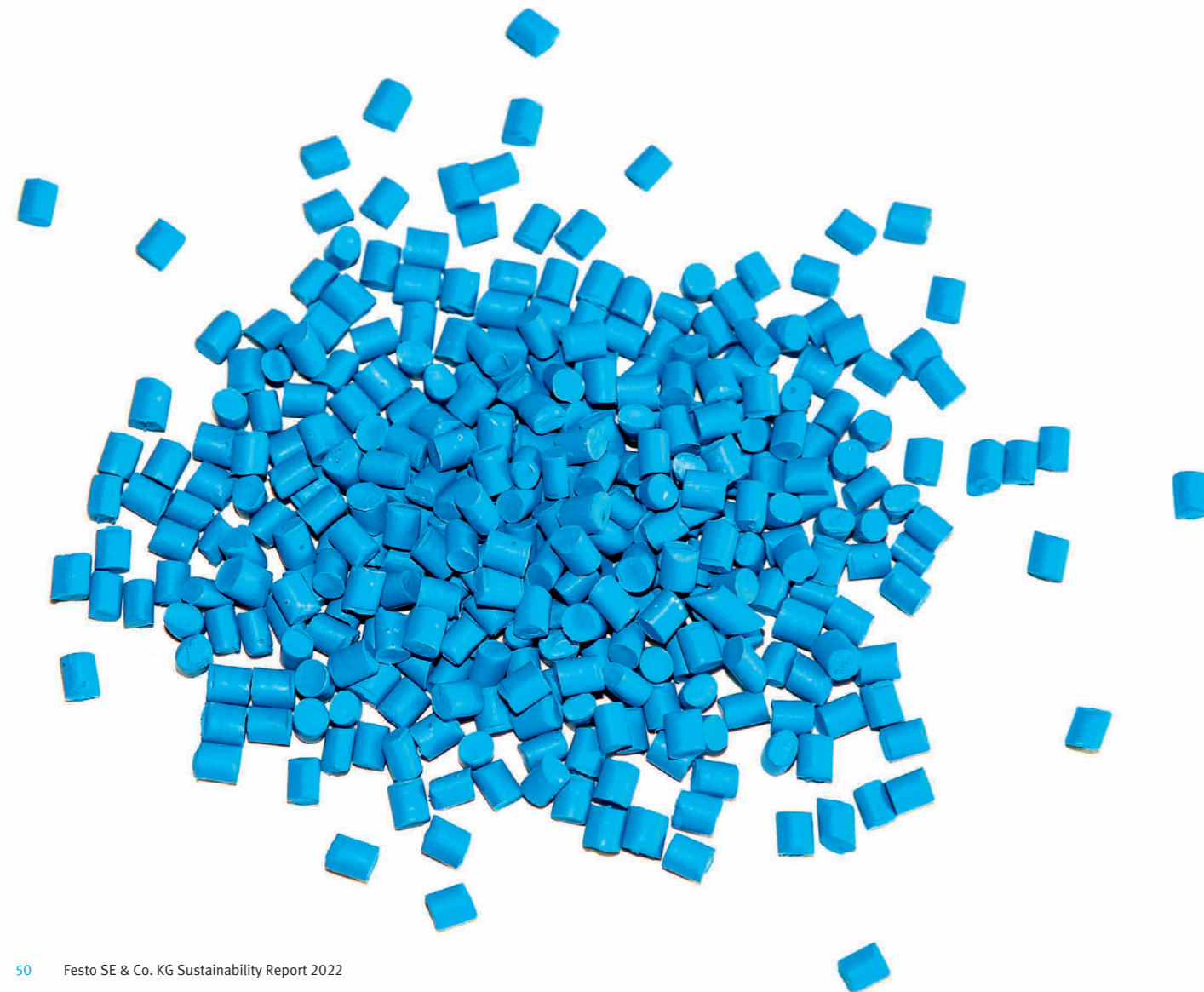


In addition to the use of the products sold (Scope 3.11), the CO<sub>2</sub> emissions along our supply chain are primarily influenced by the goods and services purchased – in particular the materials we use to manufacture our products. Reduction measures, transparency and the collection of primary data within our supply chain play a key role here.

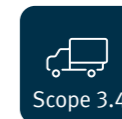
Initial activities for primary data collection were launched in 2022, with the aim of gradually expanding data transparency together with our suppliers. In addition, our focus is on material efficiency along the entire value chain.

As described in more detail in [Chapter 5.3](#), this begins with product development by selecting the right material and using a material-saving product design.

When selecting materials, we see materials with low specific emissions that come from optimised production routes or are based on sustainable raw materials as levers to reduce emissions. This is already being tested in individual projects such as a sustainable pneumatic cylinder concept. In addition, recycling concepts in the production of materials such as aluminium and optimised supply chains have already prevented CO<sub>2</sub> emissions.



### 3.4 Transport and distribution



#### Pilot project for shifting from air to sea freight

In 2021, three regionally significant delivery locations were analysed to see how increasing inventories of high-volume products would enable the shift from air to sea freight ('Air2Sea') in order to reduce transport emissions.

The results were only partially implemented in 2022 due to supply chain disruptions. In a pilot project on the route between the delivery centres in Rohrbach and Mason (Ohio, USA), 47.1 tonnes were transported by plane rather than by ship, thus avoiding around 400 tonnes of CO<sub>2</sub> equivalents.

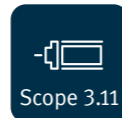
#### Sea freight forwarding by rail at the Rohrbach location

In the case of imports by sea freight, the downstream transport of around 280 40-foot containers from the seaports to the CSC Rohrbach was shifted from road to rail. The associated emission reduction amounts to around 70 tonnes of CO<sub>2</sub> equivalents. At the same time, heavy-duty traffic, harmful nitrogen oxide and particulate matter emissions and noise were avoided.

→ [GR 305-3](#)



## 3.5 Use of products sold



At Festo, we are committed to climate protection and are therefore focussed on reducing our carbon footprint in particular. On the one hand, this affects our direct carbon footprint but, most importantly, the reduction resulting through the use of our products. This makes up the majority of Festo's CCF. The special feature here is that our products, as individual components, only have an energy-consuming effect when they are used in the machine or the system. This is always customised and depends on many parameters.

Back in 2020, a field of action was anchored in our corporate strategy, the aim of which is to reduce the carbon footprint of Festo, our products and their impact on customers. To this end, an interdisciplinary team from all business areas was commissioned, which has since been driving forward company-wide activities to reduce CO<sub>2</sub> emissions. In this context, a special focus is placed on reducing CO<sub>2</sub> emissions through the use of our products.

Machine and plant manufacturers can implement automated tasks with the help of pneumatic and electrical automation solutions available to them. The decision to opt for drive technology is directly linked to environmental effects during the usage phase. Essentially, criteria such as dynamics, force, adjustability, load stiffness and, above all, profitability play an important role in the decision-making process. In many cases, a sensible combination of both technologies can prove to be the optimal solution.

### CO<sub>2</sub> transparency and advice on the energy-optimised use of Festo components

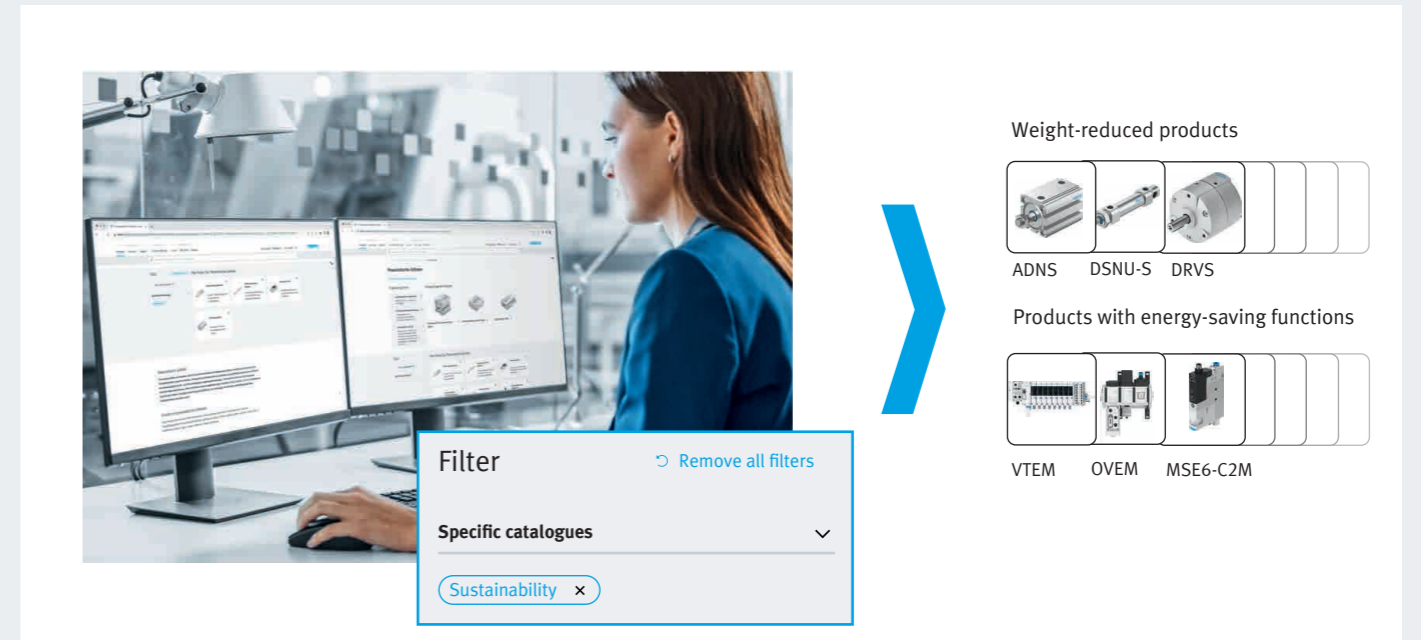
The environmental effects in the usage phase vary with the application and must always be considered on an application-specific basis. Festo creates the necessary transparency with engineering tools such as 'Pneumatic Sizing' and 'CO<sub>2</sub> & TCO Guide'.

These tools show the energy consumption and the associated CO<sub>2</sub> emissions (product carbon footprint during use) of the product, thus enabling a machine or plant to be designed optimally by factoring in CO<sub>2</sub> and energy.

In addition to these tools, we share our knowledge with our customers through the following consultancy and other services:

- Workshops to raise awareness among employees
- Calculations of the total cost of ownership (TCO) to compare pneumatic and electric drive systems
- Energy efficiency analyses of production plants with our Festo Energy Saving Services

→ GRI 302-5, 305-3



Product shopping basket for CO<sub>2</sub> reduction in our online shop via the 'Sustainability' filter.

### Shopping basket for CO<sub>2</sub> reduction and energy efficiency

In addition to the engineering tools, our 'Sustainability in automation' website now also features selected products whose properties and functionality help reduce CO<sub>2</sub> emissions. This product selection can also be found in our online shop via the filter 'Specific Catalogues > Sustainability'.

### Continuous expansion of the shopping basket

The shopping basket includes the further expanded MSE6-C2 M energy-efficiency module, which saves up to 70 per cent in energy and CO<sub>2</sub> emissions. Thanks to advanced fieldbus technologies, the module can be ideally integrated into the system environment. Software libraries enable simplified parameterisation.

In combination with the AI software solution Festo AX, measured values such as pressure and flow can be used for predictive energy management. AI-based monitoring enables ideal maintenance intervals and optimised energy consumption, which saves costs and reduces CO<sub>2</sub> emissions. Automated leak detection results in savings of up to 70 per cent.

Continuous development of the sustainability shopping basket is an integral part of our product strategy.

For more information on our products and services relating to sustainability, CO<sub>2</sub> reduction and energy efficiency, please visit:

[www.festo.com/energyefficiency](http://www.festo.com/energyefficiency)



**Festo Energy Saving Services:**

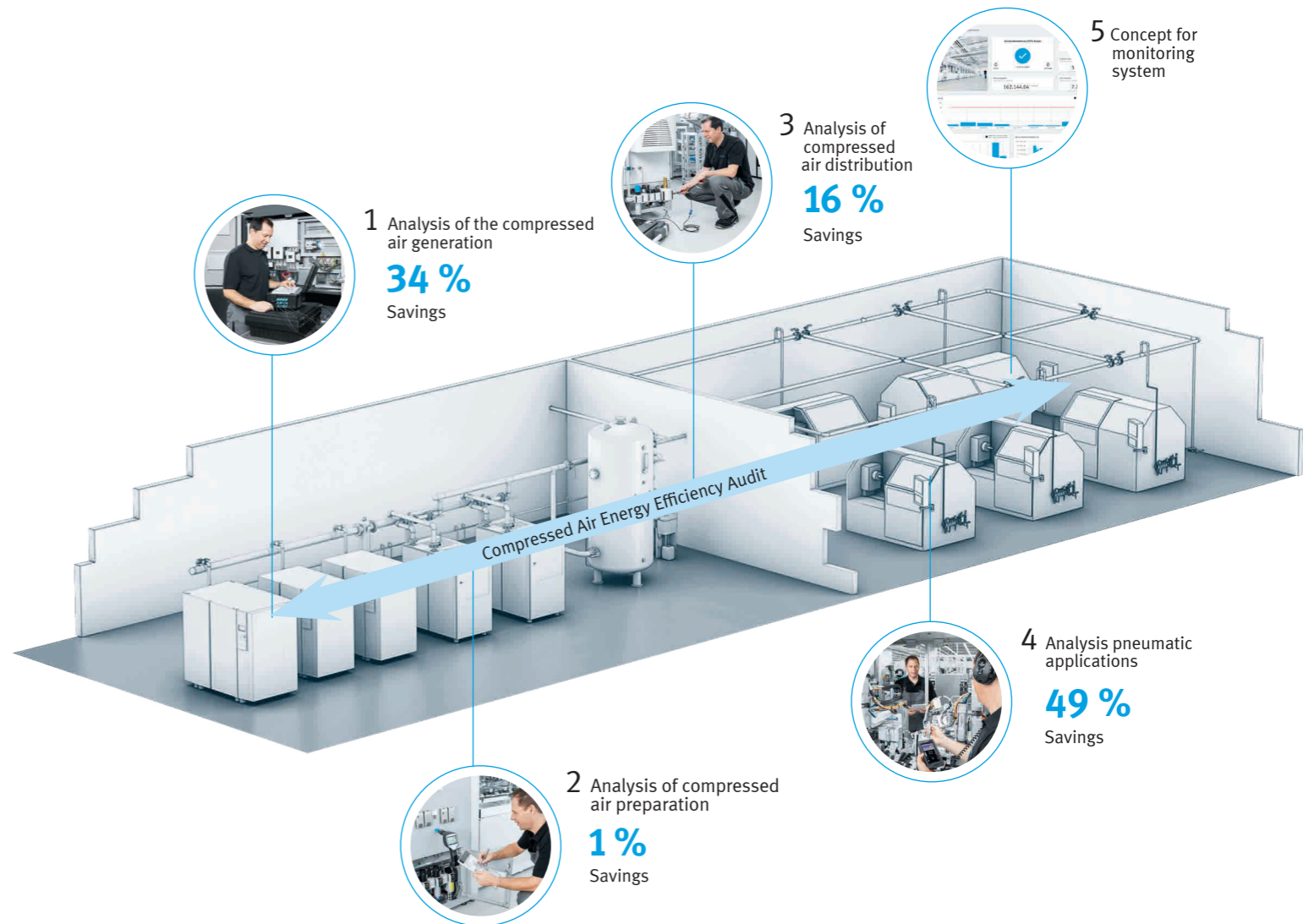
Our mission of achieving CO<sub>2</sub> neutral factories for our customers requires cross-company solutions for industry that go far beyond our own product portfolio. The biggest leverage that Festo currently has as a component supplier with regard to climate protection is the reduction of Scope 3 emissions – specifically when customers use the products sold (see diagram in Chapter 3.1).

This requires specialists with the expertise to optimise the entire pneumatic system. Festo Energy Saving Services, a customised service programme in accordance with DIN EN ISO 11011 (Compressed Air Energy Efficiency Audit), are based on this holistic approach. This serves to identify and best exploit compressed air savings potential at the customer’s premises, which also optimises their entire energy management system in accordance with DIN EN ISO 50001.

**Festo Compressed Air Energy Efficiency Audit**

With the audit, the customer can immediately detect weak points and know which measures will pay off for their compressed air system. Our auditors examine both the compressed air generation (1) and the compressed air preparation and quality (2), as well as the compressed air network (3). They also carry out exemplary leakage detection on selected pneumatic systems, investigate potential savings and check pneumatic efficiency (4). To round off the audit offer, a concept for a monitoring system can be created for the client as required (5).

Finally, a detailed report is produced with precise documentation of the data and priority-weighted recommendations for action to optimise compressed air energy efficiency and its savings potential. The documentation also includes the CO<sub>2</sub> emission values of the compressed air system that many companies require for inclusion in their sustainability report, for example in accordance with GRI or GHG, and that they use in their climate strategies.



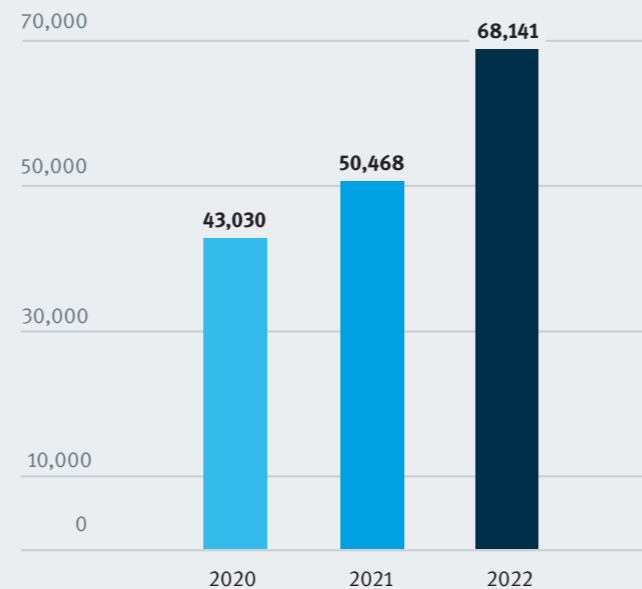
Savings potential of the holistic approach from compressor to application.

**Documented savings potential**

The focus is on the Festo Compressed Air Energy Efficiency Audit, which is available around the globe and is carried out by our specialised auditors. In 2022, 412 projects were carried out worldwide with a calculated CO<sub>2</sub> savings potential totalling 17,672 tonnes.

This amount is comprised of the leakages determined by means of concrete leakage detection and the total potential savings estimated by the Compressed Air Energy Efficiency Audit for the first time. Since 2012, we have been able to demonstrate CO<sub>2</sub> savings of 68,140 tonnes in our customer projects.

→ GRI 302-5



GRI 302-5: Cumulative identified savings potential through the use of Festo Energy Saving Services by our customers (t CO<sub>2</sub>)

**Festo sustainability review of pneumatics**

As part of the new ‘Sustainability Test of Pneumatics’, pneumatic applications on existing systems are subjected to a deep dive. In addition to the complete detection of leaks in a production plant, relevant pneumatic applications are examined for their energy efficiency and sustainability and specific improvement measures are proposed and implemented.

For our customers, this almost always means significantly reduced compressed air and energy consumption, as well as increased system availability and a longer service life of the installed components, as they are better adapted to the respective operating conditions. The environment benefits not only from lower energy consumption, but also from the avoidance of unnecessary waste.

**Festo Energy Saving Services portal**

The web-based Festo Energy Saving Services portal, which was launched worldwide in 2021, and the associated app, form the basis for online documentation and tracking of the results of Festo Compressed Air Energy Efficiency Audits. This digital solution is an important step towards faster implementation of compressed air energy efficiency measures and monitoring them in real time. The faster optimisation measures, such as the reduction of pressure drops or the elimination of located leaks, are initiated by the customer, the more CO<sub>2</sub> emissions and compressed air costs can be saved in total.

Directly to the portal:  
[energysavingservices.festo.com](https://energysavingservices.festo.com)



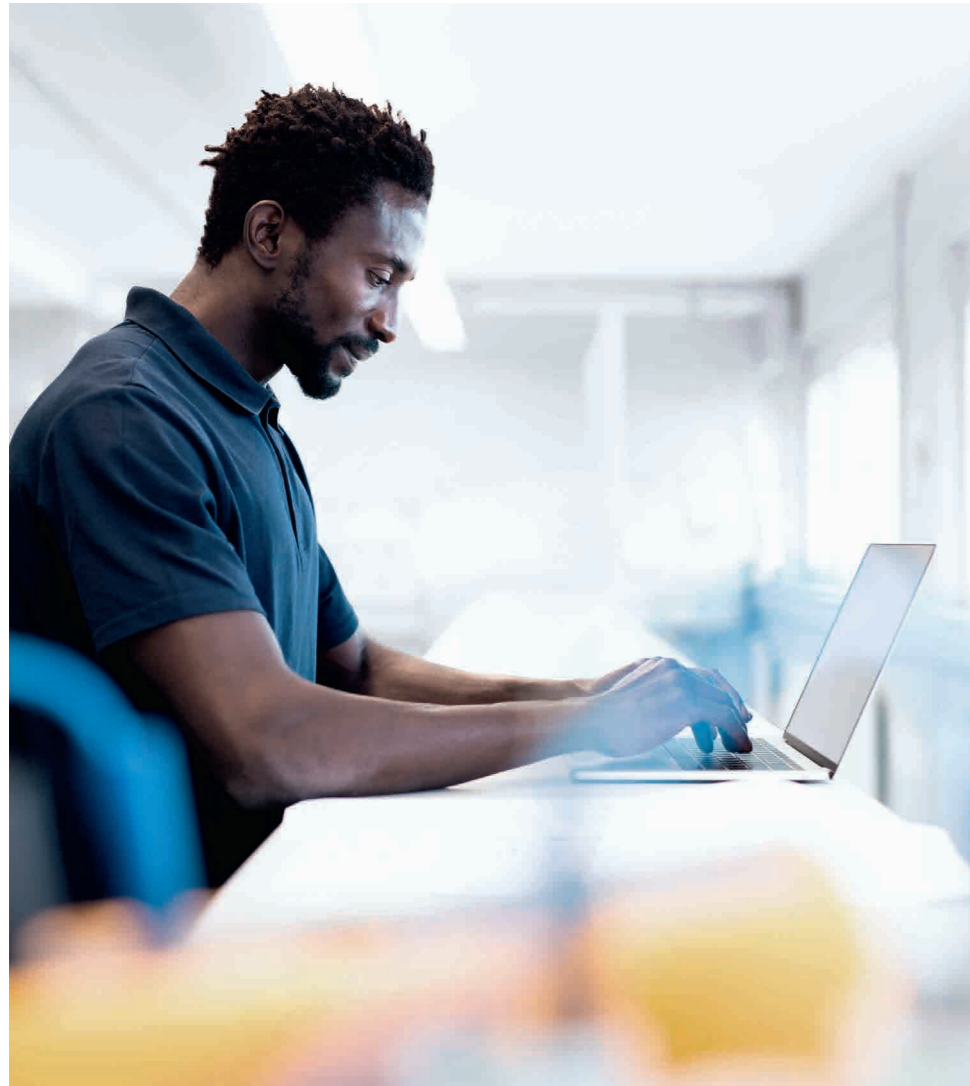


# Technical education

Megatrends such as climate change and digitalisation influence many areas of life. As a result, technical education and training are also changing. It is essential for sustainable development and paving the way to a more sustainable future because technical education and training teaches skills and competencies to approach challenges in a solution-oriented manner and to shape the future in the interest of future generations. Festo Didactic makes an important contribution to the technical qualification of future generations and current employees with its comprehensive range of training courses and worldwide projects and partnerships. → [GRI 3-3](#)







## 4.1 Digital Learning

Digitalisation is not only changing the skills required as part of technical education and training, but also how they are learned. Digital learning portals are ideal for this, as learning content can easily be provided. Our aim is to ensure inclusive, equal and high-quality education and also to promote lifelong learning. Learning solutions should be affordable in order to create equal access.

### Festo Learning Experience (Festo LX)

With the digital learning portal Festo Learning Experience (Festo LX), Festo Didactic offers a holistic approach to technical education and training. The focus is on the needs of learners and teachers, because learning is as individual as people themselves.

On Festo LX, we offer a wide range of didactically prepared learning content for many technical areas, from pneumatics, hydraulics, STEM to Industry 4.0. Industry expertise combined with the didactic know-how of Festo Didactic create unique learning experiences. All content is available regardless of time and place. Festo LX is based on a micro-learning approach with multimedia learning nuggets. These small learning units can be edited modularly and combined into individual learning paths. With the help of the integrated LX Creator, teachers can easily create their own learning nuggets with existing learning content.

The physical learning systems and simulations from Festo Didactic are integrated into the learning portal, so that theoretically learned knowledge can be tested directly in practice. With Festo LX, you can secure the employability of your employees and learners in the high-tech industry of today and tomorrow.

At present, there are over 650 customers worldwide with more than 40,000 users who use Festo LX for their technical education and training. Last year, the number of apprentices worldwide was 21,000. There are currently over 600 courses in Festo LX with a duration of 3,300 hours. In the coming years, our aim is to increase both the number of users and the learning content offered on Festo LX in order to ensure access to high-quality training in technical professions and to promote lifelong learning.

To the digital learning portal for teachers and learners: [lx.festo.com](https://lx.festo.com)



Digital education with Festo LX: over 40,000 learners worldwide



## 4.2 Learning through competitions

Many companies lack skilled workers. Professional competitions are a great way to get young people excited about technical topics and careers. This allows them to develop their skills and demonstrate their talent. The qualification of young people helps to reduce the shortage of skilled workers. This is why Festo supports competitions and educational events around the world.

### Long-standing partnership with WorldSkills

Festo has been the Global Industry Partner of the international umbrella organisation WorldSkills since 1991. Together, we are committed to vocational training. Festo provides the material for six skills in the form of learning systems, components and software. These are the competition skills Mechatronics, Industry 4.0, Water Technology, Renewable Energy, Industrial Mechanics and Industrial Control.

### WorldSkills Africa Swakopmund 2022

In March 2022, Festo was a partner of WorldSkills Africa and a sponsor of the Mechatronics and Water Technology skills.

Our commitment also includes providing access to education in countries that are in a development phase. Young skilled workers should be trained to use local industry for local economic development. The skill of Water Technology is of great importance in Africa, where countless people are exposed to water shortages due to climate change.

### WorldSkills Competition 2022 Special Edition

The world championship of skills was held in 2022 under special conditions. In preparation for the participants, Festo organised several international hybrid training camps for Mechatronics, Water Technology and Industry 4.0. The teams had to prove themselves in online competitions and solve hands-on tasks on-site in the various countries. Due to the coronavirus situation in China, the WorldSkills competitions were initially postponed by one year, but ultimately the staging in Shanghai was cancelled altogether.

WorldSkills has therefore launched a 'Special Edition' in 15 member states. WorldSkills Germany hosted three competitions of the disciplines sponsored by Festo in Stuttgart at the MOTEK trade fair. Industry 4.0 was introduced as an official discipline for the first time. The participants were impressed by the face-to-face event and the personal encounters between participants, experts and trainers from all over the world.



Opening ceremony of the Special Edition 2022 in Stuttgart, Germany Photo: WorldSkills



WorldSkills Africa Swakopmund 2022 in Namibia: fantastic team spirit in the battle for medals



Learn how to use wind energy Photo: WorldSkills

### Sustainable careers in competitions

WorldSkills picks up on current trends from the fields of society, business and technology and depicts them in new skills and topics. This is why a new skill was created this year: 'Renewable Energy'. This involves generating energy from renewable sources such as solar and wind. Participants have to solve tasks on photovoltaic systems and on a learning system for wind energy.

For the latter, Festo is the official supplier and makes the Nacelle learning system for wind power generation available to the competition. It was used for the first time in Japan for the 'WorldSkills Special Edition'. Only through the cooperation of WorldSkills, members, partners and sponsors can new disciplines be brought to life. Festo is actively committed to promoting job profiles of the future in order to counteract the current shortage of skilled workers.





Dr Oliver Niese is a Member of the Management Board of Festo Didactic SE and Head of Digital Business at Festo SE & Co. KG. As the world's leading provider of technical education and training solutions, Festo Didactic ensures the employability and productivity of our customers.

Learning environments for education and industry unlock the best learning potential of learners by combining online learning content and physical learning systems. As an integral part of the Festo Group, the interplay between automation and education is unique.

» The funding of the competitions in Germany by the Federal Ministry of Education and Research underlines the importance of vocational training in times of skill shortages. As a Global Industry Partner of WorldSkills International, Festo has been committed to developing young people's skills for more than 30 years. «

Dr Oliver Niese  
Member of the Management Board of Festo Didactic SE and Head of Digital Business at Festo SE & Co. KG



## 4.3 Training for sustainable occupations

Increasing the share of wind energy in the global energy mix plays an important role in the decarbonisation of the planet. The return on investment in wind farms depends largely on the availability of a skilled workforce capable of installing, operating, repairing, and optimizing wind turbines, making wind turbine technicians a key job profile in the wind energy industry.

Technical schools need to ramp up their programs to provide the wind energy industry with graduates in sufficient quantity and quality to accelerate the transition to renewable energy. This is where Festo contributes.

### Training excellence in the wind power industry

In December 2022, BZEE (Training Centre for Renewable Energy) and Festo Didactic renewed their long-standing collaboration to offer guidance and learning resources to support training providers in the preparation of skilled wind turbine technicians. Festo Didactic is now an official industry partner of the BZEE as a recommended provider of technical education learning solutions.

The cooperation agreement between the BZEE and Festo Didactic provides their respective customers – technical schools and training centers – with an easy access to industry and didactic experts able to support the creation or expansion of training programs and facilities.

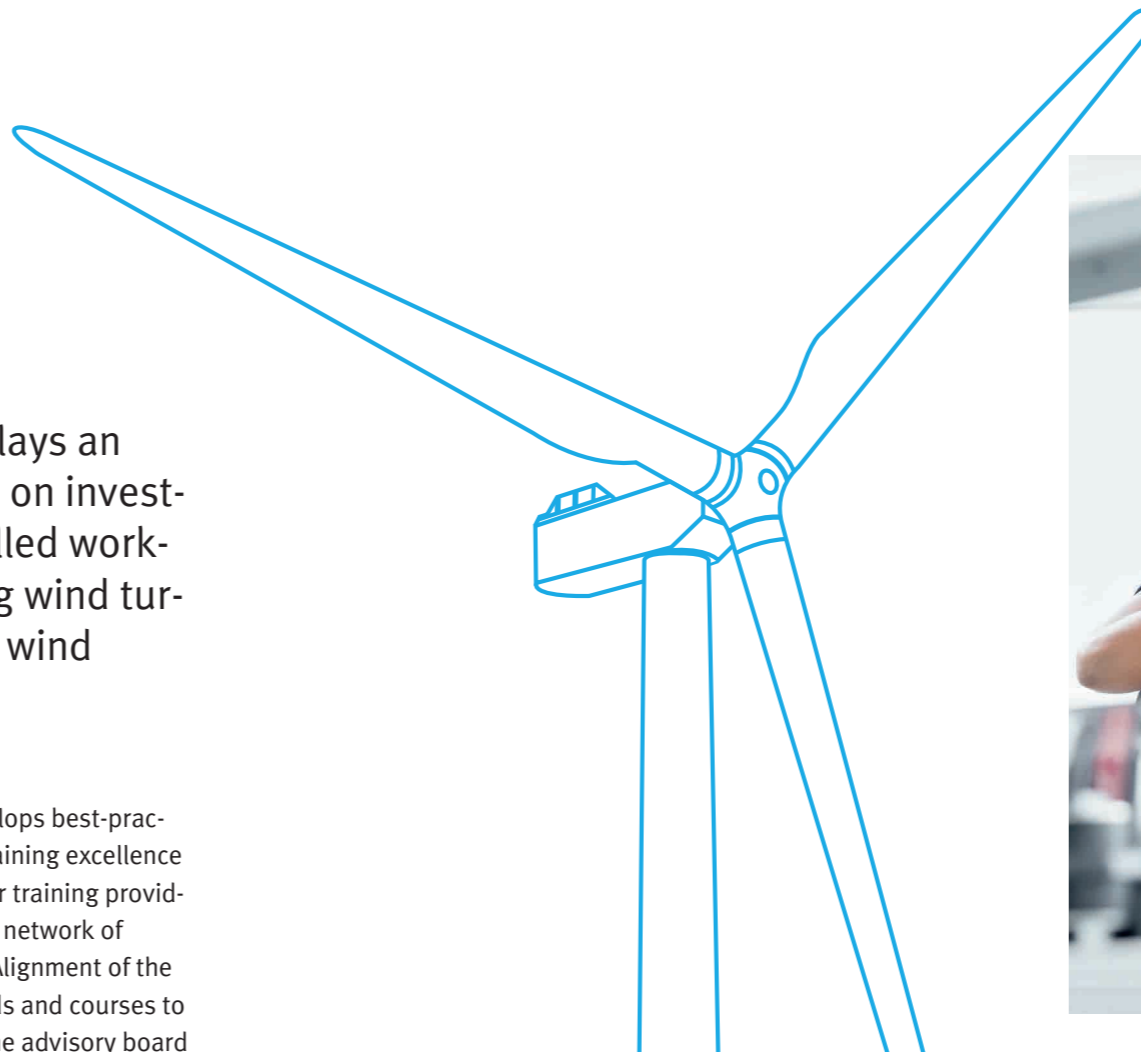
The result of a learning concept based on the complementary expertise of BZEE and Festo Didactic is a comprehensive training aligned to professional requirements. This will enable learners to onboard the wind industry quickly and efficiently.

As a non-profit organization, BZEE develops best-practice vocational training standards for training excellence in wind energy and turnkey solutions for training providers. It delivers training through a global network of licensed partners – the BZEE Network. Alignment of the contents of vocational training standards and courses to industry requirements is validated by the advisory board of the non-profit BZEE Association.

### Learning solutions that develop relevant skills

Festo Didactic provides a comprehensive offering to develop skills in key technical areas such as the fundamentals of wind technology, hydraulics, mechanics and electrical engineering. In particular, its fully interactive, scaled-down commercial wind turbine prepares learners for real-world operation, troubleshooting and maintenance, as well as connection to the power grid, in a safe, hands-on environment. Therefore, practical experimentation related to many topics covered in the BZEE curriculum for wind turbine technicians can be performed on training equipment. Courses on the digital portal Festo LX guide learners through study and practical exercises.

Visit the web page dedicated to learning solutions for future wind turbine technicians:  
[www.festo.com/windenergy](http://www.festo.com/windenergy)







## 4.4 Bionics and STEM offerings for secondary education

Our aim is to spark children and young people’s enthusiasm for science and technology (STEM). This creates the basis for technological excellence at a young age. Bionics arouses curiosity and interest – that is the motor for learning. This is why Festo Didactic launched the STEM training concept ‘Bionics4Education’ in 2019. It includes numerous initiatives to teach children and young people about STEM topics. Some examples from 2022:

- **‘Schwimm Dich schlau’ (Swim yourself clever) (Munich, Germany):** For the first time, Festo Didactic tested a STEM movement-based learning concept with pupils at the Olympic Centre in Munich. The concept for experience-oriented learning using Bionics4Education was developed together with Innovationsmanufaktur in Munich and carried out in the Olympic swimming hall under the supervision of sports scientists from the Technical University of Munich. A total of 20 pupils from Esslingen, Munich and Kempten took part.

- **‘Young Maker’ programme (Esslingen-Berkheim, Germany):** The ‘Young Maker’ programme aims to give pre-school children the opportunity to experience technology up-close. Various age-appropriate stations present topics such as bionics, programming, 3D printing and assembly. The equipment from Bionics4Education was also used. The event took place for the first time in the Festo vocational education at the Berkheim location and is set to be expanded further in the future.

- **Winner of the ‘Bildungspartnerschaften digital 2022’ (educational partnerships, digital, 2022) school competition (Stuttgart, Germany):** Since 2021, the Neues Gymnasium Leibniz school in Stuttgart has offered a weekly working group on career orientation. The collaboration is entitled ‘Bionik, Informatik und Robotik – ein spielerischer Zugang zur Wirtschaft 4.0’ (bionics, computer science and robotics – a playful approach to Economy 4.0) and is meant to give the pupils an action- and production-oriented approach to future-proof skills. In 2022, the Neues Gymnasium Leibniz and Festo Didactic won the ‘Bildungspartnerschaften digital 2022’ school competition. The award ceremony took place digitally under the patronage of Dr Nicole Hoffmeister-Kraut, Baden-Württemberg’s Minister for Economic Affairs. The school received a prize of 5,000 euros to implement the project. Amongst other things, bionics kits were purchased.

- **Bringing scrum and bionics to the classroom (Filderstadt and Stuttgart, Germany):** Thanks to the scrum agile learning method, Festo Didactic and a partner bring the topic of bionics to the classroom with the help of exciting STEM questions. This allows pupils to experience the working world of tomorrow at school today. A total of 25 pupils at Dietrich Bonhoeffer Gymnasium in Filderstadt and ten pupils at Neues Gymnasium Leibniz in Stuttgart were able to try out the didactic concept. The classic lessons in science and technology or course work were interrupted for a few weeks and implemented through a project-based approach. The pupils got to know digital media and industrial topics with regard to future requirements in terms of the sustainable use of the environment. They were also taught the need for green and joined-up thinking. In addition, the Scrum4Schools approach helps pupils to start thinking about career choice.

- **Eighth-graders’ Festo Camp 2022 (Wisconsin, USA):** Together with the National Coalition of Certification Center (NC3), Festo Didactic US conducted a STEM (Science, Technology, Engineering, Maths) camp for pupils at KTEC High School in Kenosha. NC3 is a partner of industry and educational institutions to develop and implement industry-approved certifications with strict validation and evaluation standards. Festo STEM equipment was used, amongst other things.

- **Technasium Festival (Bunnik, Netherlands):** Festo Netherlands took part in a technology festival for school-children with workshops on the robotic fish, Bionic Fish. Participants were offered a wide range of STEM activities, including a hackathon spanning several days.

- **Wissensfabrik (knowledge factory, Germany):** Festo Didactic is also a member of the Wissensfabrik, which is a strong network in the German economy. In total, around 130 companies and business-related foundations are involved in educational institutions, in order, amongst other things, to support children and young people in the STEM fields. As a result of its membership, Festo Didactic has 14 active educational partnerships with KiTec (Kinder entdecken Technik – children discover technology), and has thereby reached 140 teachers.

You can find further information and teaching materials at [www.stem.festo.com](http://www.stem.festo.com)





# Environment, resource and material effi- ciency

Resource efficiency not only reduces material and energy consumption. The responsible use of raw materials also protects the environment and the climate. For industry, this means taking on holistic responsibility. That's why we look at a variety of topics, starting with the careful use of resources and materials at our production sites and water and wastewater management. Even in the early stages of product development, our focus is on saving materials, using materials that are as low as possible in CO<sub>2</sub> and contributing to a circular economy. Last but not least, we are pursuing an ecological packaging concept. → [GRI 3-3](#)







## 5.1 Our locations

### Environmental compliance

Festo has not committed any serious infringements of environmental law. However, small fines for breaches of regulations (for example in the transport of dangerous goods) cannot be ruled out. Non-sanctioned, short-term exceedances of wastewater and emission limit values may occur. Appropriate countermeasures are always taken. Wherever there are reporting obligations to the authorities in connection with exceedances, these are carried out. → [GRI 307-1](#)

### Waste indicators and transport of waste

Operation of production plants and buildings is always associated with the generation of waste. For this reason, for many years, we have been striving at all our locations to avoid waste or, if this is not possible, to recycle. The legal regulations applicable at the respective location are always fundamental for us.

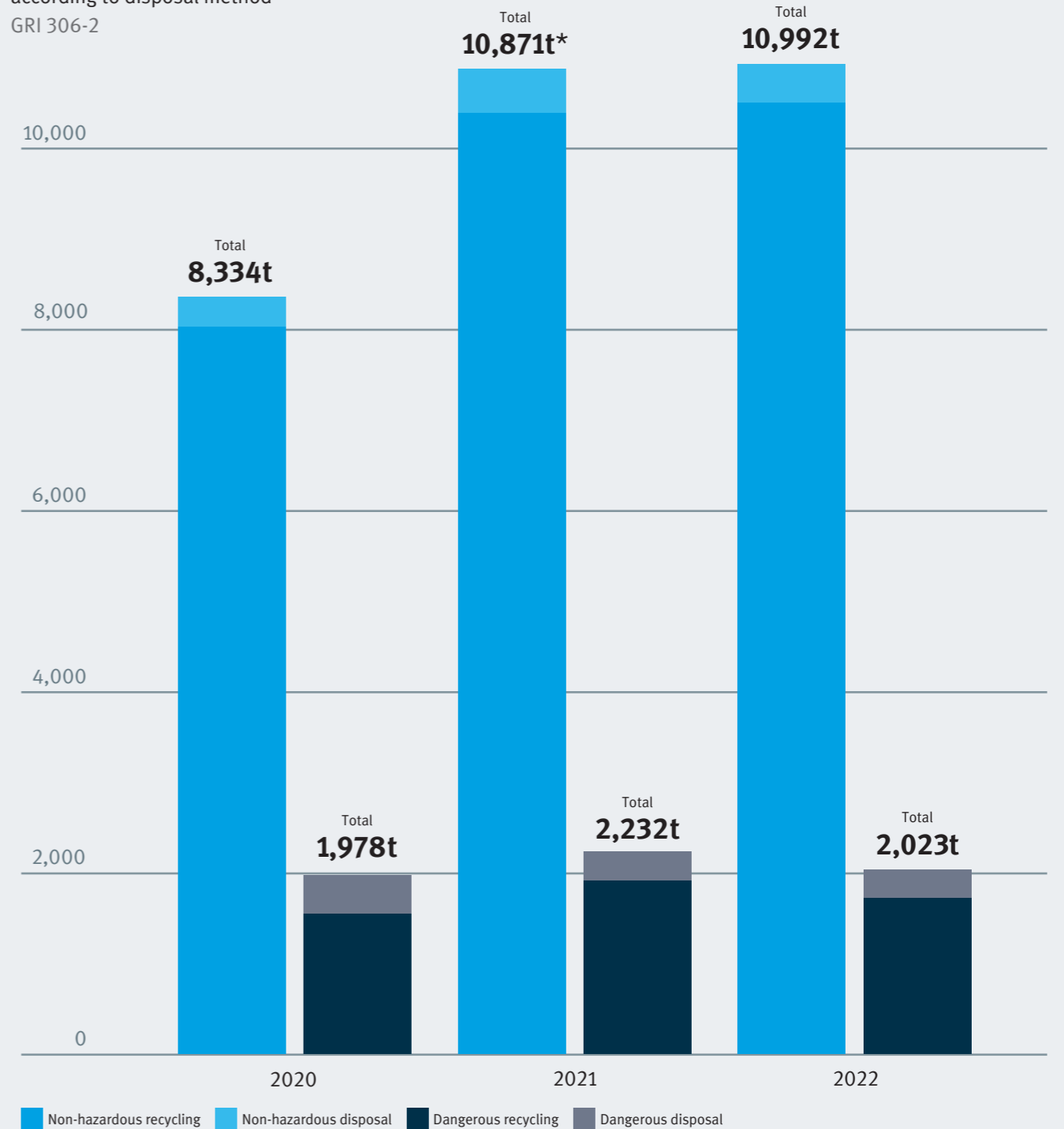
Over the last four years, our locations have produced an average of around 12,229 tonnes of waste per year worldwide. Compared to 2021, the volume of waste decreased by 1.21 per cent in 2022. Around 84 per cent was non-hazardous waste and around 16 per cent was hazardous waste. The recycling rate across all waste categories is over 92 per cent. → [GRI 306-2](#)

This high level was achieved through a large number of group-wide and local measures, such as returnable packaging, low-waste production methods, separate and process-related waste collection, and ongoing measures to promote environmental awareness among the workforce.

We collect waste at all locations and make it available for collection. The few types of waste that cannot be recycled, thermally recycled, composted or incinerated are deposited in landfills at local waste disposal facilities. Our waste is disposed of exclusively by qualified waste disposal companies. We do not export or import waste. → [GRI 306-4](#)

## Non-hazardous and hazardous waste

according to disposal method  
GRI 306-2



■ Non-hazardous recycling ■ Non-hazardous disposal ■ Dangerous recycling ■ Dangerous disposal

	2020	2021*	2022
Non-hazardous recycling	8,003t	10,381t	10,500t
Non-hazardous disposal	331t	490t	422t
Dangerous recycling	1,541t	1,893t	1,712t
Dangerous disposal	437t	339t	311t

\* The figures for 2021 had to be corrected due to late reports from the plants.



**Water consumption**

The Festo Group’s water consumption in 2022 amounted to 308,570 cubic metres, which is on a par with the previous year. With 33 per cent and 29 per cent of total water consumption, sanitary facilities and production accounted for by far the largest share of total water consumption. The remainder is accounted for by cooling with evaporative cooling systems (21 per cent) and some subordinate processes such as the irrigation of green areas and canteen operation.

The weighting between uses changed compared to the previous year. While there were savings in production, consumption in the other areas increased mainly due to the warm weather in Europe and the renewed increase in the number of employees at work. → GRI 303-5

Measures are being implemented in all areas to continuously reduce consumption. Our own buildings are equipped with water-saving fittings throughout. Wherever possible, we optimise the production processes that generate wastewater and reuse the wastewater for other purposes.

In 2021, an evaporative cooling system was replaced with a hybrid cooler with minimal water consumption as part of the conversion of the cooling provision at the company headquarters. This saves between 3,000 and 4,000 cubic metres of water every year. No further significant water-saving measures were identified and implemented in the current reporting year.

The illustration on the right shows the water intake by source over the years 2020 to 2022. Approximately 98 per cent of the water consumption is covered by the public water distribution. Just over 2 per cent of our water consumption come from our own groundwater wells, which are used exclusively to irrigate the green areas. → GRI 303-1, GRI 303-3

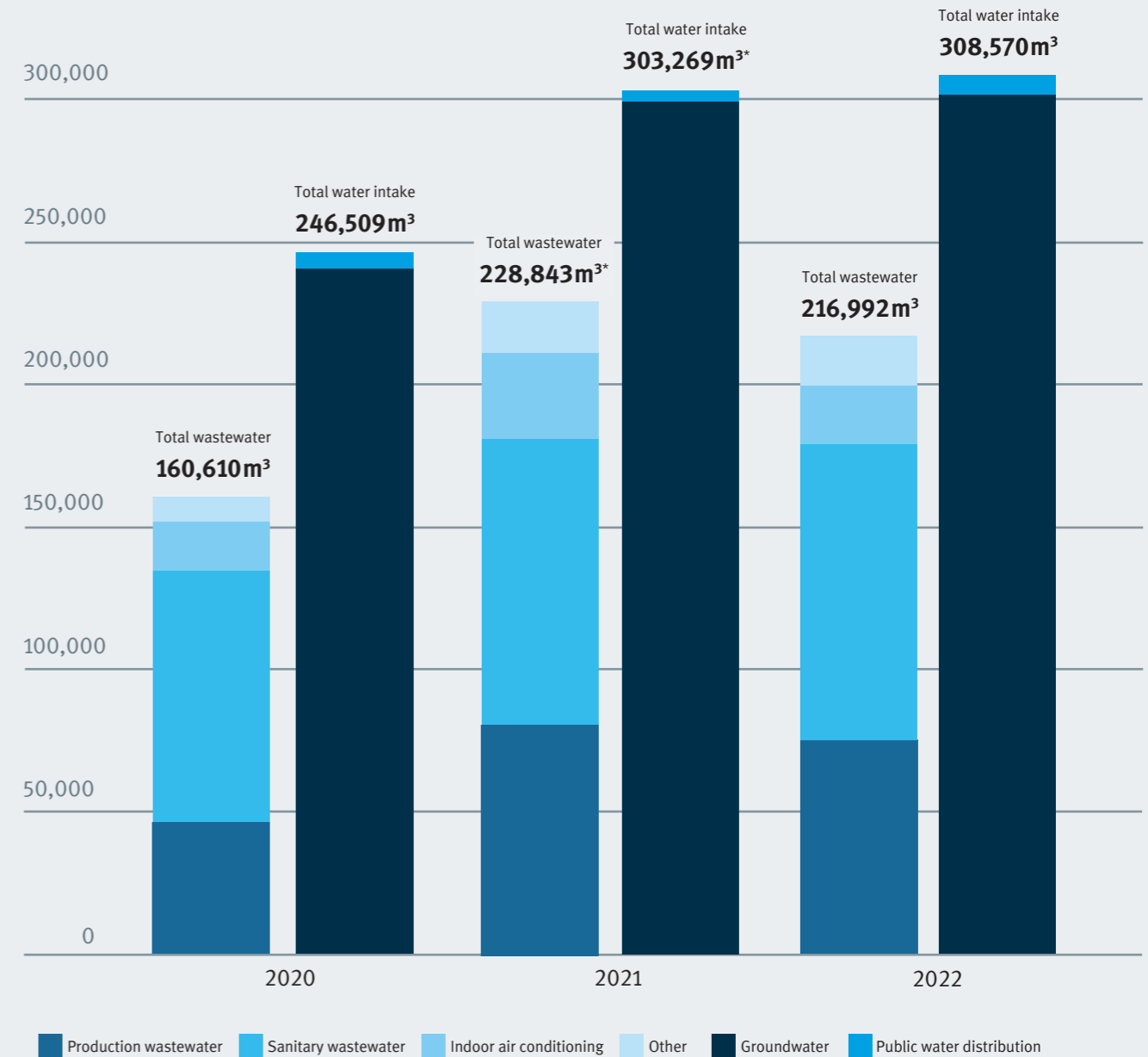
**Wastewater**

Polluted wastewater is discharged exclusively into the public sewer system. Our production wastewater is treated for process-specific pollutants before it is discharged. We hold the necessary permits for all treatment plants and monitor the treatment and pollutant parameters. With the exception of unpolluted rainwater, we do not discharge any wastewater into natural waters or groundwater.

The illustration on the right shows the wastewater discharge by quality and discharge location over the years 2020 to 2022. The development and distribution across the categories is explained by the type of water use described above.

→ 303-1, GRI 303-4, GRI 306-1, GRI 306-5

**Wastewater discharge and water intake**



	2020	2021*	2022
<b>Waste water discharge by quality and place of discharge</b> GRI 303-1, GRI 303-3, GRI 306-1			
Production wastewater	46,645m <sup>3</sup>	80,895m <sup>3</sup>	75,329m <sup>3</sup>
Sanitary wastewater	88,076m <sup>3</sup>	110,445m <sup>3</sup>	103,682m <sup>3</sup>
Indoor air conditioning	17,296m <sup>3</sup>	19,763m <sup>3</sup>	20,862m <sup>3</sup>
Other	8,593m <sup>3</sup>	17,740m <sup>3</sup>	17,119m <sup>3</sup>
<b>Water withdrawal by source: public water distribution and groundwater intake</b> GRI 303-1, GRI 303-5			
Groundwater	5,764m <sup>3</sup>	3,969 m <sup>3</sup>	6,946m <sup>3</sup>
Public water intake	240,745m <sup>3</sup>	299,300m <sup>3</sup>	301,624 m <sup>3</sup>

\* In the Sustainability Report 2021, the values for the categories values for production and sanitary wastewater were incorrectly assigned. The value for sanitary wastewater in 2021 was corrected due to a subsequent notification by a plant.



**Sustainability, from global to local**

The commitment of Festo towards sustainability is also mirrored in local companies, like at Festo Didactic Ltd, located in the Canadian province of Québec. In 2022 Festo Didactic Ltd was awarded the ECORESPONSIBLE™ - Level 2. Performance certification that acknowledges its efforts to minimize impact on the environment and implement sustainable practices throughout its operations.

Festo Didactic Ltd designs and manufactures several learning solutions, particularly in the areas of electrical engineering, process automation, and industrial trades. The company is committed to operating its facilities (plant and administrative offices) in an environmentally responsible manner.

The certification process began in 2020, when Festo Didactic Ltd embarked on a structured, step-by-step approach to integrate sustainability into its organizational culture by involving all internal and external stakeholders. A sustainable development strategy, an action plan operationalization system, and a reporting process were developed.

The approach is based on internationally recognized standards for corporate social responsibility and sustainable development management, such as ISO 26000, the BNQ 21000 guide and the Global Reporting Initiative's guidelines for reporting. The company's initiative aligns with the 16 principles of the Quebec Sustainable Development Act and the 17 sustainable development goals of the United Nations.

The company also adopted a Sustainable Development Charter that guides its daily actions. Innovative solutions were evaluated and implemented to reduce its environmental footprint, ensure the well-being of its employees and increase the resilience of its value chain. Future developments include the implementation of an ISO 140001 certified environmental management system, a skills development plan, and an energy optimization project to continuously reduce environmental impact and improve sustainable practices.



## 5.2 Packaging

Packaging is necessary to protect high-value products during their storage and transport. Finding the balance between sufficient protection, limiting packaging costs and the environmental compatibility of the packaging concept is a complex task.

In 2022, our packaging concept was continuously further developed and optimised. The following improvements were achieved, amongst others:  
At the Rohrbach plant, the bag size for fittings on the existing packaging installation was reduced from a size of 150 x 120 millimetres to a size of 150 x 90 millimetres. This saves around 4.5 tonnes of polyethylene per year.

In our largest distribution centre, air cushion film has been replaced by paper cushioning. This change reduces annual plastic consumption by around 7 tonnes.

Festo strives to achieve the highest possible proportion of packaging made from renewable materials such as wood, paper, cardboard and corrugated cardboard. In 2022, our largest distribution centre accounted for over 97 per cent of the weight of all packaging materials.

In addition, we aim to limit the proportion of packaging in our shipping volume. This amounted to a good 23 per cent – also for Germany – in 2022. The values are also on the same level internationally. → [GRI 301-1](#)

Wherever possible, we try to find sustainable packaging solutions. Individual cases of customer complaints are usually due to an automated packaging installation with limited standard sizes.

Internally, one of our goals is to reuse the packaging we receive. We can measure this percentage in our plants in China – the reuse rate there is more than 80 per cent.



Awarded Level 2. ECORESPONSIBLE™ performance certification: Festo Didactic Ltd in the Canadian province of Quebec.



## 5.3 Use of materials in our products

The product carbon footprint (PCF) balances all greenhouse gas emissions that occur during a product's life cycle. The PCF describes the manufacturing phase of the product from 'cradle to gate'. It is used to account for all relevant emissions from material, energy and transport associated with the manufacturing of the product. The usage phase must always be evaluated depending on the application. The PCF of the usage phase is already communicated via our engineering tools (see Chapter 3.5).

Since mid-2022, we have implemented an evaluation logic at Festo in accordance with applicable standards. To this end, we have defined a uniform procedure together with the network with respect to the VDMA and the ZVEI (for example, with the VDMA standard sheet for calculating the PCF).

### CO<sub>2</sub> saving product design

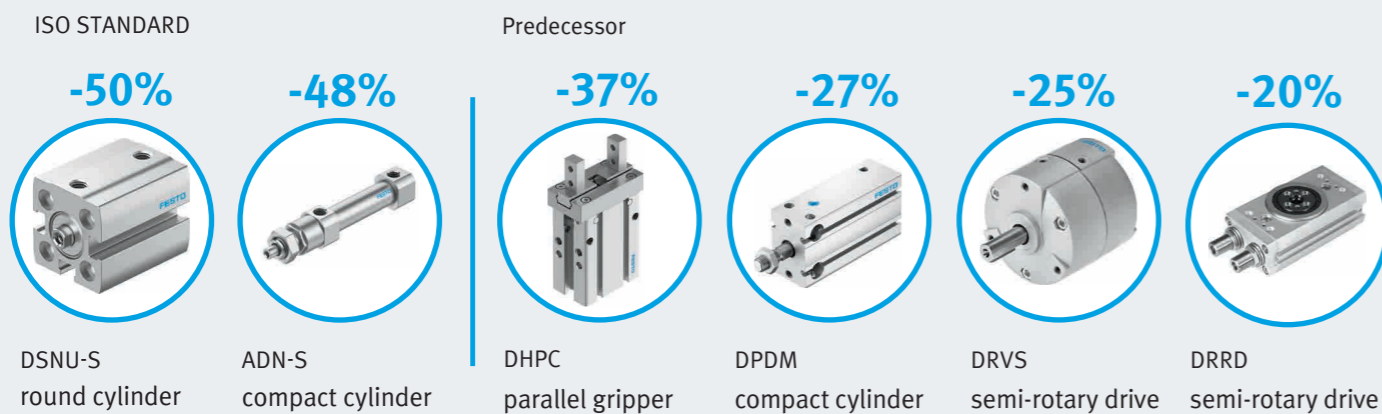
In addition to the optimal use phase (see Chapter 3.5), the PCFs of our products are shaped by the manufacturing process and the material used. Development principles such as material-saving product design reduce PCF

in manufacturing. This is an established development principle at Festo and is already reflected in some products; see diagram.

### CO<sub>2</sub> saving materials

Material-saving product design combined with the use of low specific emission materials increases this 'CO<sub>2</sub> saving effect.' To this end, measures have been under way since mid-2022 to evaluate and implement 'CO<sub>2</sub> saving' preferred materials, which are already being tested by means of a sustainable pneumatic cylinder.

### Product examples with weight reduction compared to:



### CO<sub>2</sub> avoidance thanks to optimum service life

In order to exploit the CO<sub>2</sub> emissions generated during the manufacture of the Festo components as efficiently as possible, instructions and descriptions provide advice on possible misuse, information on maintenance, cleaning, care and disposal. In addition, instructional videos clearly explain how wear parts can be replaced independently, for example, and also help to extend the service life of our products. → GRI 417-1

### Avoidance of critical ingredients

In addition to protecting human health, the recycling of materials requires that they do not contain any pollutants that prevent the production of high-quality secondary raw materials.

The use of critical ingredients is therefore regulated by numerous legal requirements, such as EU Directive 2011/65/EU (RoHS 2), the EU Regulation 2019/1021 (POPs), the EU Regulation 1907/2006 (REACH), the

associated mandatory entries in the SCIP database, the requirements of the EC Packaging Directive 94/62/EC and the requirements of the EC Battery Directive 2006/66/EC.

All regulations and directives aim to ensure that critical ingredients are not present in a material at a concentration level above the permitted limit.

In 2022, Festo continued its project to test and approve aluminium alloys with a lead content of less than 0.1% by weight. In addition, Festo has provided its customers with a so-called Application Note, which contains comprehensive information on the use of critical materials in our components. → GRI 416-1

The application note can be downloaded from our website: [www.festo.com/material-compliance](http://www.festo.com/material-compliance)





» Material efficiency starts with product design and means using the right material, in the right amount, in the right place with a balanced relationship of quality, cost, availability and sustainability. «

Julia Bikiadis,  
CO<sub>2</sub> reduction project manager at Festo

Julia Bikiadis has been a project manager for CO<sub>2</sub> reduction in Festo's product portfolio since mid-2022. A major focus here is the material efficiency of our products. We consider these in a multidimensional way: We use lightweight construction principles to reduce the amount of material used for product manufacturing.

By recycling residual materials, we make better use of the amount of material used. A targeted selection of materials from optimised supply chains or from sustainable raw materials, taking into account quality, cost and availability, also increases material efficiency.



**Sustainable procurement**

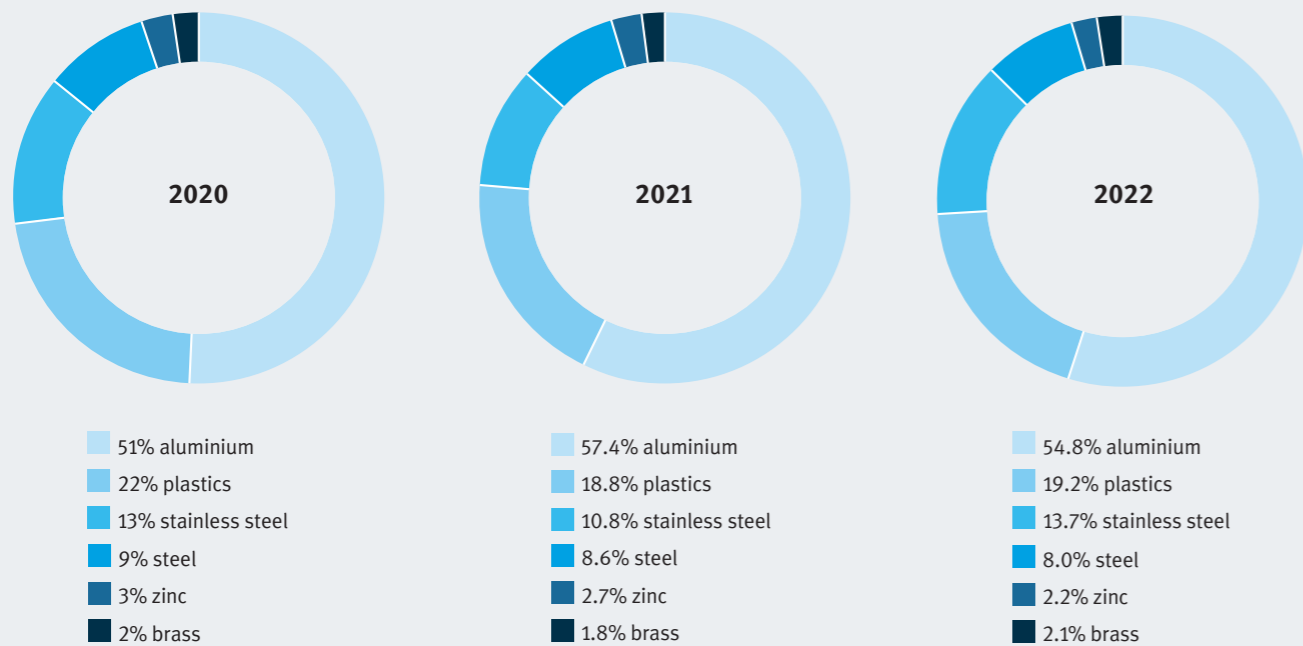
Festo's purchasing structure is characterised by the procurement of semi-finished products, components and finished parts. Aluminium, (stainless) steel and plastics are amongst the most important materials.

The products purchased by Festo have an ecological effect on several levels. In addition to the finite nature of resources, the consequences of raw material extraction and the resulting CO<sub>2</sub> emissions must be taken into account. The quantities of materials purchased in 2022 in tonnage have been visualised in the diagram below. → GRI 301-1

More than half of the raw materials purchased for the manufacture of our products consist of primary and secondary aluminium. Around 22 per cent are made of steel or stainless steel, 19 per cent are plastic granules or parts and 4 per cent are other metals.

Furthermore, prefabricated electrical components and electromagnets are used. In addition to production materials, non-production materials such as vehicles, IT infrastructure and operating materials as well as services must be taken into account.

The aluminium supply chain begins with the mining of bauxite. The raw material for aluminium production has adverse effects on the environment depending on the mining region. The great economic importance and the supply risk of bauxite lead to bauxite being declared a critical raw material by the European Union in 2020. The procurement of secondary aluminium saves a significant proportion of emissions and protects bauxite stocks. → GRI 2-6, GRI 301-2, GRI 304-2



GRI 301-1: Distribution of the purchasing volume by materials



The reprocessing of aluminium briquettes offers great savings potential.

The CO<sub>2</sub> emissions during the production of individual materials differ considerably. Besides aluminium, purchased electronic components and non-production materials have the greatest impact. Preliminary calculations show a total amount in 2022 of 341,567 tonnes of CO<sub>2</sub> equivalents, which were generated during the production of purchased materials and the use of services. In contrast to the previous year, the volume of emissions decreased slightly while purchasing volumes remained roughly the same (2021: 359,171 tonnes), due to improved quality of data, particularly in the area of non-production materials. The material-related CO<sub>2</sub> emissions will be included in the calculation of the PCF.

**Use of aluminium**

The environmental impact of primary aluminium is significantly higher than that of remelted secondary aluminium. Since 2019, we have been recording the proportion of secondary aluminium in our internationally procured

aluminium volume in order to be able to identify positive or negative developments.

The high proportion of secondary materials at 78 per cent was able to be upheld with a slight decline in procurement volumes in 2022 (2022: 17,251 tonnes, 2021: 18,275 tonnes). In 2022, we succeeded in determining the CO<sub>2</sub>e footprint of aluminium cast parts for the first time on an alloy- and country-specific basis. As a result, the associated emissions have increased significantly, so that a total of 90,815 tonnes were emitted from aluminium (2021: 69,393 tonnes).

As aluminium is our most important raw material, we are working to keep this raw material in circulation. Options for reprocessing aluminium briquettes at our Hungarian plant and for procuring aluminium produced with renewable energy are currently being examined.

→ GRI 301-2





# People at Festo

In order to live up to our mission and standards every day anew, the continuous training of our employees for future requirements is a must. We therefore see lifelong learning as an essential part of our corporate culture. We put people at the centre and create the foundations for a secure and trusting relationship. At Festo, protection of labour, corporate health promotion and respect for valid employee rights form the basis for this. We offer fair and performance-related pay as well as flexible working models to improve work-life balance. This is because a healthy, motivated and efficient workforce is the guarantee of success for every company. → [GRI 3-3](#)





# 6.1 Employee development

Committed, performance-oriented, qualified and adaptable employees are one of the prerequisites for Festo's business success. We therefore strive to attract, retain and develop the best employees. The number of employees of the Festo Group in 2022 will total 20,817 worldwide. This figure represents the total workforce including interns, students and leased staff. → [GRI 2-1](#), [GRI 2-7](#)

The figures from 2020 onwards have been refined retrospectively for this report. As a result, there may be discrepancies in the reports from previous years.

## Employees by region

	2020	2021	2022
<b>Total employees</b>	20,422	20,757	20,817
Africa	137	113	109
The Americas	2,308	2,364	2,407
Asia	3,433	3,486	3,570
Australia	85	82	79
Europe without Germany	5,825	6,088	6,070
Germany	8,634	8,624	8,582

GRI 2-7: Employees by region

## Employees and management bodies by age and gender

	2020	2021	2022		2020	2021	2022
<b>Total employees</b>	19,840	20,149	20,276	<b>Total management bodies</b>	1,176	1,175	1,190
<b>Employees by gender</b>				<b>Management bodies by gender</b>			
Male	71%	70%	70%	Male	89%	89%	89%
Female	29%	30%	30%	Female	11%	11%	11%
<b>Employees by age</b>				<b>Management bodies by age</b>			
<29 years	15%	14%	14%	<29 years	0%	0%	0%
30–49 years	57%	57%	57%	30–49 years	50%	48%	48%
>50 years	28%	29%	29%	>50 years	50%	52%	52%

GRI 405-1: Diversity by gender and age

## Permanent and temporary employment

The total number of permanent and temporary employment contracts is shown in the table below. There are also activities carried out by trainees and students that do not fall into these two categories. The number of interns and students in 2020 was 582. In 2021, the number increased to 608 and fell in 2022 to 541. → [GRI 2-8](#)

## New employees and employee turnover

The following shows both the total number of new employees and employee turnover by gender, age group and region. In 2020, there was a reduction in employee turnover due to the pandemic. In 2021, the employee turnover rose again and in 2022 reached the same level as before the pandemic. → [GRI 401-1](#)

## Employment contracts by gender and region

	2020	2021	2022		2020	2021	2022
Permanent and temporary staff	19,840	20,149	20,276				
<b>Permanent by gender</b>				<b>Temporary by gender</b>			
Male	65%	65%	64%	Male	6%	6%	6%
Female	26%	26%	26%	Female	3%	3%	4%
<b>Permanent by region</b>				<b>Temporary by region</b>			
Total	18,070	18,388	18,262	Total	1,770	1,761	2,014
Africa	124	108	104	Africa	1	0	0
The Americas	2,263	2,330	2,383	The Americas	10	2	2
Asia	2,330	2,443	2,451	Asia	1,098	1,026	1,109
Australia	84	81	73	Australia	1	1	6
Germany	7,818	7,794	7,820	Germany	406	442	435
Europe without Germany	5,451	5,632	5,431	Europe without Germany	254	290	462

GRI 2-1, GRI 2-7: Information on employees and employment by gender and region

## New employees and employee turnover

	2020	2021	2022		2020	2021	2022
Total admissions	975	2,046	2,341	Total departures	1,541	2,107	2,678
<b>Admissions by gender</b>				<b>Departures by gender</b>			
Male	69%	64%	67%	Male	68%	68%	68%
Female	31%	36%	33%	Female	32%	32%	32%
<b>Admissions by age</b>				<b>Departures by age</b>			
<29 years	52%	55%	51%	<29 years	31%	39%	35%
30–49 years	39%	36%	41%	30–49 years	44%	41%	45%
>50 years	9%	9%	8%	>50 years	25%	19%	20%
<b>Admissions by region</b>				<b>Departures by region</b>			
Africa	1%	0%	0%	Africa	1%	1%	0%
The Americas	19%	15%	16%	The Americas	12%	12%	12%
Asia	19%	21%	20%	Asia	26%	20%	15%
Australia	0%	0%	1%	Australia	0%	1%	1%
Germany	17%	29%	28%	Germany	30%	32%	27%
Europe without Germany	43%	35%	35%	Europe without Germany	31%	34%	44%

GRI 401-1: New employees and employee turnover by gender, age and region



**Attractive employer**

All in all, various programmes and measures help Festo to position itself as an attractive employer. With solutions such as working remotely and collaborative spatial concepts, we offer our employees further attractive options for organising their work individually.

When organising individual working hours, we focus on the respective phase of life of our employees (part-time work, parental leave and care leave). Self-determined and flexible working enables a better work-life balance.

In addition to fair overall remuneration, Festo offers all employees in Germany – regardless of whether they work part-time or full-time – attractive benefits, such as:

- Generous company pension scheme
- Further training (face-to-face and online) and innovative learning offers
- Creative spaces
- Family service and social counselling by external counselling partners
- Programmes for permanent or temporary job changes within Festo global
- Wide range of sports and health offers
- Options for bicycle leasing with employer subsidy
- Modern leadership development programmes
- Holiday care for children of employees
- Social fund for special financial burdens (Freud- und Leidkasse)
- Subsidised canteens or meal subsidies for our branch offices
- Discounts on various discount portals and with regional partners

- Discounts on public transport at the Esslingen location
  - Special leave (e.g. wedding, moving house or birth of child)
  - Various scholarship programmes for students (IT scholarship, women doing master’s degrees in technical fields)
  - Student loyalty programme for former interns
  - Comprehensive onboarding programme
  - Events for employees (after-work)
  - Limited places in nurseries for children of employees
- [GRI 401-2](#)

**Total remuneration and collective agreement**

For our employees covered by collective agreements, the total remuneration package consists of a monthly basic salary, a performance-based remuneration component and a variety of special payments, such as holiday pay. Remuneration is based on the demands of the work assignment and is subject to a globally applicable level system. → [GRI 405-2](#)

In Germany, the companies Festo SE & Co. KG, Festo Didactic SE, Festo Polymer GmbH and Festo Vertrieb GmbH & Co. KG are subject to the collective agreement of IG Metall. → [GRI 2-30](#)

Attractive career opportunities, systematic employee development and the opportunity to actively shape your own professional career make Festo an attractive and future-oriented employer.



Employees at an after-work event at the Esslingen-Berkheim headquarters in autumn 2022.



## 6.2 Diversity

Diversity is a decisive success factor for Festo and shapes not only society, but also our corporate culture. Diversity and an appreciation of people in their uniqueness from different cultures with their individual life concepts and skills have been part of Festo’s corporate culture since its foundation.

### Diversity by nationality

We are convinced that mixed teams can work more creatively and efficiently than homogeneous groups. In terms of origin, we continue to benefit from the cultural diversity of our workforce. In 2022, employees from 107 nations successfully came together at Festo. As a company that operates in around 60 countries, this diversity helps us to understand the specific needs of our customers around the world. You can find more on diversity by nationality in the chart on the right.

### Diversity by age and gender

In 2021, a total of 1,175 people were employed in senior management (levels E, F1 and F2) worldwide. This corresponded to about six per cent of the total workforce. In 2022, the number of people in these management levels remained constant. → GRI 405-1

The breakdown in section 6.1 ‘Employee development’ on page 85 shows the diversity of management bodies and employees by age and gender. → GRI 405-1



At Festo, employees and business partners of different nationalities, cultures, religions and approaches to life come together.

Society is changing and this change is also reflected in the working environment: globalisation, demographic change, technological innovations – we cannot afford to stand still in our dealings with each other. Life concepts change due to a variety of factors, such as changing profession, family and career, flexibility of the place of work or lifelong learning.

We need to adapt our concepts as an employer in line with these changes in order to be prepared for the future together at Festo. We have always taken this view for our products and markets. Now we’re looking at ourselves as people at Festo.

### Diversity management

Diversity is also relevant in the context of the sustainability strategy and contributes to the UN Sustainable Development Goals 5, 8 and 10.

So that we take the right steps into the future, the position for Diversity and Inclusion was created in 2022. The central activities were launched in Germany in 2022. Local teams are already active in some national Festo companies and clusters.

Diversity in the company fosters innovation, makes us attractive as an employer, and strengthens employee satisfaction and loyalty – if this diversity is seen and taken into account.

### Charta der Vielfalt (Diversity Charter)

In 2022, Festo signed the Charta der Vielfalt. The aim of this self-declaration is to send a clear signal for diversity, both internally and externally. We want to take a closer look at and promote our self-image with regard to the diversity of our workforce in the future.

Find out more about diversity at Festo and the Charta der Vielfalt at: [www.festo.com/diversity](http://www.festo.com/diversity)



## Nationalities at Festo

107

Festo Group total

32

The Americas

27

Asia

76

Europe (excluding Germany)

77

Germany

GRI 405-1: Diversity by nationality in 2022



» The world is changing. We already have this in view for products and markets. Now we're looking at ourselves as people at Festo. This gives us excellent prospects for the future. «

Nicole Illek,  
Talent and Leadership Development  
and Diversity Manager at Festo



Nicole Illek was appointed Diversity Manager at Festo in July 2022. She will strategically advance the topic of diversity and inclusion within the company.

The Charta der Vielfalt, which Festo signed in August 2022, provides guidance in order to promote the recognition, appreciation and inclusion of diversity in the world of work.





## Proud@Festo

### The LGBTIQ network at Festo

Proud@Festo is the LGBTIQ network (lesbian, gay, bisexual, transgender, intersex, queer) at Festo. The aim is to network LGBTIQ people and staff who uphold the visibility of diverse characters and lifestyles and a tolerant life together.

The LGBTIQ network was also active in 2022. A joint lunch format was established at the central locations, and there were also several local events and parties, such as the gathering at the Christmas market and the after-work party. In addition, networking with the merging of the local LGBTIQ networks '0711LiebtBunt' was strong, with various organisational and leisure events taking place, such as the joint summer event with over 100 people.

Specifically, it is about:

- Promoting visibility and acceptance
- Enabling connectivity
- Being a point of contact for employees and management
- Providing impetus on LGBTIQ issues in the company
- Supporting the Festo Corporate Responsibility
- Representing Festo in the LGBTIQ context beyond the company's borders



## Women@Festo

### The women's network at Festo

Women@Festo is a network of women for women within the company. We share our experiences, support and encourage each other, and offer space to think ahead, think things through and think outside the box. We make women visible in the company and give them a voice.

In 2022, we pushed ahead with and implemented measures resulting from the 2021 equal opportunities survey. The main area of focus: make role models visible and inform employees with a focus on career, part-time and family. This included podium discussions, expert talks and a 'Women@Festo asks ...'. On the topic of financial independence, a keynote presentation on 'female finance' was given by an external speaker.

We offer women at Festo:

- Networking across organisational units
- Specialist, interdisciplinary exchange
- Expansion of your horizons
- Exchange on topics such as career planning, leadership, balancing work and family life
- Monthly women's business lunch/virtual cafe
- Events, lectures

### Discrimination

Festo and its employees do not accept any form of discrimination and are committed to a non-discriminatory environment. We encourage our employees to address and report discrimination at an early stage.

Our employees have the right to lodge a complaint if they feel discriminated against by their employer, supervisors, other employees or third parties on grounds of race or ethnic origin, gender, religion or beliefs, disability, age or sexual identity in connection with their employment relationship. The AGG complaints office receives complaints from employees and examines them. Complaints will, of course, be treated confidentially.

In addition, the topic of discrimination is regularly addressed and discussed in various courses (such as compliance and human rights) and also in management circles. Information on the topic of discrimination is continuously published at the internal AGG complaints offices.

At Festo in Germany, incidents of discrimination can be submitted to a specially established complaints office. There is an established process for this, which is laid down in a regulatory agreement between the company and employee representatives. The principles and procedures of the AGG are taken into account. Internationally, incidents of discrimination can be reported on the whistle-blower portal.

In 2022, no complaint was reported in any part of the company in Germany. Nevertheless, we continue to raise awareness of the issue of discrimination in our company. → [GRI 406-1](#)

### Inclusion at Festo

In addition to a statutory obligation, we see the inclusion of disabled people, particularly severely disabled people and those on an equal footing with them, in working life as a social task, the fulfilment of which is the joint responsibility of all those involved.

The inclusion agreement for the Festo Group in Germany was adopted in 2021. The requirements derived from this were applied to the company's processes in 2022.

Inclusion is actively promoted in the following business processes and structures:

- Recruitment and employment of severely disabled people
- Working hours and remote working
- Company promotion and qualification
- Workplace and work organisation
- Health management
- Prevention and company integration management

The objectives of this agreement are occupational and social inclusion and the provision of the necessary framework conditions for the participation of severely disabled people in working life at Festo. This commitment is also expressed in the Festo Group's Code of Conduct.

Compliance with the measures is jointly reviewed by the company management and the representatives of the severely disabled and the works council on the basis of the agreed measures and prepared in the annual progress report. → [GRI 405-1](#)



## 6.3 Vocational training

### Trainees worldwide

The table below shows the number of trainees worldwide from 2020 to 2022. The declining numbers of trainees in the countries are due to fluctuations in demand (e.g. changes in job profiles). The total number of Festo trainees has remained almost constant on an international level.

### Investment in training

In Germany, investments in training amounted to 9.8 million euros in 2020, approximately 9.9 million euros in 2021, and 9.4 million euros in 2022.

### Training for the future

In addition to social and economic aspects, the topic of sustainability is becoming more and more significant in training. The acquisition of skills for sustainable action is increasingly important for the future viability of training.

The task of training at Festo is therefore to enable young people on an economic, technical, social and ecological level to use resources efficiently along the entire value chain in order to be able to act sustainably.

Sustainability aspects are taught in an integrative manner, i.e. in conjunction with job-specific competences,

knowledge and skills. It is important to design learning situations that enable trainees and integrated degree students to make and implement decisions in the interests of sustainable development.

### Festo Sustainability Award

Sustainable agriculture is one of the topics of the future in order to enable the population to be supplied with food and to minimise the use of resources. With the Festo Sustainability Award, trainees at all six training locations were given the opportunity to create innovative ideas on how to make agriculture sustainable with products from Festo.

A total of 27 teams took part in the Festo Sustainability Award. The six winning teams brought topics such as cooperative pollination aid (Esslingen), vertical farming with piezoelectronics and solar modules (Bangalore) and sustainable processing of eggshells into powder (Budapest).

The winning teams presented their projects at the awards ceremony on 17 November. In the audience were members of the Board of Management and the founders of the award – representatives from the young fourth generation of the Festo owner family.

Trainees	2020	2021	2022
Total	488	552	491
Germany	305	313	238
China	95	121	112
Hungary	33	59	68
India	33	34	36
Switzerland	18	25	27
Bulgaria	0	0	10
USA	4	0	0

The number of trainees from 2020 to 2022 by country.



The Festo Sustainability Award for innovative ideas on how to make agriculture sustainable with products from Festo.

### Urban gardening

A cooperation with Otto-Hahn-Gymnasium in Nellingen provides clear practical situations during training.

Students of the advanced course in biology dealt with the topic of urban gardening in vegetable cultivation and examined the biological basis for the cultivation of cress seeds. A wide range of data on the growth environment and the growth process was collected and evaluated.

The results form the basis for the training exercise, together with trainees, to create and take care of an experimental set-up that demonstrates the practice-oriented automated cultivation of cress seeds.

### Festo trainees plant trees

Social roots and sustainability – that’s what the fruit trees stand for which the trainees planted at the beginning of their training on an orchard meadow at the Glashütte pond in Rohrbach.

A new phase of life with new demands begins for the young people with the start of their training. In addition to acquiring professional skills, the initial focus is on orientation and support – so that the trainees can form strong and deep roots in the company.

Sustainability, as an extension of professional skills, must also be conveyed at the beginning of training in comprehensible, practical examples. After all, shaping the company’s sustainable future has to begin as early as possible.



The winning teams from the Esslingen-Berkheim, Rohrbach, Sofia and Budapest locations with the organisers of the award. Not in the picture are the teams from Bangalore and Jinan, who were connected via live video.



## 6.4 Further training

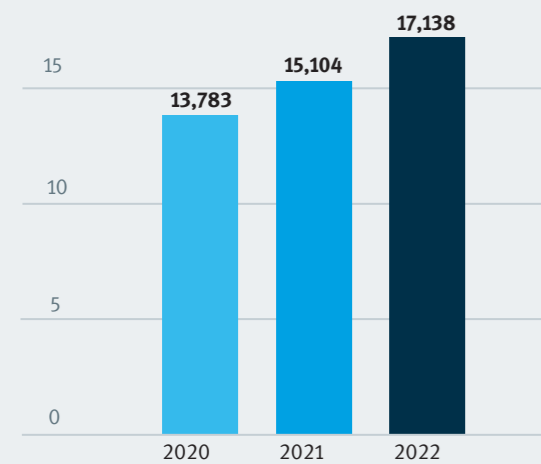
‘Lifelong learning’ is firmly anchored in Festo’s DNA. As a result of rapidly advancing digitisation and the use of new technologies, our employees are exposed to a multitude of challenges and new ways of working.

Our aim is to provide them with the best possible support and empower them as part of this transformation. Achieving the company’s goals and maintaining employability go hand in hand.

To this end, we continuously and significantly invest in basic and further training. This includes continuously developing our learning culture as well as developing the global learning infrastructure and placing the right content in our learning portfolio. At the same time, the strategic change in competencies is being driven forward with measures that focus accordingly on specific specialist topics.

### Learning Campus: central learning platform

The central platform for all learning offers at Festo worldwide is the Learning Campus. The number of users worldwide has increased from 13,783 (2020) to 15,104 (2021) and 17,138 (2022). These are participants who can also access learning content several times on different days.



GRI 404-1: Number of users of the Learning Campus worldwide

In this context, it must be taken into account that digital learning times cannot currently be surveyed in a measurable manner. → GRI 404-1

### Expert talks and external learning offers

The advancement of digitisation and the challenges posed by the coronavirus have led to an intensification of virtual training at Festo. Since 2021, current Festo-specific topics such as ‘Sustainable at Festo’ or ‘Reduce CO<sub>2</sub> footprint’ have been communicated as part of global expert talks. The large number of over 5,100 participants shows that we are at the cutting edge.

There are also so-called LearningTubes. Here, colleagues can produce instructional videos designed to impart knowledge in small sequences. An external digital training offer has been made available to all employees since 2021. From 4,700 registered employees at the end of 2021, the number rose to 6,930 in 2022. → GRI 404-1

Expert talks	2021	2022
Total	90	92
Global expert talks	34%	37%
German expert talks	66%	63%
<b>Participants:</b>		
Total	4,688	5,172
Global expert talks	37%	52%
German expert talks	63%	48%

GRI 404-1: Distribution of number and participants of the expert talks



At the Festo learning company, training and development measures amount to 1.5% of turnover.





Capability shift: New technologies require new job profiles.

**Professions in transition: capability shift**

People, machines and industrial processes are connected intelligently – that’s Industry 4.0. Digitisation has long since arrived in industry and is developing rapidly. This is accompanied by enormous chances and opportunities, but risks and challenges as well.

The goal of the capability shift strategic initiative is shaping the opportunity to position Festo for sustainable success with future-relevant competencies in the company.

Learning new skills from the areas of software, artificial intelligence, sustainable construction as well as the distribution of electronics represents the strategic range of topics for Festo in this context. Tailored training concepts ensure that employees can spread their wings in the digitised world of work.

One example is the global roll-out of a sales training programme for electric automation. The cooperation with Esslingen University of Applied Sciences for an in-house

format called ‘Festo-certified software engineer’ as well as a virtual learning path for the topic of lightweight construction are further examples of the organisation of the capability shift. → GRI 404-2

**Changing leadership: Leadershift@Festo**

In the current strategy period, Festo has set itself the goal of further increasing the maturity level of leadership throughout the company. The further development of managers is thus the focus of all activities in the Leadershift field of action.

Major progress was already made in 2022. In the division-specific initiatives Leadershift@Shopfloor, Leadershift@Sales and Leadershift@BU/R&D, assessment centres were carried out universally last year and then supplemented with individual development measures.

The design and pilot phase of a management development programme at the first management level was also promoted in 2022. The global implementation of the programme is planned from 2023.

A programme for middle management has also been conceived. The Middle Management Programme will be piloted and rolled out globally in 2023. One highlight in this context was the second module of the executive development programme, which took place in 2022 in cooperation with the INSEAD business school. The virtual Leadership Essentials series provided impetus for leadership in 2022 and will also be continued in 2023. → GRI 404-2

**Global introduction of 360° feedback**

Another tool for the further development of our managers is the global introduction of the 360° feedback process. With the help of a structured and anonymised questionnaire, all managers receive feedback from different perspectives: from their employees, their own managers and colleagues.

This process was launched outside Germany in 2022, and the roll-out will continue in 2023, and is expected to be repeated every two years after that.

Participating managers receive an individual report on the results and thus important pointers for their personal areas of development and for improving cooperation between them and their environment. Specific measures are derived based on the results, which are recorded in the development plan and continuously monitored.

With this tool, Festo ensures the development of a contemporary feedback culture in the company and at the same time ensures that the quality of leadership in the company is continuously developed. → GRI 404-3



An open and trusting feedback culture is the basis for good cooperation.



## 6.5 Safety at work

For Festo, safety – especially health and safety at work– is an elementary part of its corporate philosophy. The maintenance and implementation of the technical safety requirements serve to protect our employees and the company’s values.

In Germany, the Occupational Safety department supports and advises all areas in establishing a safety-conscious occupational safety culture. Internationally, occupational health and safety management in the regions is managed independently at the respective locations. In the plants, local experts are thus responsible for all operational processes. On the part of the central Security department at the headquarters, control and networking is carried out.

Thanks to the Festo network for occupational safety, the specialists are in continuous exchange and make use of the given synergies.

The global safety standards are anchored in the integrated management system and written down in an international manual. They are continually and proactively being revised and are based on internationally applicable standards, regulations and Festo’s requirements. In addition to the legal requirements, results from audits carried out and influences from the Festo network also ensure that everything is up to date.

→ [GRI 403-1](#)

The aim is to continuously reduce the risk of accidents and health impairments. In this context, Festo has already implemented the ISO 45001 occupational health and safety management system at its Budapest, São Paulo and Shanghai locations. → [GRI 403-8](#)

In 2022, the fight against the Covid-19 pandemic continued to overshadow many planned programme items to further improve the OHS (short for occupational health and safety) system. Furthermore, numerous events and campaigns were also initiated with a view to improving occupational safety in 2022.

### Examples from the Festo world

**Sofia, Bulgaria:** Updating and improving the accident reporting system in order to further strengthen the ‘Safety first’ motto. This has enabled us to improve on the personal responsibility of our employees for health and safety in the workplace.

**Budapest, Hungary:** In line with the ‘Healthy Workplaces Lighten the Load’ campaign of the European Agency for Safety and Health at Work, regular visits by orthopaedic surgeons at the workplace were carried out in 2022.

**Esslingen, Germany:** Implementation of the project ‘Mental stress risk assessment’, which aims to better identify and address stress factors and stresses in the workplace and cut them out by means of measures.

**Shanghai and Suncun, China:** Implementation of various programmes, including a month of occupational safety. Various online and offline activities related to topics of the environment, health and safety (including training) were carried out during the safety month.

→ [GRI 403-8](#), [GRI 403-5](#)

### Lost time injury rate worldwide

The accident frequency rate (lost time injury rate, LTIR for short) is calculated using the number of occupational accidents per million hours worked. The scope of calculation for the accident frequency rate worldwide in 2022 includes accidents in Germany and our largest global production plants (indirect and direct areas). All accidents are documented and analysed. However, the vast majority of accidents have a minor impact. → [GRI 403-2](#)



Regular instruction as part of occupational safety.

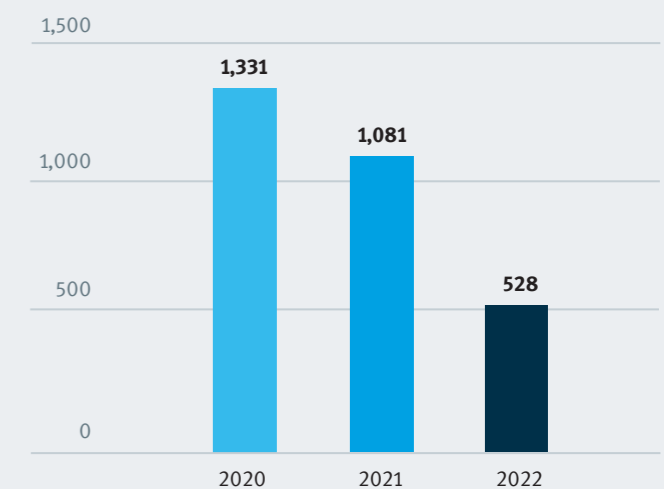
The accident frequency rate according to the defined scope in 2022 was 6.4 accidents per million hours worked. → [GRI 403-9](#)

### Days of absence due to accidents in Germany

The number of days of absence due to accidents at Festo’s German locations in 2022 was 528 days. In addition to the continuous improvement of occupational safety processes, the reason for the decrease in the number of lost days is the reduction in the severity of accidents.

→ [GRI 403-9](#)

Accident statistics in Germany take into account accidents at work that result in at least one day of absence. At present, gender-specific differences are not being reported on and so they are not taken into account in the evaluation of occupational safety. This is also not planned for the future. → [GRI 403-9](#)



GRI 403-9: Days of absence due to accidents in Germany



## 6.6 Holistic health promotion

### Prevention programmes at the German locations

Corporate health promotion offered numerous health measures in 2022, both online and on-site, thus encouraging both German and international employees to adopt a health-conscious lifestyle. In 2022, around 4,500 employees took part in our activities focusing on exercise, ergonomics, stress management and nutrition. → [GRI 403-6](#)

#### Digital health assistant for a better work–health balance

In our endeavour to create the most healthy working conditions possible, we are always on the lookout for innovative approaches. With the increase in remote working, it is very important to us to promote the health of our employees both when they are working in the office and from home in equal measure. If you sit in front of your computer for hours every day, you usually experience tension, headaches or back pains. In addition to these short-term symptoms, an inactive lifestyle is also associated with numerous common diseases, such as those of the cardiovascular and metabolic systems.

Following a pilot project, we have therefore entered into a partnership with the high-tech start-up ‘Deep Care’ from Ludwigsburg. This team has developed a digital health coach, ‘ISA’, which helps people learn healthy work routines. In the first six months of our cooperation, 105 employees were able to reflect on their daily routines and practise healthy habits during a six-week ‘ISA’ coaching session.

#### ‘Ergonomics in the workplace’ pilot project at the Rohrbach location

In January 2022, just over 80 logistics employees started a pilot project on the topic of ergonomics in the workplace. The aim was to provide balance through an active, health-promoting weekly exercise session and, at the same time, enable an improvement of the musculoskeletal system of each participant. After a measurement of mobility at the beginning of the project, a twelve-week individual exercise programme was carried out by qualified specialists in the respective departments.

In June 2022, after taking the final mobility measurements, we concluded that many participants had improved their range of motion. As a result, the mobility exercise breaks were permanently integrated into everyday working life.

#### Heart health action weeks

Diseases of the circulatory system are the most common cause of death in Germany. Due to this important topic, various preventive measures were offered to Festo employees at the Esslingen and Rohrbach locations to coincide with the annual World Heart Day on 29 September. In addition to our existing programme, there were numerous other face-to-face and online prevention offers, which employees could sign up for. The promotional weeks were complemented by a special daily meal in the canteens.



The digital health assistant for learning healthy work routines Photo: Deep Care GmbH



Relief is a central topic of occupational health promotion wherever physical work is carried out – such as here at the Rohrbach plant.





# Ethics and governance

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In order to achieve the goals of sustainable development, binding ethical and governance standards must be set and adhered to worldwide. Therefore, as part of our compliance, we commit ourselves to always act fairly and in accordance with applicable laws as well as applicable specifications, standards and guidelines. Legally compliant business processes and compliance with anti-corruption laws play a central role here, as do respect for UN human rights and ensuring corporate due diligence. → [GRI 3-3](#)







## 7.1 Compliance

Compliance means ensuring adherence to laws and internal rules, to which the company independently undertakes to adhere. For Festo, upholding integrity and responsibility towards people and the environment is elementary. At all our locations, we attach great importance to acting ethically, legally and in accordance with the rules.

### Compliance management system (CMS)

Festo has a zero-tolerance policy. This means that every violation will receive an appropriate sanction. In order to systematically protect against legal and reputational risks, Festo set up a compliance management system in 2012 focused on the areas of anti-corruption, anti-fraud, antitrust and management culture, which controls and monitors the activities required to prevent legal violations. This is implemented globally and is being continuously improved.

→ GRI 2-24, GRI 2-25, GRI 205-1

In 2022, 8,782 training sessions were held around the world to ensure this and raise awareness. These training courses are conducted by Corporate Compliance, the Regional Compliance Officer and the 62 Local Compliance Officers, among others. → GRI 205-2

### Whistle-blower portal

We have been offering our whistle-blower portal, which complies with EU Directive 2019/1937, since 2016. Here, employees and business partners worldwide can anonymously and safely report any misconduct or violations of our Code of Conduct or the applicable law without fear of reprisals. → GRI 413-1

You can find the link and further information on the whistle-blower portal as well as everything related to compliance at [www.festo.com/compliance](http://www.festo.com/compliance)

### Regular review of CMS and business partners

Observance and implementation of the compliance regulations are subject to regular audits by the group auditing department. In addition, our compliance management system has been regularly audited by external auditors since 2015, who verified its unqualified appropriateness and implementation in 2022. No legal proceedings have been initiated due to anti-competitive behaviour or the formation of cartels and monopolies. → GRI 206-1

Since 2020, the distribution partners of our Didactic business division have been subject to a systematic business partner review for regulatory requirements in Dow Jones as an additional preventive measure against corruption risks. In the course of business initiation, potential sales partners are subjected to a tool-supported due diligence process. Risks are systematically identified, recorded and mitigated where possible.

The audit process and its results are documented in the tool. The Compliance Officer of Festo Didactic is responsible for conducting the Didactic sales partner check. The respective Didactic managers are responsible for implementing the recommended measures.

### Guidelines for internal and external documents

Our compliance guidelines include both internal and external documents and are accessible to every employee. At the turn of the year 2020/2021, our Supplier Code of Conduct was replaced by the Code of Conduct for Business Partners. The Code of Conduct for Business Partners sets out Festo's expectations of our business partners with regard to compliance with laws and standards, human rights and obligations within the supply chain. This document has been valid for all our business partners ever since.

Both the Code of Conduct and the Code of Conduct for Business Partners are available for download in several languages on our corporate website. → GRI 205-2

### Compliance training offer

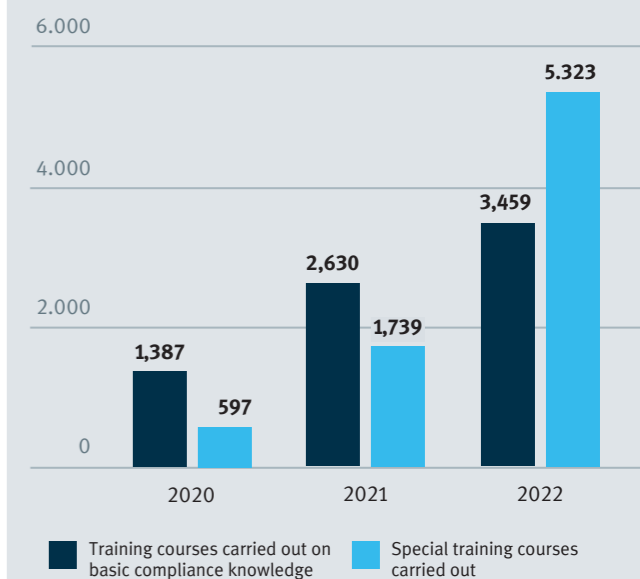
Festo's compliance training offer in the aforementioned areas includes basic compliance knowledge, special training and web-based training. The core areas of basic compliance knowledge are the content of the Code of Conduct and internal compliance regulations. Basic compliance knowledge was also provided in 2022 in web-based training and at onboarding events at the Esslingen headquarters and in almost all national Festo companies. Within the framework of the special training courses, further focus areas of compliance are addressed in depth. → GRI 205-2

## Compliance-Guidelines 2022

→ GRI 2-23

1. Code of Conduct
2. Code of Conduct for Business Partners
3. Anti-Corruption Policy
4. Antitrust Law
5. Exclusion list of industries

→ GRI 2-23



GRI 205-2: Information and training in anti-corruption strategies and measures



**Responsibilities of Compliance**

The core compliance areas at Festo include anti-corruption, anti-fraud, antitrust and management culture. The other compliance areas have their own risk management systems.



Compliance at Festo with its core areas and other areas

## 7.2 Taxes

As an internationally active family-run company with a long tradition, Festo attaches great importance to acting ethically and in accordance with the law and regulations. Through our actions, we want to ensure that our national and international tax obligations are met. Transparency, open and cooperative dialogue and trustworthy cooperation with tax authorities are central elements of Festo's corporate culture.

**Tax compliance management system**

As part of our tax compliance management system, which is subject to regular further development, we have defined corresponding guidelines and operating instructions as well as responsibilities and tasks for tax-relevant processes in order to comply with the applicable tax regulations.

→ [GRI 207-1](#), [GRI 207-2](#), [GRI 207-3](#), [GRI 207-4](#)

Short delivery times, the right service and a high degree of flexibility – the demands of the global markets are constantly increasing. That is why we are where our customers are. An overview of all countries in which Festo is represented with its own company or a production and logistics facility is provided in the list below.

→ [GRI 2-1](#), [GRI 2-2](#)

- The Americas Argentina Brazil Canada Chile Colombia Mexico Peru USA Venezuela  
 Europe/Middle East (E/ME) Austria Belgium Bulgaria Croatia Czech Republic  
 Denmark Dubai Estonia Finland France Germany Greece Hungary Iran Ireland Israel  
 Italy Jordan Kazakhstan Latvia Lithuania Netherlands Norway Poland Portugal  
 Romania Serbia Slovakia Slovenia Spain Sweden Switzerland United Kingdom  
 Turkey Ukraine Africa Nigeria South Africa Asia China Hong Kong India Indonesia  
 Japan Korea Malaysia Philippines Singapore Taiwan Thailand Vietnam Australia  
 Australia New Zealand



## 7.3 Human rights in the supply chain

Festo is fully committed to the values set out in the United Nations International Bill of Human Rights and expects the same from its business partners.

### Environmental and social standards for suppliers

The commitment and monitoring of our suppliers for compliance with social and environmental standards is part of our corporate responsibility. At Festo, every new supplier (100 per cent) is therefore evaluated and checked with regard to environmental and social criteria. [→ GRI 308-1, GRI 414-1](#)

All suppliers must confirm compliance with our CoC BP with their signature. By signing this document, our suppliers undertake to demand compliance with these agreements from their suppliers as well. If the responses are not satisfactory, appropriate action is taken. Festo is careful not to accept any supplier with a risk. [→ GRI 308-1, GRI 414-1](#)

### Evaluation according to environmental criteria

All our suppliers go through defined processes in which they are evaluated according to various criteria. A distinction is also made for technologies and production processes with higher or average environmental impacts. For suppliers with a higher environmental impact, certification according to ISO 14001 (or the Eco-Management and Audit Scheme – EMAS) is required. Alternatively, Festo will conduct an environmental audit at the supplier's premises.

Due to Covid-19, no environmental audits of suppliers could be carried out in 2022. For dealers (distributors), the certification of the actual manufacturer is used. [→ GRI 308-2](#)

### Evaluation according to social aspects

The existing supplier self-assessment was supplemented in 2022 by the requirements of the Act on Corporate Due Diligence in Supply Chains (LkSG), which entered into force on 1 January 2023. [→ GRI 308-2, GRI 414-1](#)

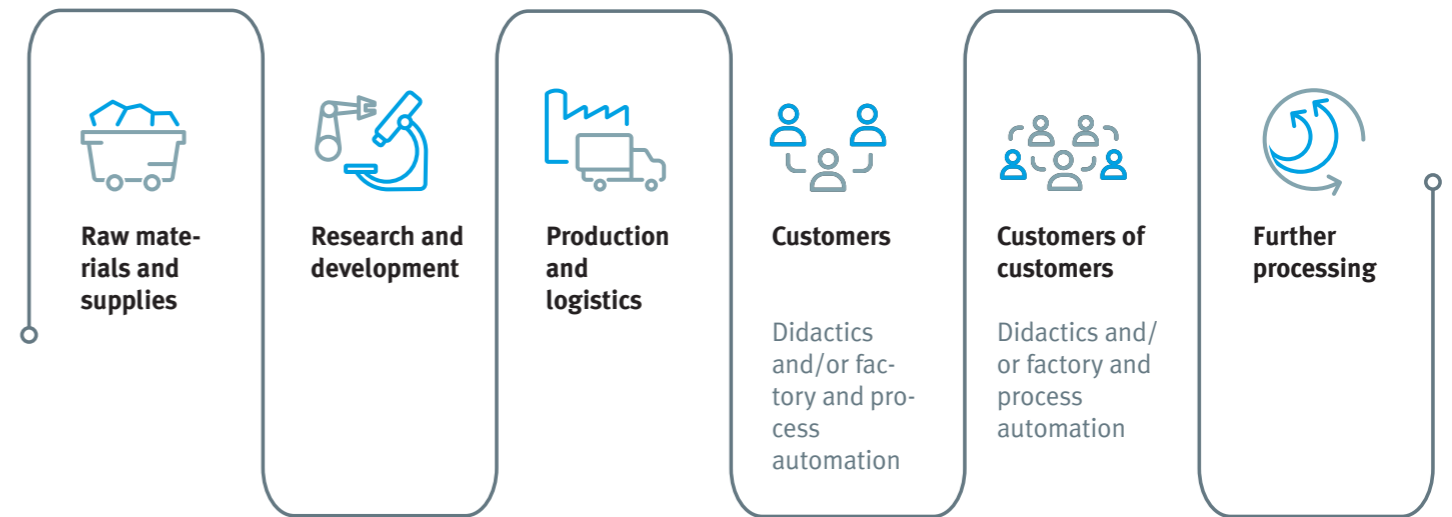
This way, environmental and social standards receive a higher weighting when selecting suppliers. Both the updated supplier self-assessment and the new weighting have led to the replacement of the previous sustainability audit with on-site inspections focusing on human rights and associated environmental rights.

At the end of 2022, the self-disclosure form was sent to 850 suppliers for review of the social criteria. [→ GRI 414-1, GRI 414-2](#)

### Dealing with conflict minerals

In order to support the sustainable use of conflict minerals, we disclose the smelters from which the raw materials for our products come within the framework of the Responsible Business Alliance.

By filling out the Conflict Minerals Reporting Template (CMRT), we are helping to create the necessary transparency to continuously increase the proportion of certified smelters worldwide. Festo expects its business partners to comply with all applicable regulations regarding conflict minerals. For more information, go to: [www.festo.com/compliance](http://www.festo.com/compliance)



The Festo value chain

### The Festo supply chain

The supply chains for production at our plants are organised internationally and include a large number of direct suppliers and subcontractors. In 2022, the total was 2,500 suppliers for 70,000 parts delivered. [→ GRI 2-6, GRI 304-2](#)

### Preparations for the Act on Corporate Due Diligence in Supply Chains

Respect for human rights and related environmental legislation throughout our supply chain has been our mission for years. In 2022, the systematic approach to

respect human rights and related environmental rights, including clear responsibilities, was established. This is how Festo complies with the company's due diligence. The interdisciplinary working group 'Human Rights@Festo' derived relevant guidelines, preventive measures and processes from the requirements of the Act on Corporate Due Diligence in Supply Chains and developed a risk-based approach to determining the human rights risk.

From 2023, the members of the working group will meet quarterly as part of a human rights committee.



**Regional distribution of purchasing volume**

Industrial production has largely detached itself from the effects of the pandemic situation and is increasing in all regions. This is also reflected in Festo's direct and indirect purchasing volume (production materials and non-production materials), which in 2022 increased to 1.792 billion euros.

Non-production materials refer to all Festo production plants (Festo Global Production Centres – GPCs) and local sales companies. Production materials include all production plants. → [GRI 204-1](#)

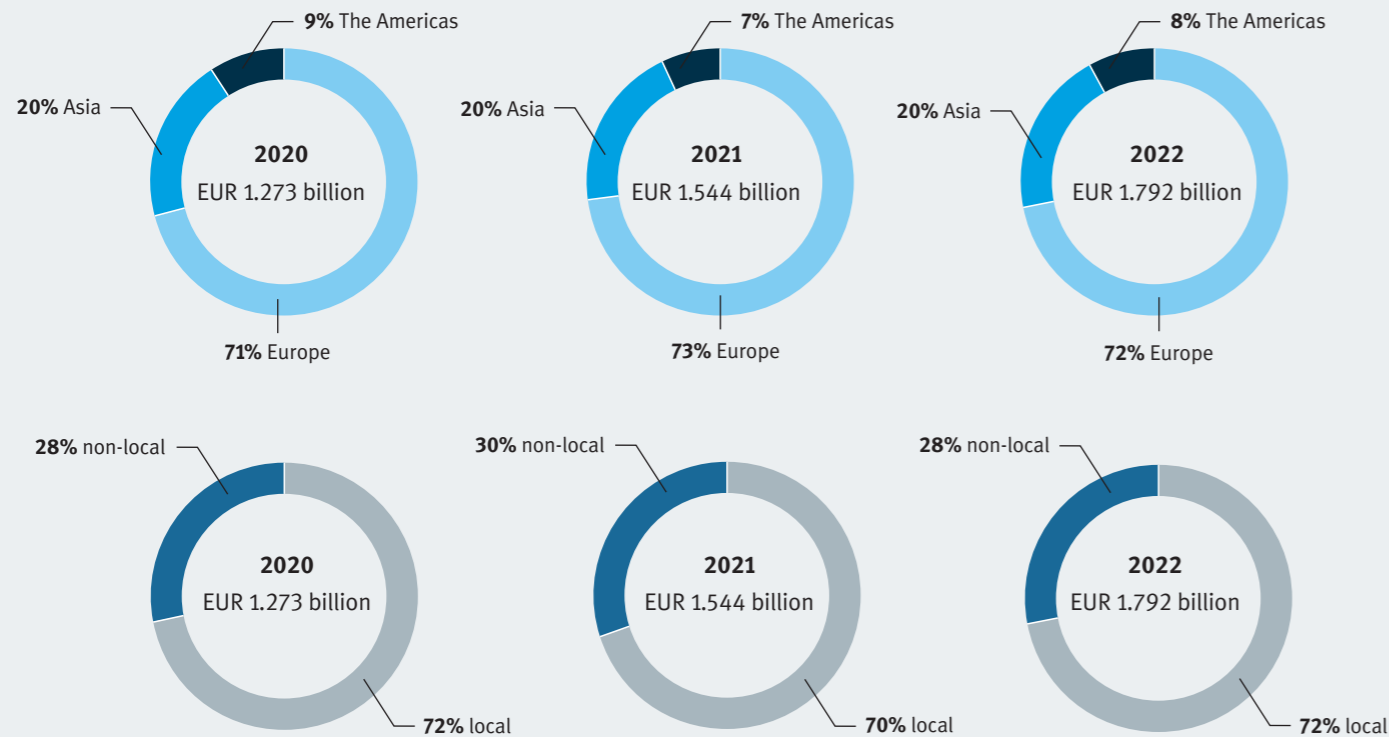
Festo is constantly expanding its global supplier network, consisting of local and non-local suppliers. By 'local' we mean procurement within the country of the respective national Festo company. Compared to the previous year 2021, the number of local suppliers increased slightly in 2022.

The 'local for local' strategy will continue to be pursued in 2022 to enable a reduction in delivery times throughout the supply chain as well as a reduction in transport routes. The aim continues to be to increasingly procure goods in those countries where production takes place.

The diagrams below show the regional distribution of the direct and indirect purchasing volumes of the Festo Group. Specifying the data and updating the part number assignment led to data for 2020 and 2021 having to be corrected.



'Local for Local': Due to a decentralised production network, local markets can be supplied as needed, and more quickly and reliably, thanks to short transport routes.



GRI 204-1: Regional distribution of the direct and indirect purchasing volume of the Festo Group



**Approach to respect human rights and related environmental rights**



The diagram shows the systematic approach to respect human rights and related environmental rights.

**1 Policy statement**

Festo undertakes to protect human rights and related environmental rights, as well as to prevent legal violations, both within its own business area and towards its business partners (direct and indirect suppliers). This is set out in the policy statement on respect for human rights and related environmental rights.

→ GRI 2-23, GRI 407-1, GRI 408-1, GRI 409-1

The policy statement on respect for human rights is available for download here:

[www.festo.com/ethics-and-governance](http://www.festo.com/ethics-and-governance)

**2 Risk analysis**

The basis of the corporate diligence is the risk analysis. In the future, we will examine the effects of our business activities on human rights and their related environmental impact on both an annual basis and as required.

We analyse internal and external data sources to identify potential risks to our business and our direct suppliers. We take into account both general risks, such as country and product group risks in purchasing, and specific risks that correspond to our business purpose.

To assess the country risk, we use sources such as the ITUC Global Rights Index and the Countries' Risk Classification of the Business Social Compliance Initiative (BSCI). We also use internal information from on-site inspections and other control measures to assess human rights risks. Risks are prioritised according to their severity and degree of responsibility.

The methodology for human rights impact assessment as part of the Act on Corporate Due Diligence in Supply Chains was piloted and adopted in 2022 at four Festo Group business locations (Festo Didactic Germany, Festo India, Festo Brazil and Festo Bulgaria).

→ GRI 412-1, GRI 413-2

Furthermore, the methodology for risk analysis for suppliers was completed and tested in 2022. To this end, 2,500 suppliers of production materials were analysed as part of a preliminary analysis (based on data from 2021) and classed according to country risk, industry risk and the influence of Festo. → GRI 412-1

The results showed that this risk analysis and associated monitoring cover more than 90 per cent of sales. In the area of non-production materials, a further analysis revealed that the greatest human rights risks exist in the areas of construction services, maintenance (buildings) and services (buildings) including renting and leasing.

→ GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

Furthermore, we conduct system-based audits (embargo, sanctions list and goods list audits as well as a critical end-use audit) as part of our export control.

**3 Complaint mechanism**

Festo offers three different ways to file a complaint or information concerning any possible human rights violations.

- Anonymous reporting via our whistle-blower portal
- Direct reporting to Corporate Responsibility
- Direct reporting to our Compliance Office

In 2022, one hint was reported via the whistle-blower portal. This was processed and concluded.

→ GRI 2-25, GRI 413-1

**4 Reporting**

Reporting to the Management Board and relevant authorities takes place on an annual basis. As part of the sustainability report, the core elements of the Act on Corporate Due Diligence in Supply Chains are reported on annually. The GRI Index explains the corresponding key performance indicators (KPI) on the topic of human rights.

**Measures and effectiveness monitoring**

In addition to the policy statement and the complaints procedure, the following additional preventive measures were implemented: → GRI 412-2, GRI 412-3

- Establishment of risk management for corporate due diligence in the area of human rights with the definition of clear responsibilities
- Establishment of a globally applicable process
- Awareness training on the topic of human rights for various stakeholders
- Communication campaigns on Act on Corporate Due Diligence in Supply Chains and human rights
- Supplier day to present the Act on Corporate Due Diligence in Supply Chains
- Escalation levels for suppliers
- Updating the terms and conditions of purchase to reflect the requirements of the Act on Corporate Due Diligence in Supply Chains
- Updating the supplier self-assessment
- Sustainability rating of Festo SE & Co.KG through EcoVadis, NQC SUPPLIERASSURANCE and IntegrityNext



» Respect for human rights is not a one-off task. This is why we systematically assess our own companies and supply chains on a risk-based basis. «

Neeta Wellhäußer,  
Corporate Responsibility and Human Rights Officer at Festo



On 1 October 2022, Neeta Wellhäußer, an employee in the Corporate Responsibility department, took over the role of Human Rights Officer at Festo. In this role, she reports directly to the Chairman of the Management Board.

The Act on Corporate Due Diligence in Supply Chains (LkSG) defines the human rights and environmental due diligence of a company, from which the duties of a human rights officer are derived.



## 7.3 Business continuity management (BCM)

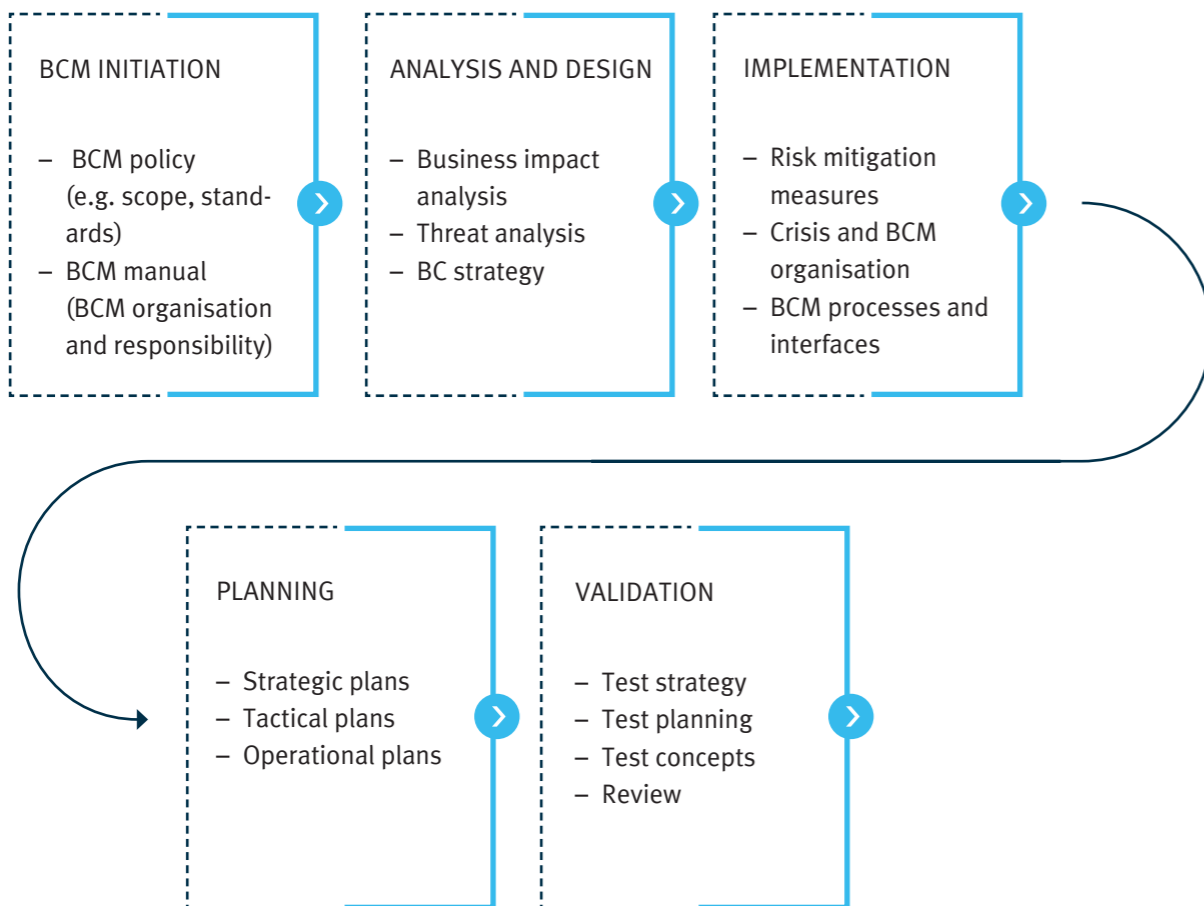
We are experiencing a time of great uncertainty and challenges due to global pandemics, warfare, the catastrophic effects of climate change, increasing cyberattacks and disruptions to global supply and transportation routes.

This has made the continuous securing of business processes increasingly important. Focusing on established standards, we use our business continuity management (BCM) system to comply with ISO 22301, the BCI Good Practice Guide and ISO 27001.

As a result, our processes are fully compatible with the systems of our suppliers and customers. In addition, effective response measures protect the continuity of the supply of goods and services to our customers, the goodwill, reputation, brand name, value-adding activities of the company and the interests of our stakeholders.

Business continuity management as a holistic process helps:

- identify threats
  - assess potential impacts and damages (e.g. business impact analysis)
  - consider the company units as a whole, rather than in isolation
  - enable effective responses
  - define a framework of conditions and
  - ensure measures can be reused/integrated into existing risk analyses and assessments as far as possible
- GRI 201-2



By combining different strategies as part of our business continuity management, we can ensure the long-term success of the company, the processes and the products and services tailored to you in the long term. The following measures contribute to our holistic BCM:

### ■ Risk management

For over ten years, Festo has been operating a risk management system that identifies key risks at an early stage, defines risk managers and pursues risk mitigation measures. The entire risk management process and its organisation is regularly audited in accordance with the IDW 340 n.s. standard.

### ■ Crisis management

Crisis management at Festo follows a structured process whereby local emergency situations are dealt with by the local emergency organisation and, if necessary, escalated quickly to corporate crisis management. The Management Board is in charge of the corporate crisis management team. There is regular testing of the alarm via FACT24 and cooperation within the team.

### ■ Supply chain and logistics

In recent years, we have expanded our production infrastructure in line with the local-for-local principle in order to produce products autonomously and redundantly at different locations. Our logistics network provides a high degree of flexibility and uses alternative routes when required, ensuring deliveries from suppliers and deliveries to customers are made at all times throughout the entire value-added network. Our highly varied product portfolio enables us to offer products according to demand and to provide our customers with alternative solutions in the event of restrictions on individual components.

### ■ Information security

Festo has established a state-of-the-art security programme to protect our customers' processes and infrastructure against cyber threats, as well as our own processes and infrastructure. All measures are selected and implemented in accordance with industry standards for information security, in particular BSI basic protection and the NIST Cybersecurity Framework. All controls are regularly reviewed and adjusted in line with the current threat and risk landscape. This continuous improvement process is ensured by an information security management system certified to ISO 27001:2017.

### ■ Health and safety

For Festo, safety – especially health and safety at work – is an elementary part of its corporate philosophy. The maintenance and implementation of the technical safety requirements serve to protect our employees and the company's values. To this end, all departments are supported by safety experts in establishing a culture of safety at the workplace and an occupational health and safety management system. For more information on the topic of safety at work, please refer to [Chapter 6.5](#).

Further information on our business continuity management and a detailed brochure can be found at [www.festo.com/bcm](http://www.festo.com/bcm)



## 8. GRI index

<b>Declaration of use</b>	Festo reports on the 2022 financial year in accordance with the GRI standards
<b>GRI 1 used</b>	GRI 1: Fundamentals 2021
<b>Applicable GRI sector standard(s)</b>	None

GRI	Title (chapter)	Page
<b>GRI 2: General information 2021</b>		
	The organisation and its reporting	
<b>2-1</b>	<b>Organisation profile</b>	
	Company portrait	4
	Preface	6
	People at Festo (6.1)	84
	Ethics and governance (7.2)	109
	Report profile (9)	130
<b>2-2</b>	<b>Operating sites</b>	
	Company portrait	4
	Ethics and governance (7.2)	109
<b>2-3</b>	<b>Reporting period, reporting cycle and contact persons</b>	
	Report profile (9)	130
<b>2-4</b>	<b>Correction or restatement of information</b>	
	The reasons for the corrections or restatements shall be disclosed separately in the report.	
	Report profile (9)	130
<b>2-5</b>	<b>External examination</b>	
	Report profile (9)	130

GRI	Title (chapter)	Page
<b>Activities and employees</b>		
<b>2-6</b>	<b>Activities, value chain and other business relationships</b>	
	Company portrait	4
	Strategy and management (2)	35
	Environment, resources and material efficiency (5.3)	80
	Ethics and governance (7.3)	111
<b>2-7</b>	<b>Employees</b>	
	People at Festo (6.1)	84
<b>2-8</b>	<b>Workers who are not employees</b>	
	People at Festo (6.1)	84
<b>Company management</b>		
<b>2-9</b>	<b>Management structure and composition</b>	
	Strategy and management (2)	35
<b>2-10</b>	<b>Nomination and selection process for the highest governance body</b>	
	Information is considered confidential.	
<b>2-11</b>	<b>Chairperson of the highest governance body</b>	
	Preface	6
<b>2-12</b>	<b>Role of the highest governance body in overseeing the management of impacts</b>	
	Information is considered confidential.	
<b>2-15</b>	<b>Conflicts of interest</b>	
	Information is considered confidential.	
<b>2-16</b>	<b>Communication of critical concerns</b>	
	Information is considered confidential.	
<b>2-17</b>	<b>Collected knowledge of the highest governance body</b>	
	Information is considered confidential.	
<b>2-18</b>	<b>Assessment of the performance of the highest governance body</b>	
	Information is considered confidential.	



GRI	Title (chapter)	Page
2-19	<b>Remuneration policy</b> Information is considered confidential.	
2-20	<b>Process for determining remuneration</b> Information is considered confidential.	
2-21	<b>Ratio of total annual remuneration</b> Information is considered confidential.	
Strategy, guidelines and procedures		
2-22	<b>Declaration of implementation of the sustainable development strategy</b> Strategy and management (2)	35
2-23	<b>Declaration of commitment on principles and practices</b> Preface Ethics and governance (7.1, 7.3)	6 106
2-24	<b>Incorporation of political commitments</b> Ethics and governance (7.1)	106
2-25	<b>Process for eliminating negative effects</b> Ethics and governance (7.1, 7.3)	106
2-26	<b>Process for obtaining advice and reporting concerns</b> Strategy and management (2)	35
2-27	<b>Compliance with laws and regulations</b> Strategy and management (2)	35
2-28	<b>Membership in associations and interest groups</b> Strategy and management (2)	38
Stakeholder involvement		
2-29	<b>Approach to involving stakeholders</b> Strategy and management (2)	35
2-30	<b>Collective agreements</b> People at Festo (6.1)	86
GRI 3: Key issues 2021		
3-1	<b>Procedure for determining the content of the report and delimitating the issues</b> Strategy and management (2)	35

GRI	Title (chapter)	Page
3-2	<b>List of key issues</b> Strategy and management (2)	35
3-3	<b>Management of key issues</b> Strategy and management (2) CO <sub>2</sub> reduction and energy efficiency (3) Technical education (4) Environment, resources and material efficiency (5) People at Festo (6) Ethics and governance (7)	35 40 56 68 82 104
Key issues: GRI 200 Economy		
GRI 201: Economic performance 2016		
201-1	<b>Direct economic value generated and distributed</b> Company portrait	4
201-2	<b>Financial implications of climate change for the organisation and other risks and opportunities associated with climate change</b> Ethics and governance (7.4)	118
GRI 202: Market presence 2016		
202-2	<b>Proportion of senior managers recruited from the local community</b> In 2022, 100 per cent of managers at the headquarters in Germany were recruited locally, i.e. within Germany.	
GRI 203: Indirect economic effects 2016		
203-1	<b>Infrastructure investments and subsidised services</b> In recent years, we have invested in various new buildings and internal infrastructure measures worldwide to support our standard product range. Strategy and management (2)	35
GRI 204: Procurement practices 2016		
204-1	<b>Share of spending on local suppliers</b> Ethics and governance (7.3)	112
GRI 205: Anti-corruption 2016		
205-1	<b>Establishments that have been audited for corruption risks</b> Ethics and governance (7.1)	106



GRI	Title (chapter)	Page
205-2	<b>Communication and training on anti-corruption policies and processes</b> Ethics and governance (7.1)	106
GRI 206: Anti-competitive conduct in 2016		
206-1	<b>Legal proceedings due to anti-competitive behaviour or cartel and monopoly formation</b> Ethics and governance (7.1)	106
GRI 207: Taxes 2019		
207-1	<b>Tax concept</b> Ethics and governance (7.2)	109
207-2	<b>Tax governance, control and risk management</b> Ethics and governance (7.2)	109
207-3	<b>Stakeholder engagement and management of tax concerns</b> Ethics and governance (7.2)	109
207-4	<b>Country-by-country reporting</b> Ethics and governance (7.2)	109
<b>Key issues: GRI 300 Ecology</b>		
GRI 301: Materials 2016		
301-1	<b>Materials used by weight or volume</b> Environment, resources and material efficiency (5.2, 5.3)	75
301-2	<b>Recycled raw materials used</b> Environment, resources and material efficiency (5.3)	81
GRI 302: Energy 2016		
302-1	<b>Energy consumption within the organisation</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.2)	43
302-1a	<b>Fuel consumption from non-renewable sources</b> CO <sub>2</sub> reduction and energy efficiency (3.2)	46
302-1c	<b>Power consumption</b> CO <sub>2</sub> reduction and energy efficiency (3.2)	46

GRI	Title (chapter)	Page
302-2	<b>Energy consumption outside the organisation</b> CO <sub>2</sub> reduction and energy efficiency (3.1)	43
302-4	<b>Reducing energy consumption</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.2)	43
302-5	<b>Reduction of energy demand for products and services</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.5)	43
GRI 303: Water and wastewater 2018		
303-1	<b>Water as a shared resource</b> Environment, resources and material efficiency (5.1)	72
303-3	<b>Water withdrawal</b> Environment, resources and material efficiency (5.1)	72
303-4	<b>Water recirculation</b> Environment, resources and material efficiency (5.1)	72
303-5	<b>Water consumption</b> Environment, resources and material efficiency (5.1)	72
GRI 304: Biodiversity 2016		
304-2	<b>Significant impacts of activities, products and services on biodiversity</b> Environment, resources and material efficiency (5.3) Ethics and governance (7.3)	80 111
GRI 305: Emissions 2016		
305-1	<b>Direct GHG emissions (Scope 1)</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.2)	43
305-2	<b>Indirect energy-related GHG emissions (Scope 2)</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.2)	43
305-3	<b>Other indirect GHG emissions (Scope 3)</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.4, 3.5)	43
305-4	<b>Intensity of GHG emissions</b> CO <sub>2</sub> reduction and energy efficiency (3.2)	46
305-5	<b>Reducing GHG emissions</b> CO <sub>2</sub> reduction and energy efficiency (3.1, 3.2)	43



GRI	Title (chapter)	Page
GRI 306: Waste 2020		
306-1	<b>Wastewater discharge in terms of quality and discharge location</b> Environment, resources and material efficiency (5.1)	72
306-2	<b>Waste by type and disposal method</b> Environment, resources and material efficiency (5.1)	70
306-4	<b>Transport of hazardous waste</b> Environment, resources and material efficiency (5.1)	70
306-5	<b>Surface and underground water affected by wastewater discharge and/or surface runoff</b> Environment, resources and material efficiency (5.1)	72
GRI 307: Environmental compliance 2016		
307-1	<b>Non-compliance with environmental laws and regulations</b> Environment, resources and material efficiency (5.1)	70
GRI 308: Environmental assessment of suppliers in 2016		
308-1	<b>New suppliers which were audited using environmental criteria</b> Ethics and governance (7.3)	110
308-2	<b>Negative environmental impacts in the supply chain and measures taken</b> Ethics and governance (7.3)	110
<b>Key issues: GRI 400 Social</b>		
GRI 401: Employment 2016		
401-1	<b>New hires and employee turnover</b> People at Festo (6.1)	84
401-2	<b>Business services offered only to full-time employees and not to temporary or part-time employees</b> People at Festo (6.1)	86
GRI 402: Employee–employer relationship 2016		
402-1	<b>Minimum notification period for operational changes</b> Festo currently has no global information on the minimum notification period for operational changes.	

GRI	Title (chapter)	Page
GRI 403: Occupational health and safety 2018		
403-1	<b>Occupational health and safety management system</b> People at Festo (6.5)	100
403-2	<b>Hazard identification, risk assessment and incident investigation</b> People at Festo (6.5)	100
403-4	<b>Employee involvement, consultation and communication on occupational health and safety</b> People at Festo (6.5)	100
403-5	<b>Employee training on occupational health and safety</b> People at Festo (6.5)	100
403-6	<b>Promoting employee health</b> People at Festo (6.6)	102
403-8	<b>Employees covered by an occupational health and safety management system</b> People at Festo (6.5)	100
403-9	<b>Work-related injuries</b> People at Festo (6.5)	101
GRI 404: Education and training 2016		
404-1	<b>Average number of hours of training per year per employee</b> People at Festo (6.4)	96
404-2	<b>Programmes to improve the skills of employees and to aid transitions</b> People at Festo (6.4)	98
404-3	<b>Percentage of employees receiving regular performance and professional development reviews</b> All employees received a regular assessment of their performance and career development in Germany in 2022. Worldwide, the People Excellence process has been implemented at level E-F3 (similar to AT in Germany). People at Festo (6.4)	99
GRI 405: Diversity and equal opportunities 2016		
405-1	<b>Diversity in governance bodies and amongst employees</b> People at Festo (6.1, 6.2)	84



GRI	Title (chapter)	Page
405-2	<b>Ratio of basic salary and remuneration of women to basic salary and remuneration of men</b> People at Festo (6.1)	86
GRI 406: Non-discrimination 2016		
406-1	<b>Incidents of discrimination and remedial measures taken</b> People at Festo (6.2)	93
GRI 407: Freedom of association and collective bargaining 2016		
407-1	<b>Operating sites and suppliers where the right to freedom of association and collective bargaining may be threatened</b> Ethics and governance (7.3)	114
GRI 408: Child labour 2016		
408-1	<b>Operating sites and suppliers at significant risk of child labour incidents</b> Ethics and governance (7.3)	114
GRI 409: Forced or compulsory labour 2016		
409-1	<b>Operating sites and suppliers with a significant risk of incidents of forced or compulsory labour</b> Ethics and governance (7.3)	114
GRI 410: Safety practices 2016		
410-1	<b>Security personnel trained in human rights policies and procedures</b> The security staff at Festo's German plants are completely trained in the topics of dealing with people, behaviour in hazardous situations and de-escalation techniques in conflict situations.	
GRI 412: Review of respect for human rights 2016		
412-1	<b>Operating sites subject to a human rights assessment or a human rights impact assessment</b> Ethics and governance (7.3)	115
412-2	<b>Training for employees on human rights policies and procedures</b> Ethics and governance (7.3)	115
412-3	<b>Contracts that contain human rights clauses or have been examined for human rights aspects</b> Ethics and governance (7.3)	115

GRI	Title (chapter)	Page
GRI 413: Local communities 2016		
413-1	<b>Operating sites involving local communities, impact assessments and support programs</b> Ethics and governance (7.1, 7.3)	106
413-2	<b>Operations with significant actual or potential negative impacts on local communities</b> Ethics and governance (7.1, 7.3)	115
GRI 414: Social assessment of suppliers 2016		
414-1	<b>New suppliers which were evaluated using social criteria</b> Ethics and governance (7.3)	110
414-2	<b>Negative social impacts in the supply chain and measures taken</b> Ethics and governance (7.3)	110
GRI 415: Political influence 2016		
415-1	<b>Party donations</b> For 2022, the Festo Group had no receipts for donations to political parties.	
GRI 416: Customer health and safety 2016		
416-1	<b>Assessment of the health and safety impact of different categories of products and services</b> Environment, resources and material efficiency (5.3)	77
GRI 417: Marketing and labelling 2016		
417-1	<b>Requirements for product and service information and labelling</b> Environment, resources and material efficiency (5.3)	77
GRI 418: Protecting customer data 2016		
418-1	<b>Justified complaints regarding breaches of protection and loss of customer data</b> Information is considered confidential.	
GRI 419: Socio-economic compliance		
419-1	<b>Failure to comply with laws and regulations in the social and economic field</b> Festo is committed to strict compliance with laws and regulations, which are binding for all employees and are set out in the Code of Conduct.	



## 9. Report profile

### Report profile

In this sustainability report, the Festo Group informs its stakeholders about the sustainability strategy and the sustainability activities that happened in 2022. In the reference figures, earlier comparison years are shown.

Unless otherwise stated, the figures and data reported relate to the global activities of the Festo Group. The information in the section ‘People at Festo’ focuses on Festo SE & Co. KG. The data in Chapters 3 and 5 relate to the production and logistics sites of the Festo Group. The headquarters of the organisation are located in Esslingen. → [GRI 2-1](#)

When deriving and updating the key topics and areas of activity, we will in future be guided by the requirements of the European Corporate Sustainability Reporting Directive (CSRD).

### Declaration of use

The Festo Sustainability Report 2022 was compiled in accordance with the international standard for sustainability reporting by the Global Reporting Initiative (GRI). It is reported in accordance with GRI 1: Fundamentals 2021. The GRI sector standards were not applied. → [GRI 2-3](#)

We have supplemented this data with further information on strategically relevant and current topics, also with regard to the Sustainable Development Goals (SDGs). For more information, see from [page 34](#). → [GRI 2-4](#)

### Reporting period and editorial deadline

The document is available in German and English and mainly relates to the period from 1 January 2022 to 31 December 2022. All forward-looking statements in this report are based on general assumptions at the time of going to press. The editorial deadline for this report was 31 March 2023.

The sustainability report of Festo SE & Co. KG is published annually. The last report was published in May 2022 as a print version and interactive PDF and covered the 2021 financial year. → [GRI 2-3](#)

### External and internal audit

By using the GRI standard, we want to ensure transparency of information and comparability for the public. There was no external audit of GRI compliance. → [GRI 2-5](#)

Our environmental management system according to ISO 14001 and our quality management system according to ISO 9001 are regularly reviewed by external auditors.

### Contact persons and project participants

Numerous employees of the Festo Group worked on the Festo Sustainability Report 2022. We will be happy to answer your questions and, if necessary, forward them to the relevant specialist departments. [corporate.responsibility@festo.com](mailto:corporate.responsibility@festo.com) → [GRI 2-3](#)

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