



# Sustainability Report 2022



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# CEO Message

2022 was a challenging year for many businesses across the world. Obstacles in the supply chain persisted, consumer confidence deteriorated, and the industrial trading environment continued to be opaque.

Yet, STIGA Group can look back at a year in which we launched more new products, improved sales and margins, and achieved important business and ESG targets.

Three solid pillars – **People, Products and Processes** – have guided our **Sustainability Strategy** in meeting these goals, together with the dialogue between ESG project leaders that helps us to continually raise the bar and hold ourselves to higher standards.

From that dialogue comes a company culture devoted to protecting the health and wellbeing of our employees and the places where we operate. In 2022, we promoted initiatives aimed at increasing flexibility in the workplace and giving back to the communities where our businesses are located.

When it comes to products, we've continued our efforts to increase the percentage of electric powered equipment that makes up our overall sales. We now believe we have the broadest range of ride-on electric machines in the world.

We have also invested further to make our production processes more sustainable and efficient, to improve the durability and quality of our tools. From a broader perspective, we are also investing in energy reduction measures across our plants and transitioning to photovoltaic panels to power our buildings.



# CEO Message

Looking ahead to 2023, we expect to compile an even deeper assessment of our ESG opportunities and our impact on the environment, with facts and data which will then strengthen our improvement strategy.

Above all, our aim is to **improve as we grow**. We understand the enjoyment and the benefits that green spaces bring to our everyday lives, and we want to keep turning this knowledge into action. Our passion to inspire and help consumers to take care of their gardens goes hand in hand with our commitment to cherish nature as a whole.

Thank you for joining STIGA on this journey.

*Sean Robinson*



# Key Data 2022

25%

Battery and electric products sold of overall sales  
vs 35% in 2021

6.8%

Recycled plastic in materials

61%

Recycled material in packaging\*  
vs 46% in 2021

21,226

Hours of training  
vs 19,945 in 2021

0

Data breaches

2

ISO certifications achieved

97%

Materials suppliers have signed the STIGA Code of Ethics

71%

Renewable energy  
vs 27% in 2021

\*Objective recalculated, see page 44 for details.

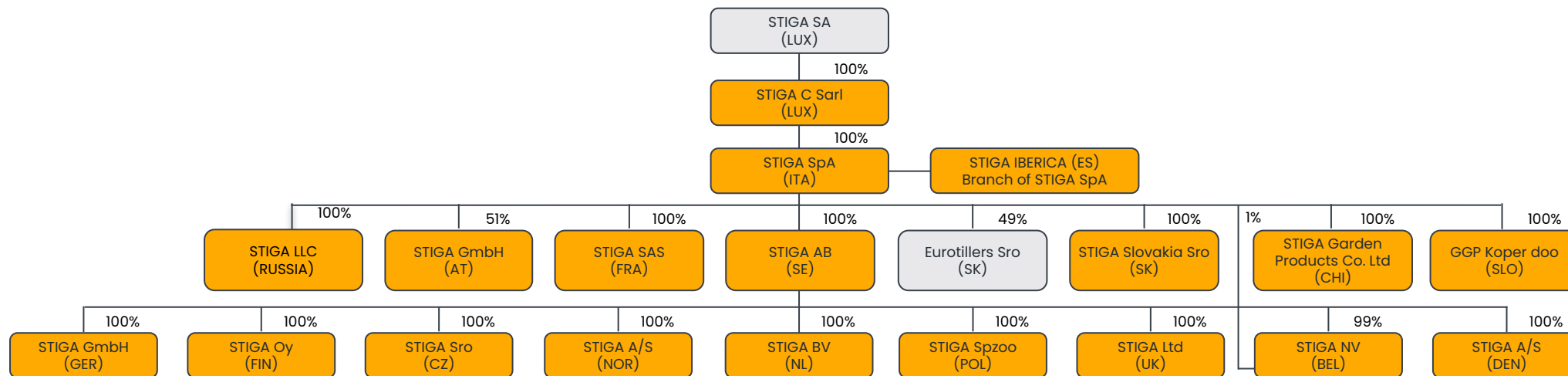
# The STIGA Group



# 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 yellow-coloured companies in the below chart are those related to the reporting boundary for 2022 Sustainability Report. Eurotillers Sro (SK) has been excluded due to the minority shareholding (49%) and to its low materiality for the reporting. STIGA SA is the Luxembourgian holding company of the Group. STIGA C Sarl directly owns the Italian company, STIGA SpA, which is the direct or indirect owner of all the other operating companies.



# 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 9 axial mower).

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 most of STIGA's European markets.

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





# New Product Launches in 2023

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 share of battery and electric powered products continues to increase across our range as we work to provide our customers with gardening solutions that achieve their goals in the most sustainable way possible.



## STIGA Autonomous robot mowers

In 2023 STIGA starts the distribution of our autonomous robot mowers models combining real-time kinematic GPS with a patented, predictive AGS technology: A 1500, A 3000 and A 5000.



## Gyro 9 Series

The revolutionary drive-by-wire joystick battery mower with patented Direct Drive technology. In 2023 we are enriching the range with the Gyro 9 model for 13,000 sqm and equipped with STIGA 3-blade mulch deck.



## 20V new handheld applications

The 20V Series collection is enriched with 2 new tools: SC100e pruner scissor and CS100e chainsaw for multipurpose and multiseason usage.

# The STIGA Brands

5

## Brands

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



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



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.



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



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



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.

# STIGA Headquarters, Commercial Offices and Production Plants

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

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

Our manufacturing network covers more than 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; and
- STIGA's plant in Guangzhou, China produces lawn tractors. It was built in 2008 in Nansha district, and the facility covers 19,110 sqm.

**3** Plants

**16** Commercial organisations

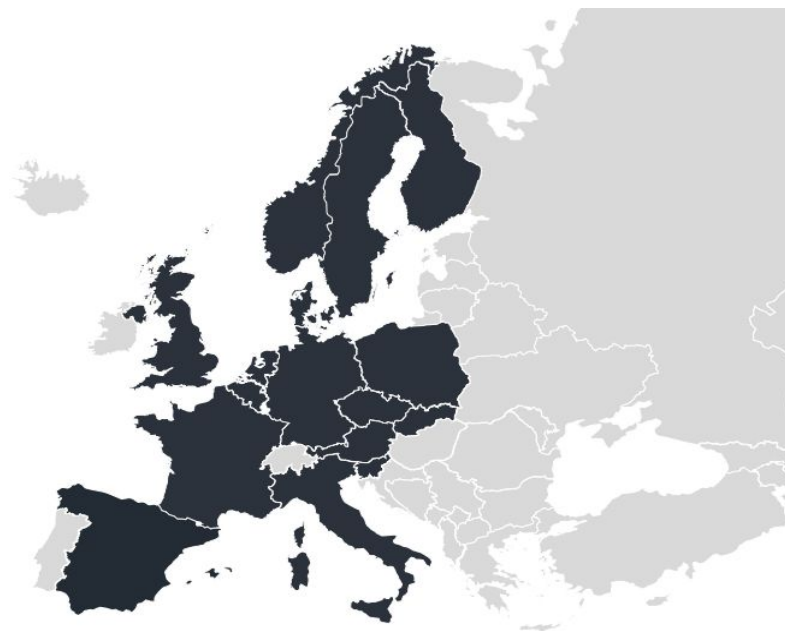


# Markets Served

The Group sold more than one million products and generated €637 million sales in 2022. STIGA directly operates in 16 countries and reaches a total of 89 markets all over the world. Products are mainly offered in the European market, with direct sales in France, Italy, UK, Germany, Poland, Czech Republic, Austria, Russia, Benelux and Scandinavian countries. The conflict between Russia and Ukraine caused significant economic impacts on global markets. This resulted in volatility of commodities prices, such as gas and oil, and in reduction of the growth rate of European economies. The exposure of the Group in the markets directly or indirectly involved in the conflict is marginal, approximately 2% of the business volume, in major part related to the Russian subsidiary.

The implementation of commercial restrictions in some of the states involved in the conflict influenced the ability to serve the involved markets.

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.



*Russian sales operation was mothballed following the invasion of Ukraine in early 2022*



# Achievements Over the Last Year

The year 2022 was another record year in terms of sales (+11%) and EBITDA (+1%), despite the substantial stability in demand for the gardening products following the reduction and then the termination in the second part of the year of Covid-19 pandemic restrictions, which heavily influenced performance in the two prior years.

Further, the overall economic environment was characterised by high volatility in the supply chain and increases in the cost of commodities and energy. This resulted in a challenge to satisfy the market demand and, at the same time, in pressure on products profitability.

The Company reacted by securing in advance the critical components for production at the expense of higher Working Capital, as well as increasing the sales prices on the market whose full effect will materialise in 2023. At the same time, the Company's investment program aimed to develop innovative products and enlarge the range of battery products, which kept apace with the guidelines indicated by the Business Plan and the ESG Strategy.

The organisation was further strengthened with the insertion of qualified managers and professionals.

The second part of the year was also characterised by unprecedented activities inside and outside the Company aimed at granting the success of the introduction in the market of the highly innovative autonomous robot in the first months of 2023.

## GRI 2-6: Scale of the organisation

		2020	2021	2022
	UoM	Total	Total	Total
Total number of employees	n	1,281.2	1,555.3	1,497.0
Total number of operations	n	19	19	19
Net Sales (Eur. '000)	€	447,517	573,367	636,973
Total Capitalization (Eur. '000)	€	381,255	399,793	417,826
of which debt	€	248,285	224,124	226,873
of which equity	€	132,970	175,669	190,953
Quantity of products sold	n	1,225,263	1,538,354	1,232,290

# 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 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;
- 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 COO, the SVP Sales, the SVP Marketing, the SVP Group Legal & HR, the VP Group Controlling and Strategic Planning and the SVP Planning. 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	2020	2021	2022
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	5	4	4
Women > 50 years	0	0	0
<b>Total &gt; 50 years</b>	<b>5</b>	<b>4</b>	<b>4</b>
<b>Total</b>	<b>6</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 **Board of Directors** directs and approves the Sustainability Strategy.

The **ESG Committee**, composed of the CEO, CFO, SVP Marketing, SVP HR, Legal and the ESG Manager, is tasked with elaborating on and proposing strategies and commitments to ESG topics and targets. It also supervises and 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.

The ESG Committee met quarterly in 2022, tracking the progress of all the strategic sustainability projects and took corrective actions where needed.



# 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, 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

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



# Professional Affiliations

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

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

# Community Connections

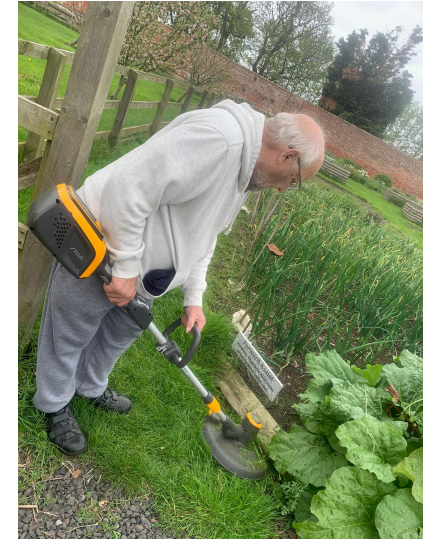
STIGA is actively committed to improving connections with communities near our offices. Some activities are directly related to STIGA's business, such as our partnership with UniSMART, the foundation of the University of Padova. This collaboration has been highly beneficial for identifying macro innovation trends and supporting postgraduate education. We also engage in charitable activities:

- In the summer, STIGA Headquarters launched a partnership with Ca'Leido, a local community and educational center that offers cognitive and social skill development activities, including vegetable gardening, for young people on the autism spectrum. Each week, employees at STIGA Italy can sign up to purchase an Orto in Cassetta, or a Vegetable Garden in a Box, that includes produce from this organic farm. Approximately 25 employees request a box of fresh fruits and vegetables each week, with nearly 300 boxes ordered in the second half of 2022;
- In the UK, STIGA mowers and trimmers were donated to three charities: Forward Assist, a charity that supports health and wellbeing of retired members from the armed forces, Refurnish Devon, an organisation that resells household goods in support of community members in need, and Perennial, a charity that supports families in the horticulture sector needing extra assistance.
- In China, STIGA worked with representatives from the People with Disabilities Federation of the Nansha District to identify employment opportunities for people with disabilities, but also to begin an ongoing partnership.

Looking ahead to 2023, we are planning more activities, including continued collaboration with the community of people with disabilities in Nansha, China as well as a planting day.



*Garden at Ca'Leido community and educational center*



*Cordless grass trimmer/brush cutter donated to Forward Assist in the UK*



# Sustainability Path







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



# The STIGA Sustainability Story



# The Path Undertaken

In 2021, STIGA started its sustainability journey by drafting its first internal Sustainability Report, centered on four companies. Soon after, the Company decided to expand the effort to the whole Group. Defining an ESG strategy involved formal engagement with Company stakeholders to create a strategy and materiality matrix. We also instituted a governance structure that ensures the effective follow-through of strategic ESG projects.

In 2023 we are publishing our second official Sustainability Report, which includes updates on the achievement of strategic projects, as well as corrective actions where identified. In this report we are also introducing new projects that either raise the bar in areas where we are already making significant progress, or that meet the expectations of our stakeholders.

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

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

**Governance** influences how STIGA's objectives are set and achieved, and how risk is monitored. STIGA released a new version of its Code of Ethics in 2021, which was shared with employees and suppliers. By the end of 2022, 97% of active material suppliers had signed the Code of Ethics. The Company also signed an agreement with Sedex to improve its awareness of the social and environmental risks related to the supply chain.

In 2021 Sustainability Report, the most important material topics for STIGA and for its stakeholders were identified. These were used to create a materiality matrix, which informed the general structure of this report.

STIGA is following the 2021 "Global Reporting Initiative Sustainability Reporting Standards" (hereafter "GRI Standards"). According to these new guidelines the materiality analysis was updated for the 2022 Sustainability Report in order to consider the impacts generated by the organisation.

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.

In the following pages we will further describe our approach to reporting on our sustainability efforts.

# 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 office also have established connections with local community groups and collaborate with them on a regular basis (see page 18).

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.

# Stakeholder Engagement

In late 2022, STIGA formally engaged with stakeholders to gain insights into their needs and expectations. We selected four stakeholders among the most relevant:

- Consumers
- Dealers
- Suppliers
- Employees

They received surveys available in 14 languages, depending upon the target audience.

In total, over 1,800 responses were received, with the majority coming from employees. Depending on the stakeholder group, there were between 4 and 11 questions, including ranked questions and open questions. There were general areas of agreement across the 21 topical categories that provide useful insights into what our stakeholders care about most.

Stakeholders have a shared interest in **battery management**, including the production and sourcing of rare earth minerals, the serviceability of batteries to extend their life, and end of life recycling options.

Consumers and dealers are specifically interested in **quality products** with interchangeable parts for making ongoing adjustments and extending the overall life of products. Consumers also wanted additional **transparency on sourcing**.

1,800

## Survey Responses

Total number of survey responses from stakeholders including consumers, dealers, suppliers and employees

14

## Languages

The survey was translated into Chinese, Czech, Danish, Dutch, English, Finnish, French, German, Italian, Norwegian, Polish, Slovak, Spanish, Swedish

21

## Topics

All stakeholders were asked to rate 21 different material topics, from long life products to diversity and inclusion, for their level of importance for STIGA

# Materiality Analysis Update

The materiality analysis has been updated in order to consider 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**. Starting with an extensive list of potential impacts linked to ESG topics, a shorter list was selected based on the topics with the greatest relevance for STIGA. The Company has conducted interviews with the ESG project leaders and members of the ESG Committee to assess the relevance and impacts of each topic. Finally, the topics were prioritised in terms of severity and likelihood.

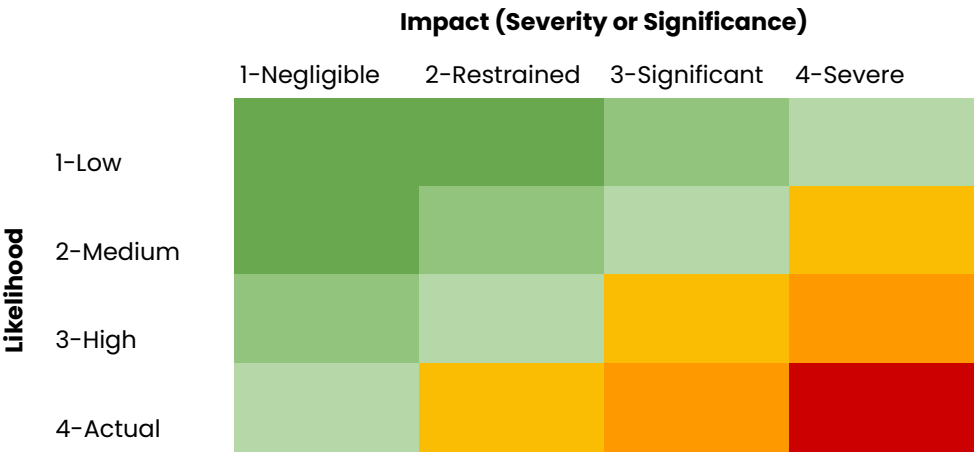
STIGA has followed the GRI requirements to:

- 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 **severity** or **significance** of the impact (on a scale of intensity), as well as the **likelihood** (chances of the impact happening), as shown in the opposite graphic.

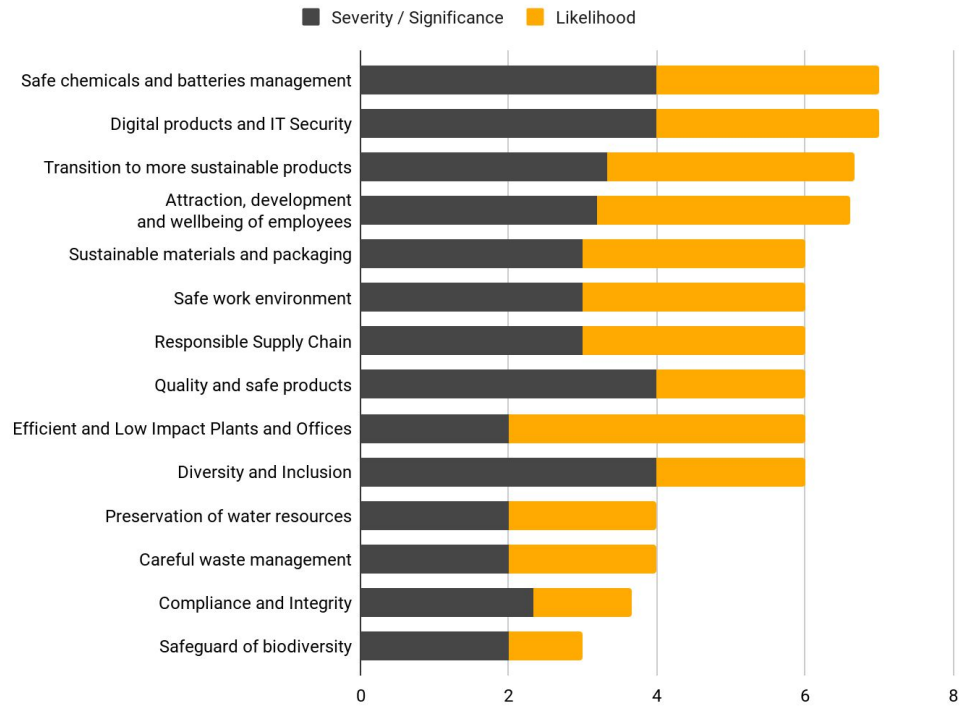
Quantitative scales were used in order to assign a score to the qualitative observations: the scores were then used to prioritise the material topics. The material topics selected for evaluation in the 2022 Sustainability Report include those with severe impacts (shown in red), significant impacts (shown 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.





For this reason, in the month of December 2022, we formally requested feedback from our stakeholders to understand how they ranked the importance of the main ESG topics. 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 2022 Sustainability Report. The strategic ESG pillars on the following page 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> <a href="#">p. 100</a>	<b>Digital products and ICT Security</b> <a href="#">p. 86</a>	<b>Transition to more sustainable products</b> <a href="#">p. 35</a>	<b>Attraction, development and wellbeing of employees</b> <a href="#">p. 58</a>
<b>Sustainable materials and packaging</b> <a href="#">p. 43</a>	<b>Safe work environment</b> <a href="#">p. 77</a>	<b>Responsible supply chain</b> <a href="#">p. 97</a>	<b>Quality and safe products</b> <a href="#">p. 50</a>
	<b>Efficient and low impact plants and offices</b> <a href="#">p. 93</a>	<b>Diversity and inclusion</b> <a href="#">p. 73</a>	

# STIGA ESG Strategy and Achievements

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 2022, 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 2023, the projects added are in alignment with the interests expressed by our stakeholders and the result of the update of materiality matrix according to the new 2021 GRI.

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 and reducing waste;
- Protect the Company and personal data, build a solid control system to reduce risks and comply with laws and standards;
- Promote the respect of ethics and human rights in the Group and in its supply chain.

# Achievements: Products

Project	Description	Commitment	Result	Highlights	Page
<b>Transition to Electric</b>	Increase the percentage of electric powered products sold in overall sales mix.	Electric powered products to represent 28% of total by 2024*	25%	Result is below target due to unfavourable sales mix, but incentives and new products are planned for 2023.	<a href="#">36</a>
<b>Mulching</b>	Encourage and promote the mulching technique to STIGA consumers.	Keep the percentage of “mulch-ready” products sold above 80% of STIGA lawn care segment.	88%	Result is in line with expectations.	<a href="#">40</a>
<b>Easy to Repair</b>	Develop a system to assess product repairability according to measurable criteria.	Define the measurement system by the end of 2022. Extend the measurement to electric branded products in 2023.	In progress	Project will be merged into one with a broader scope; see “Long Life Products” on page <a href="#">32</a> .	<a href="#">42</a>
<b>Recycled &amp; Renewable</b>	Increase the percentage recycled, renewable and lower environmental impact components and packaging materials in the supply mix.	60% recycled materials in packaging, 3% recycled plastic in products by end of 2022.	61%** 6.8%	Results are in line for packaging and are exceeding the target for components.	<a href="#">44</a> , <a href="#">48</a>

\* Target changed on the basis of current performance.

\*\*Objective recalculated, see page [44](#) for details.

# Achievements: People

Project	Description	Commitment	Result	Highlights	Page
<b>Consumer &amp; Customer Satisfaction</b>	Regularly interact with consumers/customers and measure their satisfaction.	Maintain high ratings for products sold online and for brand awareness. Develop Net Promoter Score in 2023.	4.2 Amazon Stars	The high ratings goal for Amazon was met while the Net Promoter Score project will not be implemented.	<a href="#">53</a>
<b>Attraction</b>	Improve job opportunities and training for local talent pool.	300 hours dedicated to Employer Branding in 2022. <b>New for 2023:</b> Hire 100 interns across the entire Group.	489 hours	The target was exceeded, with greater engagement at schools and universities.	<a href="#">65</a>
<b>Training</b>	Increase employee skills and knowledge, also on ESG topics.	22k training hours in total including training on Human Rights in 2022. <b>New for 2023:</b> Maintain goal with 22k training hours, with a focus on ESG.	21,226 hours	The objective was nearly met despite some trainings being delayed to 2023.	<a href="#">66</a>
<b>Flexibility</b>	Provide greater flexibility to employees and improve work/home life balance.	Define a Group policy by 2022.	Done	A common Group standard has been developed and is being implemented.	<a href="#">70</a>
<b>ISO Certifications</b>	Strengthen internal processes and procedures oriented towards the impact on the environment and safety.	Obtain ISO 45001 (Safety) and 14001 (Environment) certifications by the end of 2022.	Done	STIGA production plants obtained the Safety and Environmental certifications.	<a href="#">79</a>

# Achievements: Processes

Project	Description	Commitment	Result	Highlights	Page
Cybersecurity	Ensure strong cybersecurity and personal data protection investing in servers and networks.	Keep state-of-the-art safety standards and minimise issues and data breaches.	0 breaches	There were 0 breaches, yet STIGA is still advancing a project to secure data and servers.	<a href="#">87</a>
Connectivity	Increase the quantity of connected products in overall sales mix.	Connected products to represent more than 50% of total by 2024.	50%	Results continue to progress, and the introduction of robots will increase the share of connected products.	<a href="#">90</a>
Green Plants & Offices	Reduce energy consumption per unit of volume produced and increase self-produced and purchased renewable energy.	Increase the percentage of renewable energy vs 2021 (27%).	71%	Significant progress was made: the China plant installed solar panels, producing 130,000 kWh in the second half of 2022, and 8 companies have a renewable energy certificate.	<a href="#">94</a>
Code of Ethics	Ensure that all suppliers uphold Company policy on human rights and code of conduct.	40% of suppliers signed on to our Code of Ethics by 2022, increasing to 90% by 2024.	97%	As of the end of 2022, nearly all suppliers with active agreements had signed the Code of Ethics.	<a href="#">98</a>
Audit	Implement yearly audit plans.	Perform audits on four main processes during 2022.	2 audits	Audits on Warranties and Purchasing were completed, and Sales and Warehouse Logistics will follow. This project has become embedded into Company processes so will be removed from the list	



# STIGA ESG Strategy: Looking Ahead

In 2022, we achieved many of the goals we set out for ourselves, but it is just the beginning of our ESG strategy implementation. That is why, looking ahead to 2023, we will continue to advance progress on many existing projects, sunset some projects that were achieved, and introduce new projects based on stakeholder feedback.

We continue to raise the targets across our projects that are focused on the long-term. For example, despite meeting initial goals for renewable and recycled materials, we will keep investing in research and testing to produce quality products that are also sustainably sourced. To achieve our 28% sales goal for electric and battery powered products, on the other hand, we know we have more work to do on consumer education and incentives, as well as diversifying product offerings.

The projects that we achieved and completed, such as the Safety and Environment ISO Certifications, will be removed from the project list moving forward. However, we have only done so with the confidence that these efforts are now embedded in company processes.

As we close out those projects, we are also identifying new projects to expand our sustainability efforts, informed by both our internal goals and the 2022 stakeholder survey. Considering stakeholders' interest in long product life, as well as customer satisfaction, we will initiate a "long life" project that looks at batteries, spare parts, service, and design for disassembly. Following the implementation of the Code of Ethics project, we will transition to a proactive approach to realise a more responsible supply chain by collaborating with Sedex to assess risks among suppliers. Finally, we are planning to embark on the ambitious effort of calculating the carbon footprint for the entire STIGA Group, including both the upstream and downstream emissions. With the addition of these new projects, we reaffirm STIGA's willingness to pursue advanced sustainability targets.



“

This was the year that we saw how ESG has become embedded in the Company culture. Thanks to a robust governance and the regular meetings of the ESG Committee, project leaders are reporting back ideas and goals to their teams and seeing changes to the way we work. That's why we were able to achieve so many of the targets we set out for ourselves in 2022, despite the challenges along the way.

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

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# New Projects

## Products

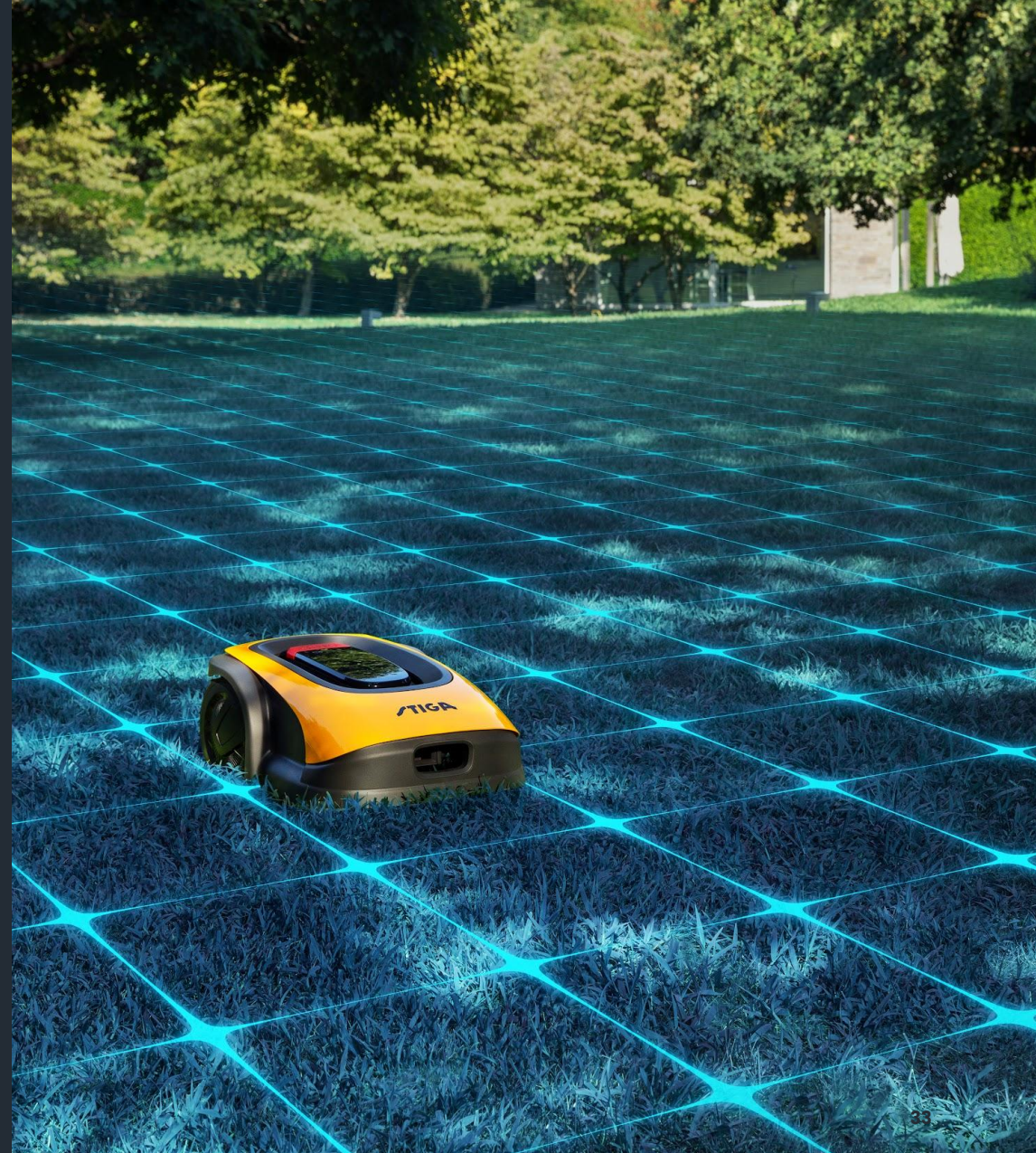
Project	Description	Commitment
Long Life Products	In 2023 a new project will be launched to formalise the goal for long product life, involving design for disassembly, spare parts availability, and after-sales service improvement	Assess the current status and develop a solid strategy in 2023.
"3R" for Batteries (Recharge, Repair, Recycle)	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.

## Processes

Project	Description	Commitment
Group Carbon Footprint	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.
Sustainable Supply Chain	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.

# Products

“Green-fingered engineers.”







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

# Transition to More Sustainable Products



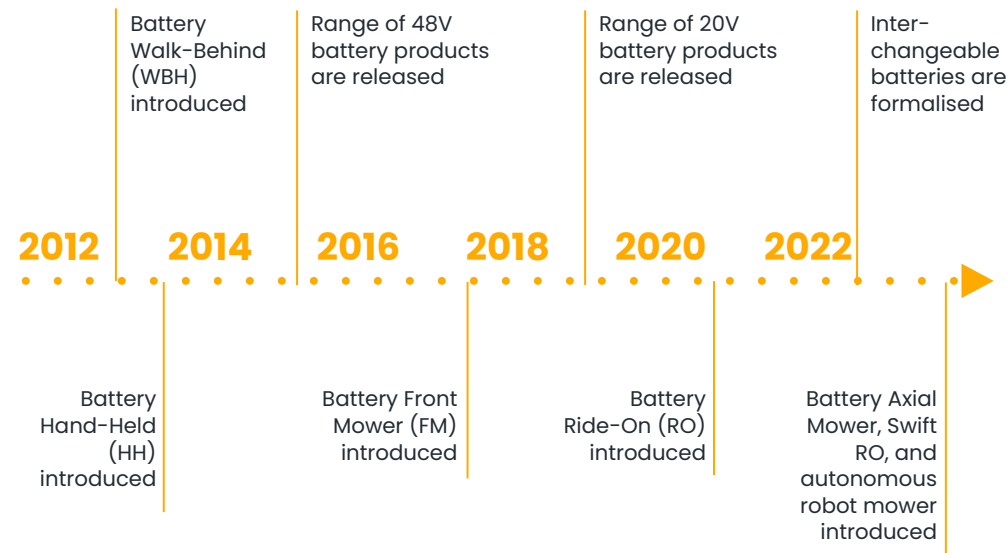
# Transition to more sustainable products

In 2022 we achieved the electrification of a range of garden tools—mowers for small to large gardens, hand-held tools for a variety of garden needs and snow throwers. This builds on one of the core pillars of the Company's strategy: product electrification 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 through battery powered products.

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

- For STIGA, it improves the competitiveness of the brand in the market and expands the Company knowledge on green technologies, making us better prepared for the future;
- For the environment, it reduces energy consumption and CO2 emissions;
- For consumers, it means owning greener and quieter products, without the drawbacks of petrol engines.

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.



Impact

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



Mitigation

STIGA is working to expand the sales of battery and electric powered products, considering a process to assess product reparability and disposal, funding research on mulching and CO2 benefits with the University of Padova, and educating customers on this mowing technique.

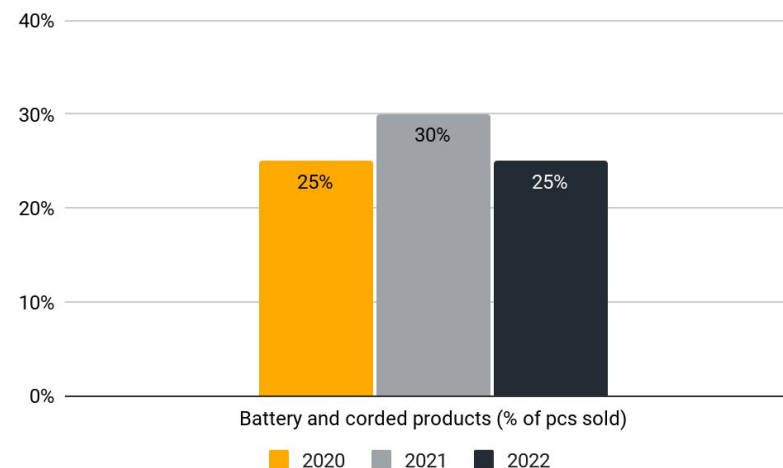
This design process is led by two teams in Italy and China that are specialised in advanced battery technology. The Italian plant also has an internal laboratory to test batteries. These efforts are supported by a significant investment: in 2022, 80% of the New Product Development investment done by STIGA was concentrated into batteries and battery powered products. Every time we initiate New Product Development, we follow internal procedures and international regulations and standards on definition, evaluation, development, prototyping, industrialisation and verification. This investment in our people, processes and equipment is helping STIGA to advance its expertise in battery technology, giving us growing capacity to design and develop better and better products.

We planned do more with batteries, including the development of our own in-house production, beginning in 2021. Internal battery production allows us to design systems that have common parts, thereby reducing the amount of components we need. As STIGA builds these capacities, the ability to design more sustainable solutions in-house also grows.

Our knowledge of battery products is fortified by extensive field testing. Every product is not only tested in real world conditions, they are also pushed to the limits in our quest for high quality design.

As indicated in the chart opposite, the share of battery powered and corded products sold by STIGA dropped down to the 25% of Company sales in 2022. Despite the investments in battery and electric powered products, the demand of our products from the market in 2022 was higher for petrol Ride-On tractors and lower than expected for battery powered Hand-Held products. Still, we anticipate this share will marginally decrease in 2023, despite the Europe-wide launch of the Autonomous Robot, due to the weak performance in electric handhelds and walk behinds.

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



The STIGA 48V and 20V interchangeable batteries.

As we develop batteries and electric solutions, we also look for ways that align simplicity and sustainability. That's why in 2021 STIGA formalised the offer of 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. A battery purchased with a battery powered product, such as a brush cutter, can also be used with other STIGA products such as blowers, hedge trimmers, snow throwers and walk behinds. This means consumers only need to purchase one source of energy to power all their garden tools.

STIGA's new battery products consume considerably less energy than the equivalent petrol versions. The table opposite compares the energy requirements, expressed in Gigajoules (GJ), of the most important product categories for which new battery powered models were sold in 2022. The sales mix was compared to a baseline as if all sold products were petrol.

When looking at the energy savings data for individual products, there is a significant reduction in energy requirements for the new battery powered models. However, in terms of total number of products sold, savings are still limited as electric and battery powered products represent a minority of total products sold.

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

	2020		2021		2022	
	GJ	%	GJ	%	GJ	%
Walk Behind (WBH )	-191,187	-15.54%	-287,646	-18.75%	-172,764	-13.80%
Brushcutters/ trimmers	-77,916	-25.18%	-142,183	-36.75%	-100,669	-36.72%
Chainsaw	-33,768	-11.43%	-31,931	-9.70%	-20,416	-11.57%
Hedge Trimmer	-43,749	-46.75%	-77,340	-59.15%	-50,621	-64.97%
Blower	-32,693	-42.52%	-59,489	-54.30%	-48,910	-55.07%
Ride-On			-45,558	-1.55%	-26,083	-0.88%
Riders					-10,284	-7.18%
Multi Tools	-27,715	-52.49%	-43,300	-55.63%	-31,247	-61.02%
Snow Thrower	-1,575	-17.88%	-1,838	-14.08%	-3,265	-19.01%
Robots*	-10,202	-71.01%	-9,191	-71.01%	-7,931	-70.91%
Zero Turn	0	0	0	0	-5,370	-40.11%
<b>Total</b>	<b>-418,806</b>		<b>-698,477</b>		<b>-477,558</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 battery powered, they are compared here to Petrol Ride-ons, considering the same working hours and square meters in one year.*



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We're proud to offer a range of products that are not only electric and battery powered, but are also high-quality due to extensive development and rigorous testing beyond industry standards. Our Research & Development team is driven to build products from the ground up, seek commonality across systems, and aim for sustainability. That's what sets STIGA apart.

**Adriano Niro, Vice President Research & Development**

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

	2020		2021		2022	
	tCO2e	%	tCO2e	%	tCO2e	%
Walk Behind (WBH )	-10,919	-13.18%	-16,820	-16.30%	-10,478	-12.59%
Brushcutters/ trimmers	-5,011	-24.06%	-9,300	-35.72%	-6,486	-35.57%
Chainsaw	-2,052	-10.32%	-1,907	-8.61%	-1,161	-9.90%
Hedge Trimmers	-2,885	-45.82%	-5,114	-58.12%	-3,310	-63.90%
Blowers	-1,933	-37.36%	-3,735	-50.65%	-2,974	-50.35%
Ride-On			-3,057	-1.54%	-1,631	-0.82%
Rider					-689	-7.24%
Multi Tools	-1,810	-50.94%	-2,847	-54.35%	-2,018	-59.26%
Snow Throwers	-119	-20.11%	-124	-14.12%	-200	-17.49%
Robots*	-626	-64.78%	-506	-58.04%	-506	-68.09%
Zero Turn					-354	-39.72%
<b>Total</b>	<b>-25,356</b>		<b>-43,410</b>		<b>-29,807</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.*

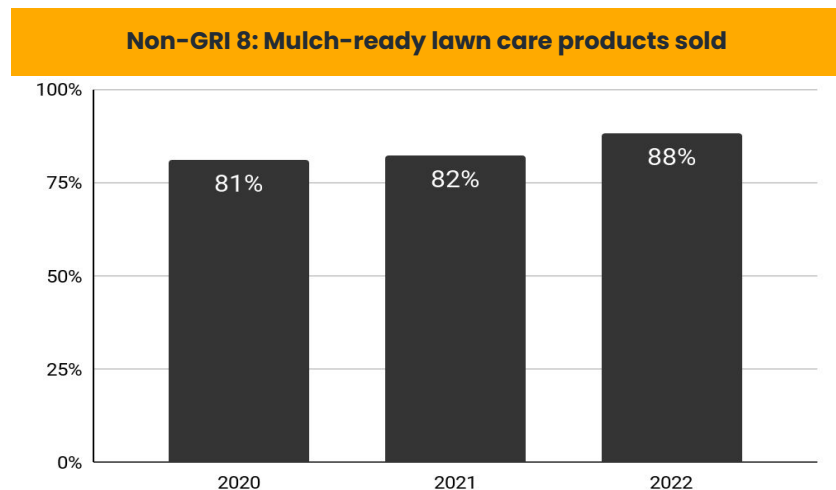
The transition from petrol to batteries not only has an impact in terms of energy consumption, but also in avoided greenhouse gas (GHG) emissions. At individual product levels, the emissions savings are extremely high. However, similar to the analysis of reduction of energy requirements, the overall share of electric and battery powered products sold is limited, which is why the overall emissions reductions are limited in 2022.

For petrol products, it is important to note that every petrol motor and machine is tested and certified in compliance with international standards, including the European Regulation 2016/1628 applying emission limits to non-road mobile machineries.

# Mulching

Mulching is a technique that involves mowing the lawn without collecting the grass clippings. The mower cuts the grass multiple times into extra-fine particles that are then blown 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 more than 88% of the lawn care products sold in 2022 are “mulch-ready”.

In June 2022, a research review financed by STIGA (€9k) carried out with the University of Padova\*, showed that mulching is an environmentally friendly technique. STIGA’s assumptions were confirmed in these initial scientific findings and will continue to be explored in further studies with the University of Padova.

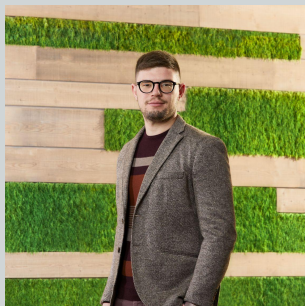


In particular, the documented benefits of mulching as highlighted in the study include:

- The practice has been shown to reduce greenhouse gases by 12% and increase CO2 sequestration in the soil;
- It increases organic matter in the soil over time, nurturing the grass down to its roots, boosting growth, health and beauty;
- Gardeners don't need to dispose of grass cuttings, or to stop to empty the grass collector, resulting in time and energy savings, as well as reduction in use and transportation of bags to dispose of clippings;
- Important nutrients are returned to the grass and decompose, working as a natural fertiliser and boosting the overall health of the lawn;
- The need for synthetic nitrogen fertilisers is reduced by up to 50% depending on the species and the age of the grass stand. Decomposition is fast-acting, providing nitrogen mineralisation to the soil within one week and resulting in increased grass stand health;
- Reducing synthetic fertiliser use also reduces CO2 emissions related to its manufacture and transport. Avoiding disposal of grass clippings in the landfill also prevents anaerobic decomposition, which produces methane, a greenhouse gas with high potency for global warming;
- Grass clippings also can increase visual quality of a lawn, particularly towards the end of the growing season;
- When clippings are re-applied to the lawn as opposed to removed, there is a corresponding reduction in certain types of weeds;
- The thatch resulting from grass-cycling helps protect against soil temperature extremes and helps reduce water loss from the soil. As a result, less watering is needed;
- Turfgrass clippings may also specifically reduce surface temperatures due to the water vapour contained in the clippings that contribute to evaporative cooling;
- Battery powered mowers not only have lower energy requirements, but they also produce smaller clippings that decompose more quickly.

\*Ponaro, C., Novello, A., Fidanza, M., & Macolino, S. (2022). Grasscycling: A Key Practice for Sustainable Turfgrass Management. *Grasses*, 1(1), 45-52. <https://www.mdpi.com/2813-3463/1/1/5>





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Mulching offers benefits to both people and the environment. With STIGA's mulch-ready lawn care products, grass benefits from higher nitrogen content, greater water retention and less carbon in the atmosphere. As a result of using these mulch-ready products, customers will use far less fertiliser, avoid use of garbage bags and trips to the landfill and realise healthier lawns.

**Fabio Banin, Robotic Field Application**

”

Given the many benefits of mulching, STIGA was interested in learning the extent to which consumers are familiar with these benefits, the availability of mulch-ready lawn care products offered by STIGA, and whether they practice mulching.

In a late 2022 survey sent to consumers, the vast majority indicated a familiarity with the benefits of mulching. Whether because it involves less labor, because it returns nutrients to the soil, or because it keeps clippings out of the landfill, this awareness is greater than 55% in all surveyed markets, and as high as 97% in the Netherlands.

However, not all respondents who are aware of the benefits of mulching currently use the practice or are aware that the majority of STIGA's lawn care products are mulch-ready. Even where customers are aware of STIGA's mulch-ready products, many do not mulch their grass clippings.

This indicates there is an opportunity for STIGA to continue sharing the benefits of mulching as an environmentally-responsible approach to lawn care.



# A Focus On: Sustainable Design Innovation

STIGA designs products with the consumer in mind, from how the product is used to its environmental impact. Since we think with the long-term, we design beyond the current standards. That is why we have begun to define a system to assess our products for sustainability and repairability. In 2022, we created a five pillar sustainability index, which we will begin implementing in our design of electric and battery powered products starting in 2023.

Each time we embark on a design process, it will be grounded in the following sustainability criteria:

- Availability of documentation for product use and maintenance;
- Simplicity of dismantling the product for repairs or disposal;
- Availability of spare parts;
- Energy efficiency of the product;
- Material makeup of product, with sourcing and recyclability in mind.

These guidelines will help ensure that we “begin with the end in mind”, and consider both the product longevity and the environmental impact when we embark on new design innovations. As we test this criteria and expand its application, we will also use the results to make future improvements.

According to these principles, we have also enhanced the 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 failure components are identified;
- Alternative lower impact materials are identified for each component;
- Part commonality is identified.



“

When it comes to design innovation, sustainability is fundamental to our approach. When we begin to design a new product, we think about how it can improve the lives of consumers while also meeting our ESG targets. This means thinking about the full life of a product, from shipping to its everyday use and repair, to designing with the future in mind.

**James Cameron, Design and Innovation Director**

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# Sustainable Materials and Packaging

# Sustainable Packaging

STIGA is committed to developing new packaging with materials of natural origin, or from recycled sources with 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. Sustainability also influences the packaging process as it calls 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 disposal method, based on the materials selected by STIGA, this will also have an impact on sustainability.

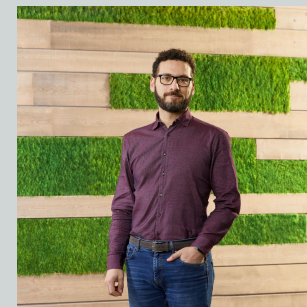
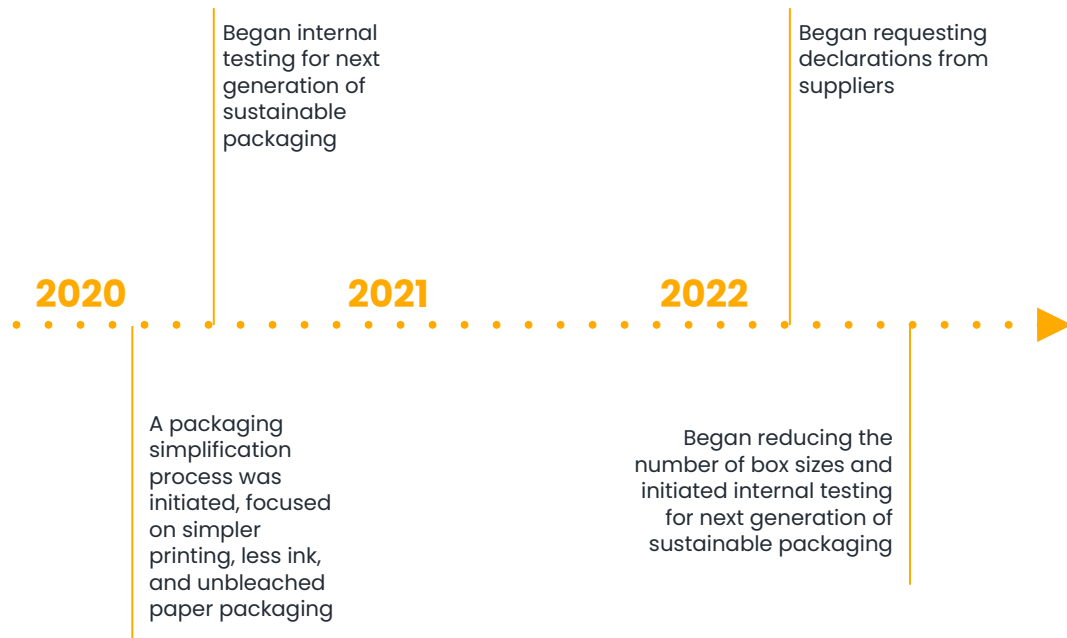
We have continued to invest in efforts to evolve our packaging. Most recently, we have focused on increasing the amount of recycled materials in our packaging. In 2022, we set out a target to have at least 60% recycled material in our packaging across global production. In last year's report, we included wood pallets in this calculation, but decided to remove it in this year's calculation, considering pallets are reused across product categories. We reached our goal with 61% recycled material in packages. However, we will continue to work to increase this mix while still ensuring sturdy packages.

STIGA is investing in additional research to test more sustainable materials and designs to ensure our products are shipped safely to consumers. Some areas we are currently researching include reducing plastic in packaging, using 100% recycled plastic where plastic is needed, incorporating compostable materials into packaging, and increasing the amount of mono-material packaging.

61%

Share of Recycled  
Materials Used





“

We are constantly looking for ways to improve our packaging to deliver a quality product to our customers and consumers while limiting our environmental impact. So far, we've reduced the use of bleaching and ink while increasing the use of recycled and renewable materials. But we are motivated to do more, which is why we are advancing new innovations to create durable packaging that uses lower-impact materials.

**Riccardo Villani, Packaging Manager**

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STIGA remains committed to reducing the environmental impact of its packaging, despite the complexities of testing alongside the rising cost of raw materials. As this effort develops, appropriate economic and technical assessments will be carried out prior to changing suppliers and packaging designs.

Our primary environmental achievements to date include a focus on the use of paper and corrugated cardboard packaging, which are easily recyclable and originate from responsible sources, as certified by the FSC (Forest Stewardship Council).

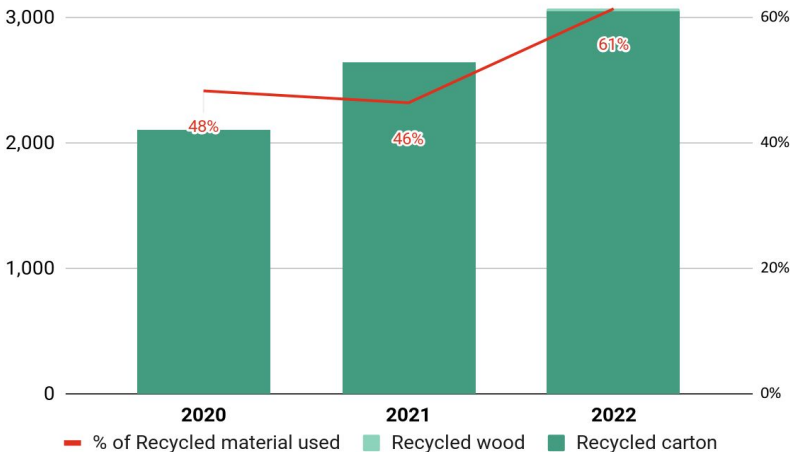
In addition to FSC certification, the paper mills that supply the plants in Italy and Slovakia also hold other certifications including the ISO 9001 (quality management systems), ISO 14001 (environmental management system), OHSAS 18001 (occupational health and safety), PEFC (Program for the Endorsement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

As seen in GRI 301-2, we have been working to increase the percentage of recycled materials used in our processes. But we are also looking beyond recyclability. To start with, STIGA uses unbleached and/or uncoated paper. A further distinctive element of attention is the commitment to reduce the number of box formats in order to minimise material waste and optimise costs. Finally, STIGA actively seeks commercial agreements with suppliers located as close as possible to the production plants in order to reduce the pollution linked to the transport of materials.

GRI 301-2: Recycled input materials used (metric tons)			
	2020	2021	2022
Recycled carton	2,100	2,643	3,053
Recycled plastic	0	0	25
Total recycled material	2,100	2,643	3,078
Total input material used	4,346	5,691	5,010
% of Recycled material used	48%	46%	61%

*The data collection for 2022 differs from previous years because wood pallets have been removed from the packaging assessment after further consideration given that the pallets are reusable.*

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



Meanwhile, we continue to work to decrease the amount of non-renewable material sources mixed in our packaging, as seen in the GRI 301-1 table.



Impact



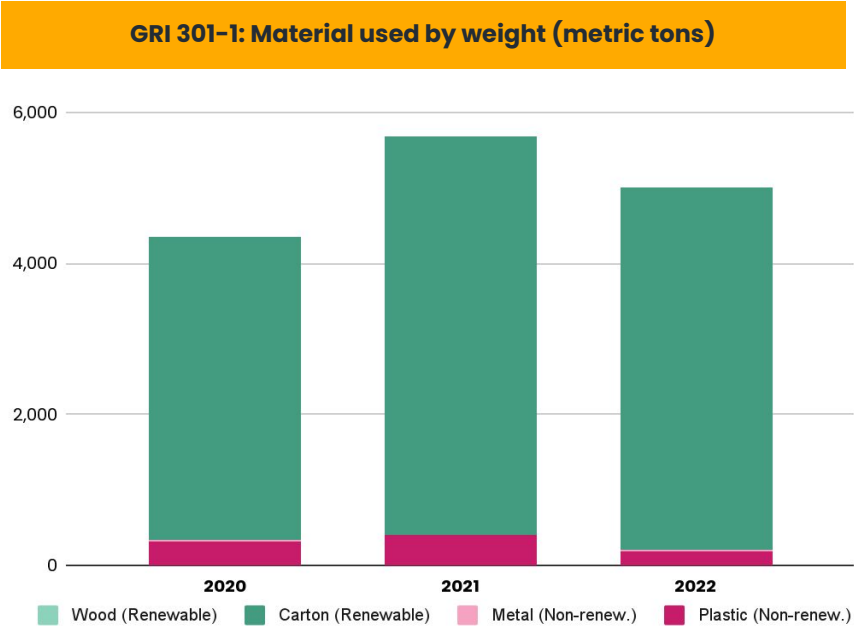
Mitigation

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.

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



GRI 301-1: Material used by weight (metric tons)			
	2020	2021	2022
Carton	4,011	5,277	4,800
Total renewable materials	4,011	5,277	4,800
Plastic	331	408	187
Metal	4	6	23
Total non-renewable materials	335	414	210
Total materials used	4,346	5,691	5,010



# Sustainable Materials

In 2022, STIGA continued and improved the analysis of materials used in products, with the goal of minimising environmental impact through increased quantities of recycled materials in the 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). Our engineers use this analysis to progressively substitute plastics with a lower carbon impact. In 2022, we surpassed our goal of 3%, achieving 6.8% recycled plastic (in weight) in products.

Each year we set a target for the percentage of recycled material based on current technologies and their use in planned product components. We measure against this goal on a quarterly basis in order to identify opportunities for improvement. Currently, there are limitations on the use of recycled polymers in some specific applications due to performance and safety standards. Instead, we continue to test newly available recycled materials for application in components.

In 2022, STIGA tracked 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 will also 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.

In 2023, we will also analyse other materials such as steel and aluminum. The results will inform our recycling processes as well as the inclusion of blended virgin and recycled materials in product components. The next step to furthering our environmental design processes is to expand this analysis to cover all materials used and provide greater transparency to consumers. Ultimately, we are driven by the idea of providing our customers sustainable, high-quality products.



“

While we're making progress with plastic recycling, our greater vision is based in circular economic principles. STIGA is looking to integrate sustainability across our products and processes. In the coming years, we will advance this plan by conducting a baseline analysis of the environmental impacts of select key products. This initiative will provide us with the information we need to make more thoughtful and environmentally-minded decisions.

**Franco Bastasin, Sustainability Technical Director**

”

In 2022, the overall weight of plastics used in production decreased compared to 2021, as seen opposite in the GRI 301-1 table. However, the percentage of recycled plastic used has remained more or less steady since 2020. This is due to an unfavorable production mix driven by the market, which didn't allow for the increase in use of recycled plastic according to our initial plans. Despite the lack of availability, we extended the use of recycled plastic in additional product components in 2022. Table 301-2 shows that the majority of recycled plastic used in product components is polypropylene, at approximately 7% of the total plastic used. Among all the plastic materials, it has a lower carbon footprint so its use will continue to be emphasised. Other recycled materials, such as ABS, are being tested and are expected to be introduced in 2023.

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: Material used by weight (metric tons)

	2020	2021	2022
Polypropylene (PP)	4,138	5,066	4,647
ABS Plastic	1,732	2,232	2,316
Polyamide (PA)	340	549	467
Other	853	988	889
Total materials used	7,063	8,835	8,319

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

	2020	2021	2022
Polypropylene (PP)	464	605	568
ABS Plastic	0	0	0
Polyamide (PA)	0	0	0
Other	0	0	0
Total recycled material	464	605	568
Total input material used	7,063	8,835	8,319
% of Recycled material used	6.6%	6.9%	6.8%

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

# Quality and Safe Products



# 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.

This issue is a material topic for STIGA, and it affects two pillars of sustainability: Environment and Society. Not only are all STIGA products compliant with legal and regulatory requirements, we also incorporate feedback from our customers to improve product quality and safety.

STIGA's Research & Development and Product Compliance departments are dedicated to achieving the defined level of quality and the production of safe products. This activity is implemented using several analytical tools, such as the Design Failure Mode and Effects Analysis (DFMEA model).



Impact

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.



Mitigation

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.



The Product Compliance department supports Research & Development in carrying out the aforementioned activity and lead a wide and structured Product Certification process. This is based on International Notified Test Laboratory reports and/or internal Research & Development experimental tests. STIGA products must be compliant with all laws and regulations, including those that protect human health and the environment.

The NPD process includes different control gates. Pre-production (PP1) 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.

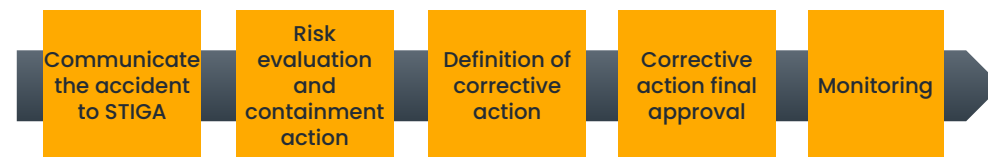
<b>GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services</b>			
Incidents of non-compliance concerning impacts on the health and safety of products and services	2020	2021	2022
Number of incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Number of incidents of non-compliance with regulations resulting in a warning	5	1	0
Number of incidents of non-compliance with voluntary codes	0	0	3
<b>Total number of incidents of non-compliance</b>	<b>5</b>	<b>1</b>	<b>3</b>

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

In this context, STIGA's medium-term objective is to implement the New Product Conformity (NPC) process and structure in order to pursue robust design. A monthly Public Incident Board Report was put in place in 2019. This monitoring system was then revised in 2020, following relevant changes made at STIGA. In 2020, STIGA received five warnings for non-compliance and received only one warning in 2021.

In 2022, STIGA received three notifications of non-compliance with voluntary codes applicable in individual countries. In January, we were asked to add more information to product manuals in Poland in regards to the potential environmental and human health effects of hazardous substances, mixtures and components in products. In August, we received notices about non-compliance regarding electromagnetic compliance in Croatia and missing information on the Declaration of Conformity in Slovenia.

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



# 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. It then extends beyond the moment they become a consumer and a final user of a STIGA product.

For STIGA, delighting and encouraging people to become loyal consumers is a never-ending commitment, as it impacts on the overall success of the Company, its reputation, future market share and profitability. Customer satisfaction evaluation is an important tool for continuously improving products and service quality.

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

From a Research & Development perspective, timely feedback from customers and consumers is essential to improve our overall quality and meet expectations that consumers might have for a product. Once they provide detailed feedback on the use of our products, engineers can take timely actions while planning for the next product iteration, always working toward the goal of providing high quality products.

STIGA actively monitors consumer satisfaction events and indicators, including home trials and Amazon reviews. 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.

Amazon review reports are a very useful tool to obtain consumers' opinions on products: STIGA collects all the customer reviews and questions coming from products purchased on Amazon, classifies them by product, brand and category, and analyses all negative reviews, qualitatively identifying common complaints. Based on the target that a product should always have above 4.3 stars, investments are made toward promoting any product that falls below the threshold. This effort is why average Amazon reviews have held stable in the last three years, increasing to 4.2 in 2022.

In 2022, STIGA considered using Net Promoter Score as an additional measure of customer feedback, but decided not to implement the project.

Non-GRI 3: Amazon reviews			
	2020	2021	2022
Average Amazon Stars	4.1	4.1	4.2

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

The table opposite shows the results of the surveys carried out in July 2022, compared to the previous awareness report made in 2021. From 2022 we start measuring the brand awareness methodically each year. To enable the comparison over the years, the surveys share the same research design:

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

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

Brand awareness:

- STIGA has increased its brand awareness by 1.3% in one year from 33.7% to 35.0%, which is the average rate of results from all 13 countries surveyed. It’s worth noting that there is a marked difference in awareness results in Nordic countries compared to all other surveyed countries. Even so, there was a slight decrease of awareness in the Nordic region in 2022. This decrease can be explained by the limited advertising investments during the year.

Recommendation index:

- The 2022 STIGA recommendation index in the Nordic countries is 6.48/10 and shows an increase of +0.10 over the previous year. The average recommendation rate across all 13 countries grew from 6.55 in 2021 to 6.72 in 2022, an increase of +0.17 or 2.58%.

Non GRI-4: Brand Awareness Surveys						
	Aided: Brand Awareness Survey			Recommendation Survey		
	2021	2022	Diff. (perc.points)	2021	2022	Diff. (%)
Average	33.7%	35.0%	1.3	6.55	6.72	2.58%
Scandinavian (average)	74.8%	74.3%	-0.5	6.38	6.48	1.57%

# A Focus On: Customer Satisfaction

A project to introduce and standardise the current local CRM B2C tools started in the final months of 2020 with the goal of making more connections with our customers.

In 2022, STIGA began rolling out Salesforce to manage customer care activities across most offices in Europe and the UK. Salesforce allows a coordinated approach to customer satisfaction across our offices. From the time this new customer care center launched in April up until the end of the year, STIGA had contact with 13,000 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.

Other ways in which STIGA communicates directly with customers is through email marketing, the website and LinkedIn. Regarding email efforts, in 2022, nearly 2 million newsletters were sent to subscribers with a unique open rate of 37.9% and a low unsubscribe rate across 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 and mulch-ready products are part of our content strategy for 2023.

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

1.9M

Newsletters Sent

37.9%

Unique Open Rate

4.5%

Unique Click Through Rate

0.09%

Unsubscribe Rate



# People

“Putting people first.”







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

# Attraction, Development and Wellbeing of Employees

# 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, participation 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.



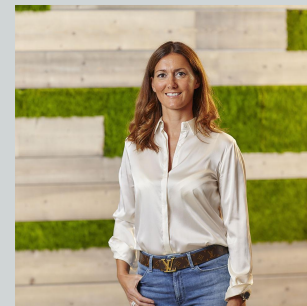
Mitigation

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 labor, and respect local labor laws in terms of wages, benefit and working hours. We also train employees on the Code of Ethics.



“

We are constantly looking for ways to improve the workplace culture so that STIGA is a place people want to join and stay. In the past year, we've looked at how our company employment policies can benefit everyone from working mothers to people with disabilities. We also want our people to feel welcome at STIGA, which is why we have formalised our Smart and Flexible Work Policy. And throughout the year, we happily celebrate our employees at STIGA gatherings.

**Angela Manzoni, Senior Vice President Group Legal and HR**

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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 December 2022, our China plant was awarded the Liepin Best Place to Work Award. The competition amongst 200 other companies was overseen by Liepin, one of the largest professional and talent organisations in China.

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



*Italy plant production line tour for employees*



*End of year employee awards event at China plant*



## Employees (FTE)

**1,497.0**

vs. 1,555.3  
in 2021

On the 31st of December 2022, STIGA counted employees by their FTE (Full Time Equivalent), recording a decrease from 1,555.3 FTE in 2021 to 1,497.0 FTE in 2022. The decrease is mainly due to lower production at the Slovakia plant.

The majority of these employees are employed with permanent contracts (79%). The remaining temporary contracts reflect the seasonality of the business as well as the common use of the temporary contract type in China.

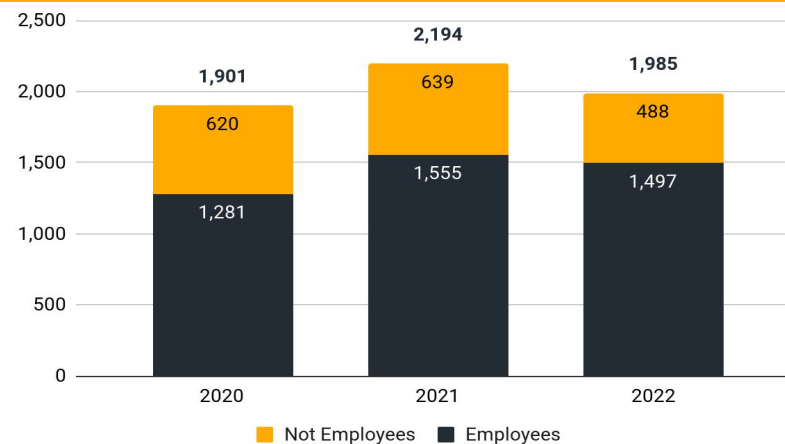
## Workers Who Are Not Employees (FTE)

**488.3**

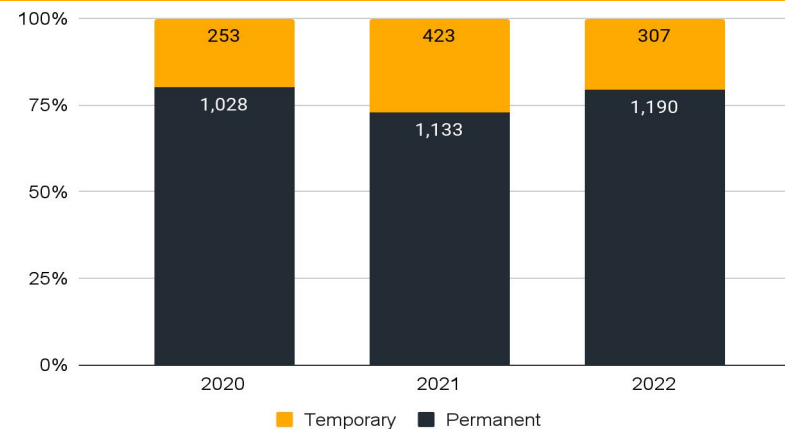
vs. 639  
in 2021

There are also 488 external workers at STIGA's offices and plants, a decrease since 2021. These workers are provided by employment agencies or are leased staff, trainees and interns.

### Employees vs. Not Employees



### Permanent vs. Temporary Employees



GRI 2-7: Employees				
Type	Gender	2020	2021	2022
Employees				
Full-time	Men	932.0	1,121.0	1,056.7
	Women	241.0	326.0	320.2
Total		1,173.0	1,447.0	1,376.9
Part-time	Men	59.8	59.0	70.7
	Women	48.4	49.3	49.4
Total		108.2	108.3	120.1
Total per Gender	Men	991.8	1,180.0	1,127.4
	Women	289.4	375.3	369.6
Total		1,281.2	1,555.3	1,497.0

Contract	Gender	2020	2021	2022
Permanent	Men	759.2	827.5	849.9
	Women	268.8	305.2	339.8
Total		1,028.0	1,132.7	1,189.7
Temporary	Men	232.6	352.5	277.5
	Women	20.6	70.1	29.8
Total		253.2	422.6	307.3
Total per Gender	Men	991.8	1,180.0	1,127.4
	Women	289.4	375.3	369.6
Total		1,281.2	1,555.3	1,497.0

The data is represented in terms of Full Time Equivalent (FTE). See the annex for additional disclosure on employee data, including geographic location of employees.

GRI 2-8: Workers who are not employees				
Type	Gender	2020	2021	2022
Workers who are not employees				
All types of contracts	Men	427.0	437.80	339.77
	Women	192.5	201.20	148.48
Total		619.5	639.0	488.3



# 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**, the employees are covered by the “Convenio colectivo de empresas de centros de jardinería”.
- In **France**, the “Convention Collective Nationale de l'import-export et du commerce international” (National Collective Agreement on Import-Export and International Trade) regulates the relations between workers and companies.
- In **Belgium**, the “Paritair Comité voor de bedienden der metaalfabrikatennijverheid” (Joint committee for employees of the metal fabrication industry) represents employees.
- In **Finland**, the employees belong to Kaupan Liitto (Finnish Commerce Federation).
- In **Denmark** to the “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 a small increase in the percentage of employees covered by collective agreements. This is explained by the fact that in 2022 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.

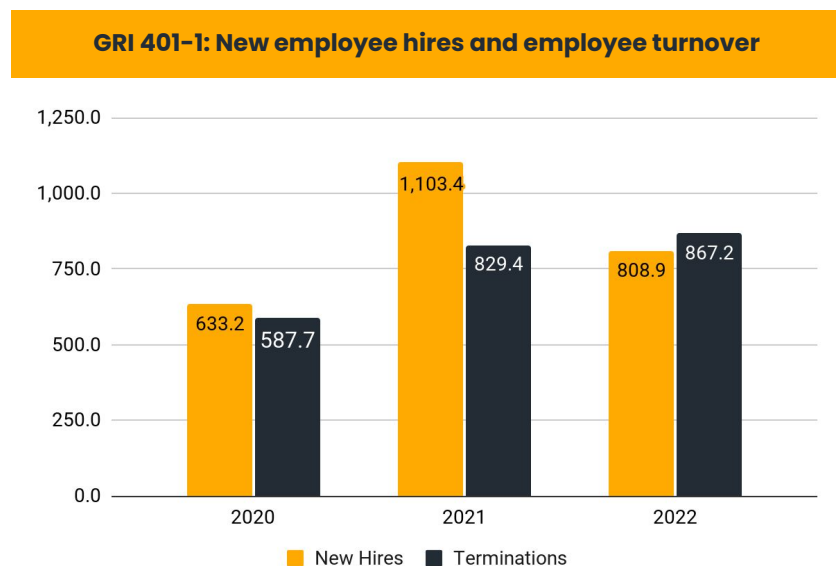
- In **China**, local government standards for Guangzhou and Suzhou are applied, in addition to national labor and employment laws.
- In **Slovakia**, the national labor code is applied, industry benchmarks are consulted, and negotiations are held with the work council that represents employees.
- In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

## GRI 2-30: Collective bargaining agreements

	2020	2021	2022
Employees covered by collective bargaining agreements (nr)	595	649	654
Total employees (nr)	1,281	1,555	1,497
% of total employees covered by collective bargaining agreements	46.4%	41.7%	43.7%

# 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						
	2020		2021		2022	
New hires	n	%	n	%	n	%
Total New Hires	633.2	49.4%	1,103.4	71%	808.9	54.0%
Men	578.2	58.3%	928.7	79%	703.4	62.4%
Women	55.0	19.0%	174.7	46.6%	105.5	28.5%
< 30 years	428.2	130.6%	608.7	146%	494.4	131.4%
30 ≤ x ≤ 50 years	192.0	29.5%	453.2	57%	290.4	37.6%
> 50 years	13.0	4.3%	41.5	12%	24.1	6.9%
Total employees at end of year	1,281.2		1,555.3		1,497.0	

	2020		2020		2022	
Terminations	n	%	n	%	n	%
Total Terminations	587.7	45.9%	829.4	53%	867.2	57.9%
Men	529.9	53.4%	738.5	63%	751.8	66.7%
Women	57.8	20.0%	90.8	24.2%	114.8	31.1%
< 30 years	321.4	98.0%	501.0	120%	478.6	127.2%
30 ≤ x ≤ 50 years	212.0	32.5%	293.0	37%	351.0	45.5%
> 50 years	54.3	18.0%	35.3	10%	37.0	10.6%
Total employees at end of year	1,281.2		1,555.3		1,497.0	

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.

# Talent Attraction

STIGA is aware that its success, both within the business and within the social and environmental contexts in which we operate, is based first and foremost on the people who work in and around the organisation. The processes of attraction, development and management deserve our focus to ensure we are attracting new talent that grow STIGA's knowledge base and capacity to do business well.

That's why STIGA cooperates with schools, universities and training institutions in the various countries in which we operate to attract new talent. In 2022 alone, we dedicated 489 hours to employer branding, which is 163% higher than the 300 hour goal we set out for ourselves. By recruiting new talent during high school, business school and university visits, or offering company tours to our interns, we are investing in the future of STIGA.

**489**

vs 120  
in 2021

## Employer Branding Hours

Dedicated hours in 2022 to career days, intern days, and partnership efforts with local schools and universities.

**21**

vs 7  
in 2021

## Outreach Events

Total events dedicated to talent attraction, from internal events to external events with schools and universities.

**19**

vs 20  
in 2021

## Interns Hired as Employees

In 2022, we had 90 interns and were able to hire 19 as employees.



Tour of STIGA Italy plant with interns



Recruiting event at H-Farm College to attract new STIGA talent



# Training and Development Program

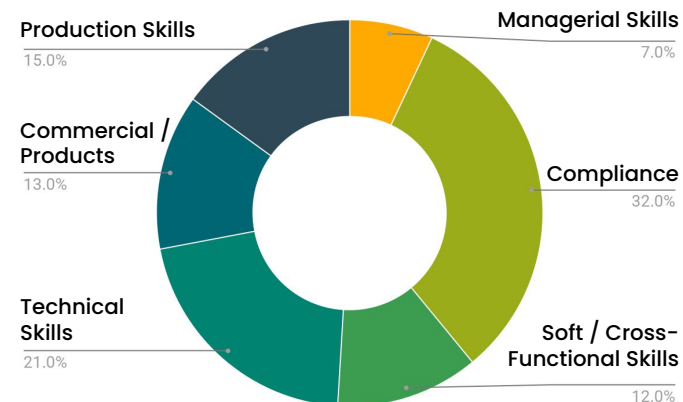
In all Group companies, STIGA promotes access to training programs both by organising internal courses and by financing participation in external initiatives. These initiatives are selected based on their consistency with corporate priorities and individual development needs. The development of competencies 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.

This year, we saw an overall increase in training hours over the previous year due to several investments, and we anticipate it will continue to increase in the years ahead. In 2022, STIGA had the goal of reaching 22,000 training hours, and came close to meeting this goal at 21,226 hours. Within this total, the largest number of training hours were dedicated to compliance, followed by technical skills, production skills and commercial/products. It also includes 343 hours dedicated to human rights training, which was completed by 22% of employees. Some of the new and noteworthy training programs were focused on managerial competencies, marketing, sourcing, and research and development.

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

	2020			2021			2022		
Average hours of training	Hours	Empl.(nr)	Avg. (hr)	Hours	Empl.(nr)	Avg. (hr)	Hours	Empl.(nr)	Avg. (hr)
Men	15,097.0	991.8	15.2	16,570.8	1,180.0	14.0	15,951.2	1,127.4	14.1
Women	4,002.0	289.4	13.8	3,374.2	375.3	9.0	5,274.5	369.6	14.3
Executives	406.0	38.0	10.7	404.0	38.5	10.5	927.0	41.0	22.6
Managers	1,297.0	108.6	11.9	1,855.0	114.4	16.2	2,469.4	109.0	22.7
Office Staff	5,847.0	452.3	12.9	8,746.0	530.8	16.5	8,401.0	533.9	15.7
Production-site Workers	11,549.0	682.3	16.9	8,940.0	871.6	10.3	9,428.3	813.1	11.6
<b>Totals</b>	<b>19,099.0</b>	<b>1,281.2</b>	<b>14.9</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>

**Training Categories**



Across STIGA, employees now have access to courses offered through the **LinkedIn Learning** platform, and approximately 400 employees had enrolled by the end of 2022. This resource was initially offered in June 2022, yet over 16,000 LinkedIn Learning videos were viewed by our employees, and the total time spent watching trainings was 943 hours. This learning space will expand in 2023 and beyond, as we intend to promote relevant existing resources and upload custom content that supports STIGA initiatives.

In addition to this new resource, STIGA HQ offered a new specialised training related to the **launch of the Robot**. Using a train-the-trainer model, we invited selected staff to Italy to learn about how the product works. Trainees then returned to their home office to disseminate what they learned. The topics covered both theoretical and practical skills delivered by internal staff and totaled 840 hours.

**STIGA China** has a development plan for each employee, resulting in a specialised approach to growing skills. This includes trainings related to a safe work environment as well as english courses that are tailored for staff needs. In addition to the trainings for onboarding and safety offered through HR, the China plant has selected five internal staff to teach skills to other employees. For example, one trainer teaches financial skills, another offers insights on global sourcing, and another shares basic communication and negotiation skills.

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



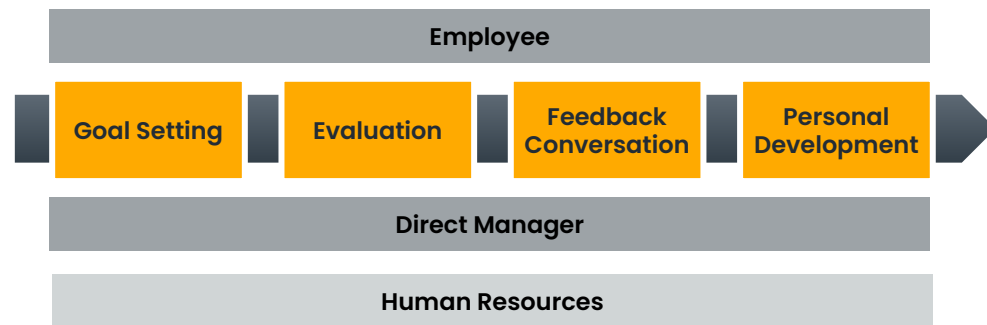
*Training on Motor Controllers at the STIGA China plant*

# 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 2022 the number of employees that received performance reviews **more than doubled, from 22% to 53%**, as a result of implementation of this formalised performance assessment across the Group.



GRI 404-3: Percentage of employees receiving regular performance and career development reviews									
	2020			2021			2022		
	Reviews	Tot.	%	Reviews	Tot.	%	Reviews	Tot.	%
Men	299	991.8	30%	223	1,180.0	19%	560.28	1,127.4	50%
Women	110	289.4	38%	113	375.3	30%	230.58	369.6	62%
<b>Total</b>	<b>409</b>	<b>1,281.2</b>	<b>32%</b>	<b>336</b>	<b>1,555.3</b>	<b>22%</b>	<b>790.86</b>	<b>1,497.0</b>	<b>53%</b>
Executives	32	38.0	84%	25	38.5	65%	35.00	41.0	85%
Managers	91	108.6	84%	78	114.4	68%	90.00	109.0	83%
Office Staff	285	452.3	63%	232	530.8	44%	442.16	533.9	83%
Prod.-site Workers	1	682.3	0%	1	871.6	0%	223.70	813.1	28%
<b>Total</b>	<b>409</b>	<b>1,281.2</b>	<b>32%</b>	<b>336</b>	<b>1,555.3</b>	<b>22%</b>	<b>790.86</b>	<b>1,497.0</b>	<b>53%</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.

**STIGA Italy** held a series of in-person meetings where the CEO shared business and strategic vision updates with employees. **STIGA Slovakia** regularly collects an employee satisfaction survey to inform improvements in the workplace. Once a year, **STIGA Sweden** conducts an anonymous survey, in addition to the annual performance assessment, that covers different aspects of work life including workload, work organisation, job flexibility, leadership, support, knowledge and development. The format of the survey used is the same each year in order to compare results across years. The results achieved so far are encouraging, with progress targeted at areas such as job flexibility and leadership.

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

- Golden Ideas to collect ideas and improvement proposals from employees;
- Safety Management Audit (SMAT) to consolidate employees' observations and corrective actions for unsafe conditions and behaviours;
- WeChat group by Department to communicate within a team;
- Ding Ding e-platform to 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 update information from group from management to all employees;
- 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 is in the process of implementing these within each company in 2023 in accordance with local regulations. The Smart Work policy allows employees to work with their managers to identify up to two days 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.

Beginning in 2022, STIGA Italy has begun to cover the portion of the obligatory maternity leave not covered by the Italian Welfare Institution, providing a total of six months of leave.

Looking ahead to 2023, in addition to implementing the Smart and Flexible Work policies, STIGA will explore further opportunities to support employee welfare and wellbeing.





Through the "STIGA 4 You!" online portal, STIGA SpA offers Italian employees a wide portfolio of welfare services, including reimbursement of family expenses like school costs and care for dependent family members, as well as leisure services such as sports, education or cultural activities. Finally, supplementary pensions, supplementary health plans and reimbursement of public transport or fuel costs are also potential areas where employees can receive support.

In 2022, the **Italian company** met with local trade unions to renew the collective labour agreement through 2024, which includes the following benefits:

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

STIGA **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.

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.



# Celebrating Our Team

Our team is like a family to us, which is why we support efforts across all our offices to get outside the office and connect with each other through team-building and extracurricular activities. We're still looking back on all the fun events we had in 2022 and look forward to another robust program in 2023. Below are some of the highlights from the many events held during the year.

The China plant held many events throughout each year, with some organised by the company and others organised by the union. They held the first Nature Day and invited employees to hike in a forest park in May. And the following month, team members planted 28 trees in honor of World Environment Day, inviting employees to help care for them through an adoption campaign. In July, a Family Day was held at a local park.

Summer at the Italy plant started off with a soccer tournament between ten teams of STIGA employees, culminating in a final tournament in July. In September, we held our first ever Family Day in Italy where employees gathered with their families for a fun day in the sun. Our extended family was also invited: the local organisation Ca'Leido joined us as well to share more about their educational programming for people with autism. Over 700 people came to enjoy games, food, and guided tours of the production lines and laboratories.

Also in 2022, STIGA initiated a partnership with the Benetton Rugby with the vision of becoming 'stronger together.' This cooperation not only means sharing team-building activities but also cross-sharing values.

Looking ahead to 2023, we will plan more activities to celebrate our team, such as a special Women's Day activity in the China office.



# Diversity and Inclusion

# 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, more than half of employees belong to the category “Production-site Workers” (813 out of 1,497). Within all categories, male employees account for the majority of staff. Overall, **female employees** account for approximately **25% of the workforce**, with the highest percentage of the female workforce in the category of office staff (40%). There is also an overall increase in female managers, from 17.3% in 2020 to 20.2% in 2022.



Impact

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 25% of the overall workforce.



Mitigation

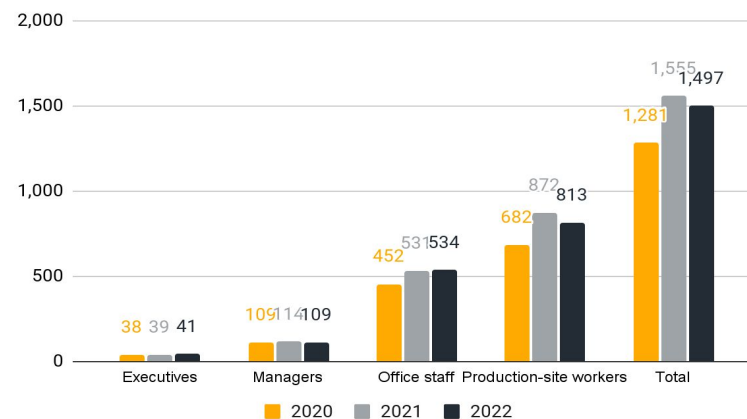
STIGA rejects any form of disrespectful or defamatory behaviour, including gender discrimination. HR processes are based strictly on merit, competence and other professional criteria. In 2022, STIGA Italy and China hired workers with disabilities in the plants, and is reviewing opportunities to do the same in Slovakia.



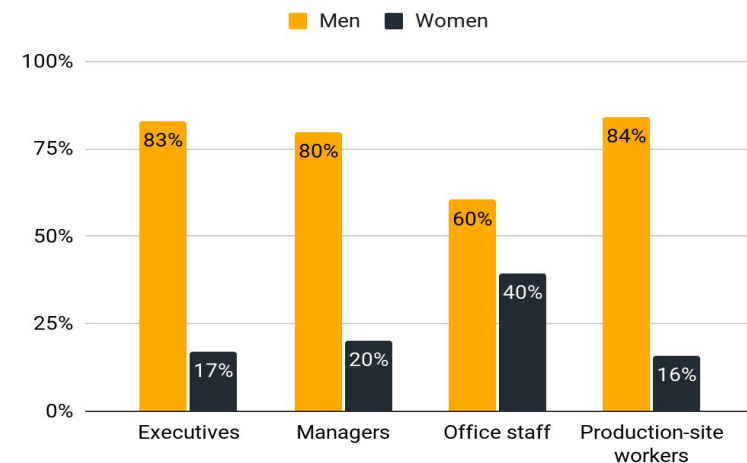
Human Rights

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)



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





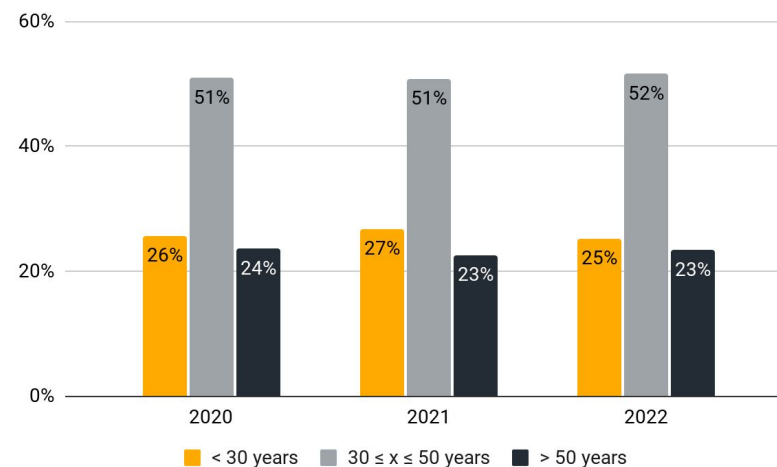
### GRI 405-1: Diversity of employees

	2020		2021		2022	
Diversity of employees	n	%	n	%	n	%
<b>Executives</b>	38.0	3.0%	38.5	2.5%	41.0	2.7%
Men	36.0	94.7%	34.0	88.3%	34.0	82.9%
Women	2.0	5.3%	4.5	11.7%	7.0	17.1%
< 30 years	0.0	0.0%	0.0	0.0%	0.0	0.0%
30 ≤ x ≤ 50 years	20.0	52.6%	16.0	41.6%	17.0	41.5%
> 50 years	18.0	47.4%	22.5	58.4%	24.0	58.5%
<b>Managers</b>	108.6	8.5%	114.4	7.4%	109.0	7.3%
Men	89.8	82.7%	93.4	81.6%	87.0	79.8%
Women	18.8	17.3%	21.0	18.4%	22.0	20.2%
< 30 years	2.0	1.8%	3.0	2.6%	1.0	0.9%
30 ≤ x ≤ 50 years	76.6	70.5%	77.4	67.7%	76.0	69.7%
> 50 years	30.0	27.6%	34.0	29.7%	32.0	29.4%
<b>Office Staff</b>	452.3	35.3%	530.8	34.1%	533.9	35.7%
Men	277.3	61.3%	321.2	60.5%	323.0	60.5%
Women	175.1	38.7%	209.6	39.5%	210.9	39.5%
< 30 years	55.8	12.3%	103.3	19.5%	83.7	15.7%
30 ≤ x ≤ 50 years	310.4	68.6%	333.4	62.8%	361.4	67.7%
> 50 years	86.2	19.1%	94.1	17.7%	88.9	16.6%
<b>Production-site Workers</b>	682.3	53.3%	871.6	56.0%	813.1	54.3%
Men	588.8	86.3%	731.4	83.9%	683.4	84.1%
Women	93.6	13.7%	140.2	16.1%	129.7	15.9%
< 30 years	270.0	39.6%	309.7	35.5%	291.7	35.9%
30 ≤ x ≤ 50 years	244.8	35.9%	362.3	41.6%	317.6	39.1%
> 50 years	167.5	24.5%	199.7	22.9%	203.8	25.1%
<b>Total employees</b>	1,281.2	100%	1,555.3	100%	1,497.0	100%

When reviewing employee age across all categories, more than 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.

In 2022, STIGA Italy invested in more than triple the number of employer branding hours over 2021, with the goal of attracting young talent. We will continue to 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. Both STIGA and students benefit as a result: in 2022, we were able to hire 19 employees who started out as interns.

### 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 and have made progress toward this in 2022, starting with Italy and China. We hope to expand the initiative to Slovakia in the future.

In June, STIGA Headquarters began working with an external partner to identify suitable roles for people with disabilities and signed an agreement with Italian authorities to hire two people with disabilities each year for five years. The first two hires were made in August and September.

The plant in China worked with a local employment agency to recruit a person with a disability to a suitable auxiliary position. Looking ahead, the Chinese plant expects to offer additional part-time positions.

GRI 405-1: Diversity of employees						
	2020		2021		2022	
Diversity of employees	n	%	n	%	n	%
Men	16.0	80.0%	32.0	88.9%	28.0	84.8%
Women	4.0	20.0%	4.0	11.1%	5.0	15.2%
< 30 years	1.0	5.0%	15.0	41.7%	12.0	36.4%
30 ≤ x ≤ 50 years	10.0	50.0%	12.0	33.3%	9.0	27.3%
> 50 years	9.0	45.0%	9.0	25.0%	12.0	36.4%
Diversity of employees	20.0	1.6%	36.0	2.3%	33.0	2.2%
Total employees	1,281.2		1,555.3		1,497.0	



“

We are excited to give back to our local community here in Italy through a new partnership with Ca'Leido, a local organisation that supports people with autism. It's an easy way to celebrate inclusion, and it pays dividends. The people providing us with fresh fruits and vegetables learn within a supportive environment at Ca'Leido and our employees have access to healthy 0km food! That's why we hope to invest in this partnership for the long term.

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

”

# Safe Work Environment

# Health and Safety in STIGA Operations

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](https://corporate.stiga.com/qhse-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.



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.

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.

Finally, information on health and safety is continuously provided to employees through:

- On site safety notices;
- Specific plant meetings;
- Emergency training;
- Internal corporate email system;
- Intranet network, with an area dedicated to the OHS Management System;
- Installation of more visibility indicators;
- Mandatory use of safety gear;
- Security measures to adopt when entering the plant broadcasted on TV screens.

These efforts are underscored by, and audited against, the ISO Health and Safety Certification, which was received in 2022.

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

# 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. Starting in 2023, suppliers will be audited to assess their compliance or commitment to becoming compliant within a reasonable period.

Starting in 2023, an external certification body will complete an annual assessment of certification maintenance through specific audits of the Management System.



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 has prioritised this goal in 2022 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 will begin assessing its suppliers for Environmental compliance and will work with them to ensure they meet the same standards.

From 2023 onwards, every year an external certification body will assess the maintenance of certification through specific audits of the Environmental Management System.



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.



Solar panels on the UK Plymouth Warehouse



# 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 (prepared in 2022).

These two initiatives, together with a system of procedures, make up the Environmental Management System certified according to the international standard ISO 14001:2015. This has informed the risk assessment activity target for 2023, 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.



“

The ISO certification process is one of the many ways we are monitoring and evaluating opportunities for improvement, across all company processes and each part of the supply chain. As a result, we have additional information to inform a renewed approach to management, stronger supplier relationships and, ultimately, better products.

**Andrea Fogo, QHSE System Engineer**

”

# 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 function, which registers them in accordance with STIGA’s procedures and local law requirements and also decides where an immediate, corrective or preventive action is necessary.

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

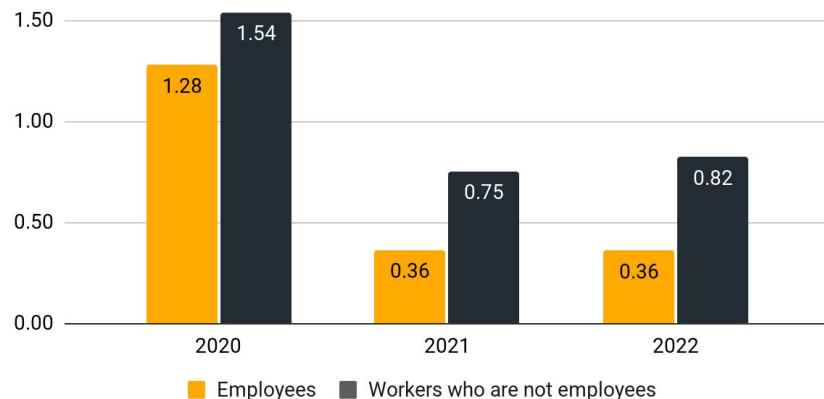
- Organisational restructuring, including new investments to improve prevention and protection;
- Provision of new resources (human, economic and financial);
- Updating or re-editing workplace procedures, elimination of substances classifiable as hazardous or, at least, their replacement with less hazardous 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. The lost time accident (where an injury resulted in more than three days of illness) data show a stable trend for recordable employee work-related injury rates (0.36 in both 2021 and 2022, down from 1.28 in 2020). Additionally, the work-related injury rates of those who are not employees shows the same trend. There were four recorded employee injuries during this period. Of these, none were of a serious nature or resulted in any lasting injury or health issues. This demonstrates the effectiveness of STIGA's health and safety management system. The China plant even celebrated a milestone on November 24, 2022, reaching 1,000 days without a lost time accident, which is credited to the staff's active participation in safety reporting.

## 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

	2020		2021		2022	
Employees Injuries	n	Rate	n	Rate	n	Rate
Recordable work-related injuries at end of year	13	1.28	4	0.36	4	0.36
of which fatalities	0	0	0	0	0	0
of which are high-consequence	0	0	0	0	0	0
Hours worked	2,036,477		2,216,875		2,239,073	
Total number of employees	1,281.2		1,555.3		1,497.0	

	2020		2021		2022	
Workers who are not employees Injuries	n	Rate	n	Rate	n	Rate
Recordable work-related injuries at end of year	4	1.54	3	0.75	3	0.82
of which fatalities	0	0	0	0	0	0
of which are high-consequence	0	0	0	0	0	0
Hours worked	520,566		797,811		730,920	
Total number of workers who are not employees	619.5		639.0		488.3	

# Processes

**“The power of simplicity.”**







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



# Digital Products and ICT Security

# Cybersecurity and Data Protection

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.

Since 2019, the STIGA ICT department increased the level of attention to 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. We also reinforced Wi-Fi security, backups, disaster recovery, cybersecurity insurance, users training and conducted reviews of policies and procedures.

Over the past two years the ICT Security Plan (2021-2022) 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 2023, 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.



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We are proud to report zero data breaches at STIGA in 2022. But this doesn't mean we're letting our guard down. On the contrary: as product connectivity expands and the Company's offices enable Smart and Flexible Working policies, we will continue assessing and reducing the vulnerabilities and risks, supported by an ethical hacking partner. Consumer and employee data security will remain priorities in the years to come.

**Claudio Mulazzani, Group ICT Director**

”

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.

As shown in the table opposite, there were no incidents of unauthorised disclosures, therefore, no substantiated complaints concerning breaches of customer or consumer privacy were received in 2020, 2021 or 2022. Privacy 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 results of ethical hacking tests performed in 2022 by a cybersecurity specialist company led us to work on internal network, domains and servers throughout 2022, and planned into 2023, to reduce risk. Also in 2022, STIGA carried out ethical hacking for its products and apps. The main objective was 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 September and November 2022 to assess security of the Google Cloud platform, the apps, and product firmware. High risk issues were identified and solved. Looking ahead to 2023, we are again planning an ethical hacking service, once again for products as well as for the ICT enterprise landscape.



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

	2020	2021	2022
	n	n	n
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

	2020	2021	2022
Number of attempts to gain unauthorised access to a system and/or to data	0	0	0
Number of unauthorised use of systems for the processing or storing of data	0	0	0
Number of changes to a systems firmware, software or hardware without the system owner's consent	0	0	0
Number of malicious disruption and/or denial of service	1	0	0
Total number of cybersecurity incidents occurred	1	0	0

# Product Connectivity and Digital Innovation

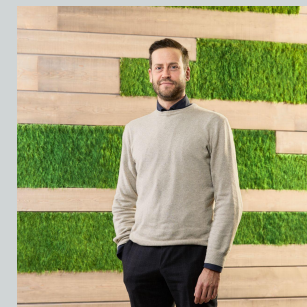
STIGA's connectivity project got started in 2020 when we connected our battery powered tractors to mobile apps. This allows the customer to monitor the performance of devices and promptly intercept any problem that may arise. The customer is also connected with dealers who can monitor products purchased 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.



“

The connectivity project is designed to better inform our customers and dealers on effective use of our products. The idea is to improve efficiency and longevity of products across their lifetime, which is better for people and the environment. As connectivity is added to more products, we are excited to continue expanding the number of available features for our customers to help them care for their gardens in the best way possible.

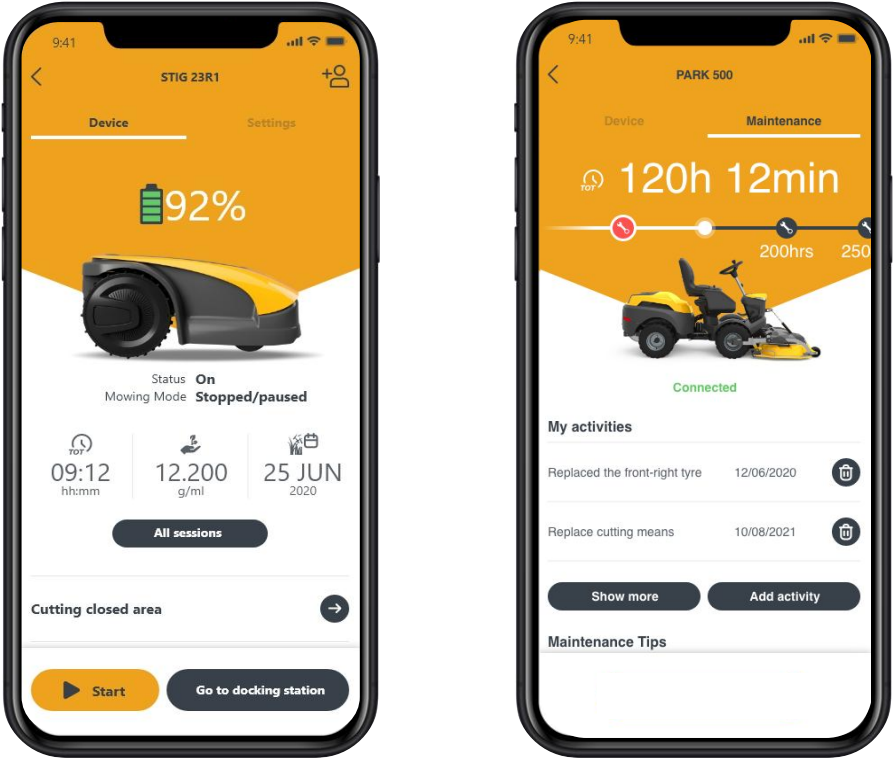
**Matteo Bonilauri, Program Manager, Connected Solutions**

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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 22% in 2021 to 25% in 2022. 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			
	2020	2021	2022
Quantity of sold products that have been connected to STIGA app at least once	0	1,244	4,069
Quantity of sold products that can be connected to STIGA app	125	5,678	16,200
Share of sold app-ready products that have been connected to STIGA app	0%	22%	25%



These screenshots from the STIGA.GO App show some of the available features including run time, total CO2 saved, charge settings, and maintenance activities.

In 2022, STIGA expanded the adoption of connectivity technology across products and product categories. 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 2022, STIGA offered more products that can be connected to the app, reaching 7% of the total products, in comparison to 2% in 2021. In addition, the quantity of sold products than can be connected by app reached 3% in 2022, an upward trend from 1% in 2021.

In 2023 we plan to deploy updates that will allow multiple users to operate the Stig-A robot, send notifications as technical updates are available, and showcase technical videos related to operation. The more products that are connected to the app, the more their use and maintenance can be optimised. While STIGA has met its goal of reaching 50% connectivity across product categories, we will continue to invest in app connected products in the coming years.

Non-GRI 7: Technology adoption Index				
	UoM	2020	2021	2022
Quantity of sold products that can be connected to STIGA app*	n	125	5,678	16,200
Total quantity of STIGA Brand sold products	n	580,454	711,203	547,808
Share of sold products that can be connected to STIGA app*	%	0.02%	1%	3%
Number of products (SKU) that can be connected to STIGA app*	n	7	15	55
Total number of STIGA Brand products (SKU)	n	888	744	798
Share of products (SKU) that can be connected to STIGA app*	%	0.79%	2%	7%
Number of product categories that can be connected to STIGA app*	n	0	3	4
Total number of STIGA Brand product categories	n	7	8	8
Share of product categories that can be connected to STIGA app*	%	0%	38%	50%

\*Equipped with a digital connection device

# Efficient and Low Impact Plants and Offices

# 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. In 2022, STIGA obtained the ISO 14001 environmental certification for all the three production plants. Also in 2022, STIGA expanded the effort to purchase renewable energy across the Companies, with eight companies now holding Green Origin Certificates, and resulting in an overall reduced impact.

While the Company's business is not energy intensive, the heaviest use of energy occurs at the STIGA production plants, and therefore is carefully monitored monthly through dedicated KPIs. Due to the energy crisis following the Russia-Ukraine conflict, most of the companies put in place measures advised by national governments to reduce energy consumption, in particular heating derived from natural gas. This includes Italy, where temperatures in the office were reduced. In Slovakia, the office has been transitioning to LED bulbs as older bulbs are broken. Other offices have made additional small interventions to reduce energy consumption. However, these efforts have not shown large measurable effects when considering the entire energy consumption across the Group.

In addition, the Chinese plant installed solar panels on the roof in July 2022; this green energy source will comprise 20% of the total energy consumption. Already in 2022, the solar panels provided 130,000 kWh of electricity.

External factors may limit STIGA's ability to address this topic, such as national energy source availability or abnormal weather that affects operating conditions. This is why in 2023 STIGA plants and offices will explore further opportunities to incorporate green energy and energy reduction systems and protocols. It is yet another way in which we are looking to work both smarter and greener.



*Solar panels on the China Guangzhou plant roof*

In looking at specific energy consumption within the organisation, the car fleet consumption increased slightly (+12%, 14,400 GJ in 2022 vs 12,697 GJ in 2021) due to continued reductions in COVID travel restrictions compared to the previous two years. Plant activity consumption instead decreased (-15%, 15,824 GJ in 2022 vs 18,710 GJ in 2021) and heating consumption decreased slightly (-1%, 20,207 GJ in 2022 vs 20,827 GJ in 2021). Electricity consumption also decreased (-9%, 24,257 GJ in 2022 vs 26,622 GJ in 2021). The proportion of **renewable energy** has **increased to 71%** in 2022 thanks to switching to renewable energy in Slovakia and China. Other companies that obtained a Green Origin Certificate or equivalent include offices in Finland, France, Italy, Spain, Norway, and Sweden.

More specifically, regarding electricity consumption:

- The **Italian Headquarters** is equipped with photovoltaic systems, with all electricity produced being directly consumed by the Company. These systems provide for 11% of the HQ building electricity consumption and 0.75% of the entire plant. In 2023, the plan is to install additional solar panels at the plant, with the goal of reaching 28% of overall electricity needs.
- The **Chinese plant** installed solar panels on the roof in July 2022, which will generate an estimated 20% of the overall electricity consumption.
- The **Slovakian plant** has already moved to 100% renewable electric energy, but is scouting the possibility of installing solar panels in the near future, after resolving challenges related to the plant's location in an industrial area.



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 will continue in 2023 in Italy. STIGA is looking into options to certify renewable energy at other offices that are primarily rented.

### GRI 302-1: Energy consumption within the organisation

	UoM	2020	2021	2022	UoM	2020	2021	2022
Gasoline (car fleet)	Liter	48,392	57,531	93,274	GJ	1,577	1,875	3,030
Diesel (car fleet)	Liter	276,608	301,101	316,478	GJ	9,941	10,822	11,370
Car fleet consumption		325,000	358,631	409,752	GJ	11,519	12,697	14,400
Gasoline for R&D and mfg.	Liter	40,787	43,070	39,982	GJ	1,329	1,404	1,299
Natural gas for technology	m³	402,220	459,874	385,537	GJ	14,416	16,482	13,835
Gasoline for tech./quality tests	Liter	31,860	25,280	21,257	GJ	1,038	824	690
Plant activities consumption		474,867	528,224	446,776	GJ	16,783	18,710	15,824
Natural gas for heating	m³	515,414	537,888	521,165	GJ	18,472	19,278	18,702
District heating	MWh	362	431	418	GJ	1,304	1,550	1,505
Heating consumption		515,776	538,319	521,583	GJ	19,777	20,828	20,207
Elec. from renew. sources	Kwh	12,206	1,957,775	4,669,539	GJ	44	7,048	16,810
Elec. from non-renew. sources	Kwh	7,056,945	5,390,541	1,925,525	GJ	25,405	19,406	6,932
Elec. produced by PV	Kwh	44,267	46,695	166,653	GJ	159	168	600
Elec. produced by PV consum.	Kwh	44,267	46,695	142,969	GJ	159	168	515
Elec. produced by PV sold	Kwh	0	0	0	GJ	0	0	0
Electricity consumption	Kwh	7,113,418	7,395,011	6,738,033	GJ	25,608	26,622	24,257
Electricity from renewable sources		56,473	2,004,470	4,812,508	%	1%	27%	71%
Total energy consumed					GJ	73,687	78,856	74,688



Starting from the energy consumption data, STIGA calculated its GHG emissions, expressed in tons of CO2 equivalent (tCO2e), 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 CO2 emissions from the generation of purchased or acquired electricity, heating, cooling, and steam.

Consistent with energy consumption, overall, Scope 1 emissions decreased by 3% with the following breakdown by consumption type:

- Company car fleet emission increased (+13%, 1,012 tCO2e in 2022 vs 883 tCO2e in 2021). This is explained by the less restrictive travel rules in 2022 compared to the previous two years.
- Plant activities emissions decreased (-15%, 915 tCO2 in 2022 vs 1,079 tCO2e in 2021) due to lower overall production and transition to renewable energy sources.
- Natural gas emissions remained steady in 2022, with similar emissions for both 2021 and 2020.

GRI 305-1: Direct (Scope 1) GHG emissions (tCO2e)			
	2020	2021	2022
Gasoline consumption (car fleet)	106.15	126.19	201.47
Diesel consumption (car fleet)	694.93	756.46	810.18
Company car fleet emissions	801.08	882.66	1,011.65
Gasoline consumption for R&D and manufacturing	89.47	94.47	86.36
Consumption of natural gas for technology	813.03	930	783
Gasoline for technology and quality tests	69.89	55.45	45.92
Plant activities consumption	972.38	1,079.49	914.92
Natural gas emissions for heating	1,041.83	1,087.26	1,057.96
<b>Total Emissions Scope 1</b>	<b>2,815.29</b>	<b>3,049.41</b>	<b>2,984.54</b>

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 (-10%, 1,927 tCO2e in 2022 vs 2,144 tCO2e in 2021).

When using the market-based method, which does not calculate emissions for electricity coming from renewable energy sources, the total emissions have decreased drastically in the past year (-63%, 896 tCO2e in 2022 vs 2,397 tCO2e in 2021).

GRI 305-2: Energy indirect (Scope 2) GHG emissions Location Based Method (tCO2e)			
	2020	2021	2022
District Heating	17.48	21.22	19.05
Consumption of electricity purchased from the grid	2,063.15	2,123.11	1,907.89
<b>Total Emissions Scope 2 (Location Based)</b>	<b>2,080.63</b>	<b>2,144.33</b>	<b>1,926.95</b>

GRI 305-2: Energy indirect (Scope 2) GHG emissions Market Based Method (tCO2e)			
	2020	2021	2022
District Heating	17.48	21.22	19.05
Electricity emissions	2,752.17	2,375.90	876.83
<b>Total Emissions Scope 2 (Market Based)</b>	<b>2,769.65</b>	<b>2,397.12</b>	<b>895.88</b>

# Responsible Supply Chain

# Responsible Supply Chain

Our supplier network is a key element underpinning success for the Company. In 2022, STIGA utilised 1,677 suppliers\*, which were selected based on quality, technology and commercial criteria. This includes 487 materials suppliers that have active agreements with STIGA, of which 97% are signed on, or in alignment with, the STIGA Code of Ethics\*\* as of December 2022. 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.



Impact

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



Mitigation

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.

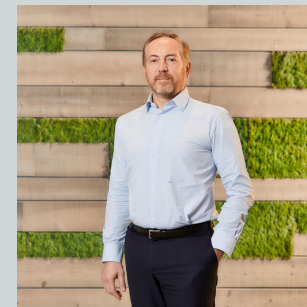


Human Rights

The STIGA Code of Ethics ensures that our suppliers adhere to our values and principles, including a respect for human rights. The Group also offered trainings to employees on the Code of Ethics and sustainable procurement in 2022 to underscore this approach. Finally, the collaboration with Sedex will provide transparency into the human rights practices of the biggest suppliers beginning in 2023.

\*Suppliers with purchases > €5,000.

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



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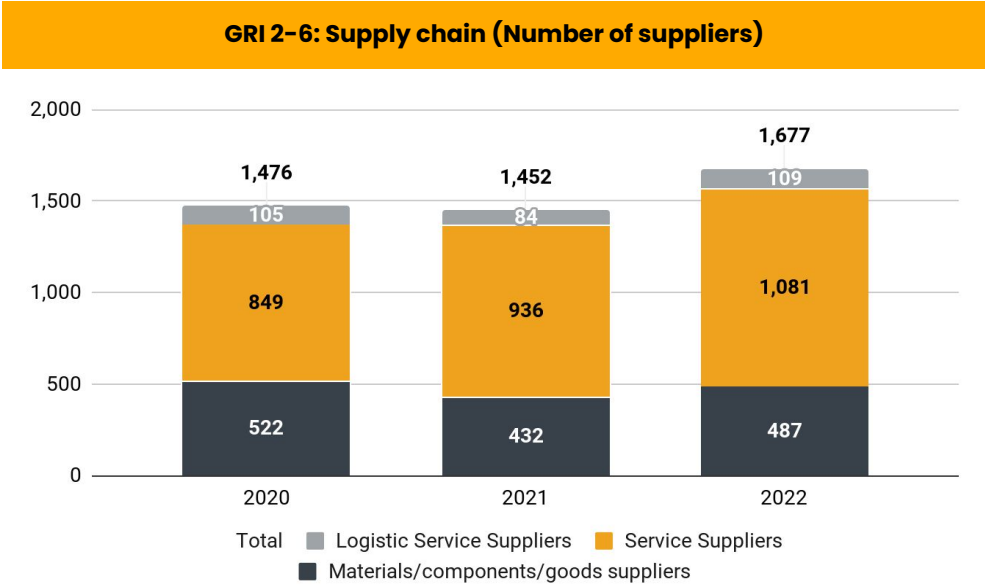
We are changing our approach to supply chain management to align with our sustainability strategy. Whereas we previously built relationships with suppliers based on price, quality and reliability, we are now renewing our focus to evaluate their ESG impacts. Through our partnership with Sedex, we can systematise this effort to gain new insights into our suppliers, and address risks accordingly.

**Gianluca Comelato, Senior Vice President  
Procurement & Supply Chain**

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The STIGA collaboration with **Sedex** was initiated in September 2022. STIGA became an AB member with the aim of gaining visibility and tracking risk across the supply chain. After the onboarding phase, which will occur in 2023, STIGA will audit the most risky suppliers and, as needed, will request corrective actions to reduce their risk. The most risky suppliers are defined as those with material contracts over €500,000 per year. Following this initial effort, STIGA will engage logistics and service suppliers as well. By the end of 2023, we aim to have 50 suppliers enrolled in Sedex.

This effort is relevant because, as shown in the GRI 2-6 Supply Chain chart, the number of suppliers for materials is increasing. This is due to the 2022 supply chain disruption that resulted in a lack of available components, forcing STIGA to find alternative suppliers to meet the market demand.



# Safe Chemicals and Batteries Management



# Safe Chemicals and Batteries 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.



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.



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



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 labor 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 used are equipped with emergency kits in case of chemical leakage.

The internal procedure related to the management of chemical substances includes specific instructions on how to operate in emergency cases. Any emergency related to chemicals must be managed by the head of the department where the event occurred. The manager in charge is obliged to inform the coordinator for the environment and safety, who keeps record of the event and who has the responsibility to analyse the event in order to understand causes and 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 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.

Thanks to the adoption of these safety management procedures, during 2020 and 2022 there were no recorded incidents in the management of chemicals and batteries.

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

Non-GRI 6: Incidents recorded in the management of chemicals and batteries			
	2020	2021	2022
Number of incidents recorded in the management of chemicals and batteries	0	1	0

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

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

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



# Annex



# Annex: Employee Data

GRI 2-7: Employees (2022)																				
	Group	AT	BE	CN	CZ	DE	DK	ES	FI	FR	GB	IT	NL	NO	PL	RU	SE	SI	SK	
Type	Gender	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n
Full-time	Men	1,056.7	10.0	4.0	354.0	7.0	30.0	9.0	7.0	9.0	19.0	24.0	351.0	5.0	10.0	19.0	8.0	19.7	1.0	170.0
	Women	320.2	2.0	1.0	61.0	3.0	10.0	1.0	2.0	3.0	12.0	15.0	90.0	1.0	1.0	8.0	1.0	5.2	0.0	104.0
Total		1,376.9	12.0	5.0	415.0	10.0	40.0	10.0	9.0	12.0	31.0	39.0	441.0	6.0	11.0	27.0	9.0	24.9	1.0	274.0
Part-time	Men	70.7	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	1.5	67.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Women	49.4	0.0	2.2	0.0	0.0	3.5	1.8	0.0	0.0	0.0	2.4	38.0	0.6	0.0	0.0	0.0	0.8	0.0	0.0
Total		120.1	0.0	2.2	0.0	0.0	5.3	1.8	0.0	0.0	0.0	3.9	105.4	0.6	0.0	0.0	0.0	0.8	0.0	0.0
Total per Gender	Men	1,127.4	10.0	4.0	354.0	7.0	31.8	9.0	7.0	9.0	19.0	25.5	418.4	5.0	10.0	19.0	8.0	19.7	1.0	170.0
	Women	369.6	2.0	3.2	61.0	3.0	13.5	2.8	2.0	3.0	12.0	17.4	128.0	1.6	1.0	8.0	1.0	6.0	0.0	104.0
Total		1,497.0	12.0	7.2	415.0	10.0	45.3	11.8	9.0	12.0	31.0	42.9	546.4	6.6	11.0	27.0	9.0	25.7	1.0	274.0

The country abbreviations used in the annex are as follows: 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, RU - Russia, SE - Sweden, SI - Slovenia, SK - Slovakia.



# Annex: Employee Data

GRI 2-7: Employees (2022)																				
	Group	AT	BE	CN	CZ	DE	DK	ES	FI	FR	GB	IT	NL	NO	PL	RU	SE	SI	SK	
Contract	Gender	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n	n
Permanent	Men	849.9	10.0	4.0	105.0	7.0	31.8	9.0	7.0	9.0	19.0	24.0	415.4	5.0	10.0	19.0	8.0	19.7	1.0	146.0
	Women	339.8	2.0	3.2	44.0	3.0	13.5	2.0	2.0	3.0	12.0	15.4	125.0	1.6	1.0	8.0	1.0	6.0	0.0	97.0
Total		1,189.7	12.0	7.2	149.0	10.0	45.3	11.0	9.0	12.0	31.0	39.4	540.4	6.6	11.0	27.0	9.0	25.7	1.0	243.0
Temporary	Men	277.5	0.0	0.0	249.0	0.0	0.0	0.0	0.0	0.0	1.5	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.0
	Women	29.8	0.0	0.0	17.0	0.0	0.0	0.8	0.0	0.0	2.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Total		307.3	0.0	0.0	266.0	0.0	0.0	0.8	0.0	0.0	0.0	3.5	6.0	0.0	0.0	0.0	0.0	0.0	0.0	31.0
Total per Gender	Men	1,127.4	10.0	4.0	354.0	7.0	31.8	9.0	7.0	9.0	19.0	25.5	418.4	5.0	10.0	19.0	8.0	19.7	1.0	170.0
	Women	369.6	2.0	3.2	61.0	3.0	13.5	2.8	2.0	3.0	12.0	17.4	128.0	1.6	1.0	8.0	1.0	6.0	0.0	104.0
Total		1,497.0	12.0	7.2	415.0	10.0	45.3	11.8	9.0	12.0	31.0	42.9	546.4	6.6	11.0	27.0	9.0	25.7	1.0	274.0

# Annex: Employee Hiring Data

GRI 401-1: New Employee Hires (2022)																				
	Group		AT		BE		CN		CZ		DE		DK		ES		FI		FR	
New Hires	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*
Men	703.4	62.4%	3.0	30.0%	1.0	13.9%	562.0	135.4%	0.0	0.0%	11.2	24.7%	2.0	16.9%	2.0	22.2%	0.0	0.0%	8.0	25.8%
Women	105.5	28.5%	0.0	0.0%	0.8	11.1%	50.0	12.0%	1.0	10.0%	3.8	8.4%	1.3	11.0%	0.0	0.0%	0.0	0.0%	12.0	38.7%
< 30 years	494.4	131.4%	1.0	100.0%	0.0	0.0%	447.0	107.7%	0.0	0.0%	4.8	10.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	6.0	19.4%
30 ≤ x ≤ 50 years	290.4	37.6%	2.0	22.2%	1.8	25.0%	165.0	39.8%	1.0	10.0%	6.8	15.0%	2.3	19.4%	2.0	22.2%	0.0	0.0%	13.0	41.9%
> 50 years	24.1	6.9%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	3.4	7.5%	1.0	8.4%	0.0	0.0%	0.0	0.0%	1.0	3.2%
Total employees as of 31/12	1,497.0		12.0		7.2		415.0		10.0		45.3		11.8		9.0		12.0		31.0	
Total New Hires	808.9	54.0%	3.0	25.0%	1.8	25.0%	612.0	147.5%	1.0	10.0%	15.0	33.1%	3.3	27.9%	2.0	22.2%	0.0	0.0%	20.0	64.5%
	GB		IT		NL		NO		PL		RU		SE		SI		SK			
New Hires	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*		
Men	8.5	19.8%	62.67	11.5%	2.0	30.3%	2.0	18.2%	2.0	7.4%	0.0	0.0%	3.0	11.7%	0.0	0.0%	34.0	12.4%		
Women	2.6	6.1%	25.00	4.6%	0.0	0.0%	0.0	0.0%	2.0	7.4%	0.0	0.0%	0.0	0.0%	0.0	0.0%	7.0	2.6%		
< 30 years	3.6	8.4%	25.00	4.6%	0.0	0.0%	0.0	0.0%	1.0	3.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%	6.0	2.2%		
30 ≤ x ≤ 50 years	7.0	16.3%	53.50	9.8%	2.0	30.3%	2.0	18.2%	3.0	11.1%	0.0	0.0%	3.0	11.7%	0.0	0.0%	26.0	9.5%		
> 50 years	0.5	1.2%	9.17	1.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	9.0	3.3%		
Total employees as of 31/12	42.9		546.4		6.6		11.0		27.0		9.0		25.7		1.0		274.0			
Total New Hires	11.1	25.9%	87.7	16.0%	2.0	30.3%	2.0	18.2%	4.0	14.8%	0.0	0.0%	3.0	11.7%	0.0	0.0%	41.0	15.0%		

\* Percentages represent rate of turnover by category (number of hires compared to total employees as of 31 December 2022)

# Annex: Employee Turnover Data

GRI 401-I: Employee Turnover (2022)																				
	Group		AT		BE		CN		CZ		DE		DK		ES		FI		FR	
Terminations	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*
Men	751.8	66.7%	0.0	0.0%	1.0	13.9%	608.0	146.5%	0.0	0.0%	10.4	23.0%	2.0	16.9%	1.0	11.1%	0.0	0.0%	12.0	38.7%
Women	114.8	31.1%	1.0	8.3%	1.6	22.2%	55.0	13.3%	0.0	0.0%	4.2	9.3%	1.8	14.9%	0.0	0.0%	0.0	0.0%	14.0	45.2%
< 30 years	478.6	127.2%	1.0	8.3%	0.0	0.0%	432.0	104.1%	0.0	0.0%	3.0	6.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	7.0	22.6%
30 ≤ x ≤ 50 years	351.0	45.5%	0.0	0.0%	1.0	13.9%	231.0	55.7%	0.0	0.0%	9.2	20.3%	1.8	14.9%	1.0	11.1%	0.0	0.0%	12.0	38.7%
> 50 years	37.0	10.6%	0.0	0.0%	1.6	22.2%	0.0	0.0%	0.0	0.0%	2.4	5.3%	1.0	8.4%	0.0	0.0%	0.0	0.0%	7.0	22.6%
Total employees as of 31/12	1497.0		12.0		7.2		415.0		10.0		45.3		11.8		9.0		12.0		31.0	
Total Terminations	867.15	57.9%	1.0	8.3%	2.6	36.1%	663.0	159.8%	0.0	0.0%	14.6	32.2%	3.8	31.8%	1.0	11.1%	0.0	0.0%	26.0	83.9%
	GB		IT		NL		NO		PL		RU		SE		SI		SK			
Terminations	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*	n	%*
Men	5.6	13.1%	59.7	10.9%	3.0	45.5%	0.0	0.0%	3.0	11.1%	1.0	9.1%	5.1	19.8%	0.0	0.0%	39.0	14.2%		
Women	0.4	0.9%	15.8	2.9%	0.0	0.0%	0.0	0.0%	1.0	3.7%	1.0	9.1%	1.0	3.9%	0.0	0.0%	19.0	6.9%		
< 30 years	1.6	3.7%	14.0	2.6%	0.0	0.0%	0.0	0.0%	2.0	7.4%	0.0	0.0%	0.0	0.0%	0.0	0.0%	18.0	6.6%		
30 ≤ x ≤ 50 years	4.4	10.3%	49.5	9.1%	2.0	30.3%	0.0	0.0%	1.0	3.7%	2.0	18.2%	4.1	16.0%	0.0	0.0%	32.0	11.7%		
> 50 years	0.0	0.0%	12.0	2.2%	1.0	15.2%	1.0	9.1%	1.0	3.7%	0.0	0.0%	2.0	7.8%	0.0	0.0%	8.0	2.9%		
Total employees as of 31/12	42.9		546.4		6.6		11.0		27.0		9.0		25.7		1.0		274.0			
Total Terminations	6.0	14.0%	75.1	13.7%	3.0	45.5%	1.0	9.1%	4.0	14.8%	2.0	18.2%	6.1	23.7%	0.0	0.0%	58.0	21.2%		

\* Percentages represent rate of turnover by category (number of terminations compared to total employees as of 31 December 2022)

# Methodological Note, GRI Content Index and Auditor's Limited Assurance



# Methodological Note

This is the second 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 2022, 2021 and 2020 (01 January – 31 December): the three-year data collection allows comparability of information and trends.

STIGA C has included in its reporting boundary almost all the companies of the Group: the legal entities included in the perimeter of this report have been disclosed at page 7 of this report. Eurotillers Sro (SK) has been excluded due to the minority shareholding (49%) and to its low materiality for the reporting. STIGA IBERICA (ES) has been active since 2021.

In case some information was not available for all the companies in the reporting boundary, it was specifically indicated along the document or in this note. The Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards published in 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.

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

## **Transition from petrol to battery / electricity and efficient and low impact plants and offices: energy conversion and emissions factors (GRI 302-1, 302-4, 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 2022 report were provided by: the Department for Environment, Food and Rural Affairs (DEFRA) in the United Kingdom and the Association of Issuing Bodies and the Climate Transparency Initiative. Austrian, Finnish and Swedish offices use district heating systems that are powered respectively by waste incineration, wood chips incineration and a mix of fuels: the GHG emissions factors used for the calculation are provided respectively by the Italian environmental institute (ISPRA-2021), the DEFRA (2022) or directly by the supplier.

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

The average useful life (in hours) of each representative product has been multiplied by the hourly consumption of fuel/electricity estimated in order to obtain **the consumption of each product in a specific time period**: to allow comparability the estimated lifetime of the petrol product has been applied also to the electric (corded) and battery products, and the results have been converted to GJ using the DEFRA 2022 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 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 as if all the products were petrol compared to the actual sales mix.



Litres of gasoline or kWh consumed over the average useful life of the products have been converted into tons of CO2 equivalent (tCO2e) according to DEFRA 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 31 December of each year.

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

In the calculation of injury rates, the coefficient “200,000” has been used. Lost Time Accidents (LTA) are understood as injuries resulting in more than three days of illness.

**Non-GRI Indicators** were developed to 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 “recommendation” the question asked was “How likely are you to recommend the following brands to a friend or colleague?” and the available answer range was between 0 to 10. To evaluate “brand awareness – aided” the question asked was “Do you know any of the following brands of garden tools even just by having heard about them?” and the value reported inside the table is related to the percentage of people who selected STIGA.

The recommendation rate that comes from “RECOMMENDATION SURVEY” can be considered reliable when the audience rating recommendation by country is higher than 80 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 27%.

#### **Non-GRI 5: Number of cybersecurity incidents occurred**

According to the definition of the National Cyber Security Center (NCSC) and in line with the Computer Misuse Act (1990), STIGA considers a cyber incident as a breach of a system’s security policy in order to affect its integrity, availability and/or unauthorised access or attempted access to systems.

The commonly recognised type of activities within this definition are:

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

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

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

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

#### **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.

Material Topics	Indicators	Omissions	Estimates
Efficient and Low Impact Plants and Offices	GRI 302-1	<p><b>Belgium</b> 2020 and 2021 heating consumption is not available.</p> <p><b>Russia</b> 2020, 2021, and 2022 heating consumption is not available.</p>	<p><b>Austria</b> District heating consumption for each year is estimated based on confirmed data from previous years, since data is one year delayed.</p> <p><b>Belgium</b> 2020 gasoline and diesel consumption were estimated according to the total spent for car fuel and the relevant monthly average prices. 2022 electricity and gas data are estimated based on the latest available bill from the prior year.</p> <p><b>Czech Republic, Denmark</b> 2022 electricity data was estimated based on previous years' data.</p> <p><b>Finland</b> 2020 and 2021 gasoline and diesel consumption were estimated according to the kilometres travelled and vehicles' average 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.</p> <p><b>Germany</b> Energy and heating consumption are derived and estimated from 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, of which only 25% is used by the company.</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>
	GRI 305-1 and GRI 305-2	GHG emissions were not calculated where energy data was not available.	GHG emissions have been estimated through specific emissions factors: the process has been described in the relevant report sections.

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.

Material Topics	Indicators	Omissions	Estimates
Sustainable Packaging	GRI 301-1 and GRI 301-2	Wood pallets were not included in the 2022 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		<b>Austria, Czech Republic, Denmark, Finland, France, 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 <b>Belgium</b> Part of 2020 hours were estimated based on previous years' data.
Attraction, Development and Wellbeing of employees	GRI 404-1	<b>Netherlands</b> 2020 and 2021 training data was not tracked.	<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.
	GRI 404-3	<b>Spain</b> 2020 and 2021 performance reviews did not occur.	<b>Denmark, Germany, Netherlands, Sweden</b> Performance review data estimated based on the number of employees.

In cases where new or revised information or formulas were obtained, data has been restated in the relevant report sections and elaborated upon below.

#### **GRI 302-1: Energy Consumption within the organisation**

In the 2021 Sustainability Report, the energy consumption included the following totals for the China plant as renewable: 676,820 kWh in 2020 and 682,495 kWh in 2021. Following publication, it was discovered that consumption data for the China offices was not included in the data for the plant, since the data are reported separately, and that the energy was non-renewable. Accordingly, it was restated in the non-renewable category. The energy consumption includes revised data that was integrated in the 2022 Sustainability report and GRI 302-1 table: 781,495 kWh in 2020 and 976,794 kWh in 2021.

In addition, last year's report indicated the following district heating data for Austria: 14 MWh in 2020 and 15 MWh in 2021. However, since confirmed data was only available following the publication of that report, the 2022 Sustainability Report and the 302-1 table are restated with the following revised data: 10 MWh in 2020 and 29 MWh in 2021.

Natural gas for heating was also restated in this year's report. In Belgium, the office landlord provided more transparent data, therefore the figures were revised to 1,693 cubic meters for both 2021 and 2022 (no previous data).

#### **GRI 302-5: Reduction in energy requirements – products sold in the Fiscal Years**

Walk Behind and Ride-on unit energy consumption has been updated with “on field” consumption test and measurements, which showed evidence of lower hourly consumption. Therefore, the consumption data of the previous years have been restated.

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

In the 2021 Sustainability Report, the Direct GHG emissions included the following totals for the Italy plant: 2,097 tCO<sub>2</sub>e in 2020 and 2,071 tCO<sub>2</sub>e in 2021. After publication, a formula error was discovered that misattributed the use of gasoline consumption in the Italy office. Accordingly, the revised figures have been incorporated in to the 2022 Sustainability Report and GRI 305-1 table: 1,345 tCO<sub>2</sub>e in 2020 and 1,332 tCO<sub>2</sub>e in 2021.

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

The 2021 and 2020 employee hours worked have been restated because the 2021 Sustainability Report erroneously included hours for workers who are not employees.





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

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	<u>Z</u> , <u>11</u>	
	GRI 2-2: Entities included in the organisation's sustainability reporting	<u>Z</u>	
	GRI 2-3: Reporting period, frequency and contact point	<u>110</u> , <u>116</u>	
	GRI 2-4: Restatements of information	<u>110</u>	
	GRI 2-5: External assurance	124	
	GRI 2-6: Activities, value chain and other business	<u>8-16</u> , <u>98-99</u>	
	GRI 2-7: Employees	<u>61-62</u>	See the Annex for complete data
	GRI 2-8: Workers who are not employees	<u>61-62</u>	
	GRI 2-9: Governance structure and composition	<u>14-16</u>	
	GRI 2-22: Statement on sustainable development strategy	<u>3-4</u> , <u>31</u>	
	GRI 2-23: Policy commitments	<u>60</u> , <u>78</u> , <u>98</u>	
	GRI 2-28: Membership associations	<u>17</u>	
	GRI 2-29: Approach to stakeholder engagement	<u>23-24</u>	
	GRI 2-30: Collective bargaining agreements	<u>63</u> , <u>71</u>	
<b>GRI 3: Material Topics (2021)</b>	GRI 3-1: Process to determine material topics	<u>25-26</u> , <u>110</u>	
	GRI 3-2: List of material topics	<u>25-26</u> , <u>110-114</u>	

# 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	<a href="#">36-39</a>	
<b>GRI 302: Energy (2016)</b>	GRI 302-5: Reductions in energy requirements of products and services	<a href="#">38</a>	
<b>GRI 305: Emissions (2016)</b>	GRI 305-5: Reduction of GHG emissions	<a href="#">39</a>	
<b>Non-GRI</b>	Non-GRI 1: Share of battery and corded products sold	<a href="#">37</a>	
	Non-GRI 8: Mulch-ready lawn care products	<a href="#">40</a>	
Sustainable Materials and Packaging			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	<a href="#">44-49</a>	
<b>GRI 301: Materials (2016)</b>	GRI 301-1: Materials used by weight or volume	<a href="#">47, 49</a>	
	GRI 301-2: Recycled input materials used	<a href="#">46, 49</a>	
Quality and Safe Products			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	<a href="#">51-52</a>	
<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	<a href="#">52</a>	
<b>Non-GRI</b>	Non-GRI 3: Amazon reviews	<a href="#">53</a>	
	Non-GRI 4: Brand awareness surveys	<a href="#">54</a>	

# 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	<a href="#">61-62</a>	See the Annex for complete data
	GRI 2-8 Workers who are not employees	<a href="#">61-62</a>	
	GRI 2-30: Collective bargaining agreement	<a href="#">63, 71</a>	
GRI 3: Management Approach (2021)	GRI 3-3: Management of Material Topics	<a href="#">59-72</a>	
GRI 401: Employment (2016)	GRI 401-1: New employee hires and employee turnover	<a href="#">64</a>	See the Annex for complete data
GRI 404: Training and Education (2016)	GRI 404-1: Average hours of training per year per employee	<a href="#">66</a>	
	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	<a href="#">66-67</a>	
	GRI 404-3: Percentage of employees receiving regular performance and career development reviews	<a href="#">68</a>	
Diversity and Inclusion			
GRI 3: Management Approach (2021)	GRI 3-3: Management of Material Topics	<a href="#">74-76</a>	
GRI 405: Diversity and Equal Opportunity (2016)	GRI 405-1: Diversity of governance bodies and employees	<a href="#">74-76</a>	

# 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	<u>78-83</u>	
<b>GRI 403: Occupational Health and Safety (2018)</b>	GRI 403-1: Occupational health and safety management system	<u>79</u>	
	GRI 403-2: Hazard identification, risk assessment, and incident investigation	<u>81</u>	
	GRI 403-3: Occupational health services	<u>81</u>	
	GRI 403-4: Worker participation, consultation, and communication on occupational health and safety	<u>79</u>	
	GRI 403-5: Worker training on occupational health and safety	<u>78</u>	
	GRI 403-6: Promotion of worker health	<u>78</u>	
	GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>78</u>	
	GRI 403-9: Work-related injuries	<u>83</u>	



# 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	<u>87-82</u>	
<b>GRI 418: Customer Privacy (2016)</b>	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	<u>88</u>	
<b>Non-GRI</b>	Non-GRI 2: Technology usage Index	<u>90</u>	
	Non-GRI 5: Number of cyber security incidents occurred	<u>88</u>	
	Non-GRI 7: Technology adoption index	<u>92</u>	
Efficient and Low Impact Plants and Offices			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	<u>94-96</u>	
<b>GRI 302: Energy (2016)</b>	GRI 302-1: Energy consumption within the organisation	<u>95</u>	
	GRI 302-4: Reduction of energy consumption	<u>94</u>	
<b>GRI 305: Emissions (2016)</b>	GRI 305-1: Direct (Scope 1) GHG emissions	<u>96</u>	
	GRI 305-2: Energy indirect (Scope 2) GHG emissions	<u>96</u>	

# 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	<u>96-99</u>	
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	<u>98-99</u>	
Safe Chemicals and Batteries Management			
<b>GRI 3: Management Approach (2021)</b>	GRI 3-3: Management of Material Topics	<u>101-103</u>	
<b>Non-GRI</b>	Non-GRI 6: Incidents recorded in the management of chemicals and batteries	<u>103</u>	

“

We believe...

In the power of **simplicity**:

making the complex intuitive.

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

In questions, not answers.

Because **curiosity** drives us.

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

In putting **people** first –

giving them the power they need,

when and where they need it.

In having the **courage** to do the right thing –

for our people, customers and planet.

In doing more with less, but performing better.

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

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

In the joy and ever-changing wonder of gardening.

And, above all, knowing if you look after the planet,

it will look after you.

We are **green-fingered engineers**.

**We are STIGA.**

”



**STIGA SPA**

**LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT**

**YEAR ENDED 31 DECEMBER 2022**



## ***Limited assurance report on the Sustainability Report***

To the Board of Directors of STIGA SpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of STIGA SpA and its subsidiaries (hereinafter “STIGA Group” or the “Group”) for the year ended 31 December 2022.

### ***Responsibilities of the Directors for the Sustainability Report***

The Directors of STIGA SpA are responsible for the preparation of the Sustainability Report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” defined in 2016, and updated in 2021, 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***

Società a responsabilità limitata a socio unico

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 725091 Cap. Soc. Euro 100.000,00 i.v. - C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 06234620968 – Altri Uffici: **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640311 Fax 080 5640349 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Cagliari** 09125 Viale Diaz 29 Tel. 070 6848774 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 Fax 055 2482899 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873431 Fax 049 8734399 | Rubano 35030 Via Belle Putte 36 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 6256313 Fax 091 7829221 | 90139 Via Roma 457 Tel. 091 6752111 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 Fax 0521 781844 - **Pescara** 65127 Piazza Ettore Troilo 8 - **Roma** 00154 Largo Fochetti 29 Tel. 06 6920731 Fax 06 69207330 - **Torino** 10122 Corso Palestro 10 Tel. 011 5773211 Fax 011 5773299 - **Trento** 38121 Viale della Costituzione 33 Tel. 0461 237004 Fax 0461 239077 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 315711 Fax 0422 315798 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 Fax 040 364737 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001

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 have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants 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 documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### ***Our Responsibilities***

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information" (hereinafter also "ISAE 3000 Revised") issued by the International Auditing and Assurance Standards Board (IAASB) 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.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, we did not obtain assurance that we became 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, primarily of personnel of the Group 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. comparison between the financial information reported in the "*The STIGA Group*" section of the Sustainability Report with the information included in the Group's annual consolidated financial statements;
4. 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 significant information, taking into account 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 evidences;
  - 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 and STIGA Slovakia Sro, 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.

### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of STIGA SpA for the year ended 31 December 2022 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Methodological Note" section of the Sustainability Report.

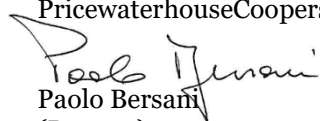


***Other Matters***

No assurance procedures were performed on the comparative information presented in the Sustainability Report in relation to the year ended 31 December 2021.

Padova, 26 May 2023

PricewaterhouseCoopers Business Services Srl

  
Paolo Bersani  
(Partner)

