Quality and the environment

Company management system, Festo AG & Co. KG
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Introduction

“Innovation and quality are a company’s founding premise.”

This is one of the core statements of our corporate vision. Innovations for maximising customer productivity, world-wide presence and close partnerships with our customers are Festo’s trademarks. And fulfilling all customer requirements is at the heart of our endeavours. We continuously seek out new challenges with the objective of being the partner that our customers can rely on, and contributing to their success with top quality, innovative solutions.

And this is the basis upon which Festo’s quality philosophy rests: “Fit and forget”.

The quality of our processes and products as well as the expertise of our employees must interact in order to attain the required business results. This is the only way in which we will be able to provide secure jobs in the long-term. Our commitment to this global understanding of quality is part of our quality management. And in so doing we shouldn’t forget that in a competitive market the goals for quality are specified by our customers. They expect products which are free of defects.

We have for some time now recognised quality as a strategic success factor. Our integrated quality and environmental management system is an expression of our comprehensive quality awareness. Quality is not only limited to our products, we also strive to achieve the highest possible levels of corporate quality. This includes environmental quality, because in light of limited resources and the limited carrying capacity of the ecosystems, we are fully aware of the fact that long-term business success is based on conscientious environmental conduct. Environmental protection and energy efficiency are given high priority at Festo, for processes as well as products. An integrated energy concept ensures continuous evaluation of the most up-to-date environmental technologies. Each and every error, whether it occurs at the customer’s facility or within the process chain, costs time and money and necessitates corrective measures. We therefore focus on continuous improvement throughout our entire organisation with the objective of establishing zero-defect quality and making our company the best in its class in the long run.

Dr. Eberhard Veit
Chairman of the Board of Directors
Vision, quality and the environment

Our vision of quality and the environment is an attainable image of a worthwhile future and gives meaning to our actions.

Strive to Zero Defect Quality
We are constantly reducing the error levels in all corporate areas. This is one of the top objectives of quality management at Festo.

Uncompromising fulfilment of customer expectations
We fulfill the expectations which our customers place on our products. Our customers are the benchmark for the definition of quality requirements. This applies equally to catalogue and customer solution products.

Maximum problem solution authority
We have highest problem solution authority by means of customer proximity, constant improvement and innovations in the product spectrum and we stand on side to our customers as reliable partners.
Maximum problem-solving competence

We can offer maximum problem-solving competence, thanks to our closeness to customers and the constant improvements and innovations in our product range, and are able to provide our customers with support as a dependable partner. A vital prerequisite for high-quality customer relations and optimum service provision in all markets is a global presence, delivered both internationally and locally.

Absolute stability and quality of all processes

We achieve continuous and lasting long-term improvements of our processes and do not focus on short-term optimisation.

High level in economic and social performance

For our products: Environmental protection will be more important in the future among other things due to intensified legal regulations significance. We recognized that customer expectations from tomorrow lie also in ecological product requirements.

For our processes: Our resources-careful processes fulfil the requirements at a sustainable development and strengthen the competitive ability by environmental costs at the same time.
Quality and environmental strategy

Festo has created a concrete and long-term quality and environmental strategy that provides a realistic framework for action for all parties concerned.

Decentralised quality and environmental performance – each division assumes responsibility for its own activities

Each individual division has responsibility for all tasks related to quality assurance and the environment, both of which are not to be hyphenated to operational (value creating) processes. In order to achieve our goal, we place equal emphasis on systematic process optimisation, clear-cut goals based on the balanced scorecard, binding agreements on objectives with our employees and a strong zero-error culture that is followed by and involves everyone.
Quality and environmental awareness visible in everyone's actions

The reinforcement of each division’s responsibility for tasks related to quality and the environment promotes a greater awareness of these issues. Quality and the environment have to become an integral part of the work of all employees and suppliers so that a process of continuous improvement can begin to emerge and a convincing level of quality results can be attained. That is why worldwide we encourage our employees’ awareness of quality and environmental aspects through company training and vocational education.

Corporate culture necessitates zero-defect culture

Our zero-defect culture promotes dealing with errors actively and openly in order to benefit from potential improvements; it also creates awareness of the consequences of defects, especially repeat defects. This is an essential prerequisite for achieving our vision of zero-defect quality.
Quality and environmental strategy

Made by Festo – internationally standardised quality for products and services

“Made by Festo” is our strategy for standardised quality of all products and services globally, regardless of the location of the production facility. This is based on a common management system which is expressed in terms of a collective, company-wide certification.

Prevention is our greatest strength

In order to ensure that quality risks are detected as early as possible, we implement suitable preventive methods and conduct risk analyses. This, in combination with consistent quality planning, prevents quality problems right from the very start. An efficient complaints management system ensures quick and lasting solutions to problems and provides the basis for product optimisation.
Worldwide improvement of environmental performance

We intend to improve our environmental performance within the framework of our international environmental management system. In order to do this, we will use a system of environmental goals based on performance figures that in turn will determine the programme for implementing measures for improvement.

Process optimisation driven by efficiency and the quality of results achieved

For us, process optimisation driven by efficiency means a reduction in the number of interfaces within the business processes in order to free up potential capacity. Our business processes are organised so that they help to achieve the company goals, which are derived from the business strategy.

Our company goals are defined within the framework of the balanced scorecard as part of a consistent system of objectives; this facilitates targeted controlling and correspondingly effective management procedures.
Quality and the environment have since long enjoyed high priority at Festo. The fact that we’re moving in the right direction with this approach is demonstrated by past developments. Festo was certified in accordance with ISO 9001 back in 1990 and was thus one of Europe’s (Germany’s) pioneering companies in this respect. The same was the case with regard to certification of our environmental management system in accordance with EMAS I in 1996. We are aware of the fact that long-term economic success in a world of finite resources and limited carrying capacity of ecosystems necessitates responsible interaction with the environment.

We therefore strive to reduce environmental pollution to an absolute minimum. In 1991 certification in accordance with ISO 14001 supplemented the EMAS I certification and replaced it in 2002. Our integrated quality and environmental management system in accordance with ISO 9001 and ISO 14001, as well as automotive industry standards ISO/TS 16949 and VDA 6.4 – aligned with the requirements of our most demanding industry sector – have demonstrated our commitment since 1997.

Furthermore, the development of quality as a business focus has been significantly influenced,

### Development of quality and environmental management at Festo

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>1990</td>
<td>ISO 9001 certification</td>
</tr>
<tr>
<td>1996</td>
<td>EMAS I certification</td>
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<tr>
<td>1997</td>
<td>ISO 14001 certification</td>
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<tr>
<td>2002</td>
<td>ISO/TS 16949 certification</td>
</tr>
<tr>
<td>2005</td>
<td>VDA 6.4 certification</td>
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![Graph showing the development of quality and environmental management at Festo](image)
requirements in each individual company location.

Festo’s integrated management system combines requirements from the areas of quality, environment and safety into a single uniform structure. Streamlined and efficient management, as opposed to individual, separate management systems, is made possible by taking advantage of synergies that result from the bundling of resources.

For example, by the company’s TQM orientation and introduction of the balanced scorecard as a management instrument.

With the expansion of our global R&D, production and logistics network, our international quality and environmental management system was established in 2004.

Festo’s international quality and environmental management system standardises procedures at our numerous locations around the world. The company-wide certification covers certification of all locations in accordance with ISO 9001 and ISO 14001 as a minimum standard and thus underscores our “made by Festo” strategy. Certification in accordance with other standards (e.g. ISO/TS 16949) above and beyond the minimum requirement is possible as well as desirable depending on local circumstances and market conditions.
Quality and the environment at Festo – benefits for you

We recognise that quality is fundamental for the success of a company and that it plays an important role in all of our business processes without exception.

Training quality

Productivity begins with qualification
- Number one training and vocational education partner to industry and colleges of further education
- Technical training systems, hardware and software
- Seminars in 39 languages, 42,000 participants per year
- Holistic, didactic concepts for training and consulting

Innovation quality

Innovations for catalogue products and customer solutions
- Lasting innovation management
- 2900 patents with roughly 100 new patent applications each year
- 100 new products per year
- 3D supported engineering and simulation
- More than 20 Technology Engineering Centres throughout the world
- Structured, new product development process
- Consistent advance quality planning to ensure safe product characteristics
- German Future Award 2012

Manufacturing quality

You're interested in quality and economy and that's why we place great importance on:
- Tight manufacturing tolerances – unchanging and precise
- Ultramodern manufacturing processes, developed inhouse in consultation with our customers and suppliers for the continuity of your processes
- Core competence in manufacturing technology, modern machines and equipment for optimised products
- Precise quality assurance systems for stable processes which you can count on

Supplier quality

Also means partnership and fairness
- Defined quality standards for our suppliers
- Sophisticated supplier rating system
- Agreement upon goals with our most important suppliers
- Direct communications links for just-in-time planning and shipment
**Logistics quality**

**Naturally faster**
- High speed logistics from order entry to receiving at the customer’s facility
- Regional Service Centres in all regions throughout the world
- 2003 German Logistics Prize
- Energy Efficiency Award 2008
- Umwelttechnikpreis 2009

**Service quality**

**Service at the centre of attention**
- For Festo, service means accompanying one’s partners along the path to success – from initial planning to system operation.
- Advice provided by more than 1000 technical consultants and project engineers – worldwide
- 24h hotlines
- Call centre specialists for components, modules, systems and industry sectors
- Reliable maintenance and complaints service
- Replacement parts service
- Repair service
- Easy assembly services
- Compressed air consumption analysis
- Energy saving service

**Quality regarding product safety**

**Product safety for your safety, by:**
- Considering and adhering to relevant national and international, legal and industry-specific standards
- Continuously training our employees in the area of industry standards
- Investing in in-house testing labs
- Actively participating in standards committees

**Environmental quality**

**New technologies, processes, products and services enable us to guarantee the sustainability of value creation processes and production systems**
- Consultation with our customers regarding selection, use and disposal of our products
- Ecological product evaluation for determining the environmental aspects of new product ranges, from production and packaging to disposal of end products
- Changeover to RoHS compliant materials
- Festo will continue to promote the replacement of materials which are harmful to the environment.
Focus on energy efficiency

Monitoring and strategically integrating all facets of energy efficiency into our own activities equally is an important part of sustainable and ecologically sensible management and one that is never finished.

Festo therefore pursues a holistic approach which encompasses innovative concepts for the company’s own buildings and manufacturing facilities, as well as its products and solutions which are optimised for reduced energy consumption. Thus Festo supports its customers in solving their automation tasks in an energy-efficient manner.

Five core elements distinguish this approach, which Festo perceives as an ongoing mission:

- Energy efficiency for products and solutions, from R&D to reduced consumption of compressed air and electrical power during operation
- Energy efficient layout and design of equipment and systems
- Energy efficiency live supports the operation of machines and systems at the customer’s facility by means of services such as energy monitoring
- Research and development of technologies with which energy efficiency can be further improved
- Increased energy efficiency at Festo’s own locations and production facilities
Certified management system for quality and environment

The management system is divided according to the individual business processes of Festo AG & Co. KG and is described in a handbook. The handbook serves as a basis for implementing, maintaining, and continuously improving the management system for quality, safety, and environment. It describes in general terms the implementation of the various aspects covered by the underlying standards and regulations:

- ISO 9001
- ISO 14001
- VDA volume 6, part 4
- ISO/TS 16949

The management system thus provides a framework for ascertaining and fulfilling relevant official and legal requirements, as well as special customer requirements. These must be met by the company and its products in order to prevent any risks to human beings and the environment.