

Sustainability Report 2021



STIGA



Contents

1. CEO Message	<u>3</u>
2. The STIGA Group	<u>6</u>
2.1 Business Profile	<u>7</u>
2.2 Sustainability Path	<u>21</u>
3. Products	<u>37</u>
3.1 Green and Digital Products	<u>39</u>
3.2 Safe Products	<u>52</u>
4. People	<u>55</u>
4.1 Attraction, Development and Wellbeing of Employees	<u>57</u>
4.2 Safe Work Environment	<u>73</u>
4.3 Promotion and Affirmation of Human Rights	<u>80</u>
4.4 Customer and Consumer Satisfaction	<u>83</u>
5. Processes	<u>88</u>
5.1 Compliance and Integrity	<u>90</u>
5.2 Safe and Efficient Processes	<u>97</u>
6. Methodological Note and GRI Content Index	<u>105</u>

1. 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 Battery and
Corded Products

30%

vs 25% in 2020
(page 41)

Share of Recycled
Materials In Packaging

54%

vs 51% in 2020
(page 48)

Reduction of Product GHG
Emissions (tCO₂eq)

-76k

vs -46k in 2020
(page 43)

Share of Renewable Energy in
Plants and Offices

28%

vs 1% in 2020
(page 99)

% of Women Employees

24%

vs 23% in 2020
(page 63)

Average Training
Hours per Employee

12.8

vs 14.9 in 2020
(page 67)

Work-Related Injury Rate

-73%

vs 2020
(page 78)

Data Breaches and
Cybersecurity Incidents

0

vs 1 in 2020
(page 95)



2. The STIGA Group

2.1 Business Profile

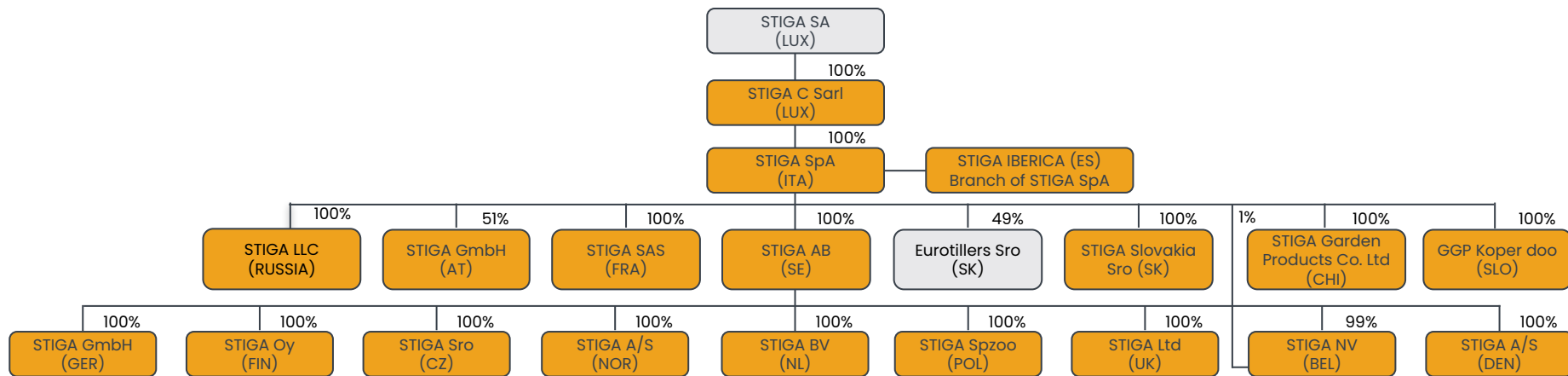
2.1.1 The Origins and the Structure of STIGA Group

STIGA is a major producer and distributor of powered garden products in Europe. We have market leadership in the Ride-On (RO) segment, important market shares in the Front Mowers (FM) and Walk-Behind (WBH) products segments as well as significant presence in Hand-Held (HH), Snow Throwers (ST) and other garden power equipped categories. STIGA is the Group's flagship brand, founded in 1934 by Stig Hjelmquist in Tranås (Sweden).

The yellow-coloured companies in the below chart are those related to the reporting boundary for 2021 Sustainability Report. Eurotillers Sro (SK) has been excluded due to the minority shareholding (49%) and to its low materiality for the reporting.

STIGA SA is the Luxembourgian holding company of the Group. STIGA C Sarl directly owns the Italian company, STIGA SpA, which is the direct or indirect owner of all the other operating companies.

STIGA PTD, a company incorporated in Austria in 2019 to manage our R&D office in Graz, began liquidation in 2020 to simplify the administration of the R&D activities. The liquidation was concluded in 2021. In 2020 STIGA Iberica, a branch of STIGA SpA, was created and became fully operational in December.



2.1.2 Product Portfolio

STIGA's product portfolio is one of the most comprehensive in the market, with tools suitable for any garden task or season. Our target consumer is the private householder with a garden of up to 12,000 sqm. The Company also sells its products to landscapers and professional gardeners.

Our products are offered through the traditional trade channel, DIY/mass market chains, online players, Original Equipment Manufacturing (OEM) and private label customers. Products are also directly offered to consumers through our e-commerce platform, active in STIGA's European markets.

STIGA's core business is related to lawn cutting and maintenance. In addition, a significant portion of turnover can be attributed to products for cutting and trimming bushes, trees, branches and high grass. Furthermore, STIGA offers products for soil, ground care and cleaning, with accessories and spare parts available for purchase.



Each year, STIGA renews and updates its product range, introducing new solutions for every gardening task and season. Our innovative approach combines ergonomics, connectivity, user interface electronics and robust engineering to create gardening tools that enhance every gardener's experience. Meanwhile, the share of battery and electric powered products continues to increase across our range as we work to provide our customers with gardening solutions that achieve their goals in the most sustainable way possible.

New Product Launches in 2022

Swift

The new electric sit-on mower which uses removable batteries that can be shared with all other STIGA 48v battery products.



Stig-A

The autonomous robot mower, using AGS technology for adaptable virtual perimeters without wire installation.



Gyro

The revolutionary drive-by-wire joystick battery mower with patented Direct Drive patented technology.



Aero

The first cordless hover mower where aeronautical technology has "removed" the wheels.



There is a STIGA tool designed for every type of consumer, from beginner to expert gardener, and for all four seasons:

- The **STIGA Essential range**, developed for gardening newbies and those who want a tool that is easy and intuitive to use;
- The **STIGA Experience range**, the perfect way to experience something new and tackle more complex tasks in the garden;
- The **STIGA Expert range**, includes STIGA's most superior, powerful products.

Essential



Experience



Expert



- Lightweight products
- Easy to adjust, start, control and use, but also to clean and store
- Simple and intuitive functions

- Strong tools
- Tougher jobs
- Prolonged session
- Diversified work

- Durable equipment
- Superior power output
- Fit for intense working environments
- Customisable performance
- Most responsive control

2.1.3 The STIGA Brands

5

Brands

The Company has five brands in its portfolio: STIGA, Alpina, Castelgarden, Mountfield and ATCO. STIGA represents the flagship brand and is developed worldwide.



STIGA is the Group's flagship brand, founded in 1934 by Stig Hjelmquist in Tranås (Sweden). STIGA engineers a broad range of durable and easily usable products for residential gardening. From lawn mowers to accessories, our products enable consumers to enjoy their garden all year round, with an overall honest, sustainable approach and a strong focus on innovation.



Alpina is our Italian brand, with a long tradition in lawn mowing and garden equipment, offering a complete range of gardening tools. Founded in 1960 in San Vendemiano (Treviso), Alpina offers products with exceptional performance, a modern, bold design, outstanding safety records, and a focus on being ecological and value-adding.



Established in 1962 and well known for its robust ride-on lawn tractors and lawn mowers, Castelgarden offers appealing Italian-designed products that offer excellent value for money. Castelgarden is a supporting brand in the dealers channel.

Mountfield

Mountfield is the UK's leading brand for petrol lawn mowers and garden tractors. With over 50-years history and a strong heritage, it offers trustworthy products that are tuned to the UK's lawn care needs. Mountfield products are designed and manufactured to ensure a pleasant gardening experience, ensuring the highest levels of utility.



With over 100 years in the market and one of the longest standing names in the Industry, Atco is an iconic classic. Atco offers some of the finest garden machinery in the UK market and worldwide. Well-known for its safe, top-quality products, the brand has a strong and familiar identity, with craftsmanship at its core.



2.1.4 STIGA Headquarters, Commercial Offices and Production Plants

The Headquarters are located in Castelfranco Veneto (Italy), where all Group functions are represented and most of our management operates. Central functions like ICT, HR and related services are also provided for the whole Group from this location.

STIGA operates in the most important European markets with owned commercial subsidiaries. In the remainder of Europe and in non-European countries, the Company operates through distributors.



Our manufacturing network covers more than 70% of the production sold to the customers, and our traded products are produced by selected third-party suppliers based on design developed internally. Plants in Italy, Slovakia and China ensure leading quality standards as well as dynamic flexibility to respond to customers' demands.

Here are some specifics relating to the manufacturing network:

- STIGA's plant in Castelfranco - Italy produces high-end garden tractors, front mowers and robots. The facility covers over 30,700 sqm;
- STIGA's plant in Poprad - Slovakia produces petrol-powered, battery and corded lawn mowers. It was established in 2007 and the facility covers 28,150 sqm;
- STIGA's plant in Guangzhou - China produces lawn tractors. It was built in 2008 in Nansha district, and the facility covers 19,110 sqm.

3

Plants

16

**Commercial
organisations**

During the fiscal year 2021, the Group further developed the 3 production sites in Italy, Slovakia and China. The mid-term optimisation program includes efficiency and quality improvements, make or buy analysis, consolidation of common manufacturing standards and progressive introduction of digital manufacturing in the production processes.

Main actions in the fiscal year 2021 were the following:

- In the **Italian plant**, consolidation of two plants in one and outsourcing of low value added activities (i.e., primary processes as stamping and bending); digital production aiming at traceability of production data of each machine, digitisation of quality gates, real-time allocation of pre-assembly activities in different areas of the plant (Just-In-Sequence concept).
- In the Campigo facility the change of use from manufacturing to logistic.
- In the **Slovakian plant**, the model line concept was implemented with production lines to improve the safety and quality standards (e.g., Poka Yoke, process errors elimination), increase efficiency of the direct operators (e.g., semi-automation) and implementation of the new plant layout.
- In the **Chinese plant**, insourcing of warehousing and automation of some assembly activities to improve efficiency and safety.

Outbound Logistic continued the process of rationalisation where possible, a regional warehouse concept (one warehouse for more than one market). The increased sales volumes coupled with the higher fragmentation of the orders signals a more demanding and competitive market further improvements of this structure to be implemented in the next years.

All the companies of the Group reduced the stock levels in order to gain more flexibility to product changes and reduced the obsolescence risk.

2.1.5 Markets Served

The Group sold more than one million products and generated €573.4 million sales in 2021. STIGA directly operates in 16 countries and reaches a total of 84 markets all over the world. Products are mainly offered in the European market, with direct sales in France, Italy, UK, Germany, Poland, Czech Republic, Austria, Russia, Benelux and Scandinavian countries. The conflict between Russia and Ukraine is causing significant economic impacts on global markets, resulting in volatility of commodities prices, such as gas and oil, and in expected reduction in the growth rate of European economies, as confirmed by European authorities and supra-national bodies. The exposure of the Group in the markets directly or indirectly involved in the conflict is approximately 2% of the business volumes, in major part related to the Russian subsidiary.



The situation is constantly monitored by the Management in order to minimize the damages and to be able to react promptly to any further adverse effect as a consequence of the conflict.

The demand from other markets is covered through the presence of local distributors in countries like Ireland, Switzerland, Portugal, the Baltics, Hungary, Turkey, Australia, New Zealand, South Korea, Israel, Qatar, Brazil, Canada, and others.

573.4m

Turnover

84

**Countries
served**

2.1.6 Achievements Over the Last Years

Battery products have been the main driver of the volume growth in our Walk-Behind and Hand-Held categories. Robot mowers are becoming increasingly popular among consumers. Our growth strategy for branded products continues to be a fundamental pillar of the Group's development, including investment in new products, marketing activities, and strengthening the sales network.

Regarding the marketing activities, the focus of the Group on Trade Marketing and Point of Sale support continued. In this area it is worth mentioning the continuation of the Shop-in-Shop program, creating STIGA corners at selected dealerships equipped with original STIGA merchandise displaying the different product categories in the shops. At the end of 2021, the Shop-in-Shop system had been installed in more than 2400 all over Europe.

The new products introduced in the markets in the past 2 years accounted for 29% of total sales in 2021. In the fiscal year 2021, the Group introduced new products in the Ride-On, Front Mower, Robot and Battery categories, improving the level of competitiveness of the existing group.

Regarding the new techniques, the main new products introduced had been the new Stig Robot, the new battery tractor eRide and the battery system 700-900 series. In 2021, the ePower 20V and 48V systems were introduced. These batteries are driving a wide range of products, from hand-held to walk-behind lawn mowers and from 2022, a ride-on-mower range. The battery systems have been designed to be not only strong, but also 'smart': the tools constantly adjust the power demand to deliver exactly what is needed for the job at hand, optimising battery performance.

GRI 102-7: Scale of the organisation

	2019	2020	2021
	Total	Total	Total
Total number of employees	1,235.7	1,281.2	1,555.3
Total number of operations	18	19	19
Net Sales (Eur. '000)	511,071	447,517	573,367
Total Capitalization (Eur. '000)	367,044	381,255	399,793
of which debt	239,691	248,285	224,124
of which equity	127,353	132,970	175,669
Quantity of products sold	1,216,672	1,225,263	1,538,354

2.1.7 Corporate Governance Structure

The Board of Directors (BoD) of STIGA C forms the decisional body of the whole Group. It is composed of five directors, of which three are independent directors and two are Company managers, specifically the CEO and the CFO. The Chairman of the Board is one of the independent directors.

The Board of Directors of the various Group companies is composed as follows:

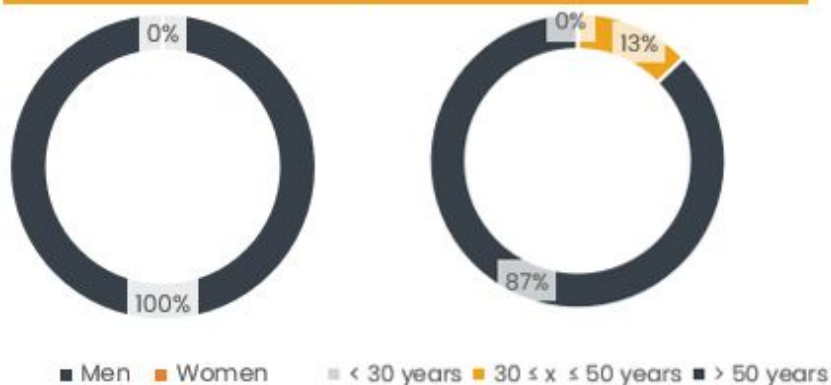
- STIGA SpA (Italy): the same as STIGA C;
- Commercial Subsidiaries: CEO, CFO, SVP Sales and Managing Director;
- Plants: CEO, CFO, COO, Managing Director.

In addition, the Executive Management Team (EMT), composed by the CEO, the CFO, the COO, the SVP Sales, the SVP Marketing, the SVP Group Legal & HR, the VP Group Controlling and Strategic Planning, meet on a monthly basis. The EMT implements the directives of the holding company BoD, discussing improvements and deciding on specific actions to be implemented. Further, it reviews a set of Key Performance Indicators (KPIs) designed to measure the performance of the Group. The EMT approves capital investment projects following the BoD directives.

GRI 102-18: Governance structure (STIGA C)

Corporate Bodies	2019	2020	2021
Board of Directors members	6	6	5
Executive Management Team (EMT)	8	8	7
CEO	1	1	1

GRI 405-1: Diversity of Governance bodies*



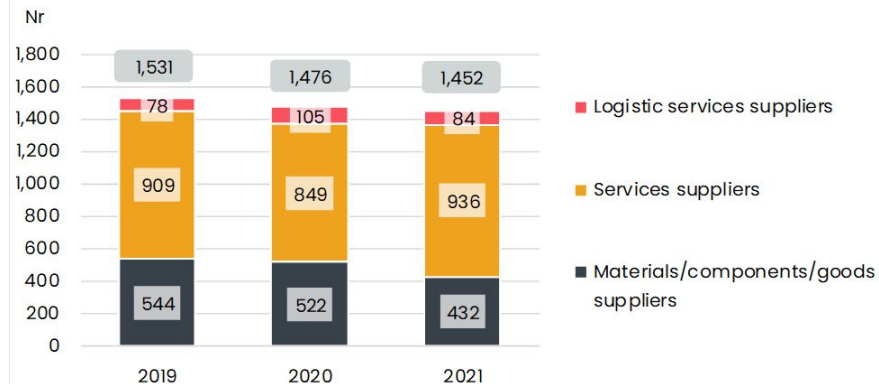
*The indicator includes all STIGA Group Boards

2.1.8 STIGA Supply Chain

Our supplier network is a key element underpinning the success for the Company. In 2021, STIGA utilised **1,452 suppliers***, selected based on quality, technology and commercial criteria. Most of the material suppliers' counterparts have been provided with STIGA's Code of Ethics, in order to ensure the promotion of values and principles of the Group.

As shown in the below chart, the number of materials and components suppliers decreased thanks to the supply chain optimisation project started in 2019. Further, the Company is pursuing the objective of signing medium-term agreements with most suppliers, whose aim is the creation of stronger relationships with key suppliers. In 2023, STIGA will start rating the suppliers on environmental and social aspects.

GRI 102-9: Supply chain (number of suppliers)



*suppliers with purchases >5k eur



2.1.9 Relations with the territory

STIGA is a member of several national and European industry associations:

- European Garden Machinery Industry Federation (EGMF), which represents major European garden machinery producers;
- IVG (Industrieverband Garten) in Germany;
- AEA (Agricultural Engineers Association) in UK;
- FederUnacoma, Italian federation of agricultural machinery producers;
- ComaGarden, Italian federation of garden machinery producers;
- Assindustria Veneto Centro, a territorial association part of Confindustria (Confederation of Italian Industry);
- FICIME (Industry owner association), AXEMA (gardening equipment producers) and FEVAD (Ecommerce federation) in France;
- WE3 (Electrical machinery), WEEE (reporting on waste packaging) and Ecosurety (reporting on batteries) in the UK;
- Chamber of Commerce in Slovakia;
- Teknikföretagen (employers' association), Park & Trädgård (organisation for distributors of machines for park and garden care) and Elkretsen (recycling of electrical products) in Sweden;
- Finnish Commerce Federation and The Association of Finnish technical traders in Finland;
- PHLF (Garden machinery manufacturers organisation) and NOBB (Norwegian common product database for Builder merchants/ DIY) in Norway;
- Maskinleverandørerne and Dansk Erhverv – an association for employers in Denmark;

- ANSEMAT (Asociación Nacional del Sector de Maquinaria Agrícola y Tractores) in Spain;
- Fedagrim (Federation of Suppliers of Machinery, Buildings and Equipment for Agriculture and Green Facilities) in Belgium.

STIGA is actively committed to improving its social context. Some activities are directly related to STIGA's business, such as:

- Our partnership with UniSMART, the foundation of the University of Padova, which is dedicated to technology transfer and postgraduate education. This collaboration has been highly beneficial for identifying macro innovation trends, and an effective access point for STIGA R&D employees.
- Continuous collaboration and annual company open days for Chinese technical schools, guaranteeing the best and most flexible support for seasonal production.
- The Slovakian project of integration of the Roma population, which started in 2014 with the help of local agencies, the non-profit organisation "People in Need" and their local leaders in order to provide better living conditions through labour promotion. The project won the social inclusion award in Slovakia in 2019.

Other initiatives, not related to the primary business, represent for STIGA an opportunity to give back value to the community.

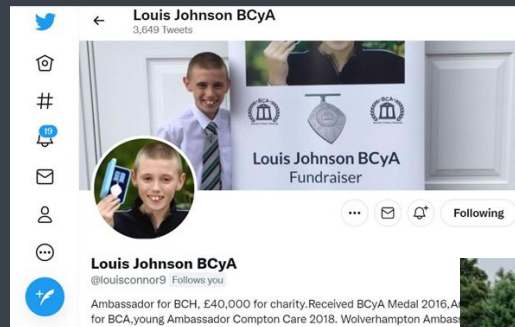
STIGA is conscious of the social fabric where its subsidiaries are located and aims to enhance the wellbeing of society by contributing with positive initiatives. There are several examples of this.

In **2020**:

- The Company donated funds to **local hospitals** in Castelfranco and Prograd to support healthcare providers during the COVID-19 pandemic. Much of the amount was donated by STIGA employees, who also waived part of the budget dedicated to employee Christmas gifts.

In **2021**:

- In **Austria**, two donations were made to two different organisations that help children in need (SOS children village and Turnverein children).
- In the **Czech Republic**, STIGA contributed to Kapka Nadeje, a well-known Czech foundation that supports children's hospitals and specific medical projects.
- In **Slovakia**, STIGA was charitable to a wide range of institutions: including a local school, a rehabilitation centre, and an NGO that helps tackle poverty.
- In the **UK**, mowers were donated to a military and civilian remembrance centre, to a care home for retired military veterans, and to a charity that supports mental health in the community for veterans. A mower was also donated to Louis Johnson, who raises money for the Birmingham Children's Hospital (BCH) by cutting the grass around his community whilst living with an illness himself.
- In **Poland**, STIGA collaborates with the WOŚP Foundation, which organises the biggest charity activity in the country and over the years has donated ophthalmology and head diagnosis equipment to children's hospitals.



2.2 Sustainability Path

**“ If you look after the planet,
the planet will look after
you.**

2.2.1 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.

2.2.2 STIGA ESG Governance

To grant the consistent implementation of the Sustainability Project, STIGA formally established a cross-functional structure in 2021 with the aim of:

- Providing governance to the whole project;
- Involving all relevant departments in the elaboration of the Sustainability Strategy and projects;
- Appointing ESG Strategy Project Leaders responsible for the achievement of ESG targets and coordinating their work.

The **Board of Directors** directs and approves the Sustainability Strategy.

The **ESG Committee**, composed of the CEO, CFO, SVP Marketing, SVP HR, Legal and the ESG Manager, is tasked with elaborating on and proposing strategies and commitments to ESG topics and targets. It also supervises and follows all the activities of the Sustainability Strategy. It meets once per quarter to review the actual data, evaluate the progress versus targets, and to implement eventual corrective actions.

The **ESG Manager** implements, monitors and updates the organisation's strategic sustainability plan, with a view to maximising progress from a long-term strategic perspective. This includes tangible and intangible benefits for the organisation's shareholders across various categories.

The **ESG Strategy Project Leaders**, made up of managers with experience on the matter, implement the ESG projects under their responsibility and report the achievements to the ESG Committee according to an agreed timetable.

The **Data Collectors** collect data and provide comments to feed the measurement activity by performance indicators (GRI) of the various projects.



2.2.3 STIGA Stakeholders



In compliance with the GRI Standards a **stakeholder** is an “entity or individual that can reasonably be expected to be significantly affected by the reporting organisation’s activities, products and services, or whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives”.

In order to identify the main stakeholders, STIGA analysed its business activity and evaluated which stakeholders are most influenced by the decisions taken by the Company and which stakeholders most influence the decisions of STIGA. After this analysis, the following 10 main stakeholders have been identified:

- **Consumers:** users of garden tools, machinery and equipment offered by STIGA.
- **Customers:** people or companies who resell STIGA’s products through sales contracts or other collaboration agreements.
- **Shareholders, investors and lenders:** capital providers.
- **Employees:** full-time employees, temporary employees and managers..
- **Trade Unions:** organisations that safeguard the interest of employees.
- **Suppliers and partners:** suppliers of goods, services and knowledge (partners for joint ventures, special projects, etc.).
- **Schools and universities:** organisations that form talents who could be attracted by STIGA in the future, and which could provide technological support/knowledge.
- **Media:** newspaper, social network, radio and television.
- **Local communities and NGOs:** individuals, groups, and non-governmental organisations that have an interest in STIGA’s activities.
- **Industry associations:** associations that represent and protect the interests of the production category to which STIGA belongs.



STIGA has always kept an active relationship with all its stakeholders.

We have maintained a particularly open and ongoing dialogue with our employees about organisational changes and new internal procedures. In 2020 and 2021, tackling COVID-19 presented the need to further develop our approach and to communicate protocols and prevention measures. This information was provided via email and the Company portal (STIGA NExt), with line managers reinforcing the messages. Moreover, STIGA SpA usually meets Trade Unions to communicate training activities, organisational changes, adopted security measures, and plans for the following year.

Furthermore, STIGA interacts externally with consumers, customers, suppliers and local communities through its LinkedIn page and other social media platforms, where it publishes content relating to initiatives, new projects, product utilisation, and job opportunities.

Customers have daily interactions with STIGA through the B2B portal, STIGA Connect, where they can place orders, download catalogues, price lists and raise product claims.

Consumers who register products are informed via newsletters and can interact with STIGA via B2C platforms and dedicated contact centres. Finally, STIGA is in regular contact with its lenders, providing detailed reports on business development, as well as with shareholders who are members of the BoD. This is where all important matters and events are presented by the management, before being extensively analysed and discussed.

2.2.4 Relevant Topics and Initial Materiality Matrix

After mapping stakeholders, STIGA proceeded to the **preliminary identification of potentially relevant topics**, performing the following activities:

- Analysis of global and European sustainability trends;
- Benchmark analysis with national and international peers and competitors;
- Analysis of the issues on which STIGA is evaluated by its main customers;
- Desk analysis of the context in which STIGA operates.

As a result of the above activities, STIGA was able to identify a preliminary group of sustainability topics that are relevant to its business and stakeholders.

The range of potentially relevant **topics** for the Group was validated by senior management and their importance was **assessed** by assigning a score to each, both from the point of view of STIGA and from that of stakeholders, through a process involving Company representatives.

The process of **internal engagement** took place in May 2021 with the participation of 42 internal representatives, belonging to different functions and Group legal entities. The involvement of numerous representatives served to increase the awareness of people involved in sustainability topics, and to ensure that the people involved feel they are part of the sustainability journey STIGA has embarked upon.

The people involved were asked to define the degree of importance of the mapped topics, both from the point of view of STIGA and from the point of view of a stakeholder assigned to them. They then chose a score between 0 and 5, which led to the creation of an **initial materiality matrix**.

2.2.5 Stakeholder Engagement

During October and November 2021, STIGA started a **structured stakeholder engagement** process in order to achieve a more complete dialogue with its stakeholders. STIGA is aware of the importance of aligning its business strategy with stakeholders' needs, expectations and perceptions, thus increasing awareness of its social and environmental impact on the territory.

The stakeholder engagement process undertaken in line with AA1000SES, the first international standard on Stakeholder Engagement released by AccountAbility in 2015. The goal is to build a quality process that can integrate stakeholder engagement activities with the various corporate functions, with a focus on governance, strategy and operational management.

As a first step, STIGA carried out an internal classification analysis of its stakeholders to focus the resources for 2021 engagements. Based on the results obtained, STIGA decided to involve the following stakeholder categories:

- Shareholders, investors and lenders
- Customers
- Consumers
- Employees

For each stakeholder category selected, a company representative was involved in order to identify the method, channel and content of the engagement activity that was best suited to the characteristics of each.

The first **objective** of the engagement was the updating of the **materiality analysis**, with a direct assessment of the topics relevant to the context in which STIGA operates. In this way, STIGA has identified the sustainability topics that are relevant both for the Company and for its stakeholders.

Another objective, specific to stakeholders, was the investigation of their opinion on STIGA's management of different sustainability topics.

For example, the employees were requested to evaluate the **communication channels** currently used by STIGA to share general and sustainability-related information; the shareholders, investors and lenders were requested to disclose **ESG criteria** used in investment and financing choices.

The result was achieved through the development of different online surveys, customised both in content and in form. We also ensured that stakeholders were able to respond in their native language.

The engagement activity was carried out between December 2021 and January 2022 and was evaluated with **performance indicators** to determine the overall quality of the engagement activities implemented. The aim of this measurement is to enable constant improvement of future engagement opportunities.

The survey results were acknowledged by the Company through the updated materiality analysis, and via an action plan to respond to the points raised by stakeholders during the activities.

The management methods used by STIGA for the stakeholder engagement process, the engagement plan, and the 2021 activity results are formalised in internal Company documents. The purpose of this is to ensure continuity and effectiveness of future activities.



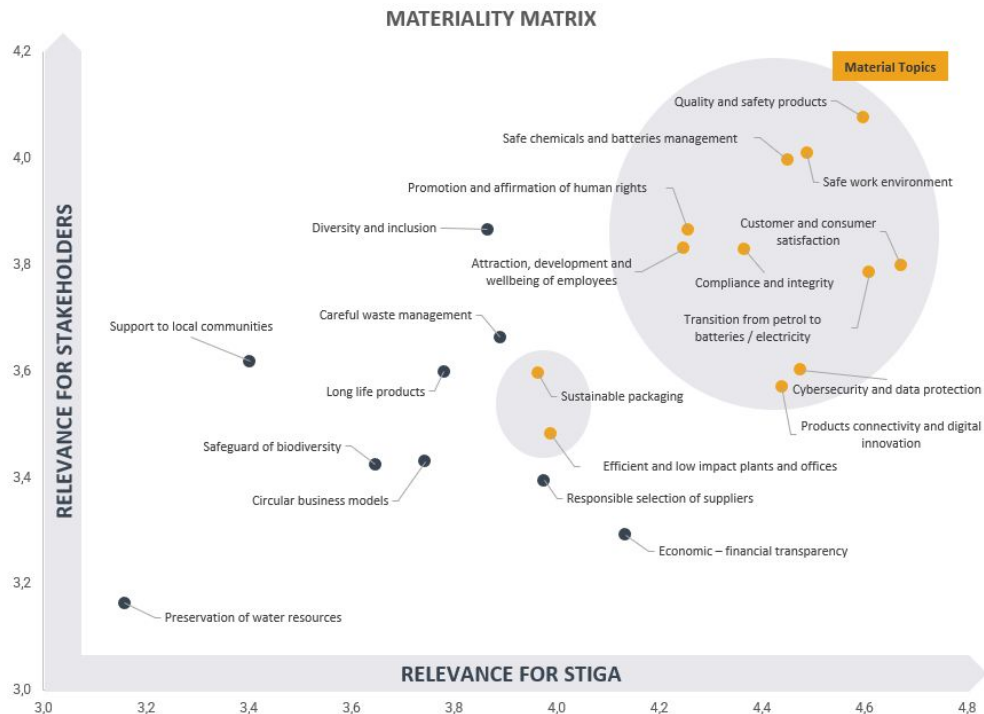
2.2.6 Materiality Matrix and Material Topics

In January 2022 the Materiality Matrix prepared in May 2021 was updated to include the results that emerged from the online surveys of the selected stakeholders.

The results are consistent with those collected in May 2021 and are summarised in the final Materiality Matrix (opposite chart), which reflects the internal and external evaluation of sustainability topics.

The expressed evaluations led to the identification of 10 material topics for STIGA which represent the highest rated items. Two more topics were added to the list as they were closely linked to the STIGA strategic plan. The resulting 12 material topics are listed below:

- Quality and safe products;
- Safe work environment;
- Safe chemicals and batteries management;
- Customer and Consumer satisfaction;
- Transition from petrol to batteries / electricity;
- Compliance and integrity;
- Promotion and affirmation of human rights;
- Attractions, development and wellbeing of employees;
- Cybersecurity and data protection;
- Products connectivity and digital innovation;
- Sustainable packaging;
- Efficient and low impact plants and offices.



2.2.7 STIGA ESG Strategy

Once the materiality matrix has been presented and the material topics have been identified, STIGA defined the ESG Strategy. This is made up of a set of plans, projects and targets which will build a sustainable future for the Company. This activity is performed with the contribution of all management stakeholders, and it takes the imperatives of the 2024 Business Plan, Brand Strategy Values, and ESG pillars into account. Specific areas of focus were further divided into specific projects, each of them assigned to a project leader.

PRODUCTS

"We are green-fingered engineers."

- Progressively substitute petrol engines with battery and electric power;
- Introduce recyclable, renewable and lower environmental impact materials in packaging and in components;
- Make high quality and connected products safer for the user and easier to repair.

PEOPLE

"Putting people first."

- Ensure people operate in a safe and stimulating work environment;
- Attract talents;
- Develop internal capabilities.

PROCESSES

"The power of simplicity."

- Make plants and offices greener, saving energy, increasing renewable energy consumed and reducing waste;
- Protect the Company and personal data, build a solid control system to reduce risks and comply with laws and standards;
- Promote the respect of ethics and human rights in the Group and in its supply chain.

The proposed list of projects have been shared and sponsored by the ESG committee including priorities, measurable targets and relevant KPIs.

Targets will be periodically reviewed to take possible corrective actions and to ensure they are achieved.

The strategic principles have been formally approved by the Board of Directors, and STIGA structured the Sustainability Strategy into three pillars:

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	Page
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.	41
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.	44
Connectivity	Increase the quantity of connected products in overall sales mix.	Connected products to represent more than 50% of total by 2024.	45
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.	49
Easy to Repair	Develop a system to measure products reparability according to several measurable criteria.	Define the measurement system by the end of 2022. Extend by 2023 the measurement to all electric branded products.	47

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	Page
Flexibility	Provide greater flexibility to employees and improve work/home life balance.	Define a Group policy by 2022.	70
Attraction	Improve job opportunities and training for local talent pool.	300 hours dedicated to Employer Branding in 2022.	64
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.	92
Training	Increase employees skills and knowledge also on ESG topics.	22k training hours in total including training on Human Rights in 2022.	67
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.	85

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	Page
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%)	99
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.	74, 98
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.	94
Audit	Implement yearly audit plans.	Perform audits on four main processes during 2022.	91



3. Products

**“ We are green-fingered
engineers with the hearts
of gardeners.**

3.1 Green and Digital Products

3.1.1 Transition from Petrol to Battery and Electricity

Sustainability is a growing driver in the gardening market and product electrification is one of the core pillars of the Company's strategy. Battery technology creates the opportunity to make greener, lighter and quieter gardening products, while still maintaining a high level of performance.

The transition from petrol to battery powered STIGA products has the following impacts:

- For STIGA, it improves the competitiveness of the brand in the market and increases the Company knowledge on green technologies;
- For the environment, it reduces energy consumption and CO2 emissions;
- For consumers, it allows them to have greener and quieter products, without the drawbacks of petrol engines.

The first electrified product areas were the Hand-Held (HH) category, introduced in 2012, and the Walk-Behind (WBH) category that was introduced in 2016. The range now includes the Ride-On (RO) and Front-Mower (FM) categories. The first STIGA Battery RO was produced in 2020, and in 2021 STIGA developed a new concept, the battery Zero Turn (Gyro) that will be available for sale in 2022.

The governance of STIGA's New Product Development (NPD) projects is based on a Stage & Gate process, driven by specific procedures and fully documented. It includes a business plan definition and evaluation, product development and prototyping, as well as industrialisation and verification. Validation and certification are also part of the process.

The development of new battery products follows this process, with dedicated test checklists and official certification procedures in order to ensure compliance with international standards and regulations.

In 2019 STIGA setup a Battery and Electronic Team (based in Italy and China) to develop specific know-how and to strategically manage the knowledge development of STIGA battery technology. An internal battery laboratory was created to test STIGA batteries. In 2020 the laboratory was enlarged with the purchase of new equipment that doubled the internal testing capacity.

In 2021, 60% of NPD projects referred to the transition from petrol to battery products, absorbing 80% of total NPD investment.

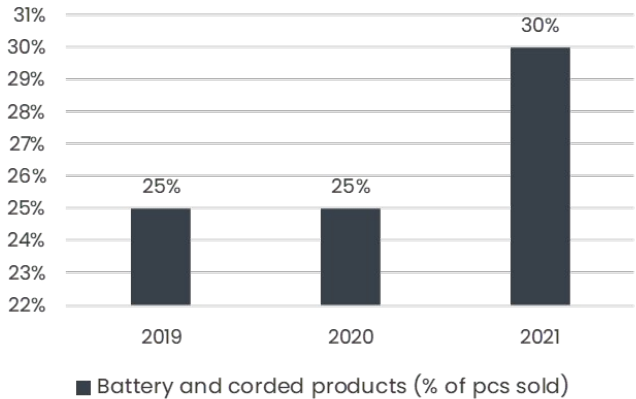
In 2020 STIGA also started the implementation of an in-house battery production line in Castelfranco to increase flexibility to the supply chain. The line was laid down in November 2020 and in January 2021 the production of STIGA batteries started.

The target of STIGA is the offer of a complete battery product range across all product categories within the 2022 season:

- Battery Walk-Behind (WBH) to mow small and medium gardens;
- Battery Robot Mowers (RM) to mow small, medium or large gardens;
- Battery Ride-Ons (RO) and Front-Mowers (FM) to mow medium and large gardens;
- Battery Hand-Held (HH) to take care of everything related to the garden (hedges, bushes, soil, etc.);
- Battery Axial Mower to mow large gardens;
- Battery Snow Throwers to clear away snow in winter.

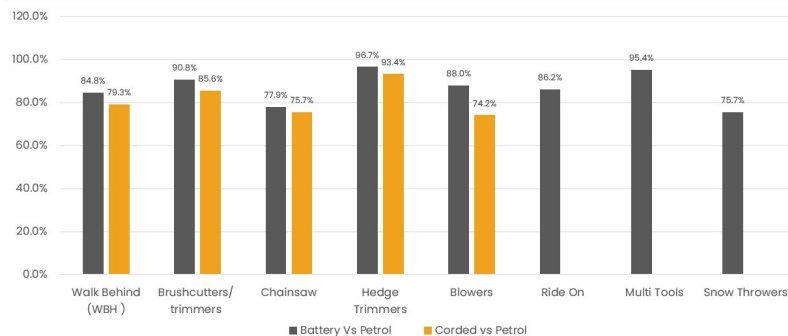
As indicated in the chart opposite, the share of battery-powered and corded products sold by STIGA accounts for 30% of Company sales. The data is supporting STIGA's willingness to offer more electric powered products, particularly battery-powered models, completing the range in 2022 with the electrification of all product categories.

Non GRI - 1: Share of battery and corded products sold



Commitment: Reach the 40% of electric product in the sold mix by 2024.

GRI 302-5: Reduction in energy requirements (per unit - %)



Calculation method applied:

The average useful life (in hours) of the average version of each product category has been multiplied for the hour consumption of fuel/electricity estimated in order to obtain the consumption of each product in a specific time period; to allow comparability the estimated lifetime of the petrol product has been applied also to the battery and corded products, and the results have been converted in GJ through DEFRA 2021 conversion factor. One representative product per category and power source has been chosen, in general the most sold or the one that includes the three different power sources.

GRI 302-5: Reduction in energy requirements considering the products sold in the Fiscal Years

	2020		2021	
	GJ	%	GJ	%
Walk Behind (WBH)	-514,161	-20.89%	-770,870	-25.13%
Brushcutters/ trimmers	-77,916	-25.18%	-142,183	-36.75%
Chainsaw	-33,768	-11.43%	-31,931	-9.70%
Hedge Trimmers	-43,749	-46.75%	-77,340	-59.15%
Blowers	-32,693	-42.52%	-59,489	-54.30%
Ride On			-64,171	-1.63%
Multi Tools	-27,715	-52.49%	-43,300	-55.63%
Snow Throwers	-2,133	-24.22%	-2,173	-16.64%
Total	-732,136		-1,191,457	

Calculation method applied:

The unit consumption of energy over the product average life has been multiplied by the product categories quantities sold in the fiscal years in order to obtain the energy savings related to the mix of products sold; the saving is calculated as the difference between the total GJ consumed if all the products were petrol and the actual sales mix.

STIGA's R&D department is not only focused on the development of battery and electric solutions. STIGA's distinctive feature is the unique offer of standard interchangeable batteries that can be used across all product categories.

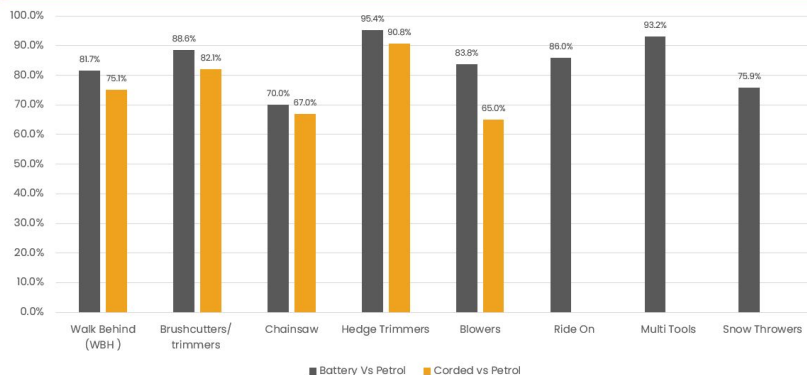
The battery can be purchased within a battery product (a brushcutter for example) and the same battery can then be used on a large range of other STIGA products such as blowers, hedge trimmers, snow throwers and walk behinds. In 2021, the battery interchangeability was extended to Ride-On products. This means consumers only need to purchase one source of energy to power all their garden tools.



STIGA's new battery products consume considerably less energy than the equivalent petrol versions. The table opposite compares the energy requirements, expressed in Gigajoules (GJ), of the most important product categories for which new battery-powered models were sold in 2021.

When looking at the energy savings data at individual product level, a significant reduction in energy requirements of the new battery-powered models can be seen. When looking at total number of products sold, the savings are more limited as corded and battery-powered products still represent a minority of total models sold.

GRI 305-5: Reduction of GHG emissions (per unit - %)



Calculation method applied:

Liters of gasoline or Kwh consumed over the average useful life of the products have been converted into tons of CO2 equivalent according to DEFRA GHG emissions factors in order to obtain the GHG emissions produced by a single unit of product.

GRI 305-5: Reduction of GHG emissions considering the products sold in the Fiscal Years

	2020		2021	
	tCO2e	%	tCO2e	%
Walk Behind (WBH)	-32,728	-19.76%	-49,492	-23.97%
Brushcutters/ trimmers	-5,011	-24.06%	-9,300	-35.72%
Chainsaw	-2,052	-10.32%	-1,907	-8.61%
Hedge Trimmers	-2,885	-45.82%	-5,114	-58.12%
Blowers	-1,933	-37.36%	-3,735	-50.65%
Ride On			-4,309	-1.63%
Multi Tools	-1,810	-50.94%	-2,847	-54.35%
Snow Throwers	-146	-24.67%	-146	-16.66%
Total	-46,565		-76,851	

Calculation method applied:

The unit tCO2e has been multiplied by the product categories quantities sold in the fiscal years in order to obtain the savings of GHG emissions related to the mix of product sold; the savings is calculated as the difference between the tCO2e resulting if all the products were petrol and actual tCO2e from sales mix.

As well as having an impact in terms of energy needs, the transition from petrol to batteries has a greater impact in terms of avoiding greenhouse gas (GHG) emissions.

Emission savings are huge on a single product base. Looking at the total emission reduction, the figures are smaller as the share of corded and battery-powered products sold is limited, although growing.

For petrol products, it is important to note that every petrol motor and machine is tested and certified in compliance with international standards, including the European Directive 97/68/EC Stage V (non-road emission standards).

Commitment: STIGA wants to decrease the GHG emissions, investing in battery and corded products.

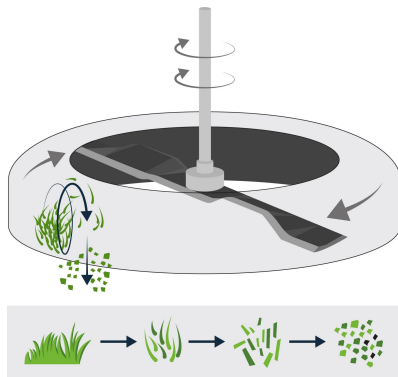
A Focus On: Mulching

Mulching is a technique that involves mowing the lawn without collecting the grass clippings. The mower cuts the grass multiple times into extra-fine particles that are then blown down into the lawn to decompose and return valuable nutrients back into the soil.

STIGA has always believed in the potential of the mulching and more than 80% of the lawn care products sold in 2021 are “mulch-ready”.

Studies carried out with Padova University show that mulching is an environmentally friendly technique. STIGA will continue to offer this cutting option to consumers and encourage its adoption. In particular, the documented benefits include:

- Gardeners don't need to dispose of grass cuttings, or to stop to empty the mower's grass collector, resulting in a time and energy saving and reduction in use of trash bags for grass disposal;
- Important nutrients return to the grass, and work as a natural fertiliser, reducing the need for nitrogen fertilisers by about 50% and boosting the health of the lawn;
- Mulching increases organic matter in the soil over time, nurturing the grass down to its roots, boosting growth, health and beauty;
- The thatch resulting from grass-cycling helps protect against soil temperature extremes and helps reduce water loss from the soil. As a result, less watering is needed;
- Mulching increases CO2 sequestration in the soil.

**Commitment:**

Keep the percentage of “mulch-ready” products sold above 80% of STIGA lawn care segment and encourage consumers to use this grass cutting technique.

3.1.2 Product Connectivity and Digital Innovation

STIGA's connectivity project started in 2020 and the first connected products were introduced in the market in the first quarter of 2021. Connectivity and innovation affect the functions involved in the development processes of the App and connectable devices, and impacts consumers and customers alike. They will be able to monitor the performances of the devices and promptly intercept any problem that may arise. This, combined with the predictive maintenance indications sent through the App, has a positive impact on the life and performance of products.

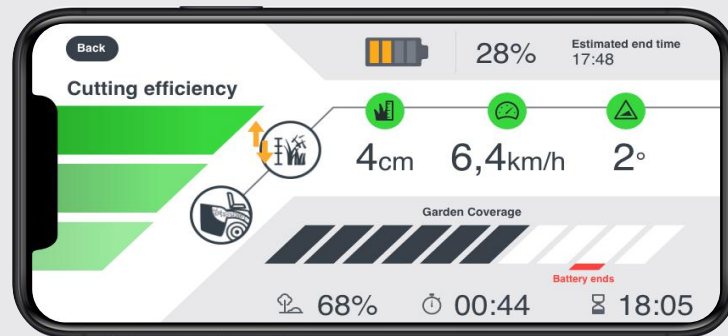
The connectivity project is articulated in three main activities:

1) Through the combined work of the Connectivity Team with the NPD Team, STIGA created a mobile App and in parallel created machines that could be connected to the App. The collaboration between the two teams allowed the development of a specific user interface and experience for each product. Depending on the hardware, different types of data are available. Through the **STIGA.GO App** it is possible to:

- Find the closest STIGA dealer;
- Check the machine battery charge level;
- Select the favourite dealer in order to have a quick answer in case of fault;
- Have access to the complete list of maintenance activities to be executed during the entire lifespan of the product;
- Set the preferred machine parameters and check the cutting efficiency during the mow.

2) **STIGA Service** mobile App development: based on the experience gained by STIGA and thanks to suggestions received from customers, STIGA decided to develop a tool that helps customers in their daily work. An app was developed dedicated mainly to trade dealers, allowing them to monitor useful information on the products sold to consumers and to receive reports in case of machine malfunctioning. Dealers, for example, use these data in order to reduce the timing for broken parts replacement or to know if the machine has been used in a proper way.

3) **Cloud and integration development**: with the help of the ICT department, the STIGA Connectivity Team scouted the best cloud tool and developed all the Application Programming Interfaces (API) that allow the communication between the cloud and SAP to find product data and Product Information Management (PIM) to find pictures.



In 2021, STIGA launched connected product ranges in three main categories: robot, electric tractor and petrol front mower. All the machines launched can be connected to the STIGA.GO mobile App, dedicated to the end users and available for Android and iOS. The STIGA Service mobile App, which is dedicated to dealers for the management of maintenance phases, can also be integrated.

All data from the Apps and each connected machine are stored in the STIGA cloud, accessible by the relevant dealers to manage defaults, issues and maintenance activities. This data is also available for the consumer to inform predictive maintenance indications on their mobiles. The Apps are developed in an "agile" way, whereby every two weeks the team conducts an internal sprint to solve bugs and offer new features when necessary.

The collection of data inevitably involves data security issues: STIGA has chosen to use the best tool currently available in terms of security (Google Cloud). Our data storage processes are fully GDPR compliant, with only a limited and controlled number of employees able to access it. All such parties are duly authorised to manage personal data.

In the future, STIGA expects to see a huge increase of data collection, due to the growing number of connected machines sold and their related data. Google Cloud is therefore carefully monitored and updated by the Company to ensure the best protection of user data.

As can be seen from the **Non- GRI 2** table, the 22% of sold smart products have been connected at least once by the end user with the STIGA.GO App. This percentage is expected to increase during 2023 and 2024 as the range of connected products continues to expand.

Non GRI - 2: Technology usage Index			
	2019	2020	2021
Number of sold products that have been connected to STIGA app at least once	0	0	1,244
Total number of sold products that can be connected to STIGA app	0	125	5,678
Share of sold products that have been connected to STIGA app	N/A	0%	22%

Commitment:
Connected products to reach 50% of total sold by 2024.

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.

3.1.3 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



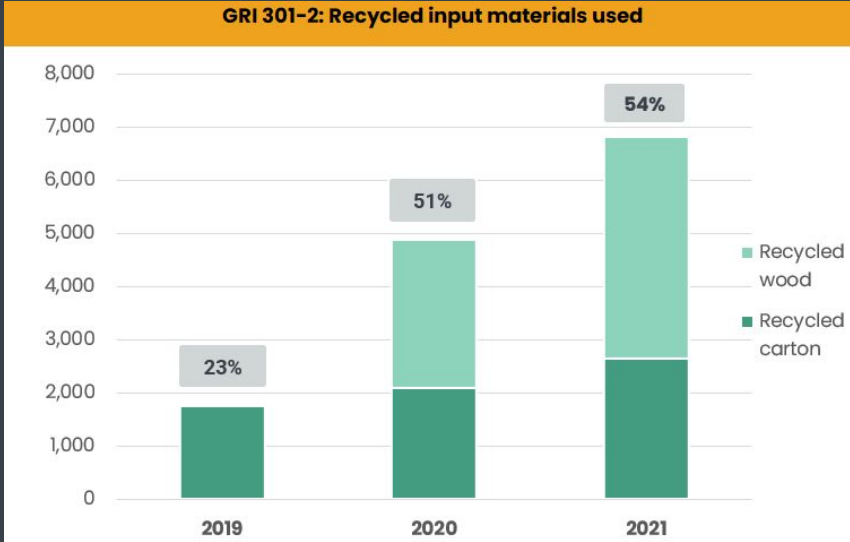
In addition to FSC certification, the paper mills that supply the plants in Italy and Slovakia also hold other certifications including the ISO 9001 (quality management systems), ISO 14001 (environmental management system), OHSAS 18001 (occupational health and safety), PEFC (Program for the Endorsement of Forest Certification) and EN15593 (standard for hygiene management in the food packaging industry).

Some of the materials used by STIGA for packaging come from recycled sources. The wooden structures of the packaging materials for the products manufactured in China (plywood and laminated timber) have been changed in 2020 and are made entirely from recycled material. This improvement affected the increase of renewable materials (from 23% in 2019 to 51% in 2020) and now the growth is steadier (from 51% to 54% in 2021), as shown in the chart opposite. Work is underway to implement precise technical information documents on packaging of traded products.

Despite STIGA's strong desire to select for its packaging alternative materials with a lower environmental impact, appropriate economic assessments must be carried out prior to each supply contract. Rising raw material costs are making the transition to these different types of materials more difficult. However, despite complexities, STIGA remains committed to making further progress in the years ahead.

GRI 301-2: Recycled input materials used			
	2019	2020	2021
Recycled carton	1,757	2,100	2,643
Recycled wood	0	2,774	4,174
Total recycled material	1,757	4,874	6,816
Total input material used	7,798	9,570	12,696
% of Recycled material used	23%	51%	54%

Soon, STIGA intends to explore new types of materials with technical characteristics that are equivalent if not superior to the current ones and with a lower environmental impact.



Commitment: Recycled materials used in packaging to reach 60% of the total.

Starting in 2019, a process of "packaging simplification" was implemented by STIGA. With a focus on paper packaging, STIGA started the adoption of simpler printing systems, eliminating the use of high-definition prints and producing flexographic prints with water-based varnishes that require less ink.

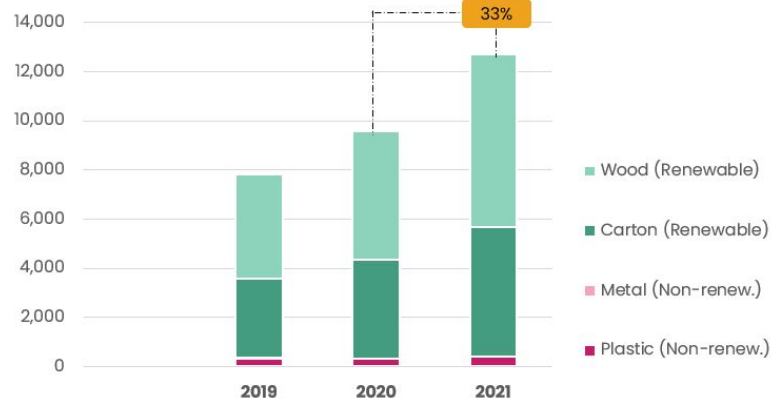
In parallel, STIGA is carrying out studies to minimise the use of plastic materials, using them only where strictly necessary to safeguard the products. The increase of packaging materials consumption in 2021 vs 2020 (+33%) is closely linked to the increase in production volumes during the year. It is worth noting that the increase of renewable materials is higher than the increase of non-renewable materials.

The complete replacement of plastic materials in STIGA's packaging is currently not possible due to the need to adequately protect the finished product. If the plastic coating was removed, then products risk being damaged during transportation with consequent need of packaging replacement and the generation of additional transport-related air emissions.

Finally, regarding product handling, STIGA uses production pallets in its Chinese plant and these are made from either chipboard or multilayer wood produced from recycled materials.

As reported in the chart opposite, most of the packaging materials used by STIGA are renewable (12,282 Tons vs 414 Tons of non renewables in 2021). They are carton and wood, deriving from ecological cycles or agricultural processes which enable efficient replenishment.

GRI 301-1 Materials used by weight (Tons)



GRI 301-1: Material used by weight (Tons)

	2019	2020	2021
Carton	3,247	4,011	5,277
Wood	4,211	5,225	7,005
Total renewable materials	7,458	9,235	12,282
Plastic	336	331	408
Metal	3	4	6
Total not renewable materials	339	335	414
Total materials used	7,798	9,570	12,696

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.

3.2 Safe Products

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).



Product Compliance supports R&D in carrying out the above activity and leads a wide and structured Product Certification process. This is based on International Notified Test Laboratory reports and/or internal R&D experimental tests. All STIGA products must be compliant to the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and ROHS (Restriction of Hazardous Substances) requirements. REACH Regulation (EC 1907/2006) aims at improving the protection of human health and the environment through better and earlier identification of the intrinsic properties of chemical substances. By comparison, ROHS Directive (2011/65/EC) aims to prevent the risks posed to human health and to the environment related to the management of electronic and electrical waste.

GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services			
Incidents of non-compliance concerning impacts on the health and safety of products and services			
	2019	2020	2021
Number of incidents of non-compliance with regulations resulting in a fine or	0	0	0
Number of incidents of non-compliance with regulations resulting in a warning	0	5	1
Number of incidents of non-compliance with voluntary codes	0	0	0
Total number of incidents of non-compliance	0	5	1

The NPD process includes different control gates. Pre-production (PPI) is the most relevant gate before the Start of Production (SOP) and it is carried out at the end of the Product Compliance and Certification Process, for which product certifications, user manuals and technical files should be completed. Only after the successful outcome of this check can new products be produced and sold to the market.

With the aim of ensuring high levels of performance for these functions, specific training sessions are organised for Product Compliance staff and R&D Technicians on Product Risk Assessment. The courses are “tailored” and organised when required. The HR department monitors training and organises the specific sessions.

In this context, STIGA’s medium-term objective is to implement the New Product Conformity (NPC) process and structure in order to pursue robust design. A monthly Public Incident Board Report was in place in 2019. This monitoring system was then revised in 2020, following relevant changes made at STIGA. In 2019, no incidents of non-compliance were recorded. However, in 2020, STIGA received five warnings for non-compliance. This improved in 2021, with STIGA receiving only one warning.

In 2020, most notifications were classified low risk. All corrective actions were immediately activated. In 2021, STIGA reported a minor issue of non-conformity raised during a French Market Surveillance inspection. STIGA promptly resolved the matter.

For all market surveillance claims, including resulting accidents or safety issues raised from avoided accident, the following five-stage STIGA procedure is followed:






4. People

“ We put people first, giving them the power they need.”

4.1 Attraction, Development and Wellbeing of Employees



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.

4.1.1 STIGA's Approach to People Management

The Code of Ethics adopted by the STIGA Group recognises and protects the enhancement of qualified and loyal employees, an intangible asset of primary value that is necessary for the achievement of corporate goals. This is also essential to the maintenance of optimal quality standards.

STIGA places great importance on the creation and preservation of a positive and proactive working environment. This includes respecting the private sphere of its employees and the protection of equal opportunities, and the guaranteeing of career paths based exclusively on individual merit and skills, aimed at consolidating the level of professionalism of each employee.

Every decision concerning employees is made to guarantee equal opportunities. All HR processes are based strictly on merit, competence and other professional criteria.

STIGA rejects any form of disrespectful or defamatory behaviour and, starting from the selection of an employee, adopts appropriate measures to avoid any form of discrimination and favouritism based on elements not committed to merit and professional skills. Examples of discriminatory factors include nationality, skin colour, religious beliefs, political opinions, participation and gender.

The processes and activities related to talent attraction and employee development and wellbeing are managed through formalised policies and procedures. These include the Recruiting & Selection policy and the Development & Training procedure, as well as through specific projects and initiatives, based on the specific needs of each reality and country.

Talent attraction and people development policies have the aim of guaranteeing optimal conditions for the achievement of potential and the accomplishment of individual aspirations. By doing this, the Company has the resources needed to achieve its strategic objectives and at the same time, provides employment and development opportunities for young talent in the local area.

The HR department is responsible for ensuring that actions and initiatives are consistent with the Company's philosophy and policies and that line management is adequately involved in the planning of these activities and in their implementation.

The effectiveness of the management approach in place is constantly analysed through specific indicators closely monitored; such analyses are periodically discussed within the HR function and at the governance bodies (including the BoD and the EMT) and gives rise to ideas and proposals for development and continuous improvement.

Monthly meetings are held between Group HR functions and local HR managers from different countries for updates on specific issues and exchange of information.

1,555

vs 1,281
in 2020

Employees

On the 31st of December 2021, STIGA counted 1,555 employees, recording a significant increase compared to 2020 (1,281, +21%). This increase is almost completely due to the increased number of workers in the productive plants, driven by the higher demand from the market.

Most of these employees are employed with permanent (73%) and full-time (93%) contracts. Of the employees with temporary contracts, the majority belongs to the Chinese Company, where a temporary contract is widely used, especially for lower skilled jobs. These temporary contracts reflect the seasonality of the business and facilitates flexibility with staffing levels over the course of the year.

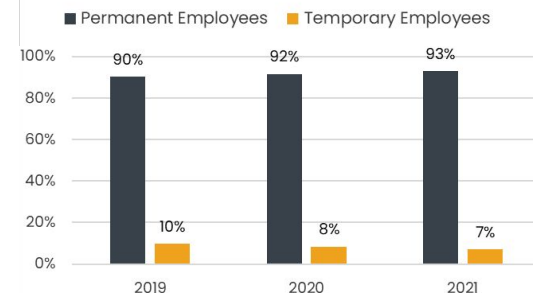
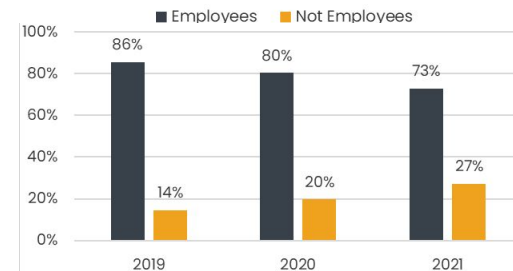
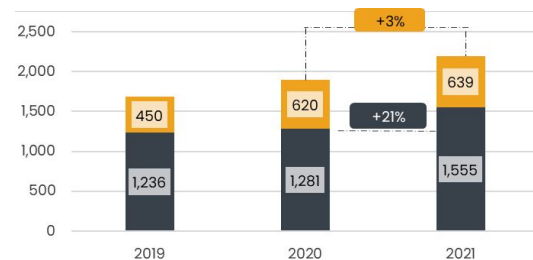
639

vs 620
in 2020

Workers who are not employees

In addition to the 1,555 direct employees, 639 external workers operated at STIGA's offices and plants (flat compared to 2020). These employees are provided by employment agencies or are leased staff, trainees and interns.

Due to the highly seasonal nature of the business, the Company has communicated with Trade Unions to agree on a method of hiring temporary workers commensurate with market needs. Given that production levels peak during the winter months (December to April), the number of operators is significantly higher during this period, because of a larger presence of part-time workers or leased staff.



■ Full-time Employees ■ Part-time Employees

GRI 102-8: Information on employees and other workers

Employees					Workers who are not employees				
Type	Gender	2019	2020	2021	Type	Gender	2019	2020	2021
Full-time	Men	875.0	932.0	1,121.0	Full-time	Men	289.0	413.0	422.0
	Women	240.0	241.0	326.0		Women	145.0	191.0	196.0
Total		1,115.0	1,173.0	1,447.0	Total		434.0	604.0	618.0
Part-time	Men	66.5	59.8	59.0	Part-time	Men	14.0	14.0	15.8
	Women	54.2	48.4	49.3		Women	1.5	1.5	5.2
Total		120.7	108.2	108.3	Total		15.5	15.5	21.0
Total per Gender	Men	941.5	991.8	1,180.0	Total per Gender	Men	303.0	427.0	437.8
	Women	294.2	289.4	375.3		Women	146.5	192.5	201.2
Total		1,235.7	1,281.2	1,555.3	Total		449.5	619.5	639.0
Contract	Gender	2019	2020	2021	Contract	Gender	2019	2020	2021
Permanent	Men	779.5	759.2	827.5	Permanent	Men	26.0	27.0	27.0
	Women	277.2	268.8	305.2		Women	6.5	6.5	9.0
Total		1,056.7	1,028.0	1,132.7	Total		32.5	33.5	36.0
Temporary	Men	162.0	232.6	352.5	Temporary	Men	277.0	400.0	410.8
	Women	17.0	20.6	70.1		Women	140.0	186.0	192.2
Total		179.0	253.2	422.6	Total		417.0	586.0	603.0
Total per Gender	Men	941.5	991.8	1,180.0	Total per Gender	Men	303.0	427.0	437.8
	Women	294.2	289.4	375.3		Women	146.5	192.5	201.2
Total		1,235.7	1,281.2	1,555.3	Total		449.5	619.5	639.0

The data is represented in units of FTE. See annex for more information about employees and contracted workers who are not STIGA employees.



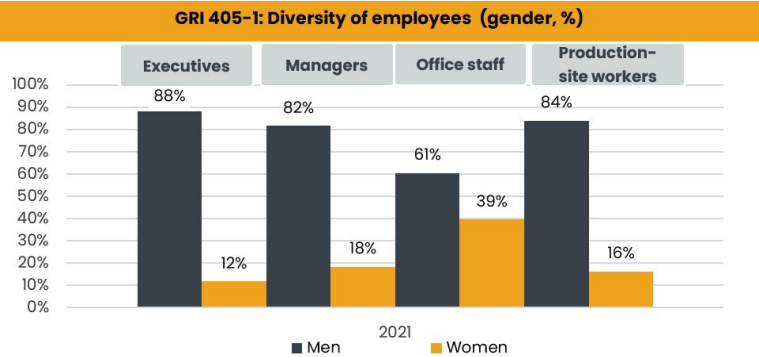
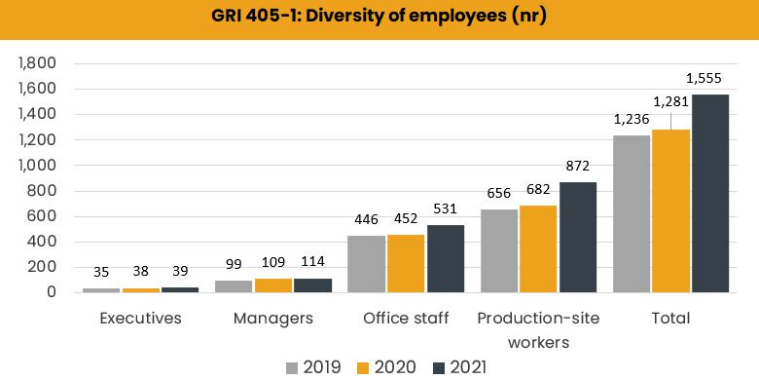
4.1.2 Collective Bargaining as a Guarantee for Staff

Collective bargaining agreements are concluded between the national employer associations and Workers Trade Union organisations. The agreements cover the rules governing the employment relationship, including pensions, salary increases, social insurances and working hours. In **Italy**, the contractual conditions laid down in the Collective Agreement for the Metalworking Industry apply to all employees, except for executives, who have a specific national contract of reference. In **Sweden**, all employees are covered by Teknikavtalet (Collective Agreement, Engineering Companies) within Teknikföretagen, which is the Association of Swedish Engineering Industries. In **Spain**, the employees are covered by the “Convenio colectivo de empresas de centros de jardinería”. In **France**, the “Convention Collective Nationale de l’import-export et du commerce international” (National Collective Agreement on Import-Export and International Trade) regulates the relations between workers and companies. In **Belgium**, the “Paritair Comité voor de bedienden der metaalfabrikatennijverheid” (Joint committee for employees of the metal fabrication industry) associates the employees. In **Finland**, the employees belong to Kaupan Liitto (Finnish Commerce Federation) and in **Denmark** to the “Dansk Erhverv” (Danish Business). The personnel working in the Chinese and Slovakian plants, Germany, Czech Republic, Norway, Poland, Netherlands, Russia and the UK are not covered by collective bargaining agreements but are compliant with national regulations.

The figures opposite show a decrease in the percentage of employees covered by collective agreements. This is explained by the fact that, in the Chinese and Slovak plants where employees are not covered with such agreements, the number of employees increased at a greater rate when compared with the other companies.

GRI 102-41: Collective bargaining agreements			
	2019	2020	2021
Employees covered by collective bargaining agreements (nr)	635	595	649
Total employees (nr)	1,235.7	1,281.2	1,555.3
% of total employees covered by collective bargaining agreements	51%	46%	42%

4.1.3 Workforce Composition and Diversity

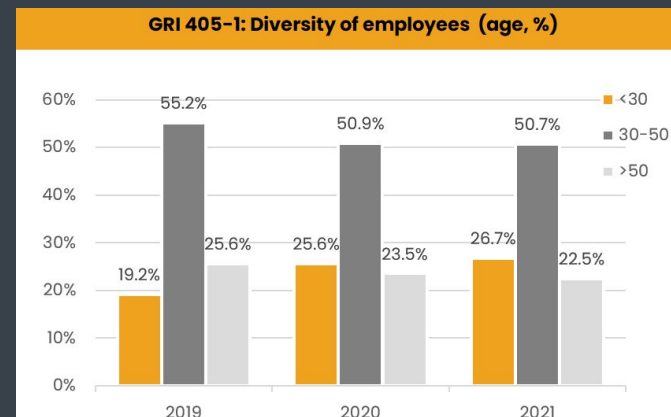


Looking at the workforce, more than half of the employees belong to the category “Production-site Workers” (872 out of 1,555) due to the fact that the three plants are situated where STIGA has the greatest number of employees. Male employees account for the majority of staff in all categories. Overall, female employees account for 24% of the workforce.

GRI 405-1: Diversity of employees						
	2019		2020		2021	
Diversity of employees	n	%	n	%	n	%
Executives	35.0	2.8%	38.0	3.0%	38.5	2.5%
Men	33.0	94.3%	36.0	94.7%	34.0	88.3%
Women	2.0	5.7%	2.0	5.3%	4.5	11.7%
< 30 years	-	0.0%	-	0.0%	-	0.0%
30 ≤ x ≤ 50 years	15.0	42.9%	20.0	52.6%	16.0	41.6%
> 50 years	20.0	57.1%	18.0	47.4%	22.5	58.4%
Managers	98.6	8.0%	108.6	8.5%	114.4	7.4%
Men	82.8	84.0%	89.8	82.7%	93.4	81.6%
Women	15.8	16.0%	18.8	17.3%	21.0	18.4%
< 30 years	1.8	1.8%	2.0	1.8%	3.0	2.6%
30 ≤ x ≤ 50 years	63.8	64.7%	76.6	70.5%	77.4	67.7%
> 50 years	33.0	33.5%	30.0	27.6%	34.0	29.7%
Office Staff	446.1	36.1%	452.3	35.3%	530.8	34.1%
Men	273.2	61.2%	277.3	61.3%	321.2	60.5%
Women	172.9	38.8%	175.1	38.7%	209.6	39.5%
< 30 years	52.7	11.8%	55.8	12.3%	103.3	19.5%
30 ≤ x ≤ 50 years	304.4	68.2%	310.4	68.6%	333.4	62.8%
> 50 years	89.0	19.9%	86.2	19.1%	94.1	17.7%
Production-site Workers	656.1	53.1%	682.3	53.3%	871.6	56.0%
Men	552.5	84.2%	588.8	86.3%	731.4	83.9%
Women	103.6	15.8%	93.6	13.7%	140.2	16.1%
< 30 years	183.0	27.9%	270.0	39.6%	309.7	35.5%
30 ≤ x ≤ 50 years	299.2	45.6%	244.8	35.9%	362.3	41.6%
> 50 years	173.9	26.5%	167.5	24.5%	199.7	22.9%
Total employees	1,235.7		1,281.2		1,555.3	

When reviewing employee age across all categories, around 50% of the employees are between the ages of 30 and 50 years old. Compared to 2020, the presence of young people is increasing: within the “office staff” category there was an increase of 84% (103 vs 56, as shown in the table opposite).

In 2021, STIGA Italy carried out Employer Branding initiatives such as career and recruiting days with the goal of attracting young talent. Close cooperation with local schools and universities led to an increase in the presence of young students and new graduates/undergraduates in the most strategic business areas, hired as trainees or interns. Curricular traineeships have been set-up to allow students to complete their academic studies with in-the-field-experience, equipping them with the necessary skills to support the achievement of business objectives (digital, development of mobile applications, electrification, etc.).



Commitment:
Increase Employer Branding activities from 100 hrs (2021) to 300 hrs (2022).

4.1.4 Inclusion

In 2014, STIGA Slovakia started a project for the inclusion of the Roma community. An agreement was made between the leaders of the Roma community living near the production plant, and the non-governmental organisation “People in Need”. Thanks to this collaboration, STIGA can meet its demand for seasonal workers, and people living in the area have access to recurrent employment. In 2019, STIGA Slovakia’s project for the integration of marginalised populations in the workplace won the “Via Bona Slovakia” award in the “Contribution to Sustainable Development” category.

This is an important step to break down cultural barriers and promote inclusion. This project is up and running and in 2021, an average of around 250 employees belonging to the Roma community were employed in the Slovakia Plant.

Diversity is also promoted within the Company through employment of vulnerable groups, such as disabled workers who may have increased challenges when seeking employment. STIGA, with the collaboration of job centres, promotes the employment of these groups.

GRI 405-1: Diversity of employees

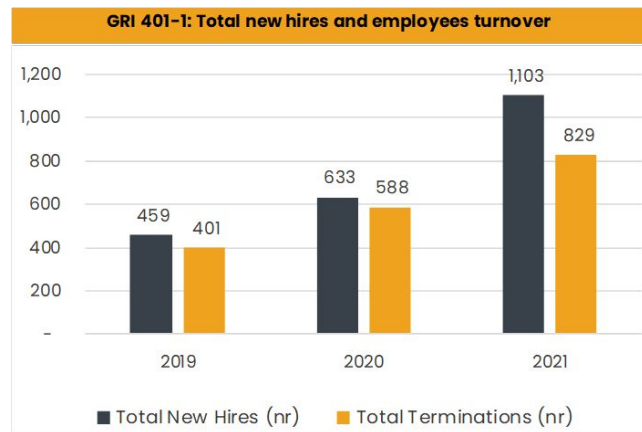
	2019		2020		2021	
	n	%	n	%	n	%
Men	15.0	79%	16.0	80%	32.0	89%
Women	4.0	21%	4.0	20%	4.0	11%
< 30 years	0.0	0%	1.0	5%	15.0	42%
30 ≤ x ≤ 50 years	9.0	47%	10.0	50%	12.0	33%
> 50 years	10.0	53%	9.0	45%	9.0	25%
Employees belonging to vulnerable groups	19.0	2%	20.0	2%	36.0	2%
Total employees	1,235.7		1,281.2		1,555.3	

4.1.5 New Hires and Turnover

The composition of the staff within STIGA's companies is characterised by continuous evolution.

STIGA's business has strong seasonal fluctuations, which require significant flexibility in production capacity during the year. To cope with the production peaks, in addition to hiring temporary staff through agencies, STIGA also hires personnel on fixed-term contracts. Moreover, the labour markets in Slovakia and China are very dynamic and characterised by a high rate of mobility. This leads to a high number of new hires and terminations and to significant turnover rates.

Data collected for new employees hired over the period who relocated from another country demonstrates the multicultural diversity present in the Company, with more than 20 nationalities represented.



GRI 401-1: New employee hires and employee turnover						
	2019		2020		2021	
New hires	n	%	n	%	n	%
Total New Hires	458.8	37%	633.2	49%	1,103.4	71%
Men	415.0	34%	578.2	45%	928.7	60%
Women	43.8	4%	55.0	4%	174.7	11%
< 30 years	260.0	21%	428.2	33%	608.7	39%
30 ≤ x ≤ 50 years	186.8	15%	192.0	15%	453.2	29%
> 50 years	12.0	1%	13.0	1%	41.5	3%
Total employees at 31.12	1,235.7		1,281.2		1,555.3	

	2019		2020		2021	
Terminations	n	%	n	%	n	%
Total Terminations	401.1	32%	587.7	46%	829.4	53%
Men	351.1	28%	529.9	41%	738.5	47%
Women	50.0	4%	57.8	5%	90.8	6%
< 30 years	171.2	14%	321.4	25%	501.0	32%
30 ≤ x ≤ 50 years	180.5	15%	212.0	17%	293.0	19%
> 50 years	49.4	4%	54.3	4%	35.3	2%
Total employees at 31.12	1,235.7		1,281.2		1,555.3	

4.1.6 Training and Development Program

In all Group companies, STIGA promotes access to training programmes both by organising internal courses and by financing the participation to external initiatives. These initiatives are selected based on how consistent they are with corporate priorities and individual development needs. The development of competencies and skills is based on an analysis of training needs, which is carried out together with the representatives of the various organisational units using structured assessment tools and interviews. At the same time, training initiatives are constantly offered to employees to develop and strengthen technical skills and specialist knowledge.

In Italy, high-level training courses have been held at Business Schools and other specialised educational institutions, including universities. Where necessary for the specific development and career needs of individuals, one-to-one coaching opportunities were provided. In addition to the focus on safety issues (which covered 30% for the total number of hours), training interventions focused on the development of specialised competencies and skills. These skills related to the technological innovation that characterised new products development, such as digital, software and firmware design, artificial intelligence and machine learning.

GRI 404-1: Average hours of training per year per employee									
	2019			2020			2021		
Average hours of training	Total (hr)	Empl. (nr)	Avg. (hr)	Total (hr)	Empl. (nr)	Avg. (hr)	Total (hr)	Empl. (nr)	Avg. (hr)
Total hours of training	17,879.00	1,235.70	14.47	19,099.00	1,281.22	14.91	19,945.00	1,555.26	12.82
Men	12,303.22	941.47	13.07	15,096.96	991.82	15.22	16,570.84	1,179.98	14.04
Women	5,575.78	294.23	18.95	4,002.04	289.40	13.83	3,374.16	375.28	8.99
Executives	374.00	35.00	10.69	406.00	38.00	10.68	404.00	38.50	10.49
Managers	1,156.00	98.55	11.73	1,297.00	108.55	11.95	1,855.00	114.40	16.22
Office Staff	7,053.00	446.07	15.81	5,847.00	452.33	12.93	8,746.00	530.78	16.48
Production-site Workers	9,296.00	656.08	14.17	11,549.00	682.34	16.93	8,940.00	871.58	10.26

STIGA China offered Advanced Management classes, including two advanced leadership training programs one of which was for all employees overseeing people management. Internal professional training workshops were promoted, including education courses on certifications such as PMP (Project Management Professional) and CPSM (Certified Professional in Supply Management). The operator skills matrix shows that 63% of Direct Labour permanent staff have reached level 4 of the skill, independently working at correct speed and quality, whilst also being able to train newly employed operators. Furthermore, in 2021, more than 15% of office staff employees were given career advancement opportunities within the Guangzhou and Suzhou two sites thanks to STIGA's business growth.

STIGA Slovakia organised training for new hires with a specific focus on safety and technical skills like forklift driving.

The Swedish Company organised GDPR training for the management team and the sales representatives along with risk management training for the management team.

In Austria, Germany and France, STIGA introduced a special training programme for Sales Representatives to strengthen their ability in leading commercial relationships with customers according to modern consultative sales approaches. The programme lasted 12 months and provided attendees with several live learning opportunities and online resources. Specific business KPIs related to the training have been monitored and confirmed its positive impact has been recorded.

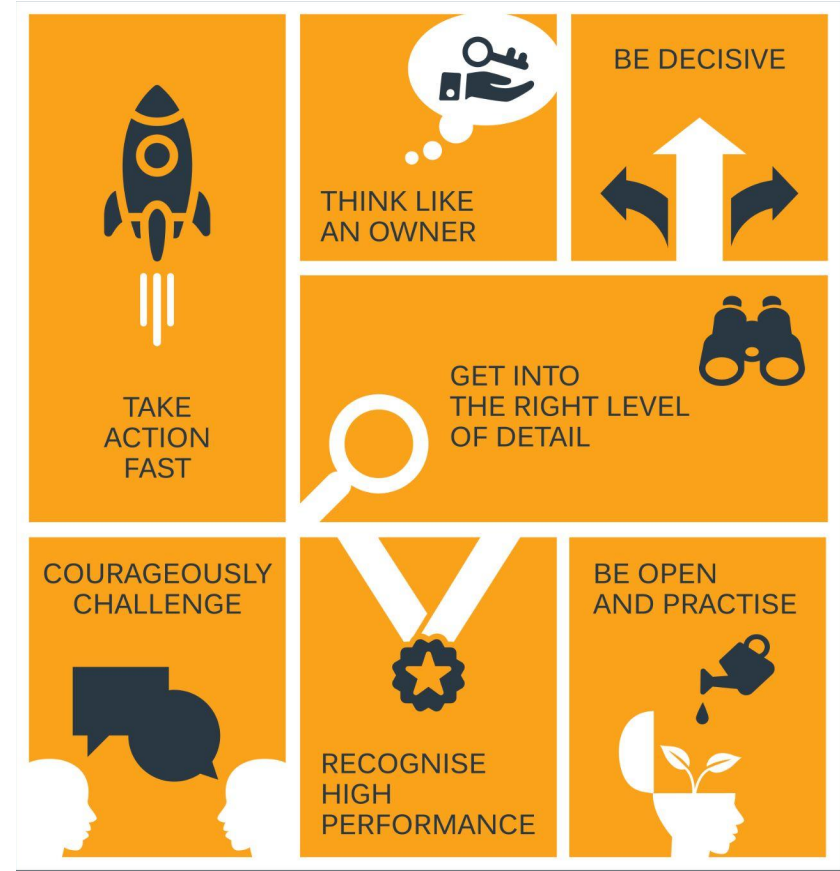
Other companies have less hours of training and the focus is generally on the ICT systems, new products, product maintenance, and reparation training.

Commitment: STIGA wants to increase training hours (22k hrs in 2022) and dedicate specific actions to human rights and ethics.

4.1.7 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.



In 2021, the “STIGA People & Performance Review”, an annual process aimed at assessing employees’ contribution to the Company success, was introduced at Group level.

This activity focused on two main drivers:

- The alignment of Employees’ conduct to the Company organisational culture, represented in the “STIGA Behaviours” competency model;
- The achievement of the expected performance goals.

During the evaluation, psychometric tools based on the Hogan assessment methodology were used in order to achieve a higher level of predictivity on people performance. This was achieved by examining personality dimensions from several angles.

The scheme engaged managers and key contributors who have a strong impact on business success and on the organisation of the Group.

The assessment led to the “Feedback Conversation” phase, where managers met employees to share and discuss the feedback covering the overall year’s performance. The main purpose of the phase being to acknowledge achievements, create awareness on strengths and improvement opportunities, and for employees to commit to their ‘Personal Development Plan’.

A skill matrix was developed for measuring the specific operational skills of production-site workers in every production department. This matrix was tested with 147 employees in STIGA Italy, 69 in China, and 81 in Slovakia.

During 2021, the number of employees that received performance reviews decreased by 17.8% (336 vs 409).

The decrease from 2020 is explained by the fact that Group decided to introduce a new, more reliable, assessment methodology and tested it on a limited pool of employees before extending these reviews to the rest of the office staff population which is planned for 2022.

In the interim, local processes continued to be rolled out in the subsidiaries.

GRI 404-3: Percentage of employees receiving regular performance and career development reviews								
	2019			2020			2021	
	Empl.with career Review(n)	Tot Empl. (n)	%	Empl.with career Review(n)	Tot Empl. (n)	%	Empl.with career Review(n)	Tot Empl. (n)
Men	67.00	941.47	7%	299.00	991.82	30%	223.00	1,179.98
Women	40.70	294.23	14%	109.70	289.40	38%	113.30	375.28
Total	107.70	1,235.70	9%	408.70	1,281.22	32%	336.30	1,555.26
Executives	6.00	35.00	17%	32.00	38.00	84%	26.00	38.50
Managers	24.00	98.55	24%	91.00	108.55	84%	79.00	114.40
Office Staff	76.70	446.07	17%	284.70	452.33	63%	230.30	530.78
Production-site Workers	1.00	656.08	0%	1.00	682.34	0%	1.00	871.58
Total	107.70	1,235.70	9%	408.70	1,281.22	32%	336.30	1,555.26

Commitment: Extent this methodology to all the employees of the Group.

4.1.8 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.

Through the "STIGA 4 You!" online portal, STIGA SpA offers Italian employees a wide portfolio of welfare services, including reimbursement of family expenses like school costs and care for dependent family members, as well as leisure services such as sports, education or cultural activities. Travel, holidays, cinema, theatre visits, training courses, theme parks and other examples are also included, as are personal health and wellbeing services (gyms, spas, medical, physiotherapeutic or psychological support services, etc.). Finally, supplementary pensions, supplementary health plans and reimbursement of public transport costs are also potential areas where employees can receive support.

Another area of focus for **STIGA Italy** is the care of common company spaces, such as the recently renovated areas, the space dedicated to prayer for Muslim colleagues and the canteen, where differentiated menus are offered to meet the needs and preferences of individuals. The Company is also discussing with Italian Trade Unions the renewal of the collective labour agreement. STIGA Italy will propose:

- Solidarity Bank Hour (enabling employees to transfer their leave entitlement, or part of thereof, to colleagues who may have need of extra days to look after their children suffering from health problems);
- Possibility of Generational Turnover, a learning on the job policy where a junior employee is trained by a senior close to retirement;
- Voluntary pension funds integration at 2.2% for employees over 35 years old (instead of 2%);
- One additional day of leave for employees with 25 years or more seniority;
- Four additional hours of leave for medical purposes upon presentation of documentation from the doctor.

STIGA Slovakia, in addition to flexible working hours offers reimbursement of public transport costs to all the employees to encourage the use of public transport.

STIGA Germany offered additional training programmes such as language classes, software training, train the trainer seminars and contributed either full or partial compensation of the cost or working hours.



4.1.9 Sharing and Dialogue as a Success Factor

At STIGA, the last two years have seen an increased focus on communication channels, both internal (through the new STIGA NEXt intranet) and external (particularly on LinkedIn), thanks to collaboration between the HR and Marketing functions.

Workplace well-being also depends on a sense of belonging to a community and sharing a common organisational culture. Therefore, in recent years, STIGA built the Group intranet "**STIGA NEXt**". It has become an important internal communication tool, and includes the publication of periodic newsletters, messages introducing and welcoming new employees, and is where useful information for everyday life in the Company is disseminated.

Once a year, **STIGA Sweden** conducts an anonymous survey that covers different aspects of working life including workload, work organisation, job flexibility, leadership, support, knowledge and development. The format of the survey used is the same each year in order to compare results from different years. The results achieved so far are encouraging, with progress targeted at areas such as job flexibility and leadership.

STIGA China have established different channels and platforms for employee feedback ideas and suggestions:

- Golden Ideas to collect ideas and improvement proposals from employees;
- Safety SMAT to consolidate employees' observations and corrective actions for unsafe conditions and behaviours;
- WeChat group by Department to communicate within a team;
- Ding Ding e-platform to feedback or consult between HR and newly employed workers;
- Biannual town hall meetings between the management team and all staff on the most update information from group from management to all employees;
- Labour union representative meetings with employee to have our staff's voice been listened to by union committees.

Other STIGA companies are smaller and the interaction and dialogue with the employees is conducted on a more informal basis.

4.2 Safe Work Environment

4.2.1 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.

4.2.2 Risk Assessment Activities

STIGA has adopted the procedure "PR I SAF 01 Hazard identification, risk assessment and determination of controls" to define the management of risk assessment activities and to standardise the process across the entire organisation. This procedure, in place in STIGA Italy, will be extended to other companies with the ISO certification process.

The assessment process is required to identify danger factors and possible related events in order to quantify the risks and define prevention and protection measures. These factors include visitors, suppliers and contractors must be considered as well during the evaluation process.

In terms of quantification, STIGA adopts specific methods when prescribed by legal or technical regulations. Otherwise, the Company uses the standard method, which requires the quantification of inherent risk, residual risk and related mitigating actions. Inherent risk is the result of the probability of an event occurring and the severity of the damage that such an event may cause. The purpose of each risk assessment is to highlight the most critical issues and consequently the highest priorities for action to be taken to eliminate or reduce the risks of accident or injury. If the intrinsic risk is classified as "tolerable" or "not acceptable" corrective preventive measures must be taken. The presence of these measures mitigates the intrinsic risk to a level of risk defined as residual risk.

The activity is performed by the Health and Safety Team at each plant, which is composed of safety representatives and technicians, area representatives and operators. Risks are re-assessed periodically and every time a change in the processes is implemented or an incident occurs. The results of the evaluation process and the related general instructions are formalised through the drafting of specific procedures, while the concrete measures are defined through an occupational health and safety plan and implemented through technological systems and service equipment.

Risk assessment evaluation is also required periodically for monitoring employees' health and well-being. The aim of these evaluations is to assess the suitability of workers for the tasks they are required to carry out, identify clinical signs of disease, periodically evaluate the workers' health status, use the acquired medical and epidemiological knowledge to reduce the risk factors, and to evaluate the effectiveness of prevention efforts. Health monitoring is carried out by a local doctor in cooperation with the local health and safety function, who is involved at least once a year for the annual medical control of the employees. The doctor is also involved in the drafting of the health and safety report, which contains information about results of preventive and periodic health checks carried out in the last year. This approach also enhances health surveillance and conclusions and supports strategic intervention proposals.

4.2.3 Health and Safety in STIGA Operations

STIGA's commitment to mitigating risk starts with conscious purchase practices. All equipment, machinery and technical systems used by the employees are maintained to local safety and law requirements, identified through specific labels and provided with instruction manuals that are at the disposal of workers. STIGA only internally produces small, simple forms of equipment that must be certified by an external auditor. All the tools are monitored to ensure the correct execution of periodical maintenance; buildings and their appliances are also subject to periodical maintenance and review of the design, in order to increase the intrinsic safety level of the facilities. For example, in 2020, the firefighting equipment was improved in order to better address the fire risk in the gasoline storage areas of the Chinese plant.

The health and safety training provided to the employees is another important mitigation action which STIGA relies on. Training activities are regulated by the internal procedure "PR I SAF 15" and focus on current legislation on health and safety at work, general risks of the workplace, specific risks of the job, fire emergency, first aid, prevention actions and protection measures to be adopted in the workplace. The training is tailored to the needs of each individual worker, with attention to new recruits, workers whose roles have changed, foreign workers, special cases such as pregnant workers, disabled people, temporary workers, seasonal workers and atypical contracts. The duration and frequency of the courses are proportional to the complexity of the task, as well as the severity and the probability of the risks. Training needs are identified and mapped through a matrix that considers all the elements stated above and is used by the appointed health and safety function to design an annual training plan.



Nothing is more important to us, than safety of our employees and all people moving in our factory including our external people too.



Information on health and safety is continuously provided to employees through:

- On site explanation of the job description and safety operating instructions;
- Specific plant meetings;
- Emergency training, which simulate possible emergency scenarios, such as substance spillage, equipment failure;
- Safety signs and notices placed inside company facilities;
- Notice board (safety organisation chart, safety objectives and policies);
- Internal corporate email system;
- Intranet network, with an area dedicated to the OHS Management System;
- Other significant preventive measures include the installation of more visible lights for the forklifts and additional mirrors, the redesign and the highlighting of pedestrian routes, the mandatory use of reflective vests and the adoption of higher cut resistance gloves;
- Security measures to adopt when entering the plant broadcasted on TV screens.

4.2.4 Accident, Near-Misses and Non-Compliance Management

The analysis of accidents, near-misses and non-compliance events is one of the most important tools to improve health and safety performance. Issues can be evaluated from a statistical point of view and to better understand weaknesses in the prevention system. The management of the topic is described in the internal procedure called “PR I SAF 02 – Management of Non-compliance, accidents and dangerous behaviour”.

By definition, injuries must be investigated every time, while non-compliance events are usually detected during the periodical audit performed by STIGA, and near-miss situations are reported by the employees to their direct managers and through the dedicated procedure and form. Near-miss reports are evaluated by the appointed function, which registers them in accordance with STIGA's procedures and local law requirements and also decides where an immediate, corrective or preventive action is necessary.

The near-misses analysis assists STIGA in several improvement activities, not only limited to health and safety topics, such as:

- Organisational restructuring, new investments to improve prevention and protection;
- Provision of new resources (human, economic and financial);
- Updating or re-editing of working procedures, elimination of substances classifiable as hazardous or, at least, their replacement with less hazardous ones;
- Updating of training courses in the face of possible skills shortages;
- Improving coordination and cooperation with external parties operating in the organisation;
- Assessing specific risks.

In view of the many opportunities that can be achieved, STIGA always encourages workers to report near-misses, because only by analysing them can tangible prevention measures be implemented.

4.2.5 Injuries Data

The injuries data for 2021 shows a positive trend for recordable employee work-related injury rates, which has dropped by -73% (0.32 in 2021 vs 1.19 in 2020) thanks to the lower number of injuries and the higher number of hours worked. Additionally, the work-related injury rates of those who are not employees decreased by -49% (0.79 in 2021 vs 1.56 in 2020), also on account of the increased working hours and the decrease injuries (-1).

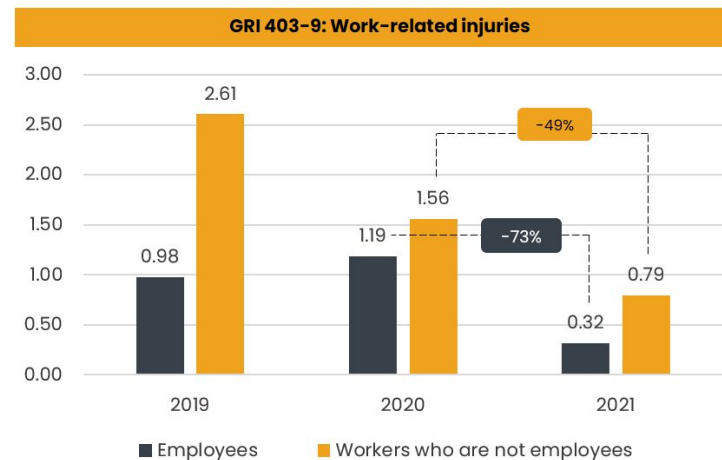
There were four recorded employee injuries during this period. Of the four recorded injuries none were of a serious nature or resulted in any lasting injury or health related issues. This demonstrates the effectiveness of STIGA's health and safety management system.

GRI 403-9: Work-related injuries						
	2019		2020		2021	
Employees Injuries	Rate		Rate		Rate	
Recordable work-related injuries at 31.12	10	0.98	13	1.19	4	0.32
of which fatalities	0	0.00	0	0.00	0	0.00
oh which with high-consequence	0	0.00	0	0.00	0	0.00
Hours worked	2,049,382		2,189,502		2,504,131	
Total number of employees	1235.7		1281.2		1555.3	
	2019		2020		2021	
Workers who are not employees Injuries	Rate		Rate		Rate	
Recordable work-related injuries at 31.12	4	2.61	4	1.56	3	0.79
of which fatalities	0	0.00	0	0.00	0	0.00
oh which with high-consequence	0	0.00	0	0.00	0	0.00
Hours worked	307,020		512,995		755,470	
Total number of workers who are not employees	449.5		619.5		639.0	

The injuries among those who are not employees occurred in STIGA companies in the period 2019-2021 are consistent with the common accidents that have been identified through the risk assessment activities:

- Unintentional impacts with work equipment, containers and more generally what is around the worker at their workstation;
- Unintentional collisions with moving forklift trucks (which may lead to high consequence injuries);
- Cut injuries due to handling sharp objects or burns.

Additional training was put in place to avoid the repetition of such injuries.



4.2.6 COVID-19 Pandemic Management

After the first cases, **STIGA Italy** established a Committee for the monitoring and management of the COVID-19 challenge. The Committee was composed of the SVP Group, Legal & HR, the Plant Director, the HR Manager of the Italian plants, and the Health and Safety Manager.

Initially, the Company carried out adequate checks to map the places of residence of workers from affected areas and any recent trips staff made outside of this area. Subsequently, a direct supply channel was opened with China for FFP2 masks and surgical masks, which had become unavailable in Italy due to the emergency.

In terms of hygiene measures, STIGA Italy has:

- Placed protection systems on assembly lines made of Plexiglas screens and/or similar materials where it is not always possible to guarantee social distances of more than one metre;
- Organised weekly sanitisation of the work surfaces and twice a week sanitisation of work equipment with sprayed products authorised by the health authorities;
- Provided alcohol-based hand sanitising gel;
- Provided daily surgical masks, currently mandatory during working hours.

Whereas, from an organisational point of view, STIGA has adopted:

- Employees' body temperature testing at entrance areas;
- The maximisation of smart working and video-conference meetings;
- Rescheduling production working time with different shifts;
- Canteen rotation and reduction of seats to half the available number;
- A contact tracing system;
- The suspension of foreign travel, unless duly authorised by the appointed person;

- Suppliers and visitors' registration: they are required to sign a green health code declaration before entering the plant;
- Agreement with accredited laboratories for carrying out control swabs for workers;
- Daily check of Green Pass for employees and visitors accessing the Company premises and/or the canteen.

The above measures are periodically reviewed in order to keep the protocol up to date with the international regulation on the pandemic.

STIGA China adopted other measures in addition to those listed above:

- Covid-19 mass tests according to NSH authoritative requirement and all results were negative;
- Vaccination as per GZ government requirement (100% employees completed the third dose – other non-vaccinal reasons are excluded);
- Cancellation of direct transports for Hong Kong and disinfection measures for high-risk vehicles; employees who had contact with them had to immediately take a nucleic acid test.

All the other companies of the Group, smaller and less structured than plants, encouraged smart working in the peaks of the pandemics to aid social distancing.

4.3 Promotion and Affirmation of Human Rights

All people are entitled to basic rights and freedoms, which are protected and promoted by all national and international legislation. STIGA, as a Group operating in several countries around the world, cannot operate without ensuring that basic human rights are respected in the workplaces where its products are manufactured and in the factories of its suppliers. Respect for human rights goes beyond STIGA's factories, involving all our suppliers. In relation to these aspects, the Code of Ethics and the Sustainability Policy plays a key role, setting out the fundamental human rights that STIGA is committed to guarantee.

Per STIGA's Code of Ethics, the Company is opposed to all forms of discrimination based on gender, sexual orientation, age, nationality, health, political opinions, race and religion, and generally any individual characteristic of the human being. Moreover, STIGA clearly states the intention to offer its employees equal work opportunities in order to guarantee fair and non-discriminatory treatment according to merit criteria and to equality, as well as tolerance and mutual respect values. Finally, STIGA requires that no cases of harassment in internal and external work relations happen and specifies that any conduct or behaviour that may constitute sexual harassment in the work environment is not allowed.

Other areas STIGA pays close attention to in terms of respecting human rights include Child and Young Labour, Wages and Benefits, Working Hours, Forced Labour, Freedom of Association, Harassment and Discrimination.

STIGA Group considers collaboration with the supply chain an integral part of its success and, therefore, strives to operate as an integrated team with suppliers. The Group expects its suppliers to be fully compliant with all laws and regulations applicable in the countries in which they operate and in particular with Social Rules, which in STIGA's view help to create the conditions for the respect of the individual and its development. In consideration of the importance of the relationship, STIGA Group sends its Code to its suppliers and partners, requesting receipt of subscription and adherence to the contents.

In **STIGA China** there is an Employee Handbook to regulate human rights-related systems, procedures and responsibilities, including regulations of employees' voluntary labour, working age, fair treatment, wages, benefits and working hours. Every year the Handbook is subject to review in order to keep it updated to the latest legal requirements related to employee working rights and it is also audited by the local government.

The personal handbook of **STIGA Sweden** includes also an internal policy for equal opportunities aimed to prevent unequal treatment of people based on ethnicity or origin, age, marital status, disability, gender, sexual orientation, religion or belief. Moreover, harassment is not accepted for whatever reason.

In order to report any cases of non-compliance with the provisions of the Code of Ethics, all STIGA stakeholders have the possibility to contact by email (internalaudit@stiga.com) the internal audit function, who will handle the report guaranteeing the confidentiality of the identity of the person making the report. The Internal Audit reports immediately to the Supervisory Board of STIGA Italy SpA, appointed pursuant to and for the purposes of Legislative Decree no. 231 of 2001. During 2021, 2020 and 2019, no incidents of discrimination have been recorded in any company of STIGA Group.

STIGA plans to introduce training sessions on ethical issues and human rights in 2022.

GRI 406-1: Incidents of discrimination and corrective actions taken			
	2019	2020	2021
Total number of incidents of discrimination	0	0	0
of which reviewed by the organisation	0	0	0
of which remediation plans have been implemented	0	0	0
of which results of remediation plans implemented have been reviewed through routine internal management review processes	0	0	0
of which no longer subject to action	0	0	0
GRI 412-1: Operations that have been subject to human rights reviews or impact assessments			
	2019	2020	2021
Number of operations that have been subject to human rights reviews or human rights impact assessments	1	1	1
Total number of operations	18	19	19
Percentage of operations that have been subject to human rights reviews or human rights impact assessments	6%	5%	5%
GRI 412-2: Employee training on human rights policies or procedures			
	2019	2020	2021
Total number of hours devoted to training on human rights	0	0	0
Number of employees that have received training on human rights	0	0	0
Total number of employees	1,235.7	1,281.2	1,555.3
Percentage of employees trained on human rights	0%	0%	0%

4.4 Customer and Consumer Satisfaction

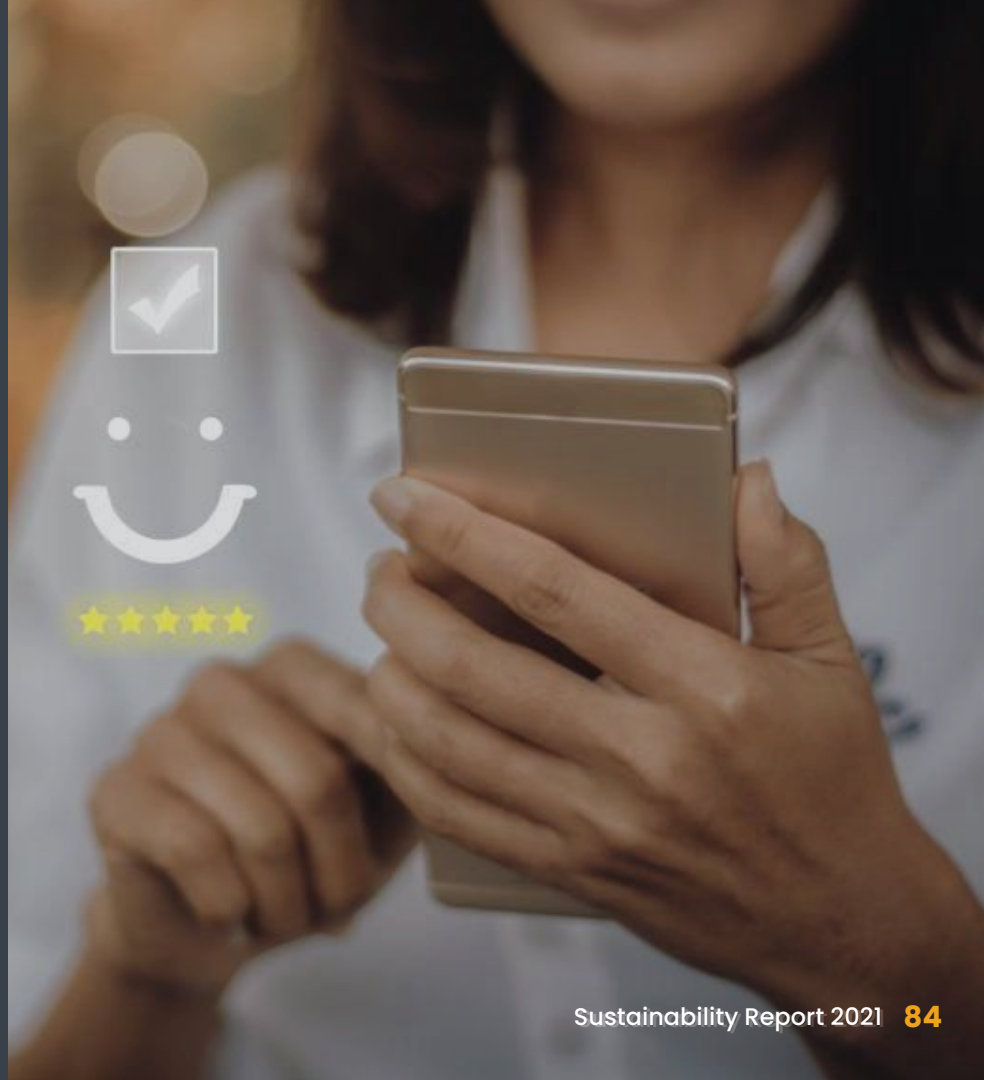
Providing customers with a positive experience starts from the very first moment they contact the brand through a consumer touchpoint, such as our website or word-of-mouth from neighbours or friends. It then extends beyond the moment they become a consumer and a final user of a STIGA product.

For STIGA, delighting and encouraging people to become a loyal consumer is a never-ending commitment, as it impacts on the overall success of the Company, its reputation, future market share and profitability. Customer loyalty will drive the brand ownership brand recommendation overall. While direct reviews on products creates the brand reputation, also how people even just talk about the brand, owning or non-owning a product helps in building the brand recommendation rate, which is the overall perception of the brand.

Customer satisfaction evaluation is an important tool for continuously improving products and service quality. Thanks to the looping feedback process, STIGA can better address its Research and Development commitment.

It is statistically proven that the more a customer is satisfied with a Company and its products, the higher their willingness to recommend them. Products with high recommendation rates have much higher chances of success in the market, lowering the need for marketing and advertising spending for building awareness and conversion.

From an R&D perspective, the fast feedback from customers and consumers is essential to improve our overall quality, ergonomics, and expectations that consumers might have for a product. Once they provide detailed feedback on the use of our products, engineers can take immediate and fast actions over the next product iteration and make it better according to that specific feedback.



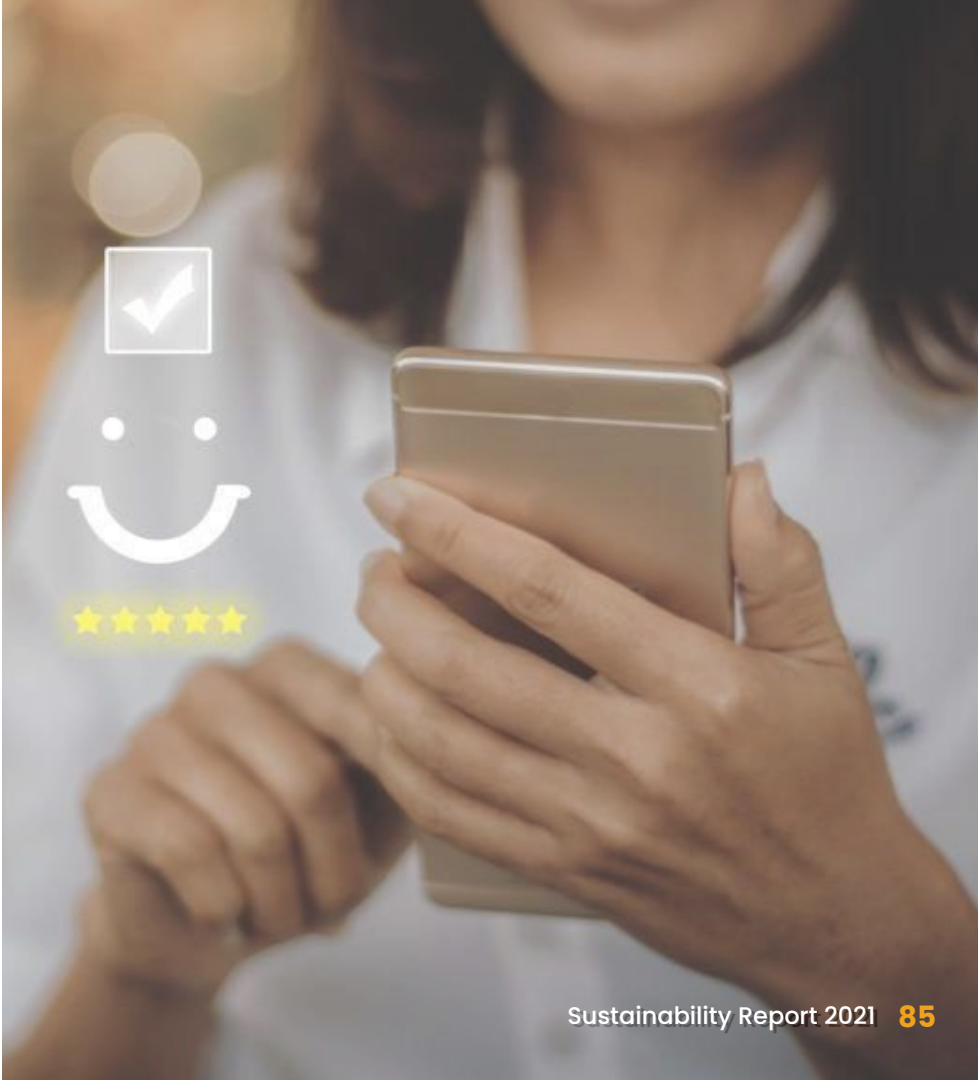
STIGA actively monitors consumer satisfaction events and indicators.

Marketing and R&D functions can directly analyse customer behaviour while using products, through the **home-trial programme**, that is aimed to test in advance new products, in order to understand how to further improve the product specifications during the development phase.

Amazon review reports are a very useful tool to obtain consumers' opinions on products: STIGA accurately collects all the customer reviews and questions coming from products purchased on Amazon, classifies them by product, brand and category, and analyses all negative reviews, qualitatively identifying common complaints. Moreover, the Marketing Department has set "Rating & Review" target for every single category: according to STIGA principles, a product should always be above 4.3 stars. If a product has a lower score, marketing staff performs specific investments to improve the positioning of that product. The results shows a substantial stability in the rating values.

Non - GRI 3: Amazon Review			
	2019	2020	2021
Average Amazon Stars	4.3	4.1	4.1

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



Brand awareness is measured yearly to monitor the increase of top of mind, spontaneous and aided brand awareness in 13 countries. The yearly brand awareness report also measures the recommendation rate based on people declaring to know STIGA and its brands.

The table opposite shows the results of the surveys carried out in November 2021, which refers to the results of STIGA commitment in the first half 2021, compared to the last awareness report made in 2017. No surveys were run in 2018, 2019 or 2020 as marketing investment in the countries was judged by the Company to be insufficient to create significant growth year on year. To enable the comparison over the years, the surveys share the same research design:

- The target is made up of men and women, between 20–65 years old, which live in the tested countries and own at least a small garden, therefore are potential buyers of garden tools;
- The sample consists of 300 people in each country, nationally spread by age, gender and geographical area;
- Data is collected through online questionnaires, composed by ten multiple answer questions, related to awareness, purchase, consideration, recommendation and brand sensitivity;
- To evaluate “recommendation” the question asked was “How likely are you to recommend the following brands to a friend or colleague?” and the available answer range was between 0 to 10. The question is asked only to audiences who know the brand;
- To evaluate “brand awareness – aided” the question asked was “Do you know any of the following brands of garden tools even just by having heard about them?” and the value reported inside the table is related to the percentage of people who mentioned STIGA.

Even if the Company is currently studying specific targets for brand awareness and brand recommendation, some trends emerge from the analysis:

Brand awareness:

- STIGA has increased its brand awareness from 30.4 to 33.7%, which is the average rate of all 13 countries results. It’s worth noting that the awareness results between the Scandinavian countries and all other countries has a marked difference.

Recommendation index:

- STIGA’s recommendation index in the Scandinavian countries is 6.38/10, comparable and close to competition in the same countries (the main competitor average recommendation is at 7.1/10). The recommendation rate is reliable when the audience rating recommendation by country is higher than 80 on 300 people, so when the brand awareness is higher than about 27% (Scandinavian countries).

Non GRI – 4: Brand Awareness Surveys						
	Aided: Brand Awareness Survey			Recommendation Survey		
	2017	Nov. 2021	Delta Nov. 2021 – 2017	2017	Nov. 2021	Delta Nov. 2021 – 2017
Average	30.4%	33.7%	+10.9%	6.58	6.55	–0.5%
Scandinavian (average)	76.3%	74.8%	–2.0%	6.35	6.38	+0.5%

A Focus On: Consumer Satisfaction

To be closer to our customers, a project to introduce and standardise the current local CRM B2C tools started in the last months of 2020.

In 2021, STIGA UK went live with the new Group tool (Salesforce) for managing their customer care activities, and in 2022, the plan is to roll-out the solution to manage enquiries from all other countries.

Also in 2021, STIGA began to communicate directly with end consumers by activating direct email marketing schemes: in 2021 more than 600k newsletters have been sent to consumers with an open rate of 36%, more than the market average. Less than 0.1% have been unsubscribed.

Within 2022, STIGA will be able to provide first class and quality service to our consumers with the support of a dedicated **Consumer Care third-party agency**. The team will take care of the request of information and claims raised by end consumers in most of the countries where STIGA subsidiaries operate.

600k

Newsletters

36%

Open Rate

36%

Click Through Rate

0.1%

Unsubscription Rate



5. Processes

"The power of simplicity."

**“ We do more with less,
but perform better.”**

5.1 Compliance and Integrity

5.1.1 Compliance and Integrity

Compliance is a cornerstone of STIGA's culture and governance architecture. Regulations set a perimeter for STIGA's actions, but also provide tools to protect the market in which the Company operates. Acting with integrity is both a duty and an opportunity to compete fairly and to promote STIGA's values.

Specific requirements related to corruption, anti-monopoly practices and non-competitive behaviour may arise from national laws and regulation. Due to their nature, some stakeholders may be impacted more than others by the topic: Customers, Shareholders, Investors, Lenders, Trade Unions and Suppliers are directly exposed to the mentioned listed above.

To ensure a good standard level of compliance, STIGA established corporate policies and procedures and defined each department's responsibilities in order to monitor the application and the update of the guidelines. The most important policies and procedures related to the compliance and integrity topic that STIGA has developed are the "Signature authorisation and delegation of authority policy" and the Organisational Model ("Modello di Organizzazione e Gestione ex D.Lgs. 231/2001") for STIGA SpA only.

The Organisational Model sets out a full set of procedures which seek to mitigate the risk of criminal and administrative liabilities of the Company if committed in its interest or to its benefit.

The principles of the Legislative Decree 231/2001 aim to:

- Prevent criminal and administrative offences that can potentially be committed during business activities, protecting the Company by creating the condition to avoid incurring particularly substantial punishment against the Company;
- Adopt the Organisation, Management and Control Model to provide the Company with effective and efficient tools for better management and control of processes;
- Protect the Board of Directors and the management from liability for failure to adopt the Organisation, Management and Control Models ex Legislative Decree no. 231/2001.

Commitment:
Perform audit on four main processes during 2022.

For the matters covered by the Organisation, Management and Control model, the relevant policies and operating procedures have been extended to the whole STIGA Group.

STIGA has also prepared formal documents to address integrity. The most important is the **Code of Ethics**, adopted in 2011 in order to recognise the highest ethical standards and the main laws, regulations, guidelines and documents existing at national and international levels regarding human rights, the Company's social responsibility and its corporate governance. In this document, STIGA affirms its main values which are represented by openness, commitment, customer care and excellence. The Company has introduced seven behaviours that help define the Company's values for employees and how to apply them, while promoting collaboration, openness and commitment.

STIGA Group employees must observe and implement the principles in this Code. In addition, compliance with the Code must be considered an essential part of the contractual agreements pursuant to and in accordance with the laws in force. Any violation is evaluated according to disciplinary systems specified by the applicable labour laws and labour agreements. The Code is introduced to employees and whoever collaborates with STIGA Group, through explicit reference of compliance with the Code in the relevant contracts. Moreover, it is available on the STIGA Group intranet.

In 2021, the Company started an activity to update the Code of Ethics with additional focus on environmental topics. The document will be approved in 2022 and will be embedded into all new contracts, and distributed and signed by all the relevant suppliers according to a specific plan.

Commitment: 40% of suppliers signing up our Code of Ethics by 2022 and reach the 90% by 2024.



PEOPLE

OPEN

COMMITTED

CHALLENGING EXCELLENCE

CUSTOMER DRIVEN



TAKE ACTION FAST



THINK LIKE AN OWNER



BE DECISIVE




GET INTO THE RIGHT LEVEL OF DETAIL



COURAGEOUSLY CHALLENGE



RECOGNISE HIGH PERFORMANCE



BE OPEN AND PRACTISE

DRIVE THE CHANGE!



GRI 307-1: Non-compliance with environmental laws and regulations					
	Type	UoM	2019	2020	2021

Violation of art. 279, par. 2 bis, of the Legislative Decree n. 156/06 for not having complied with the provisions of the provincial decree n. 227/2019 of May 29th 2019.	Monetary	€	0	0	2k
---	----------	---	---	---	----

GRI 419-1: Non-compliance with laws and regulations in the social and economic area					
	Type	UoM	2019	2020	2021

ISTAT	Monetary	€	0	0	4k
-------	----------	---	---	---	----

Since 2020, STIGA has identified the Group Legal & Corporate Affairs department as the guarantor of the compliance and of the Code of Ethics proper implementation. Accordingly, the Group Legal & Corporate Affairs:

- Will refer to the competent functions to encourage proper ways of communication and/or training;
- Will clarify doubts on interpretation and situations regarding ethical issues, also in collaboration with STIGA Group EMT.

The Legislative Decree no. 231/2001 foresees the institution of the Supervisory Board of STIGA SpA (Organismo di Vigilanza - ODV).

The role of the ODV is to monitor the implementation of the set of rules prescribed by law, to investigate suspected violations, to safeguard the confidentiality of the identity of the person making the report and to report any actual violation to parties with the authority to apply any appropriate sanction. The VP Group Legal & Corporate Affairs reports any communication received that relates to the Group's activities carried out in Italy or carried out abroad by the Italian company. Communications to the ODV (such as the report of alleged violation, the request for clarification or opinion, etc.) must be made in a preferably non-anonymous form and may be sent by all the interlocutors of STIGA at the dedicated email address.

STIGA Group acknowledges the primary importance of the fight against criminal organisations and the promotion of economic and commercial freedom: each employee must report to the ODV and to Group Internal Auditor any conduct or situation relatable with corruption, anti-monopoly practices and non-competitive behaviour.

In the last three years, no confirmed incidents of corruption and no incidents of non-compliance concerning product and service information and labelling have been recorded. Two minor issues were identified: a failure to provide reports to the Italian National Institute of Statistics and a delay in sending data to a Regional Institution (ARPAV) on atmospheric emissions. Both fines were duly paid.

5.1.2 Cybersecurity and Data Protection

The STIGA ICT department directly monitors the security of all Company's ICT devices, including PCs, servers, mobiles and applications. This includes all STIGA products that are connected to the Group ICT systems through Apps. Furthermore, also vendors, logistics providers, employees and customers providing data which enters the STIGA network, are monitored and secured as well.

Since 2019, the STIGA ICT department increased the level of attention to security measures: antivirus software, web-filters, antispam systems, penetration tests (ICT/OT landscape and IoT landscape), firmware and software patch upgrades. We also reinforced Wi-Fi security, backups, disaster recovery, cybersecurity insurance, users training and conducted reviews of policies and procedures.

Several actions and systems have been implemented recently, and over the past two years and the ICT Security Plan (2021-2022) will grant further improvements with the aim of:

- Reducing the overall cybersecurity risks through a strong focus on endpoint equipment protection and endpoint behaviour changes (end user protection);
- Introducing an improvement cycle approach to the security (Map & Measure, Prioritise & Plan, Protect, Evolve) to increase the cybersecurity maturity model of STIGA Group.

STIGA has adopted an internal procedure on Personal Data Protection. It is applied in the whole organisation and defines its involvement in the data protection activity

The main objectives of the Personal Data Protection procedures are to:

- Define procedures which best ensure compliance with regulatory provisions on data protection with respect to the handling of personal data, rights of data subjects and relationships with supervisory authorities;
- Provide the standard forms to be used when fulfilling the data protection obligations;
- Define roles and responsibilities of the main subjects involved in the process.

The risks inherent to data confidentiality are measured each year by the organisation through three main Key Risk Indicators (KRIs):

- Antivirus pattern compliance (software update) which measures the implementation rate of latest anti-malware software on total company devices;
- Number information security incidents classified as unauthorised disclosure by Incident Management Committee, composed by the SVP Group Legal & HR, the Data Protection Officer (DPO) and specific figures of the business units involved in the incident.
- This Committee is called to define if the Information Security Incident can be mitigated by adopting proper containment and resolution activities or if it is necessary to activate the Crisis Management Plan;
- Number of detected security incidents of attacks blocked by the anti-intrusion systems.

The following table shows a recap of 2019, 2020 and 2021 data and related targets, tolerance, and limit levels.

Key Risk Indicators								
Antivirus pattern compliance (Software Update)	RL	%	2021	2020	2019	Target	Tolerance	Limit
# Incidents of unauthorized disclosure	RL	Number	0	0	0	0	0->2	>2
# Detected Security Incidents	RL	Number	18.339	4.515	N/A	↑ Trend	0% → +5%	↓ Trend

The approach to the cybersecurity topic follows the definition of the cybersecurity strategy, which is divided into four phases: Map & Measure, Prioritise & Plan, Protect, and Evolve. The activities are subject to an annual review related to the effective execution plan timing and the results of the annual penetration test and ethical hacking results.

As shown in the table opposite, there were no incidents of unauthorised disclosures, therefore, no substantiated complaints concerning breaches of customer or consumer privacy received in 2019, 2020 and 2021.

Privacy data is stored in two applications: ecommerce and CRM. Both are cloud solutions and the measures implemented to reduce the risk of breaches and losses are managed by the cloud platforms. Strong authentication policy is activated in all the applications where this feature is available.

In 2020, several malicious activities were actioned by one employee in our China plant: these included backup tampering, VSS tampering and deleting files. Due to the attack, data and systems were not available for one week at the Chinese plant. Following this event STIGA has carried out a precise and specific set of activities aimed at recovering the damages and to avoid future similar occurrences.

GRI 418-1: Substantiated complaints received concerning breaches of customer privacy			
	2019	2020	2021
	0	0	0
of which complaints received from outside parties and substantiated by the organisation	0	0	0
of which complaints from regulatory bodies	0	0	0
Identified leaks, thefts, or losses of customer data	0	0	0

Non GRI - 5: Number of cybersecurity incidents occurred			
	2019	2020	2021
Number of attempts to gain unauthorised access to a system and/or to data	0	0	0
Number of unauthorised use of systems for the processing or storing of data	0	0	0
Number of changes to a systems firmware, software or hardware without the system owner's consent	0	0	0
Number of malicious disruption and/or denial of service	0	1	0
Total number of cybersecurity incidents occurred	0	1	0

During the period between July and September 2021, STIGA activated an “ethical hacking” service with a specialist cybersecurity company.

The main objective was to highlight possible vulnerabilities within the ICT infrastructure, to carry out specific actions in order to exploit the vulnerability, and to ultimately take control of ICT infrastructures.

The external network and the WI-FI network were protected enough to avoid any control over-ride, and two vulnerabilities classified as critical were corrected immediately.

The internal network was evaluated as “critical” due to some vulnerabilities that could lead to the appropriation of administrative credentials. The cyber security service suggested measures mainly aimed at discontinuing and streamlining outdated and obsolete networks and domain services.

The corrective actions are currently being implemented.

Other penetration tests were performed on the product connectivity app and on robot firmware and 10 issues were found: one high, two low, seven medium. All the corrective actions have been put in place with 9/10 completed by 2021. The final corrective action that still needs to be completed has been classified as medium risk.



5.2 Safe and Efficient Processes

5.2.1 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.



The car fleet consumption registered a slight increase (+10%), mainly due to less stricter COVID restrictions to travel in 2021 vs 2020. Heating consumption has also increased by 5% and plant activity consumption increased by 18% due to the increase of the production quantities. Electricity consumption remains stable (+1%). Nevertheless, the percentage of **renewable energy** has increased from **1% to 28%** thanks to the conversion of non-renewable energy to renewable alternatives made by STIGA Slovakia.

GRI 302-1: Energy consumption within the organisation

	UoM	2019	2020	2021	UoM	2019	2020	2021
Gasoline consumption (car fleet)	Liter	53,353	48,392	57,531	GJ	1,739	1,577	1,875
Diesel consumption (car fleet)	Liter	319,108	276,608	301,101	GJ	11,469	9,941	10,822
Car fleet consumption					GJ	13,208	11,519	12,697
Gasoline consumption for R&D and manufacturing	Liter	28,635	40,787	43,070	GJ	933	1,329	1,404
Consumption of natural gas for technology	m³	344,385	402,220	459,874	GJ	12,343	14,416	16,482
Gasoline for technology and quality tests	Liter	30,103	31,860	25,280	GJ	981	1,038	824
Plant activities consumption					GJ	14,257	16,783	18,710
Consumption of natural gas for heating	m³	624,033	513,721	536,195	GJ	22,365	18,412	19,217
District heating	MWh	379	366	417	GJ	1,364	1,318	1,499
Heating consumption					GJ	23,729	19,729	20,717
Consumption of electricity from renewable sources	Kwh	1,598	12,206	1,957,775	GJ	6	44	7,048
Consumption of electricity from non-renewable sources	Kwh	6,864,857	6,951,820	5,096,242	GJ	24,713	25,027	18,346
Electricity produced by photovoltaic system	Kwh	43,112	44,267	46,695	GJ	155	159	168
Electricity produced by photovoltaic system consumed	Kwh	43,112	44,267	46,695	GJ	155	159	168
Electricity produced by photovoltaic system sold	Kwh	0	0	0	GJ	0	0	0
Electricity consumption	Kwh	6,909,567	7,008,293	7,100,712	GJ	24,874	25,230	25,563
Electricity from renewable sources					%	1%	1%	28%
Total energy consumed					GJ	76,068	73,261	77,686

STIGA considers the electricity purchased as renewable only if provided with the **Guarantees of Origin**.

Regarding electricity consumption:

- The **Italian Headquarters** is equipped with photovoltaic systems and all the electricity produced is directly consumed by the Company, representing the 11% of the HQ building consumption and the 0.75% of the whole Italian Plant;
- The **Chinese plant** is also evaluating the investment to start producing energy with solar panels;
- The **Slovakian plant** moved to 100% renewable electric energy in 2021.

Starting from the energy consumption data, STIGA calculated its emissions through internationally recognised standards. In accordance with GRI standard requirements, they have been distinguished into:

- Direct **GHG emissions (Scope 1)**, which come from sources owned or controlled by the Company;
- Indirect **GHG emissions (Scope 2)**, which include the CO2 emissions from the generation of purchased or acquired electricity, heating, cooling, and steam.

Consistent with energy consumption, overall, Scope 1 emissions increased by 6%, in particular:

- Company car fleet emission increased by +10% vs 2020. This is explained by the low restrictions to move in 2021 and with the increased number of company cars (new Spanish subsidiary);
- Plant activities consumptions increased by +5% due to higher production volumes;
- Natural gas consumption increased by +4%.

GRI 305-1: Direct (Scope 1) GHG emissions (tCO2e)			
	2019	2020	2021
Gasoline consumption (car fleet)	117	106	126
Diesel consumption (car fleet)	802	695	756
Company car fleet emissions	919	801	883
Gasoline consumption for R&D and manufacturing	63	89	94
Consumption of natural gas for technology	1,318	1,240	1,303
Gasoline for technology and quality tests	339	396	422
Plant activities consumption	1,719	1,725	1,819
Natural gas emissions for heating	1,261	1,038	1,084
Total Emissions Scope 1	3,899	3,565	3,786

GRI 305-2: Energy indirect (Scope 2) GHG emissions			
Location Based Method			
	2019	2020	2021
District Heating	16	18	19
Consumption of electricity purchased from the grid	2,057	2,007	1,965
Total Emissions Scope 2 (Location Based)	2,073	2,025	1,984

GRI 305-2: Energy indirect (Scope 2) GHG emissions			
Market Based Method			
	2019	2020	2021
District Heating	16	18	19
Electricity emissions	2,732	2,694	2,216
Total Emissions Scope 2 (Market Based)	2,748	2,712	2,235

In accordance with the GRI 305-2 recommendation, energy indirect GHG emissions (Scope 2) have been reported using the location-based method. The “GHG Protocol Scope 2 Guidance” states: “**A location-based method** reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data”.

By applying the location-based method, STIGA has reviewed the total electricity and heating consumption purchased by the grid and has applied emission factors that consider the energetical mixes of each country. The GHG emissions, location based, decreased by 2% vs 2020.

If we consider, instead, the **market-based method** (emissions based on purchasing policies and specific contractual agreements signed with the supplier), the total emissions decreased by 17%.

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.



5.2.2 Safe Chemicals and Batteries Management

STIGA adopts a preventive approach in managing all aspects of its activities related to the environment, following the Principle 15 of the Rio Declaration (1992), which requires all member states to take precautionary measures, within their capabilities, to protect the environment.

Aware of its environmental impacts, for STIGA, a safe and careful handling of chemicals is crucial. STIGA wishes to protect both people and the natural environment surrounding the buildings in which batteries are manufactured and stored and chemicals are used.

Appropriate handling of batteries and chemicals has a positive impact on both employees' health and preservation of the environment.

In line with the procedure "Hazard identification, risk assessment and determination of controls", STIGA periodically conducts chemical risk assessments to identify those substances and actions that are hazardous, which ones contain components classified as hazardous and whether other chemical agents may present a risk to workers. This includes risk that could arise during the use of these materials and substances in the production cycle. New evaluations are made every time a new chemical product is introduced into the or during the annual review of the risk assessment document.

In these analyses, the activities carried out along all the stages of the Company's production process are considered: production, maintenance, handling, storage, transport, disposal and waste treatment.

In Italy, the delegate of the Employer, in collaboration with the Prevention and Protection Service Manager (RSPP) and the operating Managers, having consulted the competent medical doctor and eventually external consultants, chooses the least dangerous materials and products in consideration of production needs and the level of technical progress.

Once the choice is made, a "Register of materials and chemical products" is drawn up by the RSPP and in collaboration with the Department Managers, in which the materials and products are classified according to their hazardousness, specifying their type and related risks, as well as the reference to the Material Safety Data Sheets (MSDSs), if required.

For the correct management of chemical substances, STIGA has developed a specific procedure in which the commitment to these aspects is set out and the operational practices to be pursued to eliminate or minimise the risks arising from chemical agents are established. The measures include:

- The correct choice and purchase of materials and substances, based on prior identification of their hazardous characteristics;
- proper use, handling and storage of dangerous substances and preparations, also considering what is indicated in the relevant safety data sheets;
- The substitution of hazardous chemical agents with others which, under the conditions of use, are not hazardous or are hazardous to a lesser extent, where the nature of the activity and the availability of alternative products of equal effectiveness allow;
- Adequate management of product safety data sheets.

In all plants, chemicals are stored in a dedicated area directly at the workplace where they are used. Storage is performed in collection boxes and sorted according to the nature of the chemical. Chemicals are identified by name and symbols. Material Safety Data Sheets (MSDSs) are available at the workplace and operators who come into contact with these substances are trained with MSDSs. The operator must use the Personal Protective Equipment (PPE) specified in the MSDS during handling. Workplaces where chemicals are used are equipped with emergency kits in case of chemical leakage.

The internal procedure related to the management of chemical substances includes specific instructions on how to operate in emergency cases. Any emergency related to chemicals must be managed by the head of the department where the event occurred. The manager in charge is obliged to inform the coordinator for the environment and safety, who keeps record of the event and who has the responsibility to analyse the event in order to understand causes and to provide for possible improvement actions. Further, the internal procedure also establishes an emergency plan for the release of hazardous substances into groundwater, surface water, soil and air, compliant with the legislation in place in each country where the production facilities are located.

As far as batteries are concerned, in each plant a special storage area, a space which is dry and away from heat sources has been identified. The battery storage area is secured against entry and manipulation by unauthorised persons and firefighting and detection equipment have been installed. During charging a periodic detection process is carried out using thermal imaging.

Thanks to the adoption of these safety management procedures, during 2019 and 2020 there were no recorded incidents in the management of chemicals and batteries.

In May 2021, a fire that broke out in an external storage area affected a few exhausted batteries awaiting disposal. The internal location where lithium batteries are stored was not affected by the fire and, in addition, the cause of fire was not imputable to batteries. The fire was extinguished in less than an hour causing no damage to the staff or the facility. Following this event, all the flammable materials were removed from the building perimeter.

Non GRI - 6: Incidents recorded in the management of chemicals and batteries

	2019	2020	2021
Number of incidents recorded in the management of chemicals and batteries	0	0	1

In our Slovakian plant, STIGA checks the chemical management process using the Environmental Management Audit Tool (EMAT), which allows us to identify and define measures to improve the situation. In 2022, this process will be extended to all the production plants following the implementation of ISO 14001 procedure.

In order to guarantee a continuous improvement in chemical and battery risk management, STIGA has also set-up an improvement programme which includes:

- Training operators to improve their ability to recognise risks;
- Installation of fire detection system and combustible gas detection for early risk alarming;
- Improvement of risk warning system on site.



6. Methodological Note and GRI Content Index

This report represents the first sustainability report published by STIGA. The Group aims to create an important tool to engage its stakeholders and to communicate its commitment to sustainability within three main aspects: environmental, social and governance.

The data and information reported in the document refer to the fiscal years 2021, 2020 and 2019 (01 January – 31 December): the three-year data collection allows comparability of information and trends.

STIGA C has included in its reporting boundary almost all the companies of the Group: the legal entities included in the perimeter of this report have been disclosed at page 9 of this report. Eurotillers Sro (SK) has been excluded due to the minority shareholding (49%) and to its low materiality for the reporting. STIGA IBERICA (ES) has been active since 2021.

In case some information was not available for all the companies in the reporting boundary, it was specifically indicated along the document or in this note.

The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative (GRI), according to the “Core” option; the 2018 updated version of the GRI standard was adopted for the topic “Occupational health and safety (GRI 403)”. The document was drafted in accordance with the principles of materiality, inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness.

For the purposes of a correct representation of the performances and to guarantee the reliability of the data, the use of estimates has been limited as much as possible which, if present, are based on the best available methodologies and are appropriately reported. Please, see the table in the following pages to identify any omission or estimate.

The reporting of some GRI Indicators has required the definition of a specific methodology, selected by STIGA among the requirements provided by the standard:

- **Transition from petrol to battery / electricity and efficient and low impact plants and offices: energy conversion and emissions factors (GRI 302-5, 305-5, 302-1, 302-4, 305-1, 305-2)**

In order to represent energy consumptions in GJ and direct and indirect GHG emissions (Scope 1 and 2) in tCO₂e, as required by GRI Standards, the conversion/emission factors 2021 provided by the Department for Environment, Food and Rural Affairs (DEFRA) in the United Kingdom, the Association of Issuing Bodies and the Climate Transparency Initiative have been used. Austrian, Finnish and Swedish offices use district heating systems that are powered respectively by waste incineration, wood chips incineration and a mix of fuels : the GHG emissions factors used for the calculation are provided respectively by the Italian environmental institute (ISPRA-2021), the DEFRA (2021) and directly by the supplier.

- **Transition from petrol to battery / electricity: methodology for the calculation (GRI 302-5, 305-5)**

The average useful life (in hours) of the average version of each product category has been multiplied by the hour consumption of fuel/electricity estimated in order to obtain **the consumption of each product in a specific time period**: to allow comparability the estimated lifetime of the petrol product has been applied also to the battery and corded products, and the results have been converted to GJ through DEFRA 2021 conversion factor. One representative product per category and power source has been chosen, in general the most sold or the one that includes the three different power sources.

The unit consumption of energy over the product average life has been multiplied by the product categories quantities sold in the fiscal years in order to obtain **the energy savings related to the mix of products sold**: the saving is calculated as the difference between the total GJ consumed if all the products were petrol and the actual sales mix.

Litres of gasoline or Kwh consumed over the average useful life of the products have been converted into tons of CO₂ equivalent according to DEFRA GHG emissions factors in order to obtain **the GHG emissions produced by a single unit of product**.

The unit tCO₂e has been multiplied by the product categories quantities sold in the fiscal years in order to obtain **the savings of GHG emissions related to the mix of product sold**: the savings is calculated as the difference between the tCO₂e resulting if all the products were petrol and actual tCO₂e from sales mix.

Attraction, development and wellbeing of employees (GRI 102-8, 102-41, 401-1, 405-1, 404-1, 404-3)

Employees are expressed as Full Time Equivalent (FTE). The approach is applied consistently among indicators and reported years. To calculate the rate, new employees and turnover are compared to the total employees on 31 December of each year.

Safe work environment (GRI 403-9)

In the calculation of injury rates, the coefficient "200.000" has been used. In the case in which there were no suitable GRI Standards topic specific indicators to represent STIGA performance in relation to a material topic, Non-GRI indicators were developed:

Non-GRI 1: Share of battery and corded products sold

In order to evaluate its progress on transition from the petrol to electricity path, STIGA assesses annually the number of battery-powered or corded products sold compared to the total figure for the Group. This Non-GRI indicator reflects an internal KPI monitored by the .

Non-GRI 2: Technology usage index

The indicator is calculated as the number of sold products that have been connected to the STIGA app at least once compared to the total number of sold products that can be connected to the STIGA app (%). It represents the share of consumers that has bought a digital integrated product and are using its connectivity features; it also helps STIGA to monitor how the market is responding to its digital transformation.

Non-GRI 3: Amazon reviews

A product review in Amazon website represents the comment shared by the customer on a purchased item. Each review is linked to a global satisfaction rating, from 0 (bad) to 5 (good). STIGA performs two types of monthly tracking of its product reviews:

- Qualitative: with the analysis of comments providing useful in information on customer experience
- Quantitative: calculating the average satisfaction rating score by product category and analysing its monthly trend



Non-GRI 4: Brand awareness surveys

The Group periodically performs brand awareness surveys to measure the recommendation level of STIGA brands among people in all the countries where STIGA operates. The two surveys addressed to the consumers are the "AIDED: BRAND AWARENESS SURVEY" and "RECOMMENDATION SURVEY". To evaluate "recommendation" the question asked was "How likely are you to recommend the following brands to a friend or colleague?" and the available answer range was between 0 to 10. To evaluate "brand awareness - aided" the question asked was "Do you know any of the following brands of garden tools even just by having heard about them?" and the value reported inside the table is related to the percentage of people who selected STIGA.

The recommendation rate that comes from "RECOMMENDATION SURVEY" can be considered reliable when the audience rating recommendation by country is higher than 80 from 300 people, this is seen in the Nordic countries (Denmark, Finland, Norway and Sweden) and Poland where brand awareness is higher than about 27%.

Non-GRI 5: Number of cybersecurity incidents occurred

According to the definition of the National Cyber Security Center (NCSC) and in line with the Computer Misuse Act (1990), STIGA considers a cyber incident as a breach of a system's security policy in order to affect its integrity or availability and/or the unauthorised access or attempted access to a system or systems. The four commonly recognised type of activities that are in line with this definition are:

- Attempts to gain unauthorised access to a system and/or to data;
- The unauthorised use of systems for the processing or storing of data;
- Changes to a systems firmware, software or hardware without the system owner's consent;
- Malicious disruption and/or denial of service.

Through its anti-intrusion system and the ICT team's commitment, the Group evaluates the annual number of detected cyber-attacks that impact STIGA's ICT systems.

Non-GRI 6: Incidents recorded in the management of chemicals and batteries

Starting from the health and safety data of the organisation, STIGA analyses the incidents recorded that have involved, directly and indirectly, chemical substances and batteries.

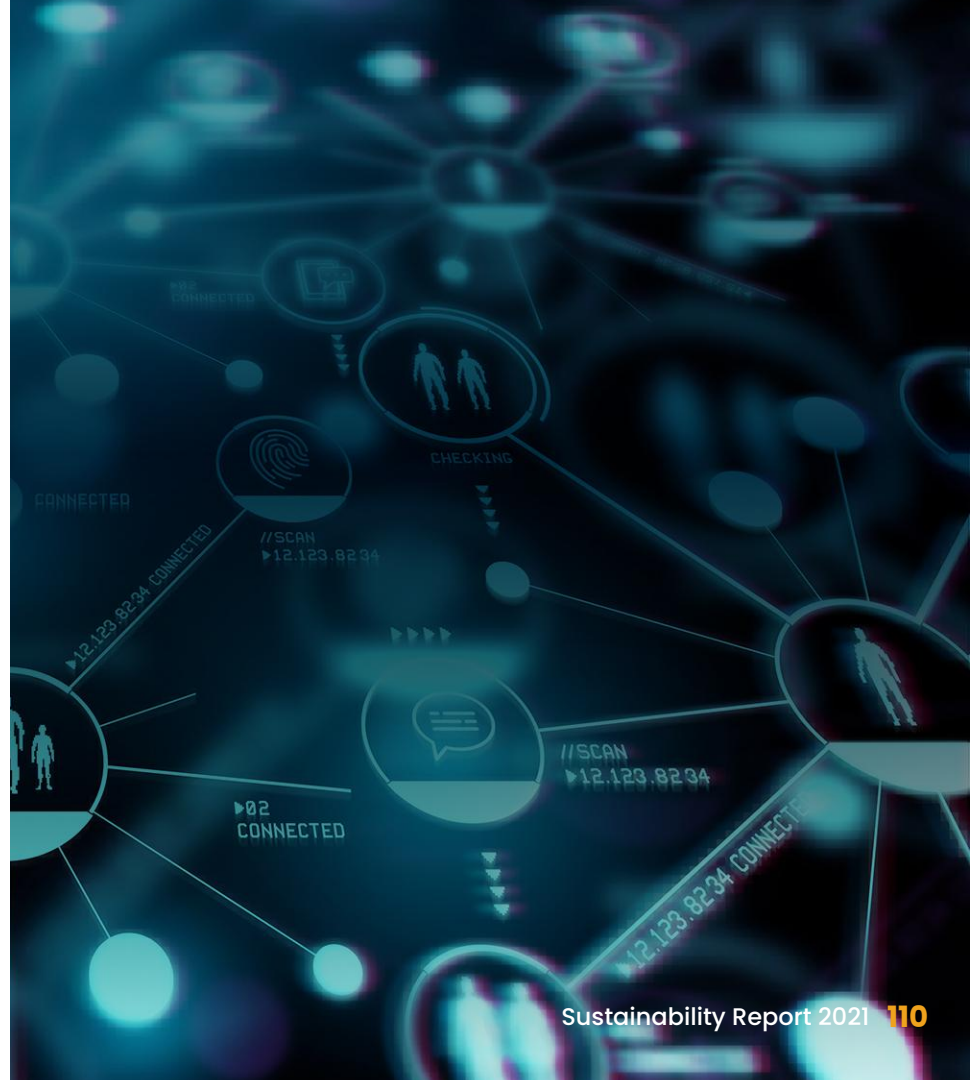
The following table summarises the omissions and the estimates related to the indicators reported. STIGA has evaluated that these do not reduce the credibility of the report and its usefulness to stakeholders.

Material Topics	Indicators	Omissions	Estimates
Efficient and Low Impact Plants and Offices	GRI 302-1	<p>Austria 2019 heating and electricity consumption is not available.</p> <p>Belgium, Denmark, Norway, Russia 2019, 2020 and 2021 heating consumption is not available.</p> <p>Finland 2019 electricity consumption is not available.</p>	<p>Belgium 2019 and 2020 gasoline and diesel consumption were estimated according to the total spend for car fuel and the related monthly average price.</p> <p>Finland 2019, 2020 and 2021 gasoline and diesel consumption were estimated according to the kilometres travelled and vehicles' average consumption.</p> <p>Germany Energy and heating consumption from 01/07/2021 to 31/12/2021 were estimated according to the data from the previous year.</p> <p>Poland 2019 gasoline and diesel consumption were estimated according to the total spend for car fuel and the related monthly average price.</p> <p>United Kingdom 2019, 2020 and 2021 diesel consumption were estimated according to the total spend for car fuel and the related monthly average price.</p>
	GRI 305-1 and GRI 305-2	GHG emissions were not calculated where energy data is not available.	GHG emissions have been estimated through specific emissions factors: the process has been described.
Sustainable Packaging	GRI 301-1 and GRI 301-2		<p>The weight of traded products has been calculated according to the quantity sold and the bill of materials.</p> <p>All the packaging of traded products has been classified as non recyclable due to the lack of specific information.</p>

The following table summarises the omissions and the estimates related to the indicators reported. STIGA has evaluated that these do not reduce the credibility of the report and its usefulness to stakeholders.

Material Topics	Indicators	Omissions	Estimates
Safe Work Environment	GRI 403-9		Austria, Czech Republic, Denmark, Finland, France, Norway, Poland and Slovenia 2019, 2020 and 2021 hours worked were estimated according to the average weekly work hours and the average work weeks. Belgium 2019 and part of 2020 hours worked were estimated according to the 2020 and 2021 available data .
	GRI 102-8	France 2019 data on non-employee workers is not available.	
Attraction, Development and Wellbeing of employees	GRI 404-1	France 2019 and 2020 training hours are not available. UK 2019 training hours are not available.	Austria, Belgium, Czech Republic, Sweden, Norway 2019, 2020 and 2021 training hours were estimated according to the training course provided and the number of participants. Germany 2019 training hours were estimated.
	GRI 404-3	France 2019 performance review data are not available.	

For any need of clarification or desire to deepen the contents of this document, please contact the Sustainability department at the following e-mail address:
esg.sustainability@stiga.com



GRI Standard	Disclosure	Page Number	Notes
GRI 101: Foundation (2016)	GRI 101: Foundation	N/A	
GRI 102: General Disclosure (2016)	GRI 102-1: Name of the organisation	<u>8</u>	
	GRI 102-2: Activities, brands, products, and services	<u>9-12</u>	
	GRI 102-3: Location of headquarters	<u>13</u>	
	GRI 102-4: Location of operations	<u>8, 13</u>	
	GRI 102-5: Ownership and legal form	<u>8</u>	
	GRI 102-6: Markets served	<u>9-11, 15</u>	
	GRI 102-7: Scale of the organisation	<u>16</u>	
	GRI 102-8: Information on employees and other workers	<u>60-61</u>	Please, see the Annex for the full data
	GRI 102-9: Supply chain	<u>18</u>	
	GRI 102-10: Significant changes to the organisation and its supply chain	<u>14-18</u>	
	GRI 102-11: Precautionary Principle or approach	<u>98</u>	
	GRI 102-12: External initiatives	<u>19-20</u>	
	GRI 102-13: Membership of associations	<u>19</u>	
	GRI 102-14: Statement from senior decision-maker	<u>3-4</u>	
	GRI 102-16: Values, principles, standards, and norms of behavior	<u>68</u>	
	GRI 102-18: Governance structure	<u>17, 26</u>	

GRI Standard	Disclosure	Page Number	Notes
GRI 102: General Disclosure (2016)	GRI 102-40: List of stakeholder groups	<u>27</u>	
	GRI 102-41: Collective bargaining agreements	<u>62, 71</u>	
	GRI 102-42: Identifying and selecting stakeholders	<u>27-28</u>	
	GRI 102-43: Approach to stakeholder engagement	<u>29-31</u>	
	GRI 102-44: Key topics and concerns raised	<u>29, 32</u>	
	GRI 102-45: Entities included in the consolidated financial statements	<u>8</u>	
	GRI 102-46: Defining report content and topic Boundaries	<u>29, 106</u>	
	GRI 102-47: List of material topics	<u>29, 106</u>	
	GRI 102-48: Restatements of information	N/A	Sustainability Report 2021 is the first issued.
	GRI 102-49: Changes in reporting	N/A	Sustainability Report 2021 is the first issued.
	GRI 102-50: Reporting period	<u>106</u>	
	GRI 102-51: Date of most recent report	N/A	Sustainability Report 2021 is the first issued.
	GRI 102-52: Reporting cycle	<u>106</u>	
	GRI 102-53: Contact point for questions regarding the report	<u>110</u>	
	GRI 102-54: Claims of reporting in accordance with the GRI Standards	<u>106</u>	
	GRI 102-55: GRI content index	<u>111-116</u>	
	GRI 102-56: External assurance	N/A	Sustainability Report 2021 has not been subjected to external assurance.

GRI Standard	Disclosure	Page Number	Notes
Transition from petrol to batteries/electricity			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>40-43</u>	
GRI 302: Energy (2016)	GRI 302-5: Reductions in energy requirements of products and services	<u>42</u>	
GRI 305: Emissions (2016)	GRI 305-5: Reduction of GHG emissions	<u>43</u>	
NON GRI	Non GRI 1: Share of battery and corded products sold	<u>41</u>	
Products connectivity and digital innovation			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>45-46</u>	
NON GRI	Non GRI 2: Technology Usage Index	<u>46</u>	
Sustainable materials and packaging			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>48-50</u>	
GRI 301: Materials (2016)	GRI 301-1: Materials used by weight or volume	<u>50</u>	
	GRI 301-2: Recycled input materials used	<u>49</u>	
Quality and safe products			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>53-54</u>	
GRI 416: Customer Health and Safety (2016)	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	<u>54</u>	

GRI Standard	Disclosure	Page Number	Notes
Attractions, development and wellbeing of employees			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>58-73</u>	
GRI 401: Employment (2016)	GRI 401-1: New employee hires and employee turnover	<u>66</u>	Please, see the Annex for the full data
GRI 404: Training and Education (2016)	GRI 404-1: Average hours of training per year per employee	<u>67</u>	
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	<u>67</u>	
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews	<u>68</u>	
GRI 405: Diversity and Equal Opportunity (2016)	GRI 405-1: Diversity of governance bodies and employees	<u>17</u> <u>63-65</u>	
Safe work environment			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>74-82</u>	
GRI 403: Occupational Health and Safety (2018)	GRI 403-1: Occupational health and safety management system	<u>74</u>	
	GRI 403-2: Hazard identification, risk assessment, and incident investigation	<u>75</u>	
	GRI 403-3: Occupational health services	<u>75</u>	
	GRI 403-4: Worker participation, consultation, and communication on occupational health and safety	<u>74</u>	
	GRI 403-5: Worker training on occupational health and safety	<u>76</u>	
	GRI 403-6: Promotion of worker health	<u>76</u>	
	GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>76</u>	
	GRI 403-9: Work-related injuries	<u>78</u>	

GRI Standard	Disclosure	Page Number	Notes
Promotion and affirmation of human rights			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>81</u>	
GRI 406: Non-discrimination (2016)	GRI 406-1: Incidents of discrimination and corrective actions taken	<u>82</u>	
GRI 412: Human Rights Assessment (2016)	GRI 412-1: Operations that have been subject to human rights reviews or impact assessments	<u>82</u>	
	GRI 412-2: Employee training on human rights policies or procedures	<u>82</u>	
Customer satisfaction			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>84-87</u>	
NON GRI	NON GRI 3: Amazon Reviews	<u>85</u>	
	Non GRI 4: Brand Awareness Surveys	<u>86</u>	
Compliance and Integrity			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>91-92</u>	
GRI 205: Anti-corruption (2016)	GRI 205-3: Confirmed incidents of corruption and actions taken	<u>93</u>	
GRI 307: Environmental Compliance (2016)	GRI 307-1: Non-compliance with environmental laws and regulations	<u>93</u>	
GRI 417: Marketing and Labeling (2016)	GRI 417-12: Incidents of non-compliance concerning the health and safety impacts of products and services	<u>93</u>	
GRI 419: Socioeconomic Compliance (2016)	GRI 419-1: Non-compliance with laws and regulations in the social and economic area	<u>93</u>	

GRI Standard	Disclosure	Page Number	Notes
Cybersecurity and data protection			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>94-96</u>	
GRI 418: Customer Privacy (2016)	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	<u>95</u>	
NON GRI	Non GRI 5: Number of cyber security incidents occurred	<u>95</u>	
Efficient and low impact plants and offices			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>98-101</u>	
GRI 302: Energy (2016)	GRI 302-1: Energy consumption within the organisation	<u>99</u>	
	GRI 302-4: Reduction of energy consumption	<u>98</u>	
GRI 305: Emissions (2016)	GRI 305-1: Direct (Scope 1) GHG emissions	<u>99</u>	
	GRI 305-2: Energy indirect (Scope 2) GHG emissions	<u>100</u>	
Safe chemicals and batteries management			
GRI 103: Management Approach (2016)	GRI 103-1, 103-2, 103-3: Management Approach	<u>102</u>	
NON GRI	Non GRI 6: Incidents recorded in the management of chemicals and batteries	<u>104</u>	

“

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.

”