



**TIGA**

# Sustainability Report 2023

**TIGA**

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# A Message from the CEO

STIGA is a purpose-driven Group.

Our goal is to make garden care a pleasure. We are focused on being a reliable partner for our customers by helping them to create, nurture and enjoy their own outdoor areas.

Sustainability remains central to how we deliver this. And we will continue to take action on our environmental, social and governance priorities in order to drive our business results in a responsible way.

In 2023, we encountered significant uncertainties in a market that presented bigger challenges than ever before. These included the increasingly widespread economic downturn, global inflation, geopolitical uncertainties and extreme weather conditions that contributed to reduced maintenance of outdoor spaces.

However, 2023 also highlighted the resilience of the STIGA Group, and underlined even further the need for positive change. The UN 2030 Sustainable Development Goals deadline is approaching and the Group places emphasis on the impact of its people on the planet. We continued to drive strong progress on our sustainability agenda, with all metrics improving.

As a leading player in the gardening sector, the STIGA Group is committed to finding new solutions that bring demonstrable improvements to our products and their impact on the environment. We use innovative technology that minimises our environmental footprint, greener power sources across a broad range of machines in every category, and are working to increase the circularity of our products' life cycles.



We have made a strong investment in energy from renewable sources, with our production plants adopting renewable electricity and plans to increase the percentage of self-produced energy further. Significantly, we have begun to calculate our carbon footprint for the first time which will help us baseline future sustainability projects.

On that note, we are very proud to announce that from 2024 STIGA will be members of the UN Global Compact: a special initiative of the UN Secretary-General that calls on companies to align on the Ten Principles of human rights, labour, environment and anti-corruption, as well as contribute to the advancement of the UN Sustainable Development Goals. Starting in 2024, we will report on the progress of projects that advance these goals.

In the meantime, this 2023 report shows what we have achieved so far and where we need to do better.

And I invite you to learn more about our 2023 sustainability path in the following pages, as well as to get a preview of our projects planned for 2024.

*Sean Robinson*

CEO of STIGA Group



# Key Data 2023

24%

Battery and electric products sold of overall sales  
vs 25% in 2022

6.7%

Recycled plastic in materials  
vs 6.8% in 2022

59%

Recycled material in packaging  
vs 61% in 2022

19,011

Total training hours, or 14.7 per employee  
vs 21,226 total, or 14.2 per employee, in 2022

1

Unsuccessful data breach, with no information stolen or compromised

27%

Female employees  
vs 25% in 2022

87%

Top 100 spending suppliers enrolled in Sedex or equivalent for ESG transparency on our supply chain

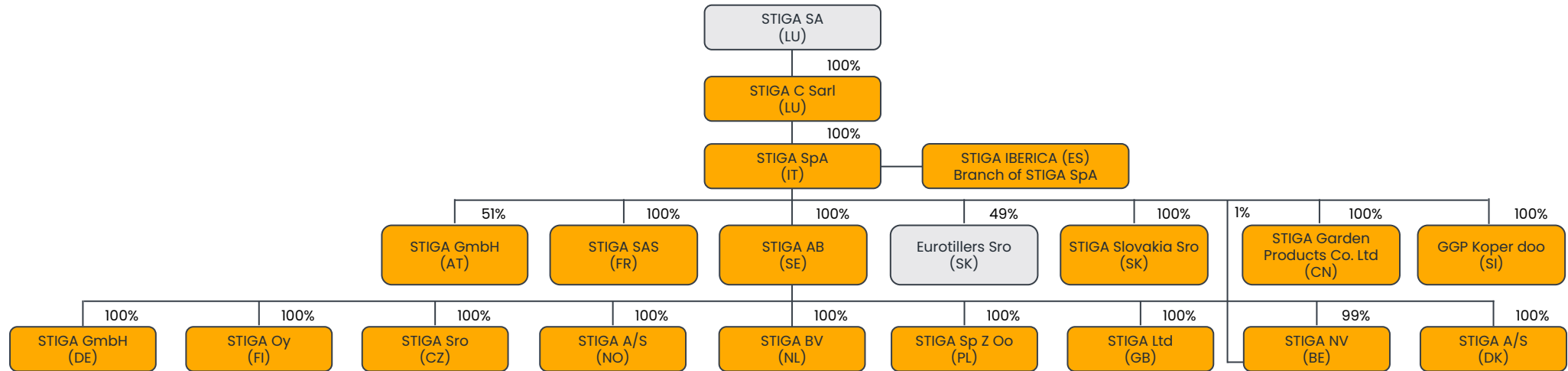
96%

Renewable energy  
vs 71% in 2022

# The Origins and Structure of the STIGA Group

STIGA is a major producer and distributor of powered garden products in Europe. We are a privately-held company selling durable household goods. 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. In 2022, STIGA expanded its presence in the category of robots (RO). STIGA is the Group's flagship brand, founded in 1934 by Stig Hjelmquist in Tranås (Sweden).

The orange-coloured companies in the below chart are those related to the reporting boundary for 2023 Sustainability Report. Eurotillers Sro (SK) has been excluded due to the minority shareholding (49%) and to its low materiality for the reporting. Stiga LLC (Russia) was reported in 2021 and 2022, but is not reported in 2023 because the company is no longer active. 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.



# 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, including owners of small gardens and balconies up to the largest and most complex lawn surfaces.

In the shift from petrol to electric, we are equipping all product categories with batteries: from handheld applications to lawn mowers, from robot mowers to big tractors and axial mowers that are able to cover large surfaces up to 13,000 sqm with one battery charge (Gyro 900e axial mower).

Robot mowers are the fastest growing category in the European garden market in all distribution channels. In 2023 STIGA started the distribution of the autonomous robot mowers models that do not need the installation of a physical perimeter wire and combine real-time kinematic GPS with the patented, predictive AGS - Active Guidance System technology.

Our products are offered through the traditional trade channel, DIY/mass market chains, online retailers, Original Equipment Manufacturing (OEM) and private label customers. Products are also sold directly to consumers through our e-shop [stiga.com](https://stiga.com), active in all of STIGA's European markets.

STIGA's core business is related to lawn cutting and maintenance. In addition, a notable 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.



# New Product Launches in 2024

Each year, STIGA renews and updates its product range, introducing new solutions for many gardening tasks. Our innovative approach combines ergonomics, connectivity, user interface electronics and robust engineering to create gardening tools that enhance every gardener's experience. Meanwhile, the number of battery and electric powered products we produce 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.

In 2024 STIGA celebrates its 90th anniversary, with a legacy spanning from 1934–2024, another occasion to communicate how heritage and innovation are two of the fundamental ingredients of our product technology. We are quality producers and lawn experts; we put our expertise at the service of innovative garden care by offering newly designed and engineered concepts to current and future consumers.



## STIGA robot range extension

Expanding autonomous robot range with smaller models (A 500, A 750, A 1000) making the new technology available for a bigger audience and with bigger models (A 7500, A 10000) to answer to the maintenance needs of big lawns. G 3600 is a new larger wired model equipped with GPS and remote connectivity.



## STIGA new 3 Series 2x20V tools

A grass trimmer, a hedge trimmer, a blower and a chainsaw equipped with 2x20V battery power and a new smart solution of on-board charging, while stored on the wall. The product and storage kit are packed for a low environmental impact.



## STIGA 48V battery look & feel

Redesigning 48V battery with a new look. New design and features at the service of consumer experience with continuous improvement. The battery is also backward compatible.



## STIGA core range & other brands

Completing the definition of STIGA core range collection, the selection to be listed ideally in every shop. Other brands are enriched with new models at every price point and work in combination with the STIGA range.



# The STIGA Brands



## Brands

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



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 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 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 a 50 year 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.

## ATCO

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 top-quality products, the brand has a strong and familiar identity, with craftsmanship at its core.

# STIGA Headquarters, Commercial Offices and Production Plants

The Headquarters is 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 approximately 80% 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 Veneto, 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.

In addition, our commercial organization include Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, the Netherlands, Norway, Poland, Slovenia, Spain, Sweden, and the United Kingdom.

**3**

**Plants**

**15**

**Commercial organisations**



# Markets Served

The Group sold 785,000 products and generated €451 million sales in 2023. STIGA directly reaches a total of 92 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, Benelux, Spain and Scandinavian countries. In 2023 we stopped doing business in Russia and the company has been mothballed.

The demand from markets not covered by a direct sales force is satisfied 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.



# Achievements Over the Last Year

2023 was a complex and difficult year, characterised by ongoing inflationary pressures, high interest rates and low growth, which, coupled with worsening geopolitical instability, depressed customer buying appetite. Simultaneously high trade stocks persisted as dealers took onboard deliveries resulting from supply chain disruption in 2022.

The market contracted during the first semester but recovered slightly in the second semester, albeit this was mainly driven by the mass market channel. All in all, we saw the total market size return to a level last seen in 2016, with STIGA's market share at 8.3%. Within this share we increased the proportion of branded sales to 62% following our strategic decision to exit some of our comparatively low-margin private label activities. Our focus is building the quality of our business through increasing branded sales and by leading with the STIGA brand

STIGA introduced a new range of autonomous robots and has immediately built a solid market share in the category, despite the fierce opposition put in place by the main competitors.

Profitability was supported by higher branded sales and cost reduction actions implemented throughout the business. We simultaneously implemented some changes to our organisational structure resulting in a number of non-recurring costs which impacted our financial results but will ensure we have a leaner organisation in the future.

An ongoing management focus is working capital improvements resulting from the reduction of the inventory levels. The positive cash generation improved the Net Financial Position by +17%. Additionally, the Group repaid a portion of its long-term debt.

## GRI 2-6: Scale of the organisation

		2021	2022	2023
	UoM	Total	Total	Total
Total number of employees	n	1,555.3	1,497.0	1,289.9
Total number of operations	n	19	19	18
Net Sales (Eur. '000)	€	573,367	636,973	451,023
Total Capitalisation (Eur. '000)	€	399,793	417,826	390,261
of which debt	€	224,124	226,873	197,818
of which equity	€	175,669	190,953	192,443
Quantity of products sold	n	1,538,354	1,232,290	752,973

STIGA continued to invest in innovative products in line with the Business Plan and the ESG strategy. The development of our sales team continued with significant product training and a new CRM system to manage sales force performance. The Company also committed to a significant enhancement of its trade dealer incentive programme. Platinum, gold and silver classification enables dealers with a richer ranging capability whilst simultaneously increasing STIGA's quality of sales.

This was launched in every country with a nearly 100% take-up rate. STIGA also expanded the B2B and B2C eCommerce capabilities, improving our customers' online experience with a new website design, new web features and the introduction of a new mobile app, STIGA.GO

# Corporate Governance Structure

The **Board of Directors (BoD)** of STIGA C forms the highest decisional body of the whole Group. It is composed of five directors, of which two are independent directors, one is the representative of the main shareholders and two are Company managers, specifically the CEO and the CFO. The Chairman of the Board is one of the independent directors. The executives are not from under-represented social groups. Initial appointments to the Board were made in 2010, 2014, and 2017, with the most recent board member appointments made in 2019. The BoD has appointed two committees, the Audit Committee and the Remuneration Committee, which are described on page [15](#).

The Boards of Directors of the various Group companies are composed as follows:

- STIGA SpA (Italy): the same as STIGA C.
- Commercial Subsidiaries: CEO, CFO, SVP Sales and local Managing Director (except Austria where the Board is composed of the CEO, CFO and two independent Directors and Belgium where the Board is composed of the CEO, CFO and the local Managing Director).
- Manufacturing Subsidiaries: CEO, CFO, COO and local Managing Director.

Monthly meetings are held with the **Executive Management Team (EMT)**, composed of the CEO, the CFO, the SVP Sales, the SVP Marketing, the SVP Group Legal & HR and the SVP Procurement & Supply Chain. The EMT implements the directives from the holding company, STIGA C, 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 Company's strategy.

The BoD directs and approves the STIGA Sustainability Strategy upon recommendation of the **ESG Committee**. This committee oversees the implementation of sustainability initiatives and meets quarterly to assess project progress.

## GRI 2-9 : Diversity of members of the highest governance body

Corporate Bodies	2021	2022	2023
Men < 30 years	0	0	0
Women < 30 years	0	0	0
<b>Total &lt; 30 years</b>	<b>0</b>	<b>0</b>	<b>0</b>
Men 30-50 years	1	1	1
Women 30-50 years	0	0	0
<b>Total 30-50 years</b>	<b>1</b>	<b>1</b>	<b>1</b>
Men > 50 years	4	4	4
Women > 50 years	0	0	0
<b>Total &gt; 50 years</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>

# ESG Governance

To enable consistent implementation of sustainability projects, STIGA formally established a cross-functional ESG Committee that includes project leaders from all relevant departments. The ESG Committee met quarterly in 2023, tracking the progress of all the strategic sustainability projects and took corrective actions where needed.

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

The **ESG Committee**, composed of the CEO, CFO, SVP Marketing, SVP HR & Legal, the ESG Manager and an independent Board member, is tasked with elaborating on and proposing strategies and commitments to ESG topics and targets. It also supervises and tracks all the activities of the Sustainability Strategy. It meets once per quarter to review the data of individual projects and evaluate their progress against targets, and to implement corrective actions where needed.

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.

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 of the various projects, following the process described in the Sustainability Path report section.



# Other Governance Committees

The corporate governance structure includes three additional internal and external committees with the role of overseeing specific governance matters.

The **Audit Committee** is a consulting body and is appointed by the Board of Directors of STIGA C Sarl to review the accounting policies, Consolidated Financial Statements, risk management, cyber security activities, and internal auditing activities. The Committee recommends to the Board the approval of the Consolidated Financial Statements. It is currently comprised of two Company managers and the representative of shareholders.

The **Remuneration Committee** is a consulting body and supports the STIGA C Sarl Board of Directors in decisions regarding selection of managers, remuneration, salaries and bonuses. While there are currently four members, it can be comprised of up to five members, all of whom are also Board members.

The **Privacy Committee** is in charge of overseeing activities related to data privacy and protection at STIGA SpA, including adherence to the GDPR. This committee is comprised of three members, two internal to the company and one external. The external member is a mandatory role and is appointed annually.

**GRI 2-9 : Diversity of other committee members (2023)**

	< 30	30-50	>50	Total
Men	0	1	2	3
Women	0	0	0	0
<b>Audit Committee</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Men	0	1	3	4
Women	0	0	0	0
<b>Remuneration Committee</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>4</b>
Men	0	0	2	2
Women	0	1	0	1
<b>Privacy Committee</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>

# Professional Affiliations

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

- International: the European Garden Machinery Industry Federation (EGMF), which represents major European garden machinery producers; the Bluetooth Special Interest Group, an international standards development, product certification, and trade association.
- Belgium: Fedagrim (Federation of suppliers of machinery, buildings and equipment for agriculture and green facilities).
- Denmark: Dansk Erhverv (an association for employers); Maskinleverandørerne (machine suppliers professional trade association).
- Finland: Association of Finnish technical traders; Finnish Commerce Federation.
- France: ADEME (National Register of Producers); AXEMA (gardening equipment producers); Corepile (portable batteries and accumulators); Ecologic (selective treatment of waste electrical equipment, thermal products and packaging); FEVAD (eCommerce federation); FICIME (industry owner association); GIE France Recyclage Pneumatiques (tire waste).
- Germany: IVG (Industrieverband Garten).
- Italy: Assindustria Veneto Centro, a territorial association part of Confindustria (Confederation of Italian Industry); ComaGarden (federation of garden machinery producers); FederUnacoma, Italian federation of agricultural machinery producers.
- Netherlands: Fedecom (manufacturer trade association for the horticulture and farming-related industry).
- Norway: NOBB (Norwegian common product database for builder merchants/DIY), PHLF (garden machinery manufacturers organisation).
- Slovakia: Chamber of Commerce.
- Spain: ANSEMAT (Asociación Nacional del Sector de Maquinaria Agrícola y Tractores).
- Sweden: Elkretsen (recycling of electrical products); Park & Trädgård (organisation for distributors of machines for park and garden care); Teknikföretagen (employers' association).
- UK: AEA (Agricultural Engineers Association); Ecosurety (reporting on batteries); WE3 (Electrical machinery); WEEE (reporting on waste packaging).



# Community Connections

STIGA cultivates partnerships with communities near our offices. Some activities are directly related to STIGA's business, such as our partnerships with the Universities of Trento and Padova. These collaborations are co-beneficial because they support educational initiatives and inform business processes, such as gardening and battery innovations. We also engage in charitable activities that benefit our communities or employees every year:

- The **Headquarters** engagement with Ca' Leido connected employees to 0km food that is grown and provided by people with disabilities. In addition, a new partnership with La Storga was formed, providing the local urban forest with gardening equipment and giving STIGA employees and their children access to activities hosted in the park.
- The employees in **China** regularly engage with their community by supporting activities for children with disabilities and their families. Twice during 2023, Stiga employees met with children with disabilities and their caregivers to do activities and to explore additional ways of supporting their needs. Every year they visit a local organisation representing unemployed adults with disabilities to provide aid or employment support. During the spring, employees joined a gathering organised by the local government to plant trees in a new public facility.
- The **Slovakia** office donated new lawnmowers to local kindergarten and secondary schools.
- The **Czech Republic** office made donations to two sports clubs and a foundation to help children needing bone marrow transplants.
- The **Austria** office donated to fire brigades around the country.
- The **UK** office donated products to a local home for animals, a community composting group in Devon, a children's hospice and a prostate cancer charity.



*The Italy office donated a hedge trimmer to La Storga, a local outdoor organisation.*



*Employees from the China office participating in a tree planting day at a local public facility.*

# STIGA ESG Strategy

STIGA defined the ESG Strategy as 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 and stakeholders, and it takes into account the imperatives of the 2024 Business Plan, Brand Strategy Values, and ESG pillars. Specific areas of focus were further split into projects, each of them assigned to a project leader.

The proposed list of projects on the following pages have been shared and sponsored by the ESG committee along with priorities, measurable targets and relevant KPIs. The majority of our goals are voluntary, except where certain standards guide aspects of goals within the topics of Safe Chemicals and Batteries Management, Digital Products and ICT Security, Quality and Safe Products, Diversity and Inclusion and Transition to More Sustainable Products.

Overall, the strategy and goals for sustainability are in alignment with business targets, which are approved by the Board of Directors. Goals are assessed against data received from ESG project leaders during ESG committee meetings. This enabled us to reflect on the achievements of 2023, when we completed some short-term projects after having met our targets and embedded them into Company processes. As we continue implementation, we are replacing achieved targets with new sustainability projects. In 2024, our projects continue to be in alignment with the interests expressed by our stakeholders and the material topics selected under the 2021 GRI Standards.

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

## PRODUCTS

**“We are green-fingered engineers.”**

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

## PEOPLE

**“Putting people first.”**

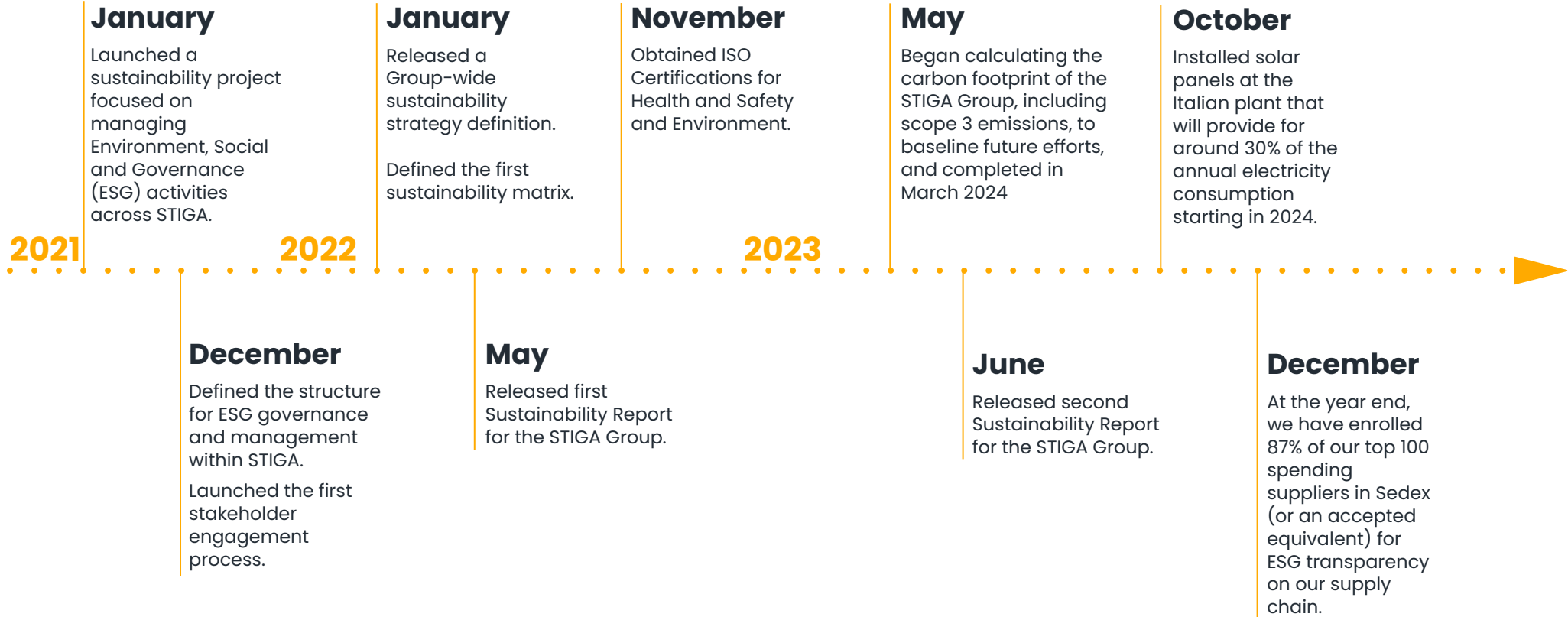
- Ensure people operate in a safe and stimulating work environment.
- Attract and retain talent.
- Develop internal capabilities.

## PROCESSES

**“The power of simplicity.”**

- Make plants and offices greener, saving energy, increasing renewable energy consumed, reducing waste, and calculating our carbon footprint.
- 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 STIGA Sustainability Story



# STIGA Stakeholders

STIGA has defined the main **stakeholders** in alignment with the GRI definition of an “individual or group that has an interest that is affected or could be affected by the organisation’s activities”. In order to identify stakeholders, STIGA analysed its business activities and evaluated which stakeholders are most influenced by the decisions taken by the Company and which stakeholders most influence the decisions of STIGA. Accordingly, 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 collaborative 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 and 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. This information is shared via email and through the Company portal (STIGA NEXt), with line managers reinforcing the messages. Moreover, STIGA SpA meets with Trade Unions to communicate training activities, organisational changes, adopted security measures, and plans for the following year. STIGA Italy and China also hold regular, often monthly, events in collaboration with local schools and universities to seek new talent or to expand our knowledge base. The Italy, UK and China offices also have established connections with local community groups and collaborate with them on a regular basis (see page 17).

Furthermore, STIGA interacts externally with consumers, customers, suppliers, media, 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 and price lists and submit product claims. Suppliers also have daily interactions with STIGA through email and phone calls with employees.

Consumers who register products are informed of updates via newsletters and can also 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, analysed and discussed by Company management.

# Reporting Process

STIGA is utilising the 2021 “Global Reporting Initiative Sustainability Reporting Standards” (hereafter “GRI Standards”). According to these guidelines the materiality analysis was updated for the 2022 Sustainability Report in order to consider the impacts generated by the organisation. The same material topics were used for the 2023 Sustainability Report since there were no significant changes to business operations since the previous reporting year.

In the past few years, STIGA has developed a more robust approach to applying the precautionary principle to anticipate risks and mitigation activities. An internal risk management process tracks and assesses projects closely. Any risks associated with the GRI Standards are disclosed to our stakeholders in this report.

The materiality analysis considers the most significant **impacts** generated and **mitigation** efforts implemented by the organisation in relation to the **economy**, the **environment** and the **people**, including the impacts on **human rights**. The materiality analysis was defined for the 2022 report by creating a list of ESG topics that have the greatest relevance for STIGA. The relevance and significance of impacts were assessed through internal interviews. Finally, the topics were prioritised in terms of severity and likelihood.

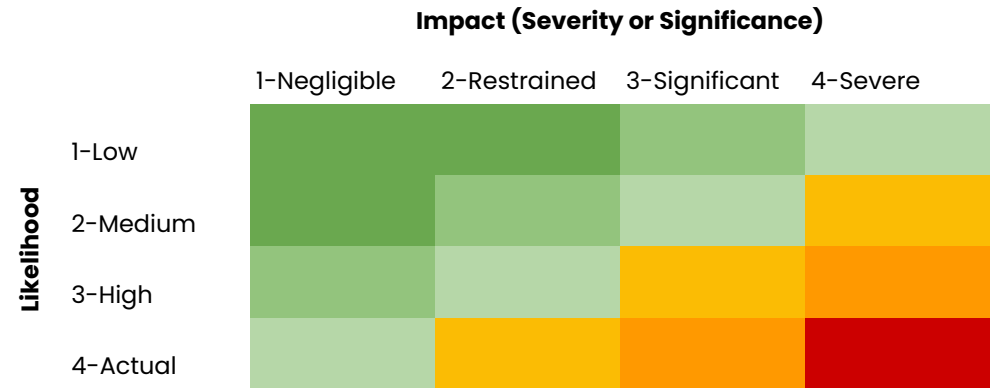
STIGA has followed the GRI requirements to:

- Understand the context of reference.
- Identify potential and actual impacts.
- Assess the magnitude of impacts.
- Prioritise the most significant impacts for reporting purposes.

Ultimately, this process has updated the evaluation of impacts across all relevant material topics. The importance of each impact has been evaluated on a scale that considers the scale of intensity of the **severity** (for negative impacts) or **significance** (for positive impacts) of the impact, as well as the **likelihood** of the impact (chances of the impact happening), as shown in the below graphic.

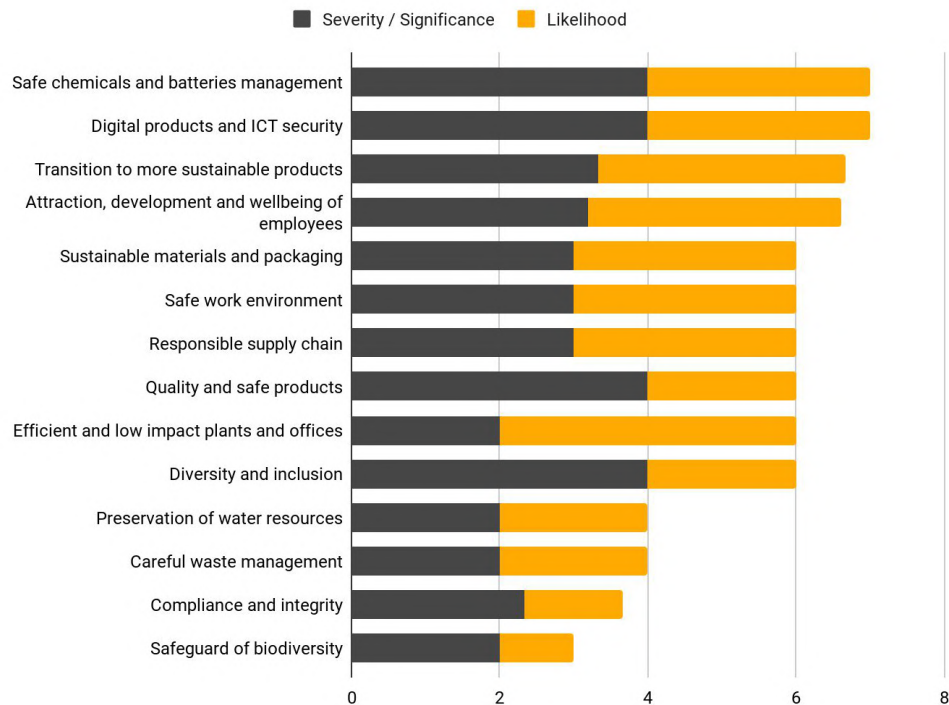
Quantitative scales were used in order to assign a score to the qualitative observations: the scores were then used to prioritise the material topics. The material topics used for evaluation in the 2023 Sustainability Report include those with severe impacts (shown in red), significant impacts (shown in orange), or restrained impacts (shown in yellow).


Although the 2021 GRI standards do not specifically require a stakeholder engagement process, we believe doing so is valuable to informing our approach.



A formal engagement with STIGA stakeholders was conducted in late 2022, which provided us with the insights on the importance of ESG topics that continued to inform our ESG strategy in 2023. The results of the engagement were incorporated into the internal management assessment, completing the definition of the material topics. The top 14 topics are ranked below with their classification by severity and likelihood.

The 10 material topics with the most significant impacts were selected for disclosure in the 2023 Sustainability Report. These have not changed from 2022, since no major changes occurred in our business or our external relationships. The strategic ESG pillars and supporting projects described on the following pages are aimed at addressing the impacts associated with the below topics through a transparent process with clearly delegated responsibility.



<b>Safe chemicals and batteries management</b> <i>p. 88</i>	<b>Digital products and ICT Security</b> <i>p. 77</i>	<b>Transition to more sustainable products</b> <i>p. 30</i>	<b>Attraction, development and wellbeing of employees</b> <i>p. 50</i>
<b>Sustainable materials and packaging</b> <i>p. 39</i>	<b>Safe work environment</b> <i>p. 87</i>	<b>Responsible supply chain</b> <i>p. 82</i>	<b>Quality and safe products</b> <i>p. 46</i>
	<b>Efficient and low impact plants and offices</b> <i>p. 80</i>	<b>Diversity and inclusion</b> <i>p. 64</i>	 <i>Look for this icon throughout our report to identify the 2023 material topics.</i>

# Achievements: Products

Project	Description	2023 Commitment	2023 Result	2024 Target	Page
<b>Transition to Electric</b>	Increase the percentage of electric powered products sold in overall sales mix, supported by consumer incentives.	Electric powered products to represent 28% of total by 2024.	24%	Electric powered products to represent 28% of total by 2024.	<a href="#">29</a>
<b>Mulching</b>	Encourage and promote the mulching technique to STIGA consumers.	Keep the percentage of “mulch-ready” products sold above 80% in the STIGA lawn care segment.	87%	Keep the percentage of “mulch-ready” products sold above 80% in the STIGA lawn care segment.	<a href="#">33</a>
<b>Recycled &amp; Renewable</b>	Increase the percentage of recycled, renewable and lower environmental impact components and packaging materials in the supply mix.	Increase the percentage of recycled packaging (61%) and of recycled plastic (7%) compared to 2022.	<b>Packaging:</b> 58.7% recycled packaging. <b>Plastics:</b> 6.7% recycled plastic.	<b>Packaging:</b> 61% recycled packaging with elimination of polystyrene. 5% reduction in plastic use in packaging for internally manufactured products. <b>Plastics:</b> 7.5% recycled polymers.	<a href="#">35</a>
<b>Long Life Products</b>	Scope a project that addresses design for disassembly, spare parts availability, and after-sales service improvement.	Assess the current status and develop a solid strategy in 2023.	<b>Disassembly:</b> testing on sample product completed. <b>Spare parts availability:</b> procedures to be defined. <b>Service improvement:</b> 19 new instructional materials created.	<b>Disassembly:</b> Implement procedures on new products. <b>Spare parts availability:</b> Implement the newly defined procedures. <b>Service improvement:</b> Advise customers on maintenance needs through a STIGA portal.	<a href="#">41</a>
<b>“3R” for Batteries (Recharge, Repair, Recycle)</b>	Scope a project to keep the batteries properly recharged, repair where possible and start a process to recycle them.	Assess the current status and develop a solid strategy in 2023.	<b>Recharge:</b> sampled batteries to define a process and engaged two external partners for battery management. <b>Repair:</b> new agreement planned with battery provider. <b>Recycle:</b> training and engagement planned with 2 Italian universities.	<b>Recharge:</b> Project complete. <b>Repair:</b> Project complete. <b>Recycle:</b> Set up terms and conditions for future agreement with one recycling consortium.	<a href="#">44</a>

# Achievements: People

Project	Description	2023 Commitment	2023 Result	2024 Target	Page
<b>Talent Attraction</b>	Improve job opportunities and training for local talent pool.	Interns - Hire 100 interns across the entire Group. Events - Hold 35 employer branding events.	Interns - 84 internships activated. Events - 64 employer branding events held.	Interns - Hire 100 interns across the entire Group. Events - Hold 35 employer branding events.	<a href="#">55</a>
<b>Training</b>	Increase employee skills and knowledge, also on ESG topics.	Maintain goal with 22k training hours, with a focus on ESG.	19,011 and new ESG training introduced, due to fewer employees and lower budget.	15 hours of training per employee, on average.	<a href="#">57</a>
<b>*NEW for 2024* Gender Equality</b>	Analyse and update internal processes to improve gender equality metrics at STIGA.			Initiate project to seek a gender equality certification for the Italy office.	



# Achievements: Processes

Project	Description	2023 Commitment	2023 Result	2024 Target	Page
<b>Cybersecurity</b>	Ensure strong cybersecurity and personal data protection investing in servers and networks.	Keep state-of-the-art safety standards and minimise issues to realise 0 data breaches.	1 breach (no data loss).	Keep state-of-the-art safety standards and minimise issues to realise 0 data breaches.	<a href="#">74</a>
<b>Efficient &amp; Low Impact Plants &amp; Offices</b>	Reduce energy consumption per unit of volume produced and increase self-produced and purchased renewable energy.	Increase the percentage of renewable energy compared to 2022 (71%).	100% renewable energy in all plants and 96% across all offices.	Invest in energy-savings projects in the Italy and Slovakia plants.	<a href="#">79</a>
<b>Group Carbon Footprint</b>	Analyse and inventory the greenhouse gas emissions of the entire Group, including mapping upstream and downstream processes.	Complete an initial carbon footprint calculation by Q1 2024.	On track to complete calculation in Q1 2024.	Third-party certification of the 2022/2023 carbon footprint data. Annual data data and improvement of the data collection process.	<a href="#">84</a>
<b>Responsible Supply Chain</b>	Collect information on the supply chain to ensure alignment with our Code of Ethics and goals for a responsible and sustainable supply chain.	Engage at least 50 of the top 100 suppliers through Sedex platform 2023.	87% of the top 100 spending suppliers are enrolled in Sedex or an accepted equivalent for ESG transparency on our supply chain.	Enrol all top suppliers by 2024, audit risky suppliers and update internal vendor rating score with ESG metrics.	<a href="#">86</a>

# UN Global Compact

During the final ESG Committee meeting of 2023, we made the decision to apply to become a United Nations Global Compact member. The UN Global Compact is a special initiative of the UN Secretary-General that calls on companies to align on the Ten Principles of human rights, labour, environment and anti-corruption, as well as contribute to the advancement of the 17 UN Sustainable Development Goals. From 2024, this membership will allow us to fully align our Sustainability Strategy and ESG projects with these principles and goals, underscoring our commitment to advancing progress on responsible business practices.

Starting in 2024 we will track and then report on progress against projects that advance the following UN Sustainable Development Goals:



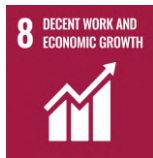
## Gender Equality

Initiate a project to seek a gender equality certification for the Italy office, which will involve review and update of our policies.



## Responsible Consumption and Production

Initiate audits on high risk suppliers and expand the use of recycled materials in product parts and packaging.



## Decent Work and Economic Growth

Improve employee safety to realise reduced injury rates for employees and workers.



## Climate Action

Certify the base year Scope 1-3 GHG emissions and begin setting emissions reductions targets.

## Ten Principles of the UN Global Compact

### Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

### Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

### Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

UN Global Compact: <https://unglobalcompact.org/what-is-gc/mission/principles>

# STIGA ESG Strategy: Looking Ahead

In 2023, we advanced important projects even in the face of a challenging year for sales. Even where some targets were not met, we will double down on our efforts for the next year with the intention of executing on our ESG strategy and making STIGA more sustainable. In other cases, where our projects are in early stages, we will invest in their further evolution and development in 2024.

Perhaps the most exciting ESG project of 2023 was initiating the process of calculating the carbon footprint of the Group. These results will provide the necessary data and insights to begin making more concrete decisions about reducing our emissions starting from 2024. We already anticipate the areas of focus will be in reducing the impact of our products and shipping logistics.

That is why, in order to meet our 2024 goal of 28% sales coming from electric and battery powered products, we are investing a significant portion of our R&D budget in these products and providing new incentives and promotions for consumers to make the switch. It is our belief that these investments paired with customer and consumer education will help us realise the transition to more sustainable products.

Many of our other projects are also focused on the long-term since they involve changing processes and partnerships. For example we will keep raising the bar on research and testing to produce quality, long life products and batteries that are also sustainably sourced. When it comes to a responsible supply chain, we are making strides by enrolling the majority of our top 100 spending suppliers on the Sedex platform, a tool to assess the practices of our suppliers through questionnaires and audits, which is giving us important ESG insights that will inform these business relationships in a new way.



This year we laid the groundwork to make even bolder progress on our sustainability strategy in 2024. Gathering data to calculate our carbon footprint has been at the centre of our efforts this year and has involved every company in the Group. At the STIGA Headquarters, we are working to improve our green energy footprint, having installed solar panels on the roof of our Italy plant at the end of 2023, which will give us greater energy autonomy in years to come.



**Andrea Frassetto, Process Improvement and ESG Manager**

We are green-fingered  
engineers.



Products



Products

## Transition to More Sustainable Products

### Target

Increase the percentage of battery and electric powered products sold in overall sales mix to represent 28% by 2024.

### 2023 Highlights

- We still have to make progress to reach our 2024 goal, with 24% of overall sales coming from battery and electric powered products in 2023.
- Our dedication to this transition is high: more than three-quarters of our R&D investments are in batteries and battery-powered products.

### Next Steps

With the aim to increase battery and electric powered products to 28% in 2024, we are planning targeted incentives for the robot and other battery powered products, including cash back promotions.

# Transition to more sustainable products

In 2023 we promoted our battery and electric powered garden tools from mowers to handheld tools that can be used in gardens of all sizes. This is in support of one of our most important projects: a transition to electric and battery-powered products to contribute to a more sustainable planet. As we design products with sustainability in mind, we also consider the other benefits we can bring to consumers, such as greener and quieter tools that use less energy and reduce pollution, emissions and the need for excessive fertiliser.

As transitioning to more sustainable products is an area of focus for material impacts, we take very seriously this opportunity to innovate and improve our competitiveness, expand our knowledge on green technology, and prepare us for the future. This transition has led us to create products that are optimised for battery power. The resulting design stands on its own in terms of quality and efficiency.

You can see the commitment to our future roadmap toward battery technology in our product launches and our growing expertise in battery and electric powertrain technology. We have a battery-focused team who are continually advancing battery testing and technology. For example, we have an internal laboratory and we follow internal procedures informed by international best practices and regulations that is further fortified with extensive field testing, pushing our products to the limits. In addition, by producing batteries internally we can realise efficiency in our design process.

These efforts are underwritten by an investment in battery technology that represents 76% of our R&D portfolio for 2023. This investment in our people, processes and equipment is helping STIGA to advance its expertise in battery technology, giving us growing capacity to design better products and stay competitive.



When developing our products, we must consider the impact on energy consumption across their lifecycle, their reparability, the need application of chemical fertilisers, and the end of life disposal of our products, including batteries.

STIGA continues to look to expand the sales of battery and electric powered products, considering a process to assess product reparability and disposal, and funding research on the environmental benefits of mulching with the University of Padova.

As we develop battery technology and new electric solutions, we also look for ways that align simplicity and sustainability. That’s why we offer two standard interchangeable battery sizes for use across all product categories—the 20V for lightweight and easy-to-use tools, and the 48V for a range of gardening tools and machines made for long working sessions and high performance. In the future, we want to do this on more machines, which means further electrification of our petrol machines. And when we do so, we do much more than swap components: we design a new electric product from the ground up, much like we did with the Swift ride-on mower.

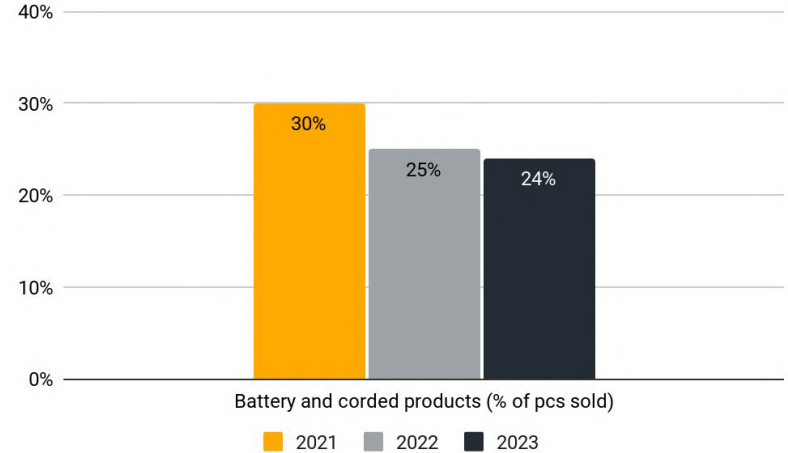
Despite these continued investments, as indicated in the chart opposite, the share of battery powered and corded products sold by STIGA slightly decreased in 2023 compared to 2022. Across all categories, sales were lower than anticipated. However, we are pleased that the margin of battery and electric powered products sold continued to stay within the projected range.

In 2024, we will offer incentives and encourage consumers to discover for themselves the benefits of STIGA’s battery products. In the case of the robot mower and products that use the 48V battery, we are offering a cash-back promotion to incentivise the switch to electric. We are also offering a warranty extension of 5 years on all robots and 48v ePower battery products. Finally, we are holding a “Green Days” promotional sale on electric tractors, including the Swift and e-Rides. In this way we hope to accelerate the shift to electric and subsidise the transition acceleration. The benefits to consumers include quieter machines that use considerably less energy than the equivalent petrol versions.

Every petrol motor and machine is tested and certified in compliance with international standards, including the European Regulation 2016/1628 applying emission limits to non-road mobile machineries.

As seen in the charts on the following page, the transition from petrol to batteries not only has an impact in terms of energy consumption, but also in avoided greenhouse gas (GHG) emissions. At individual product levels, the emissions savings for battery products are extremely high, though with the overall share still being limited.

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



The STIGA 48V and 20V interchangeable batteries.

The tables below express the energy savings (expressed in Gigajoules or GJ) and emissions reductions (expressed in tons of CO2 equivalent or tCO2e) of the most important product categories for which new battery powered models were sold in 2023. The sales mix was compared to a baseline as if all sold products were petrol. In 2023 a new, more precise calculation methodology was applied that gives us more accurate estimates. Therefore, considering the new methodology does not allow for comparison to previous years, only the 2023 data is shown in the report.

<b>GRI 302-5: Reduction in energy requirements - products sold in the Fiscal Years</b>		
<b>2023</b>		
	GJ	%
Walk Behind (WBH )	-278,583	-16.69%
Brushcutters/ trimmers	-52,297	-31.33%
Chainsaw	-17,804	-16.31%
Hedge Trimmer	-29,460	-62.19%
Blower	-39,085	-54.57%
Ride-On	-19,813	-1.06%
Riders	-7,016	-8.14%
Multi Tools	-19,509	-64.28%
Snow Thrower	-2,313	-20.23%
Robots*	-16,678	-70.91%
Zero Turn	-4,139	-78.80%
<b>Total</b>	<b>-486,696</b>	

Calculation method applied. The unit consumption of energy over the average product 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 savings is calculated as the difference between the total GJ consumed if all the sold products were petrol compared to the actual sales mix.

\*Since Robots are only battery powered and without a petrol equivalent, they are compared here to Petrol Ride-ons, considering the same working hours and square meters in one year.

<b>GRI 305-5: Reduction of GHG emissions - products sold in the Fiscal Years</b>		
<b>2023</b>		
	tCO2e	%
Walk Behind (WBH )	-18,015	-16.60%
Brushcutters/ trimmers	-1,395	-29.57%
Chainsaw	-532	-14.14%
Hedge Trimmers	-771	-63.03%
Blowers	-975	-47.41%
Ride-On	-2,955	-1.15%
Rider	-774	-9.67%
Multi Tools	-820	-63.72%
Snow Throwers	-494	-25.34%
Robots*	-2,253	-82.42%
Zero Turn	-635	-88.04%
<b>Total</b>	<b>-29,617</b>	

Calculation method applied. The unit tCO2e has been multiplied by the product category quantities sold in each fiscal year 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 compared to the actual tCO2e from the sales mix.





Products

## Mulching

### Target

Encourage and promote the mulching technique to STIGA consumers by keeping the percentage of “mulch-ready” products sold above 80% of STIGA lawn care segment.

### 2023 Highlights

- The result of 87% of products sold being mulch-ready is in line with expectations.
- Our partnership with a local Italian university on mulching research continues to inform our innovation processes.

### Next Steps

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

# 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 dispersed back onto the lawn to decompose and return valuable nutrients back into the soil. STIGA has always believed in the potential of the mulching and 87% of the lawn care products sold in 2023 are “mulch-ready”.

We continue to partner with the Agronomy Department at the University of Padova to perform studies of the mulching technique as a sustainable management technique for turf, as pictured on the right. An initial research review in 2022 documented that mulching benefits include CO2 sequestration in the soil, nutrients returned to the soil, reduced use of fertiliser, prevention of water loss and less need for watering.

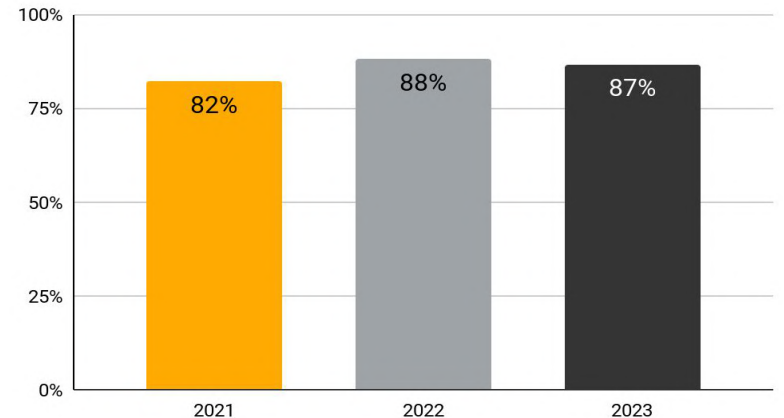
In 2023, the research team at the University of Padova, led by Professor Stefano Marcolino, oversaw an evaluative study in which turf was used to test different methods and combinations of mulching and fertiliser. The results were encouraging and underscored our approach of selling mulch-ready lawn care products. The initial findings include:

- Mulching improves the quality of the turf.
- Even if fertiliser was applied to the turf, mulching still increases the quality of the lawn.
- By applying 40% fertiliser and using mulching, the growth and quality of the turf is greater than applying 100% fertiliser but without mulching.

Next year, this research effort will be summarised in full, an important step for informing our innovation processes and communication with our customers.



**Non-GRI 8: Mulch-ready lawn care products sold**





Products

## Sustainable Materials and Packaging

### Target

Increase the percentage of recycled, renewable and lower environmental impact components compared to 2022 achievements (6.8% recycled plastic and 61% recycled materials).

### 2023 Highlights

- Results are similar to 2022 due to an unfavorable sales mix in the market.
- New packaging designs were released on some products to reduce impact with 59% of materials from recycled sources.
- Testing sustainable materials continued, with 6.7% recycled plastic used in production.

### Next Steps

Packaging: Ensure 61% of packaging uses recycled materials and eliminate polystyrene. Reach a 5% reduction in plastic use in packaging for internally manufactured products. Plastics: Achieve 7.5% recycled polymers used in products.



ePower



20V

2Ah

Li-Ion battery

Battery  
Batterie  
Batterie  
Batterie  
Accu  
Bateria  
Bateria

Mnatapla  
Pij  
Batteri  
Batteri  
Batteri  
Akku  
Akumulátor

Akumulátor  
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Аккумулятор  
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Baterija  
Аккумуляторна батерия  
Aku

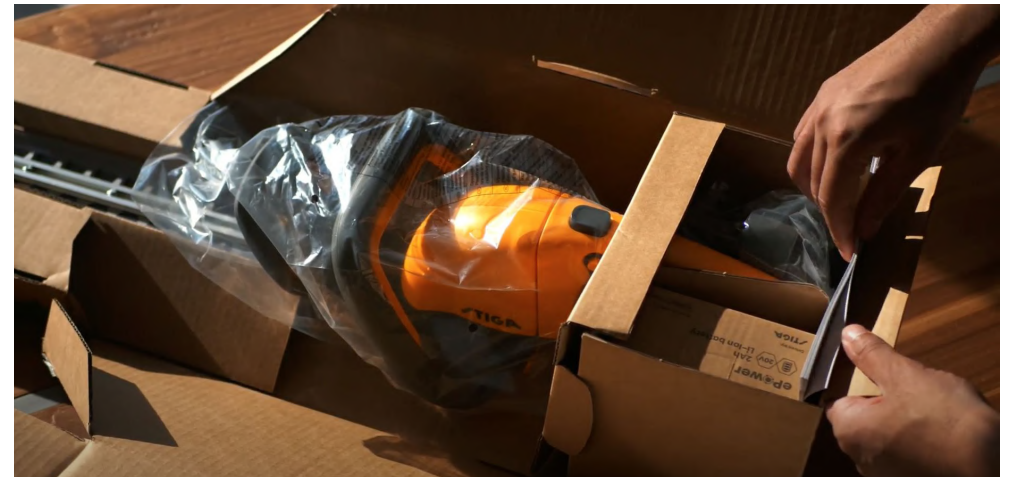
# Sustainable Packaging



Each year brings a new opportunity to evolve our packaging. And each year we commit to developing the next iteration of packaging with a reduced environmental impact. Sustainable packaging is a critical consideration in selecting and building relationships with suppliers, and those with a lower environmental impact lead the way. We know that innovating on packaging can save resources—from raw materials, to energy consumption to water—while meeting consumer demands and improving operational efficiency. In fact, evolutions in packaging call for changes to be made to assembly line operations, including adaptations to staff activities. And finally, since the consumer will ultimately choose the most appropriate or convenient disposal method, based on the materials selected by STIGA, this will also have an impact on sustainability.

We have continued to invest in efforts to evolve our packaging. Most recently, we have focused on increasing the amount of recycled materials in our packaging. We will soon introduce a 100% recycled cardboard box for some of our handheld products. In 2023, we aimed to increase the recycled materials in packaging compared to 2022 (at 61%) and fell just shy of this goal at 59%.

Even so, this was a year of exploring packaging options and testing ideas through pilot projects. This builds on a trend of research to test more sustainable materials and designs to ensure our products are shipped safely to consumers. Since 2020, we have used simpler printing, less ink, and unbleached paper packaging. Then in 2022, we started reducing the number of box sizes and formats and initiated internal testing for next generation of sustainable packaging. In 2023 we built on these successes and designed totally new packaging for certain products that decrease the use of materials overall and increase the use of recycled materials. For now, the impact on production is small, but the lessons learned will have a big impact in terms of what's next.



We are motivated by recent accomplishments to improve our packaging, and our next changes are intended to be those with large, tangible impacts, for example removing expanded polystyrene (EPS) plastic from use and increasing the use of recycled paper. Other ongoing research initiatives in packaging include reducing the amount of materials used overall including plastic, using recycled plastic where plastic is needed, incorporating compostable materials into packaging, and increasing the amount of mono-material packaging.

In the charts on the following page, we are decreasing the amount of material used by weight, as seen in GRI 301-1, and we have been working to increase the percentage of recycled materials used in our processes, as seen in GRI 301-2.

As our efforts develop, appropriate economic and technical assessments will also be carried out in coordination with suppliers. We prioritise suppliers who are located close to production plants to reduce transportation needs, and coordinate with suppliers to ensure that materials and processes meet certain standards. We seek out suppliers with the FSC (Forest Stewardship Council) certification, 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). But we still have plans to seek these standards from more of our suppliers as well as improve packaging documentation that is approved by a third party.



Behind every packaging innovation are efforts to work closely with R&D on product design, coordinate changes with materials and packaging suppliers and extensively test options for quality, all while seeking solutions that reduce environmental impact. We do this in a strategic way to ensure that our process changes today will set us up for success in the future as well.

**Riccardo Villani**  
**Packaging Manager**



Impact

Steel, aluminum, plastic, rubber, paper, pulp and chemical components are the main materials used by STIGA. Packaging requires a relatively limited quantity of these materials, however, they are associated with significant environmental impacts along the value chain.



Mitigation

STIGA has worked on optimising and reducing packaging materials and is actively testing options that with lower waste and energy use.

### GRI 301-1: Packaging material used by weight (metric tons)

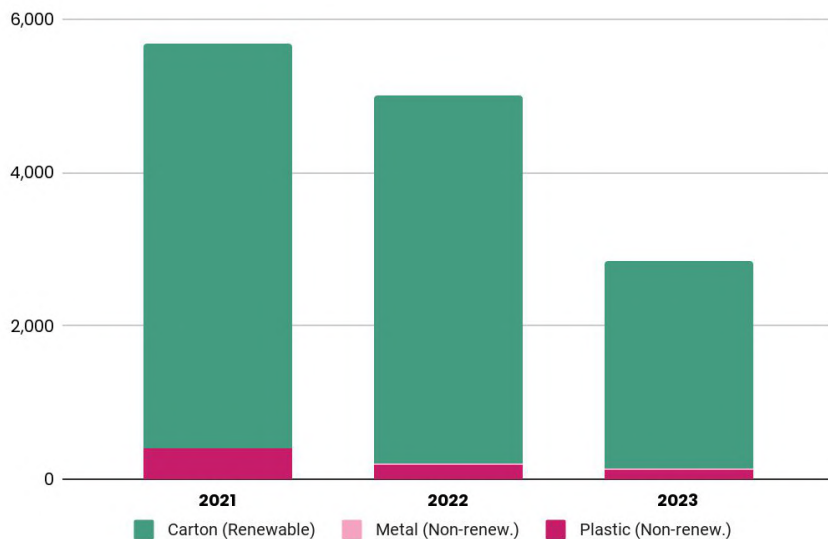
	2021	2022	2023
Carton	5,277	4,800	2,706
Total renewable materials	5,277	4,800	2,706
Plastic	408	187	122
Metal	6	23	16
Total not renewable materials	414	210	138
Total materials used	5,691	5,010	2,844

### GRI 301-2: Recycled packaging input materials used

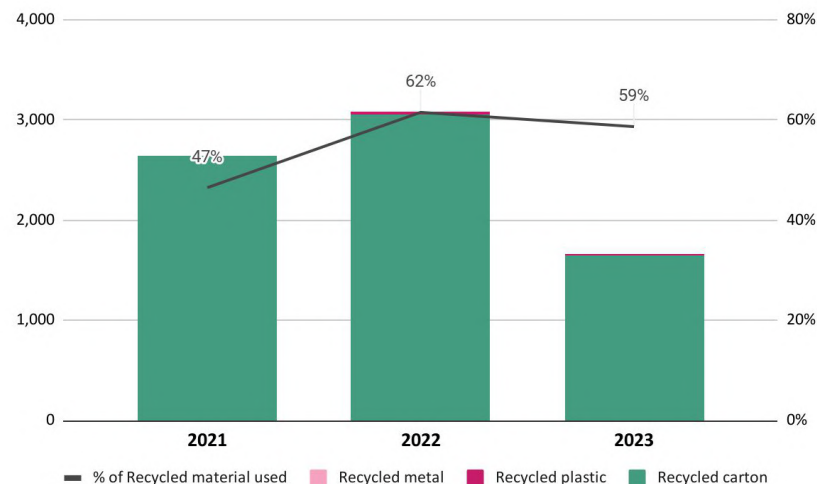
	2021	2022	2023
Recycled carton	2,643	3,053	1,650
Recycled plastic	0	25	17
Recycled metal	4	6	3
Total recycled material	2,647	3,084	1,669
Total input material used	5,691	5,010	2,844

The data collection for 2023 and 2022 differs from 2021 because wood pallets were removed from the packaging assessment after further consideration given that the pallets are reusable. In 2023, we showed the use of recycled metal as one of our recycled input materials, resulting in revised recycled material percentages for previous years.

### GRI 301-1: Packaging material used by weight (metric tons)



### GRI 301-2: Recycled packaging input materials used (metric tons)





We are advancing research and analysis on options to minimise environmental impact through increased quantities of recycled materials in product components, and also improving their recyclability. We have analysed plastics used across our products, from high carbon footprint plastics such as ABS and polyamide to polypropylene (which has a lower overall carbon footprint). In 2023, we introduced recycled ABS in cases where it was not possible to replace ABS with polypropylene, which has a lower overall carbon footprint. Our engineers use our analyses to progressively substitute materials with a lower carbon impact. As a result, our use of recycled plastics held steady in 2023, with 6.7% recycled plastic (in weight) used in production, compared to 2022, with 6.8% recycled plastic used.

During quarterly meetings with the ESG Committee, we review our progress on the percentage of recycled material, and discuss areas for improvement based on current technologies and their use in planned product components. We use recycled polymers in some specific and limited applications due to performance and safety standards. However, we actively test newly available recycled materials for use in components and will aim to reach 7.5% recycled polymers by weight used in our product materials.

We currently track the use of four different plastic material categories used in components by weight. This information has provided us with an initial understanding of types and amounts of plastics used, including recycled plastics. We continue to work closely with suppliers to explore the development of a data collection system that allows for tracking of all material sources, paving the way for a future project to complete initial Life Cycle Assessments on selected products. Ultimately, we are driven by the idea of providing our customers sustainable, high-quality products.



The use of recycled polymers is an important first step towards making products that are increasingly sustainable and recyclable. We pay close attention to all the materials we use to manufacture our products because of their environmental footprint. Life Cycle Assessments will be a key element in establishing the basis for all the improvements we will make to our products to make them more sustainable, repairable and recyclable.



**Franco Bastasin, Vice President  
Technical Sustainability, Quality  
Service and HSE Systems**

As seen in GRI 301-1, the overall weight of plastics used in production decreased compared to 2022 due to lower production volumes. However, the percentage of recycled plastic used has remained steady. An unfavorable production mix in the market has not allowed for the increase in use of recycled plastic. Despite the lack of availability, we extended the use of recycled plastic in additional product components in 2023. GRI 301-2 shows that the majority of recycled plastic used in product components is polypropylene, more than 6% of the total plastic used. Among all the plastic materials, it has a lower carbon footprint so its use will continue to be emphasised. Recycled ABS was newly introduced in 2023 so we are beginning to see some limited applications.

In general, plastic materials represent a unique challenge and opportunity for STIGA as they are currently integral to many product components. However, starting with the knowledge of our current plastic consumption, we can lay the groundwork to assess a more sustainable material mix in the future. With this plan, we are moving forward methodically in order to continue offering consumers high-quality and long-lasting products.



Impact

Steel, aluminum, plastic, rubber, paper, pulp and chemical components are the main materials used by STIGA. Products require a relatively limited quantity of these materials, however, they are associated with significant environmental impacts along the value chain.



Mitigation

STIGA has worked on optimising and reducing overall materials and is now focusing on product plastic components, too.

### GRI 301-1: Plastic material used by weight (metric tons)

	2021	2022	2023
Polypropylene (PP)	5,066	4,647	2,731
ABS Plastic	2,232	2,316	1,276
Polyamide (PA)	549	467	314
Other*	988	889	477
<b>Total materials used</b>	<b>8,835</b>	<b>8,319</b>	<b>4,798</b>

### GRI 301-2: Recycled plastic input materials used (metric tons)

	2021	2022	2023
Polypropylene (PP)	605	568	298
ABS Plastic	0	0	23
Polyamide (PA)	0	0	0
Other*	0	0	0
<b>Total recycled material</b>	<b>605</b>	<b>568</b>	<b>320</b>
<b>Total input material used</b>	<b>8,835</b>	<b>8,319</b>	<b>4,798</b>
<b>% of Recycled material used</b>	<b>6.9%</b>	<b>6.8%</b>	<b>6.7%</b>

\*Other plastics include polycarbonates, polyethylene, polymethyl methacrylate, polyoxymethylene, polyvinyl chloride as well as various others.





Products

## Long Life Products

### Target

In 2023 a new project was scoped to formalise the goal for long product life, involving design for disassembly, after-sales service improvement and spare parts availability.

### 2023 Highlights

- During the design for disassembly pilot project, operations, tools and components were simplified for prototyped products.
- An internal committee was formed to create metrics and plan for spare parts availability.
- New instruction manuals and videos were created to improve service.

### Next Steps

Disassembly: Implement procedures on new products. Spare parts availability: Implement the newly defined procedures. Service improvement: Advise customers on maintenance needs through a STIGA portal.

# Long Life Products

At the start of 2023, we initiated a project to develop a strategy for long life products, with a particular focus on design for disassembly, service improvement and spare parts availability. Always with our mind on the consumer, we strive to design products with ever-greater quality, which also is a key element of sustainability. That is why this initial year of scoping to ensure our products have a longer life is so important to informing our future plans.

In order to inform our **design for disassembly** effort, we follow a five pillar sustainability index and an Research & Development checklist that our engineers use to ensure:

- The machine can be disassembled without damaging components.
- Materials with additives are identified and documented.
- High wear components and assemblies are identified.
- Alternative, lower impact materials are identified for each component.
- Part commonality is identified.

Ultimately, this means consumers can more easily replace components during the normal wear and tear of the product, as well as easily and properly disassemble the product at the end of its life for disposal. This step ensures that recycling becomes an easier option and gets us another step closer to circularity.

During the pilot project, we set and achieved targets to increase the number of replaceable components in handheld products by 50 percent, reduce the number of disassembly operations by 30 percent and reduce the overall number of disassembly tools needed. Along with these prototyped products, we will prepare disassembly instructions. Lessons learned will be incorporated into future products.



Design for sustainability for us means design for high quality products that are human centred. We are embedding this concept into company culture by sharing experiences, creating guidelines, and including more analysis phases in the R&D process. This iterative process helps us refine alternatives in search of solutions that allow greater reparability and durability. As a result, the principles of circular economy are beginning to take root here at STIGA.



**Daniele Tolotto, Product Design**

The second long life products project is expanding **spare parts availability**. This work is in its early phases, exploring which products and parts would be feasible for extended coverage up to 10 years. An internal committee is working to define a policy that will ensure we optimise the availability of spare parts, an important aspect to ensuring our products can sustain for the long term. The committee will implement the defined policy in 2024.

Lastly, to ensure an increased life and repairability of our products and batteries is better we are enabling **service improvements**. This builds on a legacy of sharing information with our consumers and dealers. Already, we have many instructional and how to videos on STIGA's "How To" YouTube Channel. High complexity categories, such as, ride-ons, front mowers, and robots are already covered by service manuals, which we make available through our online service platform. Based on this, we identified opportunities to enhance service. We're now expanding service manuals for simpler products like walk behind mowers and handheld tools. For complex components like transmissions and batteries, we're providing extra repair instructions and videos to dealers via our STIGA Connect platform.

Looking toward the future, we are working to integrate our Design for Disassembly approach into the design process. Examples of improvements that are informing our approach include reducing the number of actions to disassemble switches and motors, making components and boards replaceable, using the same screws where possible, installing clean cable routing to avoid damage, and creating clearly labeled boards that are easy to mount. Ultimately we are aiming for maintenance to be possible with only 3 tools, and reducing the number of repair actions by 25%. These are just some of the ways we will ensure we continue to look for opportunities to innovate and apply good design principles throughout our processes.





Products

## “3R” for Batteries

### Target

In 2023 a new project was scoped to formalise the goal to keep batteries properly recharged, repair where possible and start a recycling process.

### 2023 Highlights

- Initial tests assessed optimal recharging plan.
- New standards for battery repair, where needed, are being defined with implementation planned for 2024.
- New collaborations with local Italian universities will help inform the development of battery recycling management practices.

### Next Steps

Recharge: Project complete. Repair: Project complete. Recycle: Set up terms and conditions for future agreement with one recycling consortium.



# 3R for Batteries

As battery-powered products make up an ever-increasing part of our sales, we look to the ways in which we can optimise battery recharge, repair and recycling. We heard from our stakeholders in a 2022 survey that battery management was the highest shared priority across dealers, consumers, employees and suppliers. In the survey, they cited concerns about end of life recycling and battery serviceability and repairability.

We are looking to optimise the **recharge** process for batteries in our warehouses so that they are ready when they leave storage for use by consumers, but also to avoid the risk of having defective batteries due to low voltages. Testing done in-house informed us of the optimal storage length before a recharge is undertaken. In the near future, a project will also be proposed to better track the status of individual batteries.

In yet another way to ensure our products have a long life, battery **repair** and logistics are being analysed and new, common standards are being defined. The objective of this project is to ensure an efficient and valuable repair service to our customers across the lifetime of every battery. That's why we are also engaging two external partners in the UK and the Netherlands for battery repair. Furthermore, initial analysis has given us insights on how to improve the battery during design so that repairability is easier to achieve. In 2024, we expect to implement new process and product improvements based on our findings.

Among the more challenging aspects of the 3R for batteries project is **recycling**, due to the need to continue advancing our knowledge in an evolving field. That is why we have partnered with two Italian universities. Together with the University of Trento's Department of Industrial Engineering and Chemistry, we are planning a basic training on recycling processes. And with the University of Padova, we are extending an existing partnership with the Departments of Chemistry also to the Economics, Engineering and Geology departments to draft a paper on state-of-the-art lithium ion battery recycling processes, taking into account logistical and economic aspects as well.

These collaborations will help us define management models for battery recycling in cooperation with a qualified partner. In 2024, we will build off this training, research, and collaboration to draft a proposal for STIGA's battery recycling strategy. This work is being done with a careful eye toward upcoming EU regulations on batteries as the company awaits further details.

Identifying and engaging a highly qualified partner in lithium battery recycling technology will be one of our goals for 2024. This activity is very important in order to be able to achieve, in cooperation with this partner, the objectives of recovery and recycling of all materials that make up the battery, including noble metals, by becoming an active part of this process.

# Quality and Product Safety

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 the satisfaction of our customers and consumers.

STIGA's Research & Development and Product Compliance departments use several analytical tools, such as the Design Failure Mode and Effects Analysis (DFMEA model) to inform the process of designing quality and safe products. The Product Compliance department supports this activity by leading a structured Product Certification process based on International Notified Test Laboratory reports and/or internal Research & Development experimental tests.

The Product Development 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. In adherence with these controls, all product components, industrial processes and tests must be successful before a new product goes to market. In this context, STIGA's medium-term objective is to continuously improve its product development, validation and certification processes to ensure a more sustainable and robust design.

A monthly Public Incident Board Report and monitoring system helps us track any incidents. In 2023, STIGA was notified of three instances of non-compliance with voluntary codes: one on chain saw gas emissions in Germany, one on robot safety in France, and the third on walk behind petrol noise rating and documentation. The first issue has been addressed and closed, and the other two issues are being addressed in 2024 as the notices were received in late 2023.

## 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	2021	2022	2023
Number of incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Number of incidents of non-compliance with regulations resulting in a warning	1	0	0
Number of incidents of non-compliance with voluntary codes	0	3	3
<b>Total number of incidents of non-compliance</b>	<b>1</b>	<b>3</b>	<b>3</b>



Malfunctioning during product usage, both due to a failure of safety measures and an incorrect usage of the products, could result in injuries for the user and people nearby. All STIGA products contain components that may harm the user if managed incorrectly.



The Research & Development and Quality departments are committed to minimising safety incidents by structuring testing and reporting in compliance with international standards and current legislation. Furthermore, in order to prevent injuries we simulate potential misuse and incorporate lessons from the market.

# Customer Feedback

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 until they become a consumer of a STIGA product. Customer satisfaction evaluation is an important tool for continuously improving products and service quality. From a R&D perspective, timely feedback from customers and consumers is essential. With detailed feedback on the use of our products, engineers can plan for the next product iteration, always working toward the goal of providing high quality products. STIGA actively monitors the voice of the customer, through home trials, website and app reviews and brand awareness surveys.

With home trials, we can directly analyse customer behaviour while using products in order to understand how to further improve the product specifications during the development phase.

Though we track many websites for reviews, as well as app stores for reviews of our digital tools (see page 77), Amazon reviews make up the largest portion. STIGA collects Amazon reviews and questions and classifies them by product, brand and category, and analyses all feedback, qualitatively identifying common complaints and responding to questions. We track all products that we ever listed for sale on Amazon, even if they are no longer being actively sold by us. In 2023, STIGA began using a new provider to analyse data from Amazon, which may explain the change in the rating average compared to previous years.

Brand awareness is measured yearly to monitor the increase of top of mind, spontaneous and aided brand awareness as well as the brand recommendation rate in 13 countries. Our 10-question survey uses the same research design each year to ensure consistency, and is targeted toward 300 people who own a small garden and are distributed by age, gender and geographic area.

The brand awareness survey asks people “do you know any of the following brands of garden tools even just by having heard about them?” Instead, the recommendation survey is only for people who know the STIGA brand and asks people “how likely are you to recommend the following brands to a friend or colleague?”

STIGA has seen that the 2023 brand awareness survey results are similar to those from 2022, with an increase of more than half a percentage point. However, awareness in Nordic countries compared to all other countries still remains high as it has in previous years. The results for the recommendation survey are also similar: there was a slight increase of 1.5% of people across all countries that would recommend STIGA, while there was a slight decrease of 1.5% in Scandinavia.

## Non-GRI 3: Amazon Review

	2021	2022	2023
Average Amazon Stars	4.1	4.2	4.0

## Non-GRI 4: Brand Awareness Surveys

	Aided: Brand Awareness Survey			Recommendation Survey		
	2022	2023	Diff. (perc.points)	2022	2023	Diff. (%)
Average	35.0%	35.6%	0.6	6.7	6.8	1.5%
Scandinavian (average)	74.3%	73.8%	-0.5	6.5	6.4	-1.5%

# A Focus On: Customer Satisfaction

After our customer care activities were significantly expanded in 2022, we focused during 2023 on making our services successful. That is why we provided dedicated support through all channels: web forms, email, phone, web chat and social media. Our customer care covers a majority of European countries where our offices are located, covering seven languages. We also provide service to any English-speaking country where we export our products. In addition, we continue to have dedicated phone service in the Nordic countries and in Poland. And following the launch of our autonomous robot in 2022, we experimented with providing a 7-day, 12-hour dedicated support service during 2023 and provided 370 customers with customised support.

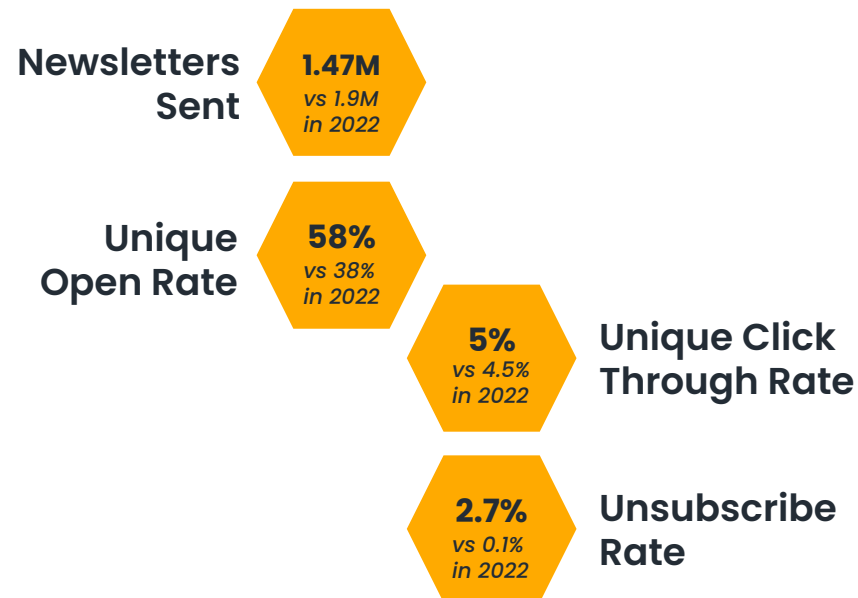
STIGA uses Salesforce to manage customer care activities across most offices in Europe and the UK, allowing a coordinated approach to customer satisfaction across our offices. In 2023, the call center had contact with 59,000 customers through web forms, email, phone, web chat and Facebook. Data collected through Salesforce is GDPR-compliant and in line with STIGA's cybersecurity measures (see page [75](#)).

Other ways in which STIGA communicates directly with customers is through email marketing, the website and LinkedIn. Regarding email efforts, in 2023, we set an objective to improve the quality and personalisation of our communications, which resulted in fewer newsletters sent.

The newsletter, website and LinkedIn all feature product launch announcements, tips on garden care, maintenance information and sustainability insights. Promotion of battery powered products is part of our content strategy.

Lastly, STIGA collects information on customer satisfaction at roadshow events organised by the marketing department, and compiles feedback through data imported from tablets.

As we look ahead to 2024, we will seek feedback on our central Customer Care Center service, which covers eight countries, using Salesforce to collect survey results on satisfaction, behavior and the Net Promoter Score.





**Putting people first.**



**People**

# STIGA's Approach to People Management

STIGA places great importance on the creation and preservation of a positive and proactive work environment. Every decision concerning employees is made to guarantee equal opportunities. All HR processes are based strictly on merit, competence and other professional criteria. Employment agreements, which include salary, pension, insurance, and working hours, vary by individual companies, but adhere to national regulations and industry standards. Above all, we reject any form of disrespectful or defamatory behaviour and utilise measures to avoid favouritism or discrimination against nationality, skin colour, religious beliefs, political opinions, trade union affiliation and gender.

The processes and activities related to talent attraction, 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 contextualised needs in each country.



Impact

There is employment uncertainty at STIGA due to high turnover, particularly at production plants, in part due to seasonality of the business. In addition, in the offices, there is turnover among younger employees who are more transitional in their careers.



Mitigation

STIGA is investing in initiatives to attract and retain talent and knowledge by increasing training opportunities, offering wellbeing benefits such as engagement events and disseminating employee surveys.



Human Rights

At all plants and offices, the Group promotes a positive work environment. We reject violations of human rights including forced or child labour, and respect local labour laws in terms of wages, benefit and working hours. We also train employees on the Code of Ethics.

## Employees (FTE)



On the 31st of December 2023, STIGA counted employees by their FTE (Full Time Equivalent), recording a decrease of 207.1 FTE from 1,497.0 FTE in 2022. The decrease in employees is mainly due to lower production at the plants in China and Slovakia.

The majority of these employees are employed with permanent contracts (81.8%). The remaining temporary contracts reflect the seasonality of the business as well as the common use of the temporary contract type in China.

## Workers Who Are Not Employees (FTE)



There are also external workers at STIGA's offices and plants, a significant decrease since 2022, when there were 488.3 external workers. These workers are provided by employment agencies or are leased staff, trainees and interns. The majority of these workers are in the plants, with the biggest reductions in the plants in Italy and Slovakia.

The Code of Ethics\* adopted by the STIGA Group recognises and protects the enhancement of qualified and loyal employees, an intangible and essential asset when it comes to achieving corporate goals and high quality standards.

Talent attraction and people development policies are aimed at guaranteeing optimal conditions for accomplishing individual potential aspirations. By doing so, the Company can realise the necessary resources to achieve its strategic objectives and, at the same time, provide employment and development opportunities for young, local talent.

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.

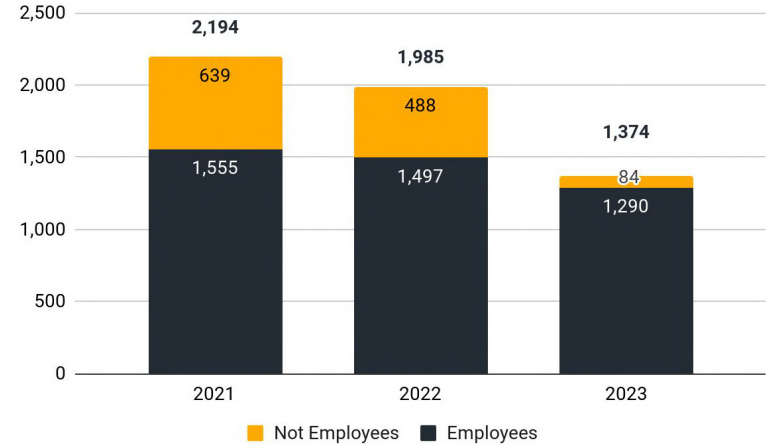
The effectiveness of the management approach in place is analysed through specific and closely monitored indicators; such analyses are periodically discussed within the HR department and among the governance bodies (including the Board of Directors and Executive Management Team) to inform ideas and proposals for development and continuous improvement.

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

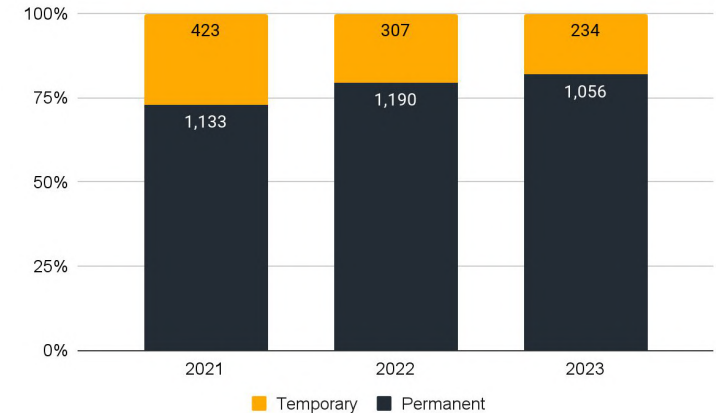
In every office, we are committed to creating an open and innovative workplace where everyone is enabled to share ideas and make valuable contributions. We are proud that in 2023 the **China** office was given an AA-level recognition for upholding workers' rights by Guangzhou City.

\*<https://corporate.stiga.com/code-of-ethics/>

### Employees vs. Not Employees



### Permanent vs. Temporary Employees



GRI 2-7: Employees				
Type	Gender	2021	2022	2023
Employees				
Full-time	Men	1,121.0	1,056.7	876.0
	Women	326.0	320.2	296.1
Total		1,447.0	1,376.9	1,172.2
Part-time	Men	59.0	70.7	67.6
	Women	49.3	49.4	50.1
Total		108.3	120.1	117.7
Total per Gender	Men	1,180.0	1,127.4	943.6
	Women	375.3	369.6	346.2
Total		1,555.3	1,497.0	1,289.9
Contract	Gender	2021	2022	2023
Permanent	Men	827.5	849.9	755.9
	Women	305.2	339.8	299.9
Total		1,132.7	1,189.7	1,055.9
Temporary	Men	352.5	277.5	187.7
	Women	70.1	29.8	46.3
Total		422.6	307.3	234.0
Total per Gender	Men	1,180.0	1,127.4	943.6
	Women	375.3	369.6	346.2
Total		1,555.3	1,497.0	1,289.9

The data is represented in terms of Full Time Equivalent (FTE) and is based on employment as of 31 December 2023. See the annex for additional disclosure on employee data, including geographic location of employees.

GRI 2-8: Workers who are not employees				
Type	Gender	2021	2022	2023
Workers who are not employees				
All types of contracts	Men	437.8	339.8	70.4
	Women	201.2	148.5	13.3
Total		639.0	488.3	83.7



# Collective Bargaining as a Guarantee for Staff

Collective bargaining agreements are conducted with the national employer associations and Workers Trade Union organisations in some plants and offices. The agreements cover the rules governing the employment relationship, including pensions, salary increases, insurance 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**, 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) represents employees.
- In **Finland**, the employees belong to Kaupan Liitto (Finnish Commerce Federation).
- In **Denmark** employees belong to “Dansk Erhverv” (Danish Business).
- In **Austria**, all employees are covered by the collective agreement for commercial employees, negotiated between the WKO (Chamber of Commerce) and Gewerkschaft (trade union).

The table below shows an increase in the percentage of employees covered by collective agreements. This is explained by the fact that in 2023 there were fewer overall employees in the Chinese and Slovakian plants, not covered by Collective Bargaining agreements.

The personnel working in the plants and offices not covered by collective bargaining agreements instead have working agreements determined by the local context.

- In **China**, local government standards for Guangzhou and Suzhou are applied, in addition to national labour and employment laws.
- In **Slovakia**, the national labour code is applied, industry benchmarks are consulted, and negotiations are held with the work council that represents employees.
- In **Germany**, industry benchmarks are used and working standards are equally applied.
- In **Czech Republic**, standards are determined by national labour laws and industry benchmarks.
- In **Norway**, the national Working Environment Act applies.
- In **Poland**, the national labour laws are applied.
- In the **Netherlands**, industry benchmarks are used and working standards are equally applied.
- In the **UK**, national standards are followed, and external market conditions inform hiring.

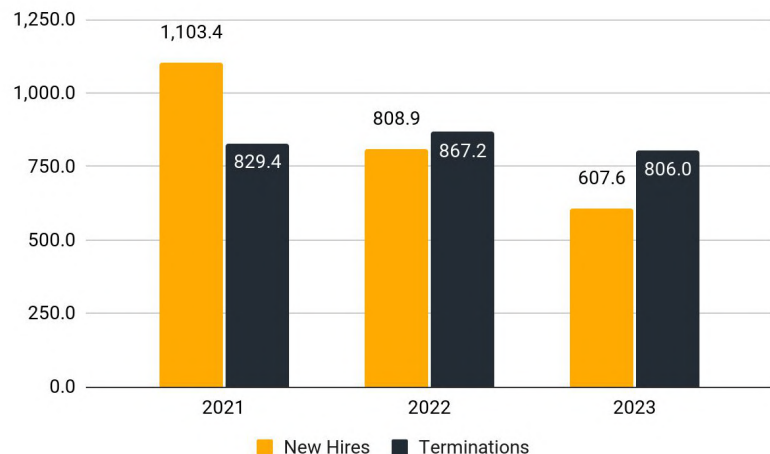
## GRI 2-30: Collective bargaining agreements

	2021	2022	2023
Employees covered by collective bargaining agreements	649	654	630
Total employees	1,555	1,497	1,290
% of total employees covered by collective bargaining agreements	41.7%	43.7%	48.8%

# 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 is in line with the market standard, that requires 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. Finally, we have seen that younger generations are more mobile in their careers. All these factors lead to a high number of new hires and terminations and, therefore, turnover rates.

**GRI 401-1: New employee hires and employee turnover**



**GRI 401-1: New employee hires and employee turnover**

	2021		2022		2023	
	n	%	n	%	n	%
<b>New hires</b>						
Total New Hires	1,103.4	70.9%	808.9	54.0%	607.6	47.1%
Men	928.7	78.7%	703.4	62.4%	517.7	54.9%
Women	174.7	46.6%	105.5	28.5%	89.9	26.0%
< 30 years	608.7	146.3%	494.4	131.4%	361.7	127.4%
30 ≤ x ≤ 50 years	453.2	57.4%	290.4	37.6%	215.1	32.7%
> 50 years	41.5	11.8%	24.1	6.9%	30.8	8.8%
<b>Total employees at end of year</b>	<b>1,555.3</b>		<b>1,497.0</b>		<b>1,289.9</b>	

	2021		2022		2023	
	n	%	n	%	n	%
<b>Terminations</b>						
Total Terminations	829.4	53.3%	867.2	57.9%	806.0	62.5%
Men	738.5	62.6%	751.8	66.7%	688.7	73.0%
Women	90.8	24.2%	114.8	31.1%	117.4	33.9%
< 30 years	501.0	120.4%	478.6	127.2%	436.0	153.6%
30 ≤ x ≤ 50 years	293.0	37.1%	351.0	45.5%	295.8	45.0%
> 50 years	35.3	10.1%	37.0	10.6%	73.2	21.0%
<b>Total employees at end of year</b>	<b>1,555.3</b>		<b>1,497.0</b>		<b>1,289.9</b>	

The rows for total new hires show a percentage comparison to the overall number of employees. The rows for gender and age show a percentage within the total number of employees for the selected category. See the annex for additional disclosure on new employee hires and turnover data, including geographic location.



People

## Talent Attraction

### Target

We aimed to improve job opportunities and training for the local talent pool by committing to hiring 100 interns across the entire Group and holding 35 employer branding events.

### 2023 Highlights

- The results were short of the target due to a challenging year, with 84 paid internships activated.
- We also worked to attract talent through employer branding events, and we held 64 in 2023.

### Next Steps

We commit to hiring 100 interns across the entire Group and holding 35 employer branding events.

# Talent Attraction

At STIGA, we strive to be a great place to work. And we know that this means creating a positive working environment for our employees and workers means that we can attract new talent who can contribute to our knowledge base and vision towards the future. The processes of attraction, development and management deserve our focus, which is why we've dedicated goals to employer branding activities and activating internships across the Group.

STIGA cooperates with schools, universities, training institutions and other organisations to promote the benefits of working with us. In 2023 we held 64 employer branding activities, which is nearly double the goal of 35 activities that we had in mind at the beginning of the year.

Another way we recruit new talent is by activating internships so that current students or recent graduates can get a sense of what it is like to work with us. We were able to bring on 84 paid interns. As part of this experience we hold interns' days with company tours and product trials. In this way we are investing in the future of STIGA.



64

## Employer Branding Activities

We greatly exceeded our 2023 goal to hold 35 employer branding activities across the STIGA Group, a target we set to promote STIGA as a great place to work.

84

## Internships Activated

In 2023, we set out a goal of activating 100 internships as a way to attract new talent, though we fell slightly short of the target due to a challenging year.





STIGA

We are STIGA



People

## Training

### Target

Maintain the training goal at 22k training hours, with a focus on ESG topics.

### 2023 Highlights

- We reached 19,011 total training hours, below our target, yet we increased the average number of training hours per person in 2023.
- New trainings were offered to introduce employees across the group to STIGA's ESG strategy.

### Next Steps

In 2024, we will aim for 15 hours of training per person on average, increasing from the average of 14.7 hours of training per person in 2023.

# Training and Development Program

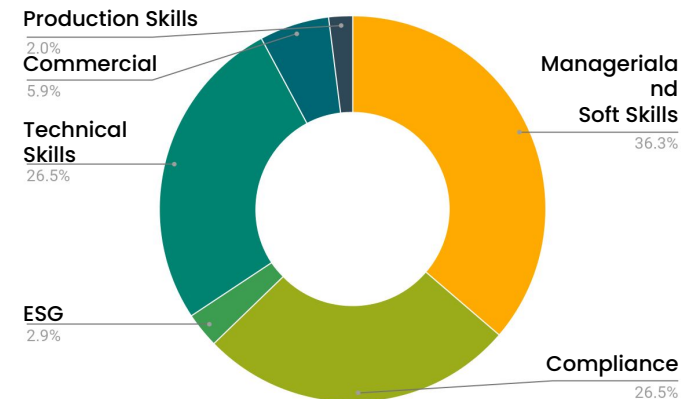
In all Group companies, STIGA promotes access to training programs both by organising internal courses and by financing participation in external initiatives. These initiatives are selected based on their consistency with corporate priorities and individual development needs. The development of competencies 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 2023, STIGA had the goal of reaching 22,000 training hours, and this year fell short at 19,011 hours. However, the average number of training hours per person increased to 14.7 compared to 14.2 in 2022. Within this total, the majority of hours came from in-house trainings, with a focus on managerial and soft skills, followed by technical skills, compliance, commercial and product knowledge, ESG and production skills. Training topics are also dedicated to privacy and cybersecurity, business ethics, and diversity and inclusion training. In addition, workers who are not employees, including interns, are also able to enroll in trainings during the duration of their employment.

## GRI 404-1: Average hours of training per year per employee

Average hours of training	2021			2022			2023		
	Hours	Empl.(FTE)	Avg. (hr)	Hours	Empl.(FTE)	Avg. (hr)	Hours	Empl.(FTE)	Avg. (hr)
Men	16,570.8	1,180.0	14.0	15,951.2	1,127.4	14.1	14,385.0	943.6	15.2
Women	3,374.2	375.3	9.0	5,274.5	369.6	14.3	4,626.0	346.3	13.4
Executives	404.0	38.5	10.5	927.0	41.0	22.6	1,051.7	42.0	25.0
Managers	1,855.0	114.4	16.2	2,469.4	109.0	22.7	2,878.8	102.8	28.0
Office Staff	8,746.0	530.8	16.5	8,401.0	533.9	15.7	9,797.6	491.6	19.9
Production-site Workers	8,940.0	871.6	10.3	9,428.3	813.1	11.6	5,282.8	653.5	8.1
<b>Totals</b>	<b>19,945.0</b>	<b>1,555.3</b>	<b>12.8</b>	<b>21,225.7</b>	<b>1,497.0</b>	<b>14.2</b>	<b>19,011.0</b>	<b>1,289.9</b>	<b>14.7</b>

## In-House Training Categories



STIGA is expanding the options for people to seek career development and training opportunities. For example, we have been engaged with the LinkedIn Learning space for the past two years, offering training options across the Company. Some of the topic areas of focus were cybersecurity, diversity and inclusion, business ethics and ESG. By using this platform, employees at the subsidiaries are able to access more training opportunities. We also began offering dedicated funds in 2023 to support specific training for individuals in Italy, and in 2024 we hope to launch an announcement to extend this to all offices. We also piloted a training model where an employee from the **Italy** office travelled to the subsidiaries to train the trainer on our robot product line. Finally, this year, we held Interns' Day on a quarterly basis to gather all current interns, share information and insights about the company and hold a plant tour and product trial, to integrate the interns into the company culture.

The internal training effort in the **China** office continued to grow into 2023, with 15 new trainings developed by STIGA employees for STIGA employees. These trainings are popular—on the whole, almost half of the training hours completed in China constitute employee-led training. In September, for example, the Warehouse and Production departments organised a Forklift Driving Competition to showcase safety best practices. In October, team members from the Manufacturing and Quality departments organised an Assembly Skills Competition that prioritises quality through self-inspection and quality awareness. Other training included insights on Artificial Intelligence and lean production principles. For blue collar interns, they led a two-week integration program which covered not only job-specific hands-on training but theories on Quality & EHS awareness as well fun games and team sports to prepare them for their positions.

Other companies generally focus their training hours on information and communication technology systems, new products, software skills, product maintenance, and repairs training.



We had many opportunities to expand training for our employees this year and are excited to see the average hours of training per employee increasing. For example, this year, we offered new internal and LinkedIn Learning training to our employees focused on sustainability. This is just one example of how investing in training will shape the employee culture we envision.



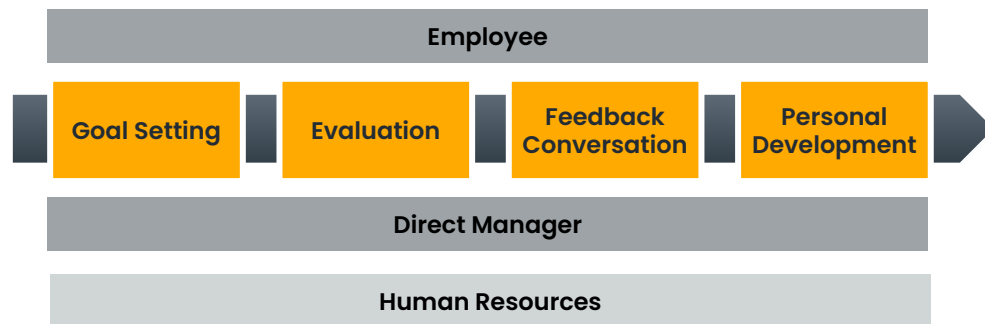
**Maurizio Spini, Group Learning and People Development Manager**

# Performance Assessment

The “STIGA People & Performance Review” process assesses employees’ contribution to the company’s success on an annual basis. This allows for regular alignment of employees’ conduct with the company organisational culture, represented in the “STIGA Behaviours” competency model that is shared with all employees.

Achievements are determined based on initial goal setting. Employees are evaluated against these goals using psychometric tools based on the Hogan assessment methodology. The resulting assessment leads to the feedback conversation phase to acknowledge achievements, create awareness of strengths and identify improvement opportunities. This informs the creation and commitment of a personal development plan for each employee.

During 2023 the number of employees that received performance reviews increased to 62%, as a result of further implementation of this formalised performance assessment across the Group.



GRI 404-3: Percentage of employees receiving regular performance and career development reviews									
	2021			2022			2023		
	Reviews	Tot.	%	Reviews	Tot.	%	Reviews	Tot.	%
Men	223	1,180.0	19%	560	1,127.4	50%	564	943.6	60%
Women	113	375.3	30%	231	369.6	62%	232	346.3	67%
<b>Total</b>	<b>336</b>	<b>1,555.3</b>	<b>22%</b>	<b>791</b>	<b>1,497.0</b>	<b>53%</b>	<b>796</b>	<b>1,289.9</b>	<b>62%</b>
Executives	25	38.5	65%	35	41.0	85%	34	42.0	81%
Managers	78	114.4	68%	90	109.0	83%	85	102.8	82%
Office Staff	232	530.8	44%	442	533.9	83%	462	491.6	94%
Prod.-site Workers	1	871.6	0%	224	813.1	28%	215	653.5	33%
<b>Total</b>	<b>336</b>	<b>1,555.3</b>	<b>22%</b>	<b>791</b>	<b>1,497.0</b>	<b>53%</b>	<b>796</b>	<b>1,289.9</b>	<b>62%</b>

The percentages shown refer to the employees that received a performance review in that year compared to the overall number of employees within that category.

# Sharing and Dialogue as a Success Factor

Workplace wellbeing also depends on a sense of belonging to a community and sharing a common organisational culture. STIGA continues to grow the number of resources available on the "STIGA NEXT" company intranet. It is an important internal communication tool with periodic newsletters, messages introducing and welcoming new employees, a directory and internal policy documents. Dedicated newsletters are available on STIGA NEXT featuring updates from the Italy, China, and Slovakia offices.

These three offices also offer on-site communication through digital wall displays and bulletin boards to disseminate relevant information to production plant employees. In addition, each office has its own approach for cross-office communication.

**Italy** held a series of in-person meetings where the CEO shared business and strategic vision updates with employees. **Slovakia** regularly collects an employee satisfaction survey to inform improvements in the workplace. **China** has established different channels and platforms for employee feedback ideas and suggestions:

- Golden Ideas to collect ideas and improvement proposals from employees—in 2023, 266 proposals were received to improve safety and realise cost savings and were recognised at an annual awards ceremony (pictured on the left).
- Safety Management Audit (SMAT) to consolidate employees' observations and corrective actions for unsafe conditions and behaviours, also updated in 2023 to encourage office employees to meet line workers and share ideas for improvements to the work environment.
- WeChat group by Department to communicate within a team.
- Ding Ding e-platform to provide feedback or initiate conversations between HR and newly employed workers.
- Biannual town hall meetings between the management team and all staff on the most updated information from the Group.
- Labour union representative meetings where ideas expressed by staff are heard by union committees.

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



# Employees' Welfare and Wellbeing

All Group companies are committed to creating a valuable relationship with their employees and to increasing their overall wellbeing in and beyond the workplace. Health and wellbeing are critical to staff performance and development.

To further meet home and work life balance needs, STIGA defined Smart and Flexible Work policies in 2022, and finalised implementation in 2023 in accordance with local regulations in each country. The Smart Work policy allows employees to work with their managers to identify one day per week for remote work. It also defines a right to disconnect, stating that employees are not obliged to respond to emails and phone calls outside of normal working hours. The Flexible Work policy includes the possibility for workers to compensate for personal absences, including a one-hour flexible shift start and end time dependent upon agreements with managers.

Through the "STIGA 4 You!" online portal, STIGA SpA offers employees in **Italy** 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. Other benefits include additional maternity leave time, a solidarity bank to support other colleagues in need of extra leave, additional voluntary pension fund contributions, additional leave for senior employees and a small amount of dedicated medical leave time. Finally, supplementary pensions, supplementary health plans and reimbursement of public transport or fuel costs are also areas where employees can receive support. STIGA Italy also offered wellness initiatives throughout the year, as well as events to celebrate our employees. We provided a free screening for breast cancer, pictured to the right, as part of a preventative health measure, and hope to offer other health screenings.

We had culturally-themed gatherings and lunches at the canteen, such as a Ramadan, Chinese New Year and Christmas celebration. We invited local coffee and cannoli trucks to offer sweet treats to employees. And in coordination with the local Benetton Rugby team, we organised a fun and lighthearted team building event with the coach focused on communication strategies.



STIGA **China** offers monthly wellbeing initiatives, with some focused on festivities and traditional Chinese holidays and others focused on charitable activities, sustainability initiatives and volunteer opportunities in the community. For example, in October the China office also organised a mental health awareness session where a psychologist guided employees on how to cope with stress in the workplace and in November the office opened up a gym. In fact, in 2023, the China office was given the Wellness Employer–Innovative Mechanism Award in recognition of dedication to ESG initiatives, innovation on EHS, continuous improvement on mental health and wellbeing and numerous welfare activities.

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

Our offices also get creative when thinking about improving the work environment for colleagues. For example, the employees in the China office celebrated Women’s Day and invited women in the office to participate in an afternoon tea time and meditation, and also share how to mix their own perfumes. And on a daily basis, the employees of the **Finland** office organise a Pause Exercise to stretch and do light fitness together. Though the practice began spontaneously, now it is a routine that everyone not only participates in, but also contributes ideas to—creating a shared sense of positive energy. The result is a sense of wellbeing that grows from joining together as a team for some off–screen time during the work day.



As someone who has always been interested in employee well-being, I am happy to help support small office initiatives that add up to make a difference. Recently, our office has organised daily stretching sessions that create a positive atmosphere. We also began to monitor our recycling efforts more closely and transition our fleet to hybrid and electric vehicles. Little by little, we see that taking little actions can inspire future changes.

**Titta Koponen**  
Finland Finance Manager



As an organiser on the HR team, my job is to let my STIGA colleagues know that they are valued. In the past year, we initiated new training on mental and physical health, celebrated Women’s Day and hosted various outdoor gatherings. I believe these initiatives foster a sense of commitment and belonging. As a bonus, we received an award for our efforts to promote employee wellbeing. I’m proud to be a contributor to that.

**Riley Zou**  
China HR & Administration



# Workforce Composition and Diversity



Diversity is promoted within the Company through employment of women and vulnerable groups, such as workers with disabilities who may have increased challenges when seeking employment.

Looking at the workforce, half of employees belong to the category “Production-site Workers” (653.5 out of 1,289.9). Across all categories, male employees account for the majority of staff, with female employees accounting for approximately 27% of the workforce, with a rise in female managers and executives in the last two years.



GRI 405-1: Diversity of employees						
	2021		2022		2023	
Diversity of employees	n	%	n	%	n	%
Executives	38.5	2.5%	41.0	2.7%	42.0	3.3%
Men	34.0	88.3%	34.0	82.9%	34.0	81.0%
Women	4.5	11.7%	7.0	17.1%	8.0	19.0%
< 30 years	0.0	0.0%	0.0	0.0%	0.0	0.0%
30 ≤ x ≤ 50 years	16.0	41.6%	17.0	41.5%	17.0	40.5%
> 50 years	22.5	58.4%	24.0	58.5%	25.0	59.5%
Managers	114.4	7.4%	109.0	7.3%	102.8	8.0%
Men	93.4	81.6%	87.0	79.8%	78.8	76.7%
Women	21.0	18.4%	22.0	20.2%	24.0	23.3%
< 30 years	3.0	2.6%	1.0	0.9%	2.0	1.9%
30 ≤ x ≤ 50 years	77.4	67.7%	76.0	69.7%	68.8	66.9%
> 50 years	34.0	29.7%	32.0	29.4%	32.0	31.1%
Office Staff	530.8	34.1%	533.9	35.7%	491.6	38.1%
Men	321.2	60.5%	323.0	60.5%	303.7	61.8%
Women	209.6	39.5%	210.9	39.5%	187.9	38.2%
< 30 years	103.3	19.5%	83.7	15.7%	71.3	14.5%
30 ≤ x ≤ 50 years	333.4	62.8%	361.4	67.7%	331.4	67.4%
> 50 years	94.1	17.7%	88.9	16.6%	88.9	18.1%
Production-site Workers	871.6	56.0%	813.1	54.3%	653.5	50.7%
Men	731.4	83.9%	683.4	84.1%	527.1	80.7%
Women	140.2	16.1%	129.7	15.9%	126.4	19.3%
< 30 years	309.7	35.5%	291.7	35.9%	210.5	32.2%
30 ≤ x ≤ 50 years	362.3	41.6%	317.6	39.1%	239.9	36.7%
> 50 years	199.7	22.9%	203.8	25.1%	203.1	31.1%
Total employees	1,555.3	100%	1,497.0	100%	1,289.9	100%



Diversity is both an opportunity and a challenge for large scale companies like STIGA. Currently the company does not have any female board members, and female employees account for more than a quarter of the overall workforce.



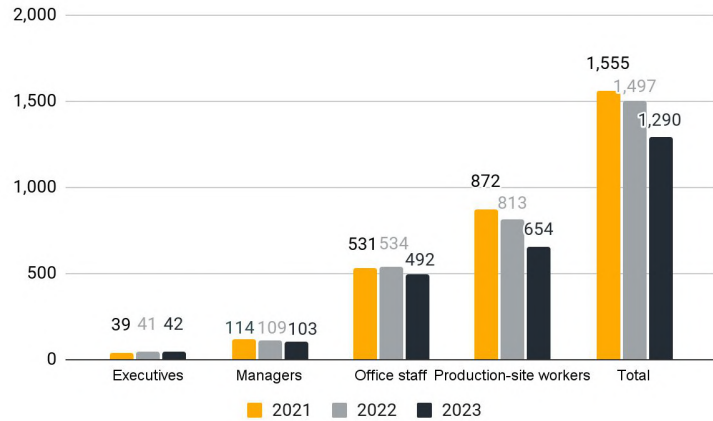
STIGA rejects any form of disrespectful or defamatory behaviour, including gender discrimination. HR processes are based strictly on merit, competence and other professional criteria. STIGA Italy and China have hired workers with disabilities in the plants.



Equal opportunity is critical to a strong workforce that is free from discrimination, harassment, or misconduct. STIGA is actively working to improve both gender diversity and inclusion through partnerships and recruiting efforts.



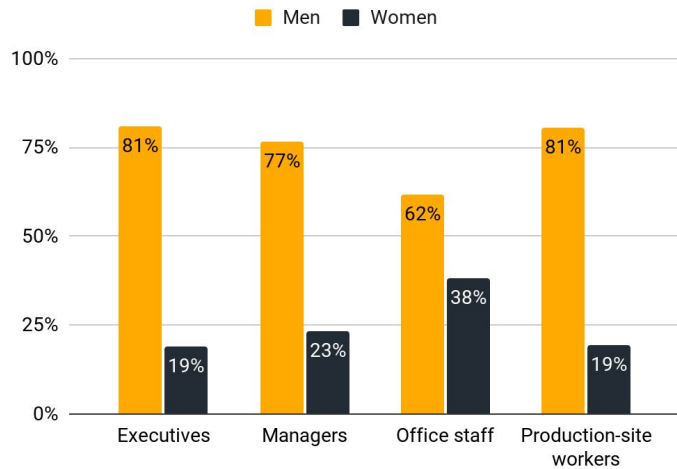
### GRI 405-1: Diversity of employees (totals)



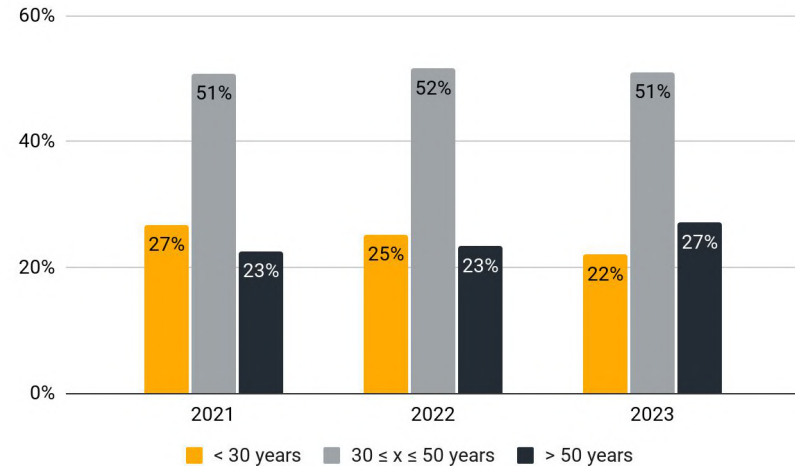
When reviewing employee age across all categories, around 50% of the employees are between the ages of 30 and 50 years. In reviewing the data for the past two years, the age ranges of staff are generally stable, though with a slight decrease in employees under the age of 30, in part due to the lower number of production-site workers in 2023.

This year the STIGA Group hired 84 paid interns with the goal of attracting young talent. We will monitor the ways in which this investment affects diversity, with the intention of increasing the presence of young employees in the most strategic business areas. We continue to offer internships and curricular traineeships to allow students to complete their academic studies while gaining experience in the field, especially in regards to digital and mobile applications and battery powered products. This equips them with the necessary skills that also support business objectives.

### GRI 405-1: Diversity of employees (gender, %)



### GRI 405-1: Diversity of employees (age, %)



# Inclusion

STIGA, with the collaboration of local job centres, is actively working to expand the number of positions available for people with disabilities. In **Italy** and in **China**, we have instituted the program with local authorities to hire people with disabilities in appropriate positions, a long term goal that involves reviewing hiring practices and opportunities each year. In Italy, we hired 5 people with disabilities in 2023. We also continue to look for opportunities to expand this practice beyond what is required in this agreement, and continue to explore those possibilities by meeting with different partners and advisors.

The employees classified in GRI 405-1 are those who have a disability classification (or certification) according to the law in the country where they work.



Inclusion is coming into greater focus at STIGA, and in 2023 we formalised agreements with local authorities to hire people with disabilities at our Italian office and plant. Another aspect of inclusion is gender and in 2024 we will dedicate more efforts to this topic, starting with speaking to an Italian high school about women in leadership at the invitation of G.I.R.L.S., an EU-sponsored initiative that aims to improve access to the labour market for young women.



**Monica Bettio, Manufacturing & Industrial Relations Director**

## GRI 405-1: Diversity of employees

	2021		2022		2023	
	n	%	n	%	n	%
Diversity of employees						
Men	32.0	88.9%	28.0	84.8%	23.1	87.2%
Women	4.0	11.1%	5.0	15.2%	3.4	12.8%
< 30 years	15.0	41.7%	12.0	36.4%	4.0	15.1%
30 ≤ x < 50 years	12.0	33.3%	9.0	27.3%	7.8	29.4%
> 50 years	9.0	25.0%	12.0	36.4%	14.7	55.5%
Diversity of employees	36.0	2.3%	33.0	2.2%	26.5	2.1%
Total employees	1,555.3		1,497.0		1,289.9	



STIGA's commitment to mitigating risk starts with conscientious practices. All equipment, machinery and technical systems used by the employees are maintained to meet local safety laws, which are shared through specific signs and instruction manuals available to workers. The STIGA Quality, Health & Safety and Environment Policy\* describes the commitment to exceed customer expectations by holding ourselves to high standards to reduce risk and protect the environment. Furthermore, internally, STIGA only produces small, simple kinds of equipment that must be certified by an external auditor. All the tools are monitored to ensure the correct execution of periodic maintenance; buildings and their appliances are also subject to periodic maintenance and design review in order to increase the overall level of safety at our facilities.

In addition, health and safety training for employees is an important mitigation action. Training activities are tailored to employees and focused 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.

Furthermore, all employees and workers in the plants undergo initial and periodic examinations by a designated medical professional in accordance with the deadlines and procedures outlined by national legislation. The doctor determines suitability for the job and any prescriptions and/or limitations. Only the job suitability reports are made available to the company, in particular to the Human Resources and EHS departments. Any other health status, medical history and personal data of the employees remain strictly confidential with the doctor.

\*<https://corporate.stiga.com/qhse-policy/>

Information on health and safety is provided to employees through:

- On site safety notices.
- Specific plant meetings.
- Emergency training.
- Intranet network, with an area dedicated to the OHS Management System.
- Installation of more visibility indicators.
- Mandatory use of safety gear.
- Security measures broadcasted on TV screens at plant entrances.

In June, STIGA was audited for compliance with these activities under the ISO for Quality (9001), Environment (14001), and Health and Safety (45001), with zero non-conformities detected. Prior to this external audit, Headquarters conducted an internal audit on the Slovakia plant, demonstrating our ongoing commitment to this topic.



Impact

Manufacturing activities are by their nature a "high" risk element of any organisation's operations, particularly in the plants where work related injuries and exposure to chemicals must be mitigated.



Mitigation

For many years, STIGA has been increasing its attention to health and safety issues and has invested in additional measures in order to reduce work related injuries.



Human Rights

Every worker deserves a work environment where risks have been mitigated, which STIGA addresses through training, careful implementation of procedures and ongoing performance and management improvements.

# Occupational Health and Safety Management System

Everyone deserves to return home safe and sound after the working day, which is why STIGA closely manages occupational health and safety risks in all production processes and office activities. The issue not only concerns employees, but also visitors and external workers who must be protected whenever they enter the company premises. A focus on a safe work environment can also offer an opportunity to assess processes from a sustainability perspective.

In 2022, STIGA achieved its goal of certification for the Health and Safety category according to the international standard ISO 45001:2018. All three production plants (Italy, Slovakia and China) now meet this certification. Now that these are in place, STIGA will begin to work with suppliers to ensure their alignment as well. In 2023, we selected 20 of our top spending suppliers to request information regarding quality, health and safety performance and found that all meet our standards. In addition, we conducted 6 on-site audits regarding health, safety and environment. In 2024 the plan is to continue along this path with inquiries into additional suppliers, also by implementing remote audits that will allow us to increase the number of audits.



**ISO 45001:2018**

These ongoing advances are aligned with the company's safety strategy, which aims to:

- Develop a system of procedures to maintain and constantly monitor the health and safety standards set out in the company Occupational Health and Safety policy objectives, with a focus on individual capabilities and responsibilities.
- Maintain a high level of health and safety performance involving the whole company from top management to production workers. Provide adequate information and training to help contextualise the implications of various roles and behaviours in the workplace.
- Purchase equipment that complies with current standards and regulations.
- Perform ongoing maintenance of the risk assessment that continues to meet applicable local, national and international legal requirements for health, safety, labour and the work environment.

# Environmental Management System

The target of an Environmental Management System is to monitor the organisation's environmental impact with the aim of managing and reducing them with regard to continuous improvement. STIGA prioritised this goal in 2023 in response to ongoing global changes in managing environmental impacts in the workplace.

In 2022, STIGA achieved its goal of certification for the Environmental category according to the international standard ISO 14001:2015, which was obtained for all three production plants (Italy, Slovakia and China). This standard certifies that an organisation is capable of fulfilling its environmental policy and complying with applicable laws to limit pollution and to continuously improve performance. Similar to the Health and Safety certification, STIGA has begun to assess its suppliers for Environmental compliance and our initial results has found that they meet our standards. In 2024 the plan is to continue along this path with inquiries into additional suppliers, as well as conduct remote audits.

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 2023 we simulated a chemical spill to test an internal procedure and environmental emergency plan in compliance with Slovakia legislation.



The company's safety strategy in relation to environmental issues aims to:

- Monitor all environmental aspects and reduce impacts where possible.
- Maintain a high level of environmental performance involving the whole company from management to production workers.
- Review the risk assessment regularly for opportunities to incorporate new environmental standards.



*The STIGA China office is now using an electric car as the on-site company car.*

# Risk Assessment Activities

STIGA has adopted the Group procedure “PR GR HSE 01 – Hazard identification, risk assessment, and definition of controls in HSE” to define the management of risk assessment activities and to standardise the process throughout the organisation. Each plant has incorporated this procedure and adapted it in alignment with the local regulatory requirements.

The same was done for the assessment of environmental impacts with the procedure “PR GR ENV 01 – Environmental Management” and the related Environmental Analysis. This was last updated in 2022, and according to internal standards will be revised in 2024.

These two initiatives, together with a system of procedures, make up the integrated Health, Safety and Environment Management System certified according to the international standard ISO 45001 and 14001. This has informed the risk assessment activity target for 2024, which is to:

- Proceed with the continuous improvement of the two management systems.
- Identify focus areas for further improvement.
- Reduce the environmental impact of processes, including through increasing the use of renewable energy.
- Act across the company so that the Management System becomes increasingly efficient and effective.

We also assess risk in our value chain by requesting relevant suppliers to complete the Conflict Minerals Reporting Template developed by the Responsible Minerals Initiative on an annual basis. These supplier declarations on tin, tantalum, gold and tungsten give us additional insight on risk.



# Accidents, Near-Misses and Non-Compliance Management

The analysis of accidents, near-misses and non-compliance events is one of the most important tools to inform improvements to health and safety performance. Issues can be evaluated from a statistical point of view 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 individual, who 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:

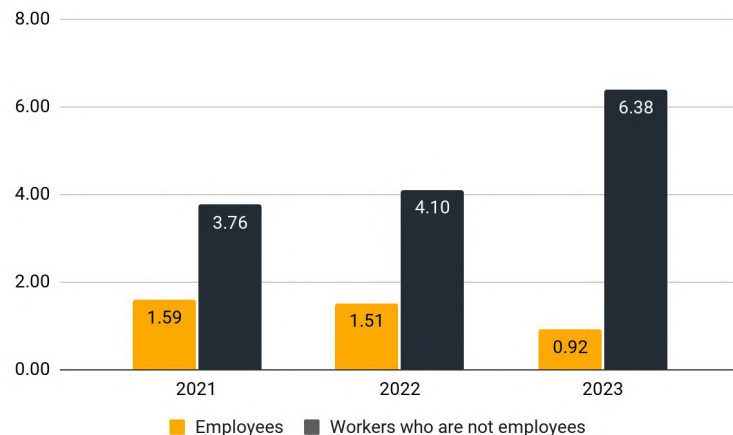
- Organisational restructuring, including new investments to improve prevention and protection.
- Provision of new resources (human, economic and financial).
- Updating or revising workplace procedures, elimination of substances classifiable as hazardous or, at least, their replacement with less hazardous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

# Injuries Data

STIGA continues to place importance on injury-prevention training and we continually strive for a goal of 0 injuries. The last time accident (defined as an accident where an injury resulted in more than three days of illness) data show a decrease for recordable employee work-related injury rates (0.92 in 2023, down from 1.51 in 2022). The work-related injury rates of those who are not employees shows an increasing trend (6.38 in 2023, up from 4.10 in 2022). Even though there were fewer injuries recorded in 2023 (2 in 2023 compared to 3 in 2022), there were also fewer employees and hours worked. However, none of the injuries presented a fatal risk. This demonstrates the effectiveness of STIGA's health and safety management system, while also reminding us to be vigilant at upkeeping our policies. As of December 31, 2023 the China plant achieved 1,410 days without a lost time accident, which is credited to the staff's active participation in safety reporting and ideas.

## GRI 403-9: Work-related injuries



The injuries are consistent with those identified in 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.

## GRI 403-9: Work-related injuries

	2021		2022		2023	
	n	Rate	n	Rate	n	Rate
Employees Injuries						
Recordable work-related injuries at end of year	4	1.59	4	1.51	2	0.92
of which fatalities	0	0	0	0	0	0
of which are high-consequence	0	0	0	0	1	0
Hours worked	2,510,214		2,641,467		2,185,360	
Total number of employees	1,555.3		1,497.0		1,289.9	

	2021		2022		2023	
	n	Rate	n	Rate	n	Rate
Workers who are not employees Injuries						
Recordable work-related injuries at end of year	3	3.76	3	4.10	2	6.38
of which fatalities	0	0	0	0	0	0
of which are high-consequence	0	0	0	0	0	0
Hours worked	797,811		730,920		313,443	
Total number of workers who are not employees	639.0		488.3		83.7	

The metric has been restated to use a coefficient of 1,000,000 (instead of 200,000 used in previous reports) because it is more appropriate for companies of this size. In addition, the total worked hours for 2021 and 2022 have been restated for China and the Czech Republic to include missing hours for white collar employees.



The power of simplicity.

Processes





Processes

## Cybersecurity

### Target

Ensure strong cybersecurity and personal data protection investing in servers and networks. Keep state-of-the-art safety standards and minimise issues to ensure 0 data breaches.

### 2023 Highlights

- Despite our strong security measures in place, we did experience 1 breach in 2023, but there was no evidence of data exfiltration or data loss.
- We engaged a cybersecurity expert to manage the incident and we restored the affected server within a month.

### Next Steps

We will uphold our goal of 0 breaches in 2024.



The STIGA ICT department directly monitors the security of all Company's ICT devices, including PCs, servers, networks, mobiles and applications. This also includes all STIGA products connected to the Group ICT systems through apps. Furthermore, vendors, logistics providers, employees and customers using STIGA network have their safety monitored and data secured.

The STIGA ICT department has implemented the following security measures: antivirus software, web-filters, antispam systems, penetration tests (for Information and Communication Technologies/Operational Technology and Internet of Things landscapes), firmware and software patch upgrades, reinforced Wi-Fi security, backups, disaster recovery, cybersecurity insurance, users training and reviews of policies and procedures.

The ICT Security Plan in place was extended to 2023 and has granted 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 and Measure, Prioritise and Plan, Protect, Evolve) to increase the cybersecurity maturity model of STIGA Group.

In 2024, the ICT Security Plan will be revised to address further internal risks as well as the latest standards will be implemented to mitigate and reduce cybersecurity risks.

In order to bring all of our employees up to speed on this topic, we provided specific trainings on data privacy and cybersecurity topics.

STIGA has adopted an internal procedure on Personal Data Protection. It is applied across the whole organisation and defines data protection activities that are GDPR-compliant. 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.
- Define, support and coordinate the incident management flow to address the data breaches that can arise in an enterprise company.

The risks inherent to data confidentiality are measured each year 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 of 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 approach to the cybersecurity topic follows the definition of the cybersecurity strategy. The activities are subject to an annual review related to the timing of an effective execution plan and the results of the annual penetration test and ethical hacking results. Personal data is stored in two cloud applications: eCommerce and CRM. The measures implemented to reduce the risk of breaches and losses are also managed by the cloud platforms. Strong authentication policy is activated in all the applications where this feature is available.

The main objective of the ethical hacking is to highlight possible vulnerabilities within connected products and apps, to carry out specific actions in order to exploit the vulnerability, and to ultimately try to take control of ICT infrastructure. Penetration tests were performed in 2022, and more tests are planned in 2024 to assess security of the Google Cloud platform, the apps, and product firmware.

Unfortunately, despite these rigorous measures and an ethical hacking test in 2023, there was an attempted cyber attack in November. This singular breach was a widespread global attack not necessarily targeted at STIGA, and fortunately there was no evidence of data exfiltration and there was no data loss. A cybersecurity partner was engaged to help manage the incident and contain the risk and the affected server was back in service within a month.



Impact

STIGA relies on digital based solutions for a large portion of its internal processes and its product portfolio and digitalisation is an element of STIGA growth strategy. An effective cyber-attack could harm the business continuity and the product usability.



Mitigation

The ICT department has implemented several protection measures and is constantly monitoring its connected environment.

### GRI 418-1: Substantiated complaints received concerning breaches of customer privacy

	2021	2022	2023
	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

	2021	2022	2023
Number of successful cybersecurity attacks	0	0	0
Number of unsuccessful cybersecurity incidents	0	0	1

# Product Connectivity and Digital Innovation

STIGA's connectivity project got started in 2020 when we connected our battery powered tractors to mobile apps. This allows the customer to monitor the performance of devices and promptly intercept any problem that may arise. The customer is also connected with dealers who can monitor products purchased and prepare for repairs or replacement of spare parts. Since then, we have added connectivity features to more products.

STIGA manages this information exchange through the cloud, which is tested regularly to ensure the protection of data. This three-part connectivity project contributes to a positive impact on the life and performance of products.

The **STIGA.GO App** identifies maintenance options and firmware upgrades, and also allows the consumer to set cutting parameters. On battery powered products, the customer can also track the charge level, plan for charging during optimal hours, and see the total CO2 emissions avoided.

**STIGA Service App** allows dealers to monitor products sold to consumers and to receive reports in case of machine malfunctioning. The app enables dealers to order parts in advance of servicing the machine, and also to understand if the machine has been used in a proper way.

Secure **cloud data management** and **integration development** through GDPR-compliant SAP and Google Cloud systems.

In the past two years, STIGA has invested in the usability of these apps and added features that encourage customers to follow best practices for gardening. As can be seen in the Non-GRI 2 table, the quantity of smart products that users have connected to the STIGA.GO App at least once has grown from 25% in 2022 to 41% in 2023. As the number of smart products expands along with new features on the mobile app, we expect to see this number continue to rise.

Non-GRI 2: Technology usage Index			
	2021	2022	2023
Quantity of sold products that have been connected to STIGA app at least once	1,244	4,069	7,268
Quantity of sold products that can be connected to STIGA app	5,678	16,200	17,882
Share of sold app-ready products that have been connected to STIGA app	22%	25%	41%

In the Non-GRI 7 table, products with STIGA.GO mobile app connectivity are expressed in product quantities sold, product types sold and product categories sold. In 2023, STIGA offered 8% of its total products that can be connected to the app. In addition, the quantity of sold products than can be connected by app reached 4% in 2023. STIGA has met its goal of 50% of product categories that have an app-connected device.

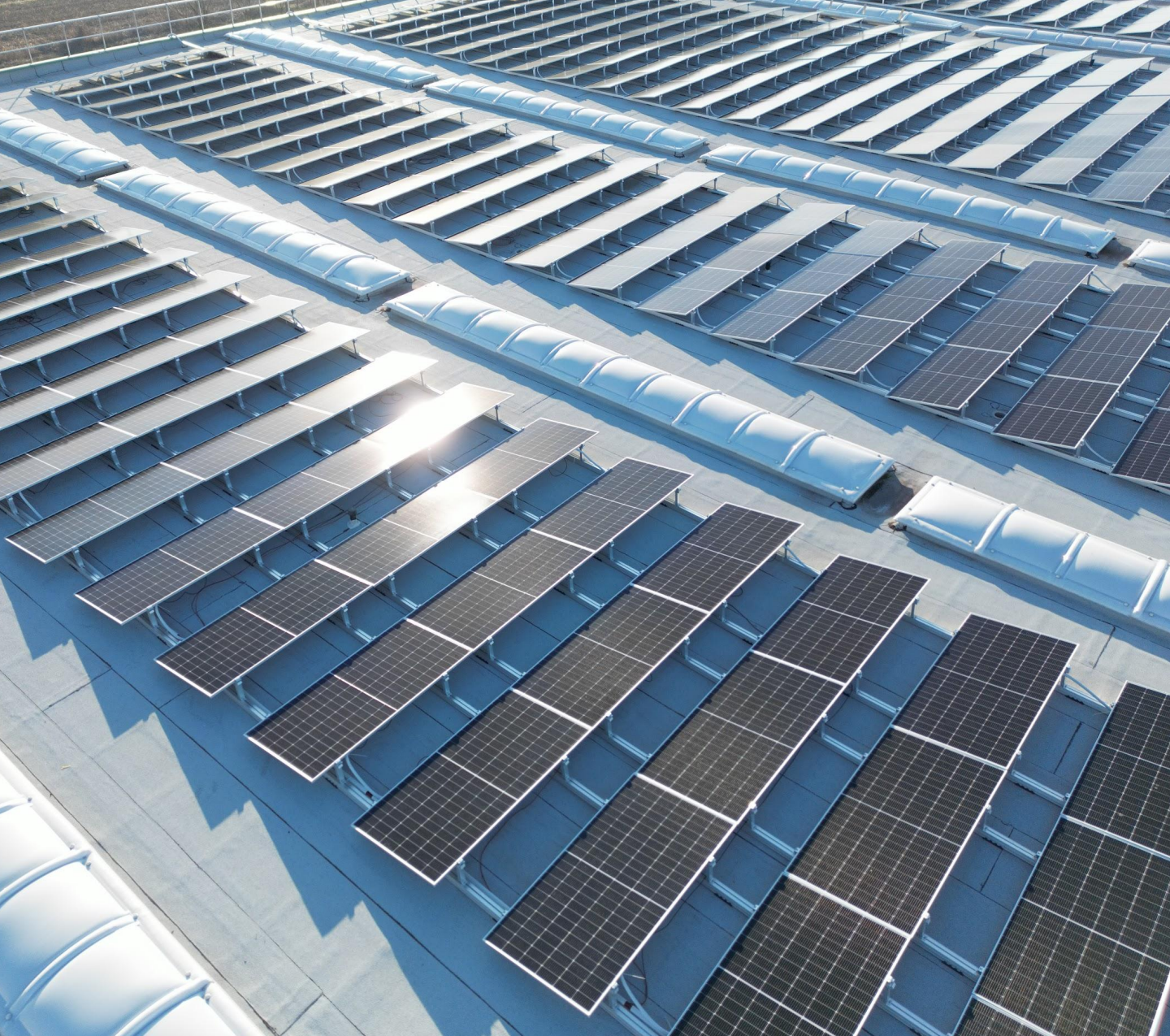
In addition to looking at expanding the adoption of app technology in 2023, we also looked at ways to improve the customer experience and optimise product service. This includes sending notifications regarding technical updates and showcasing technical videos related to product operation.

As we look ahead to the next year, we are considering introducing more specialised service options for robot owners. For dealers, we are looking to introduce new features in the service app to support maintenance. And internally we hope to share with the companies within the Group a website to track maintenance needs of products sold in their country.

### Non-GRI 7: Technology adoption Index

	UoM	2021	2022	2023
Quantity of sold products that can be connected to STIGA app*	n	5,678	16,200	17,882
Total quantity of STIGA's sold products*	n	711,203	547,808	407,433
Share of sold products that can be connected to STIGA app*	%	1%	3%	4%
Number of products (SKU) that can be connected to STIGA app*	n	15	55	51
Total number of STIGA's products (SKU)	n	744	798	638
Share of products (SKU) that can be connected to STIGA app*	%	2%	7%	8%
Number of product categories that can be connected to STIGA app*	n	3	4	4
Total number of STIGA's product categories	n	8	8	8
Share of product categories that can be connected to STIGA app*	%	38%	50%	50%

\*equipped with a digital connection device



Processes

## Efficient and Low Impact Plants and Offices

### Target

Reduce energy consumption per unit of volume produced and increase self-produced and purchased renewable energy. Increase the percentage of renewable energy compared to 2022 (71%).

### 2023 Highlights

- In 2023, we invested in renewable energy certificates in all offices where it was possible, allowing us to ensure 96% of our electricity comes from green sources, a significant increase from 2022.
- The installation of solar panels at the Italy plant at the end of 2023 will provide 1,030 MWh of expected energy savings annually starting in 2024.

### Next Steps

The Italy and Slovakia plants are investing in more energy-savings projects in 2024.

# Efficient and Low Impact Plants and Offices



STIGA's sustainability strategy includes the objective of reducing the emissions produced across the organisation. Toward this end, STIGA is strengthening its internal processes and procedures oriented to reducing its environmental impact. This can be seen in our biggest project in 2023 regarding efficient and low impact plants and offices: we installed solar panels on the roof of the plant at STIGA Headquarters.

The photovoltaic project in **Italy** was completed at the end of 2023 and will provide an estimated 1,030 MWh of capacity annually across 1,788 panels. As a result, we expect our Headquarters to have about one-third of our energy use coming from this new source that will provide autonomous energy starting in 2024. The project came after careful consideration and planning, in part because it was necessary to improve the plant roof and construct a new electrical cabinet prior to installation. The newly installed panels will bring a cost savings and the excess energy we do not use in the low-production period, or late summer, will be sold back to the grid for an additional benefit. This project was enabled in part by the sustainability strategy and discussions at the quarterly ESG Committee.



Impact

STIGA energy consumption is mainly related to plants and offices that do not use energy intensively, yet still must be considered within the global context of climate change and the elevation of sustainability in business.



Mitigation

STIGA is reducing the energy impact through the installation of solar panels at owned plants and purchase of renewable energy certificates at eight offices. Installation of solar panels started in 2022 at the China plant, and continued in 2023 in Italy. Now that the majority of our energy is renewable, we will turn our focus toward energy savings measures.



At the ESG Committee meetings, we also monitor energy usage at all the plants on a quarterly basis, since they are the most energy intensive locations. While the solar panel installation was our largest project of its kind, we searched for other ways to bring efficiency into our plants.

In **Italy**, we installed an inverter aspiration system to control the energy load and put less strain on equipment. We also installed a system to recover hot air from the compressor for use as heating. And we are experimenting with the use of forklifts that use lithium batteries in order to reduce our energy consumption. In **Slovakia**, we installed LED lights and a flexible light control system in areas within the plant. In **China**, as our old air compressor needed replacing, we selected a new, high efficiency one that will provide clean air and result in 55,750 kWh saved annually. The **Finland** office is supporting an initiative that will promote the use of sustainable aviation fuels, resulting in a CO2 offset for flights taken in 2023. The office has also begun to transition its vehicle fleet to hybrid and electric cars. Other offices, including France, Belgium, the Netherlands, Sweden, Italy and China, have also begun to switch company cars to electric vehicles. However, since this is a recent switch with limited data available, we have decided to only account for charging done on-site at a STIGA office where it is already included within the electricity consumption totals (applicable for China and Italy). For all other offices, we have omitted the data for 2023 since it represents an estimated 0.1% of the total electricity used by the Group.

This marks a period of major transition for renewable energy use at the plants at STIGA. In addition to the solar panels installed on the Italy and China plants, we have purchased Green Origin Certificates or equivalents for all three plants. This means that across the plants, we enabled 100% of electricity to come from renewable sources. In our other offices that are rented, it is not always possible to make the choice to switch to renewable energy.

Though external factors may limit STIGA's ability to address this topic, such as national energy source availability or abnormal weather that affects operating conditions, investments and efforts to reduce energy consumption will continue to be explored in 2024. In Italy we will replace an outdated boiler with a new condensing unit and install LEDs, while in Slovakia will also replace a boiler.



The installation of solar panels at our Italian plant was a project a long time in the making. In 2023, after preparing the plant roof and infrastructure systems, we were finally able to move ahead. We selected a supplier after much careful consideration, who completed the project in December. We are looking forward to seeing the benefits of using clean, renewable energy that will give us greater autonomy from the grid in 2024 and beyond.

**Filippo Fantinato, Machinery & Building Maintenance Manager**

The other major project we initiated in 2023 was the effort to quantify our carbon footprint (see page 85). This will allow us to take an even deeper dive to explore the nuances of energy consumption within the organisation. Please note that the data on this and the following page are not the preliminary results of the Carbon Footprint project. Once we will have these results in early 2024, we will use the insights to supplement the data we are already tracking in GRI 302-1. Looking at this data on energy consumption already shows a few interesting trends:

- Across our car fleet overall fuel consumption increased slightly to 14,782 GJ in 2023 from 14,400 GJ in 2022, including a greater use of gasoline and lower use of diesel. As a result the total GJ of energy only slightly increased in 2023 compared to 2022.
- Plant activities consumption was down in 2023 to 10,525 GJ from 15,824 GJ in 2022 due to lower production that meant less gasoline for R&D and manufacturing, less natural gas for technology and less gasoline for technology and testing.
- Heating consumption also decreased in 2023 to 14,281 GJ from 20,207 GJ in 2022. Contributing factors include the switch to electricity for heating in Belgium and reduced consumption at the Italian plant as a result of lower production volumes.
- Electricity consumption in 2023 totaled 18,449 GJ, down from 24,257 GJ in 2022. In the plants and certain offices where there were fewer employees in 2023, we see a corresponding drop in electricity consumption.
- The proportion of renewable energy has increased to 96% in 2023 thanks to switching to 100% renewable energy in Italy. Other companies that have Green Origin Certificates or equivalent include offices in China, Finland, France, Italy, Norway, Slovakia, Spain and Sweden.

Using this energy consumption data, STIGA calculated its GHG emissions and shown on the following page, expressed in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), through internationally recognised guidelines and in accordance with GRI standards. We have calculated:

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

GRI 302-1: Energy consumption within the organisation								
	UoM	2021	2022	2023	UoM	2021	2022	2023
Gasoline (car fleet)	Liter	57,531	93,274	115,737	GJ	1,875	3,030	3,735
Diesel (car fleet)	Liter	301,101	316,478	310,421	GJ	10,822	11,370	11,047
Car fleet consumption		358,631	409,752	426,158	GJ	12,697	14,400	14,782
Gasoline for R&D and mfg.	Liter	43,070	39,982	34,248	GJ	1,404	1,299	1,105
Natural gas for technology	m <sup>3</sup>	459,874	385,537	244,893	GJ	16,482	13,835	8,863
Gasoline for tech./quality tests	Liter	25,280	21,257	17,272	GJ	824	690	557
Plant activities consumption		528,224	446,776	296,413	GJ	18,710	15,824	10,525
Natural gas for heating	m <sup>3</sup>	537,888	521,165	344,882	GJ	19,278	18,702	12,481
District heating	MWh	431	418	500	GJ	1,550	1,505	1,800
Heating consumption		538,319	521,583	345,382	GJ	20,828	20,207	14,281
Elec. from renew. sources	Kwh	1,957,775	4,669,539	4,689,127	GJ	7,048	16,810	16,881
Elec. from non-renew. sources	Kwh	5,390,541	1,925,525	196,743	GJ	19,406	6,932	708
Elec. produced by PV	Kwh	46,695	166,653	338,498	GJ	168	600	1,219
Elec. produced by PV consum.	Kwh	46,695	142,969	238,984	GJ	168	515	860
Elec. produced by PV sold	Kwh	0	0	0	GJ	0	0	0
Electricity consumption	Kwh	7,395,011	6,738,033	5,124,854	GJ	26,622	24,257	18,449
Electricity from renewable sources		2,004,470	4,812,508	4,928,111	%	27%	71%	96%
Total energy consumed					GJ	78,856	74,688	58,038

Consistent with energy consumption, overall, Scope 1 emissions decreased by 22% with the following breakdown by consumption type:

- Company car fleet emission slightly increased at 1% (1023 tCO<sub>2</sub>e in 2023 compared to 1,012 tCO<sub>2</sub>e in 2022). As previously mentioned, even though gasoline consumption increased slightly more than the diesel consumption decreased, the overall emissions remained the same.
- Plant activities emissions decreased substantially at -34% (607 tCO<sub>2</sub>e in 2023 compared to 915 tCO<sub>2</sub> in 2022) due to lower overall production and transition to renewable energy sources.
- Natural gas emissions also decreased substantially at -34% (703 tCO<sub>2</sub>e in 2023 compared to 1,058 tCO<sub>2</sub>e in 2022) again due to lower production volumes in the Italy plant and the switch to heating from electricity instead of natural gas in the Belgium office.

In accordance with the GRI 305-2 recommendation, indirect GHG emissions (Scope 2) related to energy are reported using the location-based method. The Scope 2 guidance provided by GHG Protocol 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)”. We have also calculated emissions using the market-based method, which is the emissions based on purchasing policies and specific contractual agreements signed with suppliers.

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 account for the energy mixes in each country. The GHG emissions, calculated using the location-based method, decreased by 31% (1,328 tCO<sub>2</sub>e in 2023 compared to 1,927 tCO<sub>2</sub>e in 2022). When using the market-based method, which does not calculate emissions for electricity coming from renewable energy sources, the total emissions have decreased by 88% in the last year (108 tCO<sub>2</sub>e in 2023 compared to 896 tCO<sub>2</sub>e in 2022).

### GRI 305-1: Direct (Scope 1) GHG emissions (tCO<sub>2</sub>e)

	2021	2022	2023
Gasoline consumption (car fleet)	126.2	201.5	242.7
Diesel consumption (car fleet)	756.5	810.2	779.8
<b>Company car fleet emissions</b>	<b>882.7</b>	<b>1,011.7</b>	<b>1,022.5</b>
Gasoline consumption for R&D and manufacturing	94.5	86.4	71.8
Consumption of natural gas for technology	929.6	782.6	499.1
Gasoline for technology and quality tests	55.5	45.9	36.2
<b>Plant activities consumption</b>	<b>1,079.5</b>	<b>914.9</b>	<b>607.1</b>
Natural gas emissions for heating	1,087.3	1,058.0	702.9
<b>Total Emissions Scope 1</b>	<b>3,049.4</b>	<b>2,984.5</b>	<b>2,332.5</b>

### GRI 305-2: Energy indirect (Scope 2) GHG emissions Location Based Method (tCO<sub>2</sub>e)

	2021	2022	2023
District Heating	21.2	19.1	17.1
Consumption of electricity purchased from the grid	2,123.1	1,907.9	1,310.9
<b>Total Emissions Scope 2 (Location Based)</b>	<b>2,144.3</b>	<b>1,926.9</b>	<b>1,327.9</b>

### GRI 305-2: Energy indirect (Scope 2) GHG emissions Market Based Method (tCO<sub>2</sub>e)

	2021	2022	2023
District Heating	21.2	19.1	17.1
Electricity emissions	2,375.9	876.8	90.9
<b>Total Emissions Scope 2 (Market Based)</b>	<b>2,397.1</b>	<b>895.9</b>	<b>108.0</b>

*District heating factors use different methodologies depending on the supplier location and data. District heating for Austria uses the ISPRA report and for Finland is supplied directly by the energy provider. The district heating supplier for the Sweden office uses wood chips (a bioenergy source), therefore the indirect emissions reported only include nitrogen and methane gases, calculated according to DEFRA. If carbon dioxide were also included, the total for Sweden would be 153.91 tCO<sub>2</sub>e instead of 4.54 tCO<sub>2</sub>e. More information is available in the methodology section.*



Processes

## Group Carbon Footprint

### Target

Analyse and complete an inventory of the greenhouse gas emissions of the entire Group, including mapping upstream and downstream processes. Complete an initial carbon footprint calculation by Q1 2024.

### 2023 Highlights

- We gathered data on Scope 1, 2 and 3 emissions from across the entire Group, formalising a process for data collection for an effort that will be carried out annually.

### Next Steps

Following the completion of the initial carbon footprint calculation, we will seek a third-party certification. We will also begin the first annual update process for the data and improve data collection efforts.

# Group Carbon Footprint

The carbon footprint is the baseline for understanding and setting objectives to reduce our impact on the climate, more recently becoming an issue of increased importance and greater focus. By calculating the STIGA Group carbon footprint, we are seeking to understand where we are and how we can evolve our companies. At the end of 2022, the ESG Committee proposed the carbon footprint project as a way to baseline our status and to measure against our future efforts. For example, the data is necessary in order to complete Life Cycle Assessments on products, which could be one of the next steps on our journey considering that the use of products is likely to make up a sizeable portion of our footprint. This is the kind of information that is critical to have to make decisions: with it, we can understand where and which processes have the most significant impact on the environment. Though the calculation will be finalised in early 2024, early results indicate that we will need to focus our efforts on making logistics more efficient and reducing the impact of our products. Having this kind of data in hand can improve both our awareness and consciousness and attention on the matter.

Now that we have started this effort, we plan to continue collecting relevant data on an annual basis. During the first year, we learned about the importance of a streamlined approach to collecting data across our plants and offices. Going into our second year of data collection, we are certain our efforts will be improved due to increased training of staff to generate awareness about the importance of ESG at STIGA, as well as greater familiarity with the topic. In 2024, we will be looking for opportunities to automate and improve data collection where possible, also in coordination with logistics suppliers, as well as offer a specific training on the carbon footprint topic.

We look forward to using this information to set specific emissions reductions targets in 2024.



Assessing our carbon footprint is one small step in the journey we are on to improve the future of our planet. This has excited me the most from the beginning: a chance to make a difference by understanding the areas where we can reduce our impact on the climate. Then, with this information, we can start implementing emission reduction projects and, drop by drop, our efforts will add up to a sea of change.

**Andrea Fogo**  
QHSE System Engineer



Processes

## Responsible Supply Chain

### Target

Collect information on the supply chain to ensure alignment with our Code of Ethics and goals for a responsible and sustainable supply chain. Engage at least 50 of the top 100-spending suppliers through Sedex platform 2023.

### 2023 Highlights

- By the end of 2023, we enrolled 87% of our top suppliers in Sedex or an accepted equivalent, giving us insight into ESG topics for our most important suppliers.

### Next Steps

We will work to ensure we have all top 100 suppliers engaged on Sedex in 2024. We will also initiate audits on selected suppliers according to a risk factor as well as incorporate data from Sedex in our internal supplier rating.

# Responsible Supply Chain



Our supplier network is a key element underpinning success for the Company. In 2023, STIGA utilised 1,568 suppliers\*, which were selected based on quality, technology and commercial criteria. We made major headway in 2023 to gain more visibility on our supply chain and enrolled 87% of our top 100 spending suppliers in Sedex, or confirmed their participation in a similar program, since our collaboration began in September 2022—beyond our initial goal of 50%. Sedex is a platform that helps us better understand the ESG risks of our suppliers by getting insights through a questionnaire on topics from human rights to environmental impacts.

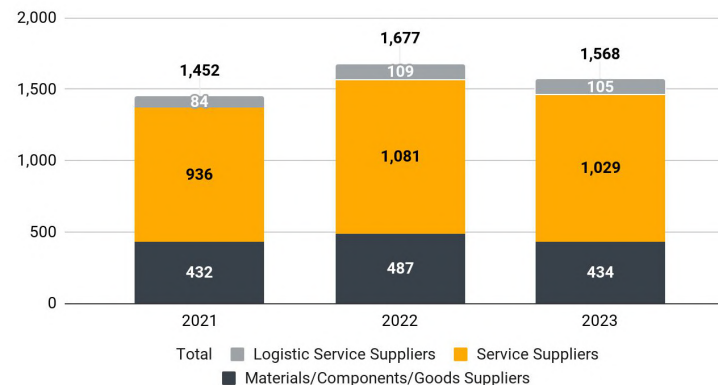
Now that most top suppliers have completed this questionnaire, we have begun analysis to select high risk suppliers to audit in 2024 and, as needed, will request corrective actions to reduce their risk. For the remaining unenrolled suppliers we will agree on a course of action to ensure we can properly assess their risk. We will also conduct in-person audits on the highest risk suppliers within the year, which are defined as those with material contracts over €500,000 per year and are designated as high risk on the Sedex platform. And finally, we will upgrade our internal vendor rating tool to make the Sedex score and other sustainability considerations more visible to the purchasing team at STIGA. We intend to make these considerations a more central part of our supplier engagement.

Supplementing this effort to assess our riskiest suppliers, we also engage our 434 materials suppliers on issues of ethics and, as of December 2023, 100% are signed on, or in alignment with, the STIGA [Code of Ethics](https://corporate.stiga.com/code-of-ethics/)\*\*. These suppliers are asked to sign and approve the Code of Ethics to ensure the promotion of values and principles of the Group, which include professionalism, fairness, transparency, sustainability and environmental protection, privacy protection, legal compliance and anti-corruption.

\*Suppliers with purchases > €5,000.

\*\*<https://corporate.stiga.com/code-of-ethics/>

**GRI 2-6: Supply chain (Number of suppliers)**



By integrating sustainability criteria into the supplier selection process, the Company aims to raise the awareness on ESG topics across its supply chain.



We will gain additional visibility into suppliers, including risks, through the collaboration with Sedex to inform a more proactive and informed approach to supplier ESG selection moving forward.



The STIGA Code of Ethics ensures that our suppliers and employees adhere to our values and principles, including a respect for human rights. We enrolled our top spending suppliers in Sedex to gain insights on human rights practices as well as other ESG topics.

# Safe Chemicals and Battery Management



STIGA has adopted a preventive approach to 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 the surrounding environment and people working in the buildings in which batteries are manufactured and stored and chemicals are used. We believe this can be achieved through appropriate handling of batteries and chemicals.

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 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 or during the annual review of the risk assessment document.

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

In Italy the delegate selected by the Employer, in collaboration with the Prevention and Protection Service Manager (RSPP) and the operating Managers, consults the medical doctor and external consultants as needed, to select the least dangerous materials and products in light of production needs and the level of technical progress.



Impact

Chemicals and batteries could significantly harm the environment and the people involved if not managed properly. Impacts could take place all along the value chain, especially in the early phases.



Mitigation

STIGA has focused on the management of chemicals within its operations, but starting in 2023 we began proactively identifying and reducing the battery related risks in the supply chain.



Human Rights

Through a collaboration with Sedex, STIGA will collect information on supply chain risks, and work with suppliers of chemicals as needed to address issues such as natural resource exploitation, ecosystem damages, and labour exploitation.



Once the product choice is made, a "Register of materials and chemical products" is drawn up by the RSPP in collaboration with the Department Managers. In this register, the materials and products are classified according to their type, level of hazard and related risks, and include a 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 other agents that, under the conditions of use, are not hazardous or are less hazardous and also where the nature of the activity and the availability of alternative products with equal effectiveness allows.
- Adequate management of product safety data sheets.

In all plants, chemicals are stored in a dedicated area at the work site 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. MSDSs are available at the workplace and operators who come into contact with these substances are trained with MSDSs. During handling, the operator must use the Personal Protective Equipment (PPE) specified in the MSDS. Workplaces that use chemicals 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 determine 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 has been identified that is dry and located away from heat sources. The battery storage area is secured against entry and manipulation by unauthorised persons and firefighting and detection equipment have been installed. In addition a periodic detection process is carried while batteries are charging using thermal imaging to detect problems.

In November 2023, we renewed the EPA Certification for the battery assembly, robot assembly and battery and robot supermarket area. The certification attests to the presence of a defined EPA Area that meets certain parameters, such as preventing electrical discharges by contact or damaging electronic products. Our logistics and production areas are in compliance.

Finally, in order to guarantee a continuous improvement in chemical and battery risk management, STIGA has also set up an improvement program that includes:

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

Thanks to the adoption of these safety management procedures, during 2022 and 2023 there were no recorded incidents in the management of chemicals and batteries.

<b>Non-GRI 6: Incidents recorded in the management of chemicals and batteries</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>

Number of incidents recorded in the management of chemicals and batteries	1	0	0
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# Annex, Methodological Note, GRI Content Index and Auditor's Limited Assurance



# Annex: Employee Data

## GRI 2-7: Employees (2023)

		Group	AT	BE	CN	CZ	DE	DK	ES	FI	FR	GB	IT	NL	NO	PL	SE	SI	SK
Type	Gender	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n
Full-time	Men	876.0	9.0	5.0	231.0	7.0	24.0	10.0	7.0	8.0	18.0	21.7	337.0	6.0	10.0	18.0	20.3	1.0	143.0
	Women	296.1	2.0	1.0	47.0	3.0	7.0	0.0	2.0	4.0	13.0	10.3	85.0	1.0	1.0	8.0	5.8	0.0	106.0
Total		1,172.2	11.0	6.0	278.0	10.0	31.0	10.0	9.0	12.0	31.0	32.0	422.0	7.0	11.0	26.0	26.2	1.0	249.0
Part-time	Men	67.6	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	0.0	1.8	63.1	0.0	0.0	0.0	0.0	0.0	0.0
	Women	50.1	0.0	1.4	0.0	0.0	4.6	1.8	0.0	0.0	0.0	4.4	36.4	0.6	0.0	0.0	0.9	0.0	0.0
Total		117.7	0.0	1.4	0.0	0.0	7.3	1.8	0.0	0.0	0.0	6.2	99.5	0.6	0.0	0.0	0.9	0.0	0.0
Total per Gender	Men	943.6	9.0	5.0	231.0	7.0	26.7	10.0	7.0	8.0	18.0	23.5	400.1	6.0	10.0	18.0	20.3	1.0	143.0
	Women	346.2	2.0	2.4	47.0	3.0	11.6	1.8	2.0	4.0	13.0	14.7	121.4	1.6	1.0	8.0	6.7	0.0	106.0
Total		1,289.9	11.0	7.4	278.0	10.0	38.3	11.8	9.0	12.0	31.0	38.2	521.5	7.6	11.0	26.0	27.1	1.0	249.0

The country abbreviations used in this section are: AT - Austria, BE - Belgium, CN - China, CZ - Czech Republic, DE - Germany, DK - Denmark, ES - Spain, FI - Finland, FR - France, GB - United Kingdom, IT - Italy, NL - Netherlands, NO - Norway, PL - Poland, SE - Sweden, SI - Slovenia, SK - Slovakia.

# Annex: Employee Data

## GRI 2-7: Employees (2023)

		Group	AT	BE	CN	CZ	DE	DK	ES	FI	FR	GB	IT	NL	NO	PL	SE	SI	SK
Contract	Gender	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n
Perm- anent	Men	755.9	9.0	5.0	97.0	7.0	26.7	10.0	7.0	8.0	18.0	21.8	395.1	6.0	10.0	18.0	20.3	1.0	96.0
	Women	299.9	2.0	2.4	41.0	3.0	11.6	1.8	2.0	4.0	13.0	14.4	117.4	1.6	1.0	8.0	6.7	0.0	70.0
Total		1,055.9	11.0	7.4	138.0	10.0	38.3	11.8	9.0	12.0	31.0	36.2	512.5	7.6	11.0	26.0	27.1	1.0	166.0
Temp- orary	Men	187.7	0.0	0.0	134.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	5.0	0.0	0.0	0.0	0.0	0.0	47.0
	Women	46.3	0.0	0.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	4.0	0.0	0.0	0.0	0.0	0.0	36.0
Total		234.0	0.0	0.0	140.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	9.0	0.0	0.0	0.0	0.0	0.0	83.0
<b>Total per Gender</b>	Men	943.6	9.0	5.0	231.0	7.0	26.7	10.0	7.0	8.0	18.0	23.5	400.1	6.0	10.0	18.0	20.3	1.0	143.0
	Women	346.2	2.0	2.4	47.0	3.0	11.6	1.8	2.0	4.0	13.0	14.7	121.4	1.6	1.0	8.0	6.7	0.0	106.0
<b>Total</b>		<b>1,289.9</b>	<b>11.0</b>	<b>7.4</b>	<b>278.0</b>	<b>10.0</b>	<b>38.3</b>	<b>11.8</b>	<b>9.0</b>	<b>12.0</b>	<b>31.0</b>	<b>38.2</b>	<b>521.5</b>	<b>7.6</b>	<b>11.0</b>	<b>26.0</b>	<b>27.1</b>	<b>1.0</b>	<b>249.0</b>

# Annex: Employee Hiring Data

## GRI 401-1: New Employee Hires (2023)

Group	AT		BE		CN		CZ		DE		DK		ES		FI			
	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*		
New Hires																		
Men	517.7	54.9%	2.0	22.2%	3.0	40.5%	403.0	145.0%	0.0	0.0%	7.9	20.6%	1.0	8.5%	1.0	11.1%	1.0	8.3%
Women	89.9	26.0%	1.0	50.0%	0.0	0.0%	18.0	6.5%	0.0	0.0%	1.9	5.0%	0.0	0.0%	0.0	0.0%	1.0	8.3%
< 30 years	361.7	127.4%	0.0	0.0%	0.0	0.0%	298.0	107.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	1.0	8.3%
30 ≤ x ≤ 50 years	215.1	32.7%	3.0	37.5%	2.0	27.0%	123.0	44.2%	0.0	0.0%	8.8	23.0%	1.0	8.5%	1.0	11.1%	1.0	8.3%
> 50 years	30.8	8.8%	0.0	0.0%	1.0	13.5%	0.0	0.0%	0.0	0.0%	1.0	2.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total employees as of 31/12	1,289.9		11.0		7.4		278.0		10.0		38.3		11.8		9.0		12.0	
Total New Hires	607.6	47.1%	3.0	27.3%	3.0	40.5%	421.0	151.4%	0.0	0.0%	9.8	25.6%	1.0	8.5%	1.0	11.1%	2.0	16.7%

Group	FR		GB		IT		NL		NO		PL		SE		SI		SK	
	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*
New Hires																		
Men	6.0	19.4%	3.1	8.1%	35.67	6.8%	1.0	13.2%	0.0	13.2%	0.0	0.0%	4.0	14.8%	0.0	0.0%	49.0	19.7%
Women	4.0	12.9%	2.1	5.5%	23.00	4.4%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.9	3.2%	0.0	0.0%	38.0	15.3%
< 30 years	1.0	3.2%	1.7	4.5%	18.00	3.5%	1.0	13.2%	0.0	13.2%	0.0	0.0%	1.0	3.7%	0.0	0.0%	40.0	16.1%
30 ≤ x ≤ 50 years	6.0	19.4%	3.0	7.9%	34.00	6.5%	0.0	0.0%	0.0	0.0%	0.0	0.0%	2.3	8.4%	0.0	0.0%	30.0	12.0%
> 50 years	3.0	9.7%	0.5	1.3%	6.67	1.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%	1.6	6.0%	0.0	0.0%	17.0	6.8%
Total employees as of 31/12	31.0		38.2		521.5		7.6		11.0		26.0		27.1		1.0		249.0	
Total New Hires	10.0	32.3%	5.2	13.6%	58.7	11.3%	1.0	13.2%	0.0	13.2%	0.0	0.0%	4.9	18.1%	0.0	0.0%	87.0	34.9%

\* Percentages represent rate of turnover by category (number of hires compared to total employees as of 31 December 2023)

# Annex: Employee Turnover Data

## GRI 401-I: Employee Turnover (2023)

	Group		AT		BE		CN		CZ		DE		DK		ES		FI	
	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*
Terminations																		
Men	688.7	73.0%	3.0	27.3%	2.0	27.0%	524.0	188.5%	0.0	0.0%	13.0	33.9%	0.0	0.0%	1.0	11.1%	2.0	16.7%
Women	117.4	33.9%	1.0	9.1%	0.8	10.8%	34.0	12.2%	0.0	0.0%	3.8	9.9%	1.0	8.5%	0.0	0.0%	0.0	0.0%
< 30 years	436.0	153.6%	0.0	0.0%	0.0	0.0%	394.0	141.7%	0.0	0.0%	3.0	7.8%	0.0	0.0%	0.0	0.0%	0.0	0.0%
30 ≤ x ≤ 50 years	295.8	45.0%	4.0	36.4%	0.8	10.8%	164.0	59.0%	0.0	0.0%	10.8	28.2%	1.0	8.5%	0.0	0.0%	1.0	8.3%
> 50 years	73.2	21.0%	0.0	0.0%	2.0	27.0%	0.0	0.0%	0.0	0.0%	3.0	7.8%	0.0	0.0%	0.0	0.0%	1.0	8.3%
Total employees as of 31/12	1497.0		12.0		7.2		415.0		10.0		45.3		11.8		9.0		12.0	
Total Terminations	806.03	62.5%	4.0	36.4%	2.8	37.8%	558.0	200.7%	0.0	0.0%	16.8	43.9%	1.0	8.5%	1.0	11.1%	2.0	16.7%

	FR		GB		IT		NL		NO		PL		SE		SI		SK	
	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*
Terminations																		
Men	7.0	22.6%	5.8	15.2%	54.5	10.5%	0.0	0.0%	0.0	0.0%	1.0	3.8%	3.4	12.5%	0.0	0.0%	72.0	28.9%
Women	3.0	9.7%	4.1	10.7%	29.5	5.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.2	0.6%	0.0	0.0%	40.0	16.1%
< 30 years	0.0	0.0%	2.5	6.5%	18.5	3.5%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	18.0	7.2%
30 ≤ x ≤ 50 years	7.0	22.6%	4.9	12.8%	41.5	8.0%	0.0	0.0%	0.0	0.0%	1.0	3.8%	2.8	10.4%	0.0	0.0%	57.0	22.9%
> 50 years	3.0	9.7%	2.5	6.5%	24.0	4.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.7	2.7%	0.0	0.0%	37.0	14.9%
Total employees as of 31/12	31.0		42.9		546.4		6.6		11.0		27.0		25.7		1.0		274.0	
Total Terminations	10.0	32.3%	9.9	25.9%	84.0	16.1%	0.0	0.0%	0.0	0.0%	1.0	3.8%	3.5	13.0%	0.0	0.0%	112.0	45.0%

\* Percentages represent rate of turnover by category (number of terminations compared to total employees as of 31 December 2023)

# Methodological Note

This is the third Sustainability Report published by STIGA, following the first Sustainability report released in May 2022. 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 2023, 2022 and 2021 (01 January – 31 December, aligned with the financial reporting period): the three-year data collection allows comparability of information and trends.

STIGA Spa 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 6 of this report. Eurotillers Sro (SK) has been excluded due to the minority shareholding (49%) and to its low materiality for the reporting. In 2023 we stopped doing new business in Russia and the company has been mothballed, and therefore excluded from 2023 reporting information, though the data has been retained for previous reporting years.

The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards (“with reference” reporting option) published in 2021 by the Global Reporting Initiative (GRI). 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 performance 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. The tables in the following pages identify any omissions or estimates. In addition, in the cases where data errors are discovered after publication, a significance threshold is applied to determine whether the data should be restated. Significant is defined as a difference of five percent or greater in the Scope 1 or Scope 2 emissions totals for a given year.

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

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

In order to represent energy consumptions in GJ and direct and indirect GHG emissions (Scope 1 and 2) in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e), as required by GRI Standards, the conversion/emission factors used for the 2023 report were provided by: the Department for Environment, Food and Rural Affairs (DEFRA) in the United Kingdom (Greenhouse Gas Reporting: Conversion Factors 2022) and the Association of Issuing Bodies and the Climate Transparency Initiative (Carbon Footprint Country Specific Electricity Emissions Factors February 2023, Climate Transparency Report 2022). Austrian, Finnish and Swedish offices use district heating systems that are powered respectively by waste incineration, a mix of fuels and wood chips. The Austrian office emission factor refers to the ISPRA tabella coefficienti standard nazionali (2023). The Finnish office emission factor was provided directly by the energy supplier. The Sweden office emission factor for wood chips refers to DEFRA (2023).



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

The average useful life (in hours) of each representative product has been multiplied by the hourly consumption of fuel/electricity estimated in order to obtain the consumption of each product for a specific time period: to allow comparability the estimated lifetime of the petrol product has been applied also to the electric (corded) and battery products, and the results have been converted to GJ using the DEFRA 2023 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 quantities sold within that category for each fiscal year in order to obtain the energy savings related to the mix of products sold; the savings is calculated as the difference between the total GJ consumed as if all the products were petrol compared to the actual sales mix.

Litres of fuel or kWh consumed over the average useful life of the products have been converted into tons of CO2 equivalent (tCO2e) according to DEFRA 2023 GHG emissions factors in order to obtain the GHG emissions produced by a single product unit.

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 compared to the calculated tCO2e from the actual sales mix.

### **Attraction, development and wellbeing of employees (GRI 2-7, 2-30, 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 the payroll as of 31 December of each year.

In China, certain workers who are students are classified as interim employees, rather than as workers who are not employees (interns), due to the nature of their contract and job. These interim employees perform specific tasks in the plant as a full-time job through an agreement with the company, and whose wages are determined based on hours worked and tracked in an attendance system. This is different from interns who work at STIGA through an arrangement with their school or university in a formative and supportive role. Their job is more often part-time and their stipend is based on a predetermined arrangement instead of on hours worked and tracked.

### **Safe work environment (GRI 403-9)**

In the calculation of injury rates, the coefficient "1,000,000" has been used. Lost Time Accidents (LTA) are understood as injuries resulting in more than three days of illness, and this is the methodology applied in the indicator.

**Non-GRI Indicators** track progress against sustainability projects identified by the ESG committee. While these indicators are not required by the GRI 2021 Reporting Standards, they are useful for setting goals and communicating annual updates to stakeholders. In the case in which there were no suitable GRI Standards topic specific indicators to represent STIGA performance in relation to a material topic, the following 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 annually assesses the number of electric (corded) and battery powered products sold compared to the total figure for the Group. This Non-GRI indicator reflects an internal KPI monitored by the ESG Committee.

#### **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 have purchased a digital integrated product and have used its connectivity features; it also helps STIGA 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 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 likelihood of recommendation of STIGA brands among people in 13 countries where STIGA operates. The two surveys addressed to the consumers are the "AIDED: BRAND AWARENESS SURVEY" and "RECOMMENDATION SURVEY". 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. 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 recommendation rate that comes from "RECOMMENDATION SURVEY" can be considered reliable when the audience rating recommendation by country is higher than 80 out of 300 people, which is a rate seen in the Nordic countries (Denmark, Finland, Norway and Sweden) and Poland where brand awareness is higher than 30%.

### 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, availability and/or unauthorised access or attempted access to systems.

This metric was simplified and updated in 2023 to distinguish between successful cybersecurity attacks and unsuccessful cybersecurity incidents. Successful attacks include the following activities:

- 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.

Unsuccessful incidents include attempted attacks that were not successful because no data breach or compromise of information occurred. 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.

### Non-GRI 7: Technology adoption index

Similar to Non-GRI 2, this indicator gives insight into how the market is responding to its digital transformation by showing the adoption rates of app-connected products. There are three categories represented in this table. The first category shows the quantity of sold app-ready products compared to the overall quantity of sold products. The second category shows the number of app-ready products available compared to the total number of products available. The last category gives an overview of STIGA's broad product categories to show the number of categories that have app-ready products.

### Non-GRI 8: Mulch-ready lawn care products sold

Since mulching is environmentally friendly way to deal with lawn clippings, STIGA is interested in ensuring lawn care products sold are largely mulch-ready. This is compared to the overall number of lawn care products sold to determine a percentage of the total.

The following table summarises the omissions and the estimates related to the indicators reported. STIGA has determined that these do not reduce the credibility of the report and its usefulness to stakeholders. In 2023 we stopped doing new business in Russia and the company has been mothballed, and therefore excluded from 2023 reporting information, though the data has been retained for previous reporting years.

Material Topics	Indicators	Omissions	Estimates
Efficient and Low Impact Plants and Offices	GRI 302-1	<p><b>Denmark</b> Heating consumption data is not available.</p> <p><b>Italy</b> Electric vehicle charging data is not available in cases where charging was not on-site at the Italy office.</p> <p><b>Belgium, France, Netherlands, Sweden</b> Electric vehicle charging data is inconsistently available and was omitted since it is estimated to represent 0.1% of total electricity consumption in 2023, and therefore is not material.</p> <p><b>Russia</b> 2021 and 2022 heating consumption data is not available.</p>	<p><b>Austria</b> District heating consumption for each year is based on confirmed data from the prior year, since invoices and data are one year delayed. Electricity data for each year is based on the invoice period from November–October, instead of the standard calendar year.</p> <p><b>Belgium</b> Electricity data are estimated based on the latest available invoice from the prior year. Natural gas for heating data was estimated for 2022 and 2021.</p> <p><b>Czech Republic, Denmark</b> Electricity data was estimated based on previous years' data.</p> <p><b>Finland</b> Gasoline and diesel consumption for each year were estimated according to the kilometres travelled and vehicles' average fuel consumption. District heating consumption for all years was determined based on the footprint of the office within the rented building.</p> <p><b>France, Slovakia</b> Fuel consumption was estimated according to the total cost divided by the average price per liter. In France this applies for 2021, 2022 and January–May 2023.</p> <p><b>Germany</b> Electricity and heating consumption are based on annual invoices that span from July through June each year, instead of the standard calendar year.</p> <p><b>Sweden</b> District heating and electricity consumption were determined based on the footprint of the office within the entire building, which is 30% in 2023 and 25% in previous years.</p> <p><b>United Kingdom</b> Diesel consumption was estimated according to the total cost divided by the average price per liter. Electricity produced by photovoltaic system was estimated for 2022 based on data available for April 2021–February 2022.</p> <p>GHG emissions have been estimated through specific emissions factors: the process has been described in the methodology and the relevant report sections.</p>

Material Topics	Indicators	Omissions	Estimates
Transition to more sustainable products	GRI 302-5 and GRI 305-5	In 2023 a new, more precise calculation methodology was applied that gives us more accurate estimates for these calculations. Since the new methodology does not allow for comparison to previous years (2022 and 2021), only the 2023 data is shown in the report.	
Sustainable Packaging	GRI 301-1 and GRI 301-2	Wood pallets were not included in the 2022 and 2023 calculation because their impact is lower and they are reused.	The weight of traded products has been calculated according to the quantity sold and the bill of materials. All the packaging of traded products has been classified as non recyclable due to the lack of specific information.
Safe Work Environment	GRI 403-9		<p><b>Austria, Belgium, Czech Republic, Finland, Germany, Netherlands, Norway, Poland, Slovenia and Spain</b> Hours worked were estimated according to the average weekly work hours, average work weeks and number of employees</p> <p><b>Denmark</b> Hours worked were estimated according to the average weekly work hours, average work weeks and number of employees for 2022 and 2021.</p> <p><b>France</b> Hours worked were estimated for the managers based on contractual weekly work hours and working days.</p>
Attraction, Development and Wellbeing of employees	GRI 404-1  GRI 404-3	<p><b>Netherlands</b> 2021 training data was not tracked.</p>	<p><b>All Offices</b> Training hours are manually tracked by individual offices based on attendance records, and compiled into a report managed by the Italy HR team.</p> <p><b>Denmark, Germany, Netherlands, Sweden</b> Performance review data estimated based on the number of employees for 2022 and 2021.</p>

In addition, in the cases where data errors are discovered after publication, a significance threshold is applied to determine whether the data should be restated. Significant is defined as a difference of five percent or greater in the Scope 1 or Scope 2 emissions totals for a given year. In cases where the significance threshold is exceeded, data has been restated in the relevant report sections and elaborated upon below. In other cases, if the metric has changed and includes new information or revised considerations, data is restated.

#### **GRI 301-2: Recycled input materials used**

In 2023, we added recycled metal as one of our recycled input materials, resulting in revised recycled material percentages for previous years.

#### **GRI 403-9: Work-Related Injuries**

The formula to calculate injury rates was revised to reflect a best practice for companies of this size. In previous reports, the coefficient “200,000” was used. In the 2023 report, the coefficient was changed to “1,000,000” for all years. In addition, employee worked hours have been restated for previous years. The 2021 data erroneously included hours for workers who are not employees. The 2021 and 2022 data did not include white collar employees in China. And the 2022 data for Czech Republic did not account for one employee.



For any need of clarification or desire to more deeply explore the contents of this document, please contact the Sustainability department at the following e-mail address:  
**[esg.sustainability@stiga.com](mailto:esg.sustainability@stiga.com)**



# GRI Content Index: Overview

The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards (“with reference” reporting option) published in 2021 by the Global Reporting Initiative (GRI). STIGA has reported the information cited in this GRI content index for the period 1 January 2023 – 31 December 2023, with reference to the GRI Standards, including the requirements specified by *GRI 1: Foundation 2021*. The GRI content index includes our general disclosures and material topics.

GRI Standard	Disclosure	Page Number(s)	Notes
<b>GRI 1: Foundation (2021)</b>	GRI 1: Foundation	N/A	
<b>GRI 2: General Disclosure (2021)</b>	GRI 2-1: Organisational details	6, 10	
	GRI 2-2: Entities included in the organisation’s sustainability reporting	6	
	GRI 2-3: Reporting period, frequency and contact point	97, 103	
	GRI 2-4: Restatements of information	97	
	GRI 2-5: External assurance	125	
	GRI 2-6: Activities, value chain and other business	7-15, 87	
	GRI 2-7: Employees	51-52	See the Annex for complete data
	GRI 2-8: Workers who are not employees	51-52	
	GRI 2-9: Governance structure and composition	13-15	
	GRI 2-22: Statement on sustainable development strategy	3	
	GRI 2-23: Policy commitments	14, 18, 50-51, 61, 67-70	
	GRI 2-28: Membership associations	16	
	GRI 2-29: Approach to stakeholder engagement	20-22	
	GRI 2-30: Collective bargaining agreements	53	
<b>GRI 3: Material Topics (2021)</b>	GRI 3-1: Process to determine material topics	21-22, 96	
	GRI 3-2: List of material topics	21-22, 97-101	

# GRI Content Index: Products

GRI Standard	Disclosure	Page Number	Notes
Transition to More Sustainable Products			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	30-32	
<b>GRI 302: Energy (2016)</b>	GRI 302-5: Reductions in energy requirements of products and services	32	
<b>GRI 305: Emissions (2016)</b>	GRI 305-5: Reduction of GHG emissions	32	
<b>Non-GRI</b>	Non-GRI 1: Share of battery and corded products sold	31	
	Non-GRI 8: Mulch-ready lawn care products	34	
Sustainable Materials and Packaging			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	36-40	
<b>GRI 301: Materials (2016)</b>	GRI 301-1: Materials used by weight or volume	38, 40	
	GRI 301-2: Recycled input materials used	38, 40	
Quality and Safe Products			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	46	
<b>GRI 416: Customer Health and Safety (2016)</b>	GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	46	
<b>Non-GRI</b>	Non-GRI 3: Amazon reviews	47	
	Non-GRI 4: Brand awareness surveys	47	



# GRI Content Index: People

GRI Standard	Disclosure	Page Number	Notes
Attraction, Development and Wellbeing of Employees			
GRI 2: General Disclosure (2021)	GRI 2-7: Employees	50-52	See the Annex for complete data
	GRI 2-8 Workers who are not employees	50-52	
	GRI 2-30: Collective bargaining agreement	53	
GRI 3: Management Approach (2021)	GRI 3-3: Management of Material Topics	50-63	
GRI 401: Employment (2016)	GRI 401-1: New employee hires and employee turnover	54	See the Annex for complete data
GRI 404: Training and Education (2016)	GRI 404-1: Average hours of training per year per employee	58	
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	58-59	
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews	60	
Diversity and Inclusion			
GRI 3: Management Approach (2021)	GRI 3-3: Management of Material Topics	64-66	
GRI 405: Diversity and Equal Opportunity (2016)	GRI 405-1: Diversity of governance bodies and employees	64-66	

# GRI Content Index: People

GRI Standard	Disclosure	Page Number	Notes
Safe Work Environment			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	67-72	
<b>GRI 403: Occupational Health and Safety (2018)</b>	GRI 403-1: Occupational health and safety management system	67-68	
	GRI 403-2: Hazard identification, risk assessment, and incident investigation	70-71	
	GRI 403-3: Occupational health services	67	
	GRI 403-4: Worker participation, consultation, and communication on occupational health and safety	68	
	GRI 403-5: Worker training on occupational health and safety	67-71	
	GRI 403-6: Promotion of worker health	67-71	
	GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46, 67-72	
	GRI 403-9: Work-related injuries	72	

# GRI Content Index: Processes

GRI Standard	Disclosure	Page Number	Notes
Digital Products and ICT Security			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	75-78	
<b>GRI 418: Customer Privacy (2016)</b>	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	76	
<b>Non-GRI</b>	Non-GRI 2: Technology usage Index	77	
	Non-GRI 5: Number of cyber security incidents occurred	76	
	Non-GRI 7: Technology adoption index	78	
Efficient and Low Impact Plants and Offices			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	80-83	
<b>GRI 302: Energy (2016)</b>	GRI 302-1: Energy consumption within the organisation	82	
	GRI 302-4: Reduction of energy consumption	81	
<b>GRI 305: Emissions (2016)</b>	GRI 305-1: Direct (Scope 1) GHG emissions	83	
	GRI 305-2: Energy indirect (Scope 2) GHG emissions	83	

# GRI Content Index: Processes

GRI Standard	Disclosure	Page Number	Notes
Responsible Supply Chain			
<b>GRI 2: General Disclosure (2021)</b>	GRI 2-6: Activities, value chain and other business relationships	87	
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	87	
Safe Chemicals and Batteries Management			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	88-90	
<b>Non-GRI</b>	Non-GRI 6: Incidents recorded in the management of chemicals and batteries	90	

“

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.**

”

**STIGA**



**STIGA SPA**

**LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT OF  
STIGA GROUP**

**YEAR ENDED 31 DECEMBER 2023**



## ***Independent auditor's limited assurance report on the Sustainability Report***

To the Board of Directors of STIGA SpA

We have undertaken a limited assurance engagement in respect of the accompanying Sustainability Report of STIGA SpA and its subsidiaries (hereinafter "STIGA Group" or the "Group") for the year ended 31 December 2023.

### ***Responsibilities of the Directors***

The Directors of STIGA SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological note" section of the Sustainability Report.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for defining the sustainability performance targets of the STIGA Group, as well as for identifying its stakeholders and material topics to be reported on.

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### ***PricewaterhouseCoopers Business Services Srl***

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Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl  
[www.pwc.com/it](http://www.pwc.com/it)





### ***Auditor's Independence and Quality Control***

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1) and accordingly, maintains a comprehensive system of quality control including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Auditor's Responsibilities***

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our engagement in accordance with International Standard on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the process for the definition of the material topics reported in the Sustainability Report, with reference to the method of their identification in terms of priority for the various categories of stakeholders and to the internal validation of the results of the process;
2. analysis and evaluation of the identification criteria of the reporting boundary in order to verify their compliance with what is described in the "Methodological Note";



3. understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with management personnel of the Group, and we performed limited analyses of documentary evidence to gather information about the processes and procedures supporting the collection, consolidation, processing and submission of non-financial information to the corporate function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

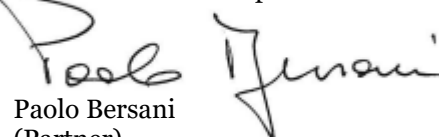
- at parent company level:
  - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for the following entities, STIGA SpA (Italy) and STIGA Sas (France), which we selected based on their activities, contribution to performance indicators and location, we held meetings and interviews with the responsible persons and obtained documentary evidence, on a sample basis, about the correct application of the procedures and calculation methods applied for the indicators.

### ***Limited Assurance Conclusion***

Based on the procedures performed, nothing has come to our attention that causes us to believe that Sustainability Report of STIGA Group for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the criteria set out in the GRI Standards as illustrated in the “Methodological Note” section of the Sustainability Report.

Padova, 30 May 2024

PricewaterhouseCoopers Business Services Srl

  
Paolo Bersani  
(Partner)

Firmato digitalmente da: Paolo  
Bersani  
Data: 30/05/2024 15:41:33