

Sustainability Summary Report 2021



STIGA

CEO Message

A Strategic move towards a more sustainable future

2021 was a successful year for STIGA as we advanced our market leadership position, exceeded financial targets and took another step on the journey to building an even stronger Group.

This year has also been a challenging one marked by unprecedented events and unforeseen changes. During this period STIGA successfully navigated a rapidly changing environment, making the health and safety of its employees a top priority while adapting to ensure business continuity and performance.

We emerged stronger, investing in research and development to create innovative new products and enter new product categories, driving revenue.

We're now accelerating this strategy to further strengthen our market position and technology leadership. A key part of that is the work we are doing on sustainability.



Our biggest investments support our **Products, People and Processes**, the pillars of our **Sustainability Strategy**. We've combined our leading technological capability with the efficient use of resources, steering the industry towards renewable energy sources that have transformed the entire product lifecycle.

Our strategy is working. In 2021 we increased our market share in Ride-On, Walk Behind, Handheld and importantly battery products. Every channel and every brand also recorded important growth.

More than a single step.

Sustainability is a continuous process, a call to action that involves all areas of our organisation. As STIGA progresses with its conscious initiatives, we look forward to playing our part in giving back what nature deserves. The responsibilities and opportunities ahead of us are huge, but our track shows what a significant difference we can make.

Thank you for joining STIGA on this journey.

Sean Robinson



Key Data 2021

Share of Recycled
Materials In Packaging



vs 51% in 2020

Reduction of Product GHG
Emissions (tCO₂eq)



vs -46k in 2020

Share of Renewable Energy
in Plants and Offices



vs 1% in 2020

Share of Battery and
Corded Products



vs 25% in 2020

% of Women Employees



vs 23% in 2020

Work-Related Injury Rate



vs 2020

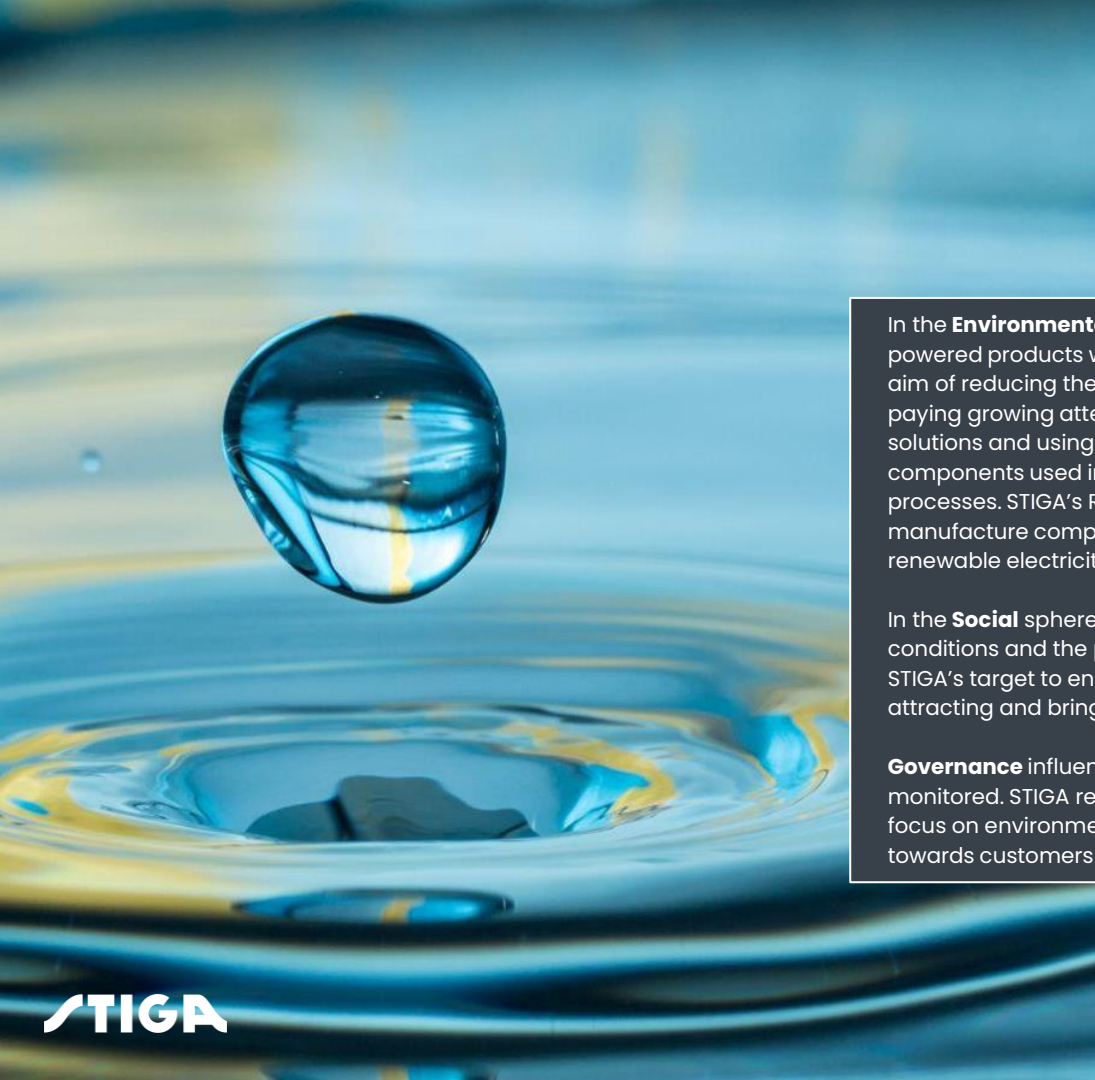
The Path Undertaken

In 2021, STIGA started its sustainability journey by drafting its first internal Sustainability Report, centred on four companies. This year, STIGA has decided to expand the perimeter to the whole Group by publishing the report, so that all stakeholders can be aware of the actions that have been taken to deliver on our commitment to the future.

The analysis of our data revealed that important progress is already being made, and that we began our journey towards 360-degree sustainability at the right time. STIGA allocated specific internal and external resources to the project with the objective of developing the right level of awareness, in addition to adequate processes and organisation inside the Company.

STIGA wants to establish a more sustainable business aligned with the expectations of its stakeholders, affirming its commitment to sustainability with a focus on environmental and social objectives.





In the **Environmental** domain, STIGA is committed to progressively replacing petrol-powered products with battery-powered and electric alternative machines, with the aim of reducing the environmental impact of products sold in the market. STIGA is paying growing attention to the sustainability of its packaging, implementing more solutions and using more sustainable materials. We are also focusing on the components used in the manufacturing cycle, and on the energy used in our processes. STIGA's R&D and Purchasing teams now seek to work with suppliers to manufacture components with recycled materials. Production plants are moving to renewable electricity with plans to increase the percentage of self-produced energy.

In the **Social** sphere, we are dedicated to the guarantee of appropriate working conditions and the promotion and affirmation of human rights. This is highlighted by STIGA's target to ensure people operate in a safe and stimulating work environment, attracting and bringing top talent to light.

Governance influences how STIGA's objectives are set and achieved, and how risk is monitored. STIGA released a new version of its Code of Ethics in 2021, with a specific focus on environmental issues and rules of conduct for employees, suppliers and towards customers and public administration.



STIGA decided to follow the “Global Reporting Initiative Sustainability Reporting Standards” defined in 2016 and updated in 2019, from the Global Reporting Initiative (hereafter “GRI Standards”) for the preparation of its first Sustainability Report.

Following GRI Standards, an organisation is required to report on its performance in relation to material topics identified through materiality analysis. The GRI Standards define a material topic as a “topic that reflects a reporting organisation’s significant economic, environmental and social impacts or that substantially influences the assessments and decisions of stakeholders”.

In order to draw-up the materiality analysis and identify the material topics, STIGA initially performed the following phases in May 2021:

- ESG Project Governance implementation;
- Stakeholder mapping;
- Preliminary identification of potentially relevant topics;
- Internal engagement, first assessment of topics and initial materiality matrix.

PRODUCTS

"We are green-fingered engineers."

We care about our gardeners and their gardens, and we are committed to design and manufacture products with a lower environmental impact. We are committed to creating products that are electricity powered, made with recycled materials, provide high quality standards, and are connected and long-lasting.

We encourage the use of mulching because this means less fertilisers and pesticides, less watering and no grass disposal.

Project

Description

Commitment

Transition to Electric

Increase the percentage of electric powered products sold in overall sales mix.

Electric powered products to represent more than 40% of total by 2024.

Mulching

Encourage and promote the mulching technique to STIGA consumers.

Keep the percentage of "mulch-ready" products sold above 80% of STIGA lawn care segment.

Connectivity

Increase the quantity of connected products in overall sales mix.

Connected products to represent more than 50% of total by 2024.

Recycled & Renewable

Increase recycled, renewable and lower environmental impact components and packaging materials in the supply mix.

60% of recycled materials in packaging, 3% of recycled plastic in products by end of 2022.

Easy to Repair

Develop a system to measure products repairability according to several measurable criteria.

Define the measurement system by the end of 2022. Extend by 2023 the measurement to all electric branded products.

PEOPLE

“Putting people first.”

We care about our employees. We ensure that they operate in a safe and stimulating work environment, balancing work and home life, as well as helping them to develop their capabilities by giving them the power they need, when and where they need it.

Project

Description

Commitment

Flexibility

Provide greater flexibility to employees and improve work/home life balance.

Define a Group policy by 2022.

Attraction

Improve job opportunities and training for local talent pool.

300 hours dedicated to Employer Branding in 2022.

Code of Ethics

Ensure that all suppliers uphold Company policy on human rights and code of conduct.

40% of suppliers signing up to our Code of Ethics by 2022, increasing to 90% by 2024.

Training

Increase employees skills and knowledge also on ESG topics.

22k training hours in total including training on Human Rights in 2022.

Consumer & Customer Satisfaction

Constantly interact with consumers/customers and measure their satisfaction.

Maintain high ratings for on-line sold products and brand awareness. Develop Net Promoter Score in 2023.

PROCESSES

"The power of simplicity."

We want to do more with less, using green energy, increasing self-production and complying with both the highest international standards and internal procedures. We diligently protect both Company data and consumer data.

Project

Description

Commitment

Green Plants & Offices

Reduce energy consumption per unit of volume produced and increase self-produced and purchased renewable energy.

Increase the % of renewable energy vs 2021 (28%)

ISO Certifications

Strengthen the internal processes and procedures oriented towards the impact on the environment and safety.

Obtain ISO 45001 (Safety) and 14001 (Environment) certifications by the end of 2022.

Cybersecurity

Ensure strong cybersecurity and personal data protection investing in servers and networks.

Keep state-of-the-art safety standards and minimise issues and data breaches.

Audit

Implement yearly audit plans.

Perform audits on four main processes during 2022.

A Focus On: Repairability

Prolonging a product's useful life is important for the development of environmentally friendly products.

Through connectivity, as we have already described, it's possible to anticipate issues and recommend maintenance via the App.

Through the dealer network, the consumer has the guarantee of professional, dedicated repairs of products. Repairability is influenced by different criteria, specifically:

- Designing products to be simpler to dismantle, thereby making it easier for the consumer or service provider to access components for maintenance and repair;
- Increasing the number of years that the most critical components and spare parts are made available for older or discontinued models;
- Increasing the length of time, the availability of manuals for STIGA products, particularly discontinued or older models, to facilitate sourcing replacement parts.

STIGA has started measuring the criteria that can influence the repairability of products and is developing an index for electric products, with the commitment to expand this measurement to a growing number of electric branded products, starting from 2023.



Commitment: Define in 2022 the measurement system and extend it to all electric branded products in 2023.

Sustainable Packaging

Sustainable packaging is a critical factor in deciding which suppliers to favour, with those creating a lower environmental impact leading the way. Next, the sustainability requirements influence the packaging process as it calls for changes to be made to assembly line operations, and the relevant adaptation of staff activities. The consumer, depending on the materials selected by STIGA, will ultimately choose the most appropriate disposal method, which also has an impact on sustainability progress.

Being aware of the impact that packaging choices can have on the environment is critical, and STIGA is committed to developing new packaging and selecting materials of natural origin, or from recycled sources with reduced environmental impact.

STIGA is focusing on the use of paper and corrugated cardboard packaging, which are easily recyclable and originate from sustainable materials. STIGA uses paper and cardboard with FSC (Forest Stewardship Council) certification, certifying that the products have been made with materials coming from forests that are managed correctly and responsibly according to strict environmental, social and economic standards. In addition, STIGA uses unbleached and/or uncoated paper characterised by a production process with a lower environmental impact. A further distinctive element of attention is the commitment to reduce the number of box formats in order to minimise material waste and optimise the costs. Finally, STIGA actively seeks commercial agreements with suppliers located as close as possible to the production plants in order to reduce the pollution linked to the transport of material.



54%

Share of Recycled Materials Used



A Focus On: Recycled Product Components

In 2021, STIGA began a project to increase the quantity of recycled materials in the product components, in an effort to minimise the environmental impact.

R&D is analysing the total amount of polypropylene, ABS and polyamide purchased, identifying the percentage of recycled materials.

This will form the starting point for an improvement process in 2022, which will also include other materials such as steel and aluminium, of which STIGA products are composed, starting from 2023.

In 2022, R&D together with the Purchasing department will put in place actions aimed at increasing the percentage of recycled plastic materials in purchased components. The actions will be addressed to:

- Increase the levels of recycling of scrap from injection moulding methods;
- Blend virgin and recycled material in percentages that will not change the characteristics of the resulting materials.



Commitment: 3% of recycled plastic in products by 2022.

Quality and product safety are essential baseline requirements for consumer satisfaction and to meet growing market demands, which are the basis of economic returns.


Internally, quality and product safety have an impact on our Research & Development, Manufacturing, Quality and Product Compliance departments. Externally, they have an impact on the supply chain and on customers and consumers.

This issue is a material topic for STIGA, and it affects two pillars of sustainability: Environment and Society. For this reason, all STIGA products are compliant with the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and ROHS (Restriction of Hazardous Substances) legal and regulatory requirements.

STIGA's Research and Development (R&D) and Product Compliance departments are dedicated to achieving the defined level of quality and the production of safe products.

R&D is responsible for Product Technical Files and for Product Risk Assessment. This activity is implemented following the Design Failure Mode and Effects Analysis (DFMEA model).





STIGA is aware that its success, both in the business and in its impact on the social and environmental contexts in which the Company operates, is based first and foremost on the people who work in and around the organisation. The processes of attraction, development and management of the human resources represent fundamental touchpoints in which the attention that the Company dedicates to the enhancement of these resources and to the implementation of its philosophy and ethics, inside and outside the boundaries of the organisation, becomes a reality.

This topic manifests its impacts both internally and externally. The main stakeholders who benefit from good and careful management of these issues are STIGA employees. However, the impacts are not limited to Group companies, but also go beyond them. In order to manage all these aspects in the best possible way, it is essential that the companies cooperate with schools, universities and training institutions in the various countries in which STIGA operates to attract young talent to grow within the Company.

Performance Assessment

In September 2019, with the arrival of the new CEO, STIGA reviewed its business model and its strategy, and consequently the values and behaviours that are the basis of the STIGA Group. A leadership model called "STIGA Behaviours", which defines the individual behaviours that underpin STIGA's success, was formalised and put into action.

- **Act fast:** Let's spend more time face-to-face and talk more about how we can help each other. A conversation is much faster than email.
- **Be decisive:** People should not blindly follow our "processes" but, instead, look at how to do things better. Compile and analyse the data and decide what to do as a team.
- **Think like an owner:** Autonomy and accountability are important, and in order to really focus on this, we will put far more emphasis on your business development skills. We may not have the same perspectives all the time, but we will have the same motivation. Similarly, if people don't think like an owner, act defensively and have a closed approach to problems, it erodes the team energy.
- **Get into the right level of detail:** Simplification of how we do things is critical to reducing cost and increasing speed. It brings transparency and with that, focus.
- **Courageously challenge:** Get into the habit of being challenged: as a leader it's healthy for you! Build trust amongst the team, build enthusiasm and trust by being open to challenges. No matter what roles people have in the organisation.
- **Recognise high performance:** Good examples and a "good mood" are contagious. High performance is a multiplier. Promote good things in other people (particularly if not in your areas) and ensure others see your lesson.
- **Be open and practice:** Openness to new ideas and practicing them will improve our workplace. Let's support an environment where we feel safe, fairly treated, heard, respected and valued.



Employees' Welfare and Well-being

In addition to the focus on professional development, all Group companies are committed to creating a valuable relationship with their employees and to increasing their overall well-being in and beyond the workplace. Health and well-being are in fact critical to being able to perform well and develop.

To further meet home and work life balance needs and provide part-time work contracts, STIGA Italy introduced flexible working time schemes in 2019. This included the possibility for workers to compensate for part of their absences with extra-time. In addition, the portion of the obligatory maternity leave not covered by the Italian Welfare Institution is covered by STIGA Italy.

Occupational Health and Safety Management System

A safe work environment is the basis for creating good performance and sustainable improvements in the organisation.

STIGA manages occupational health and safety risks in all production processes and in all office activities. The topic is not only related to employees, because STIGA has important responsibilities towards external visitors as well, who need to be protected every time they enter Company premises.

The Company safety strategy aims to:

- Organise and develop human resources with a focus on individual capabilities, independent decision-making and assigned responsibilities in order to further develop the culture of prevention and reach the Occupational Health and Safety (OHS) policy objectives. All employees receive adequate information and training and must understand the implications of their role in the organisation and of their behaviour in the workplace;
- Structuring and maintaining a risk assessment updated with the evolution of internal organisational changes and external applicable local, national and international legal requirements for health, safety, labour law and the environment in the workplace;
- Purchasing equipment that complies with current standards and regulations.

STIGA headquarters is responsible for developing, implementing and reviewing general monitoring procedures. This is so that the organisation can monitor the implementation of the policy and the Occupational Health and Safety Management System (OHSMS), to verify the effectiveness, efficiency and adequacy of preventive and corrective measures undertaken, and to control the management of emergency situations.

Objectives must be compliant with the SMART concept (Specific, Measurable, Achievable, Realistic and Timely), providing reliable data, communicating results to management, implementing action plans, and ensuring that these operating methods become a “way of thinking” for all staff.

STIGA's OHSMS requires the involvement of management and employee representatives in order to perform key safety activities, such as risk assessments, investigation of occupational accidents, measurement of work factors and the drafting of safety documentation. Every employee is involved in safety monitoring and are all encouraged to report any dangerous situation or areas requiring improvement (Safety Management Audit Tool – for reporting unsafe acts and Safety TAG for reporting unsafe conditions). The Company constantly updates its employees on safety related information, such as statistics on injury rates and near misses, and on new safety measures: an important contact point is the notice board located in all the plants. Special initiatives can be carried out by the single legal entities, for example, the Slovakian plant celebrates International Safety Day (April 28th) with small safety related gifts for employees to raise awareness on this topic.

In 2021 STIGA started a process of ISO 45001 with the objective to obtain it by 2022 in the three production plants.

Commitment:

Strengthen the OHS management system by implementing upgraded processes and procedures by 2022.

Efficient and Low Impact Plants and Offices

The sustainability of STIGA plants and offices plays a key role toward the reduction of the emissions produced by the organisation. STIGA is oriented to reduce its impact on the environment strengthening its' internal processes and procedures. In 2021, STIGA started a process of ISO 14001 certification with the objective of obtaining it by 2022 in the three production plants.

Whilst the Company's business is not energy intensive, the greatest amount of energy consumption is generated by the STIGA production plants, and this is monitored monthly through dedicated KPIs. The plants are also required to implement energy saving policies where applicable. As a result of specific reduction policies and initiatives there was an **energy saving of 4.7%** of the total electricity consumed in 2021.

GRI 302-4: Reduction of energy consumption

Conservation and efficiency initiatives realised in order to reduce energy consumption	Types of energy included in the reductions	UoM	Amount of reductions in energy consumption	Base year / Baseline	Plant
Replacing some air conditioners in the office that had high energy consumption	Electricity	GJ	31	2021vs2020	China
Relayouting the canteen to improve energy consumption per dining area	Electricity	GJ	13	2021vs2020	China
Installing Led lighting in Castelfranco Veneto Plant	Electricity	GJ	1,026	2021vs2020	Italy
Inverting pump painting shop	Electricity	GJ	119	2021vs2020	Italy
Total			1,189		
Total Electricity Consumed			25,563		
Saving %			4.7%		

External factors may limit STIGA's ability to address this topic, national energetical mixes, unfavourable weather conditions, which may affect people's behaviour, etc.

Energy consumption involves the whole organisation and, even if the manufacturing function has the stronger impact on the topic, STIGA is committed to raising awareness among all employees.

Commitment: Strengthen the internal processes and procedures oriented towards the impact on the environment by 2022.



A Focus On: Plastic Reduction in Offices

Reducing the use of non-environmentally-friendly materials is an important factor that STIGA is embracing. Raising awareness among employees is an important factor that will be encouraged in daily routines.

At the end of 2021, STIGA Italy changed all the vending machines distributing hot and cold drinks and substituted almost all the water plastic bottles with water dispensers connected to the hydraulic system. All the STIGA Italy employees have received a reusable water bottle.

In 2021, 24k plastic bottles were consumed in STIGA Italy and this amount will be significantly reduced in 2022. Furthermore, STIGA will substitute plastic coffee cups (20k in 2021) with paper ones, as well as reducing the amount of plastic used in the canteen. The plan is to substitute disposable plastic glasses (60k in 2021) with durable alternatives, plastic bowls (45k in 2021) with ceramic bowls and plastic teaspoons (40k in 2021) with wooden ones.



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We believe...

In the power of **simplicity**:

making the complex intuitive.

In **giant leaps**, not small steps.

In questions, not answers.

Because **curiosity** drives us.

In breaking the rules and **challenging** convention,
while working in harmony with nature.

In putting **people** first –
giving them the power they need,
when and where they need it.

In having the **courage** to do the right thing –
for our people, customers and planet.

In doing more with less, but performing better.

In the strength of **logic** and rationality.

In the power of imagination and **magic**.

In the joy and ever-changing wonder of gardening.

And, above all, knowing if you look after the planet,
it will look after you.

We are **green-fingered engineers**.

We are STIGA.

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