



Sustainability Summary 2022

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 Sustainability Story



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
Transition to Electric	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.	36
Mulching	Encourage and promote the mulching technique to STIGA consumers.	Keep the percentage of "mulch-ready" products sold above 80% of STIGA lawn care segment.	88%	Result is in line with expectations.	40
Easy to Repair	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 32 .	42
Recycled & Renewable	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.	44 , 48

* Target changed on the basis of current performance.

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

Achievements: People

Project	Description	Commitment	Result	Highlights	Page
Consumer & Customer Satisfaction	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.	53
Attraction	Improve job opportunities and training for local talent pool.	300 hours dedicated to Employer Branding in 2022. New for 2023: Hire 100 interns across the entire Group.	489 hours	The target was exceeded, with greater engagement at schools and universities.	65
Training	Increase employee skills and knowledge, also on ESG topics.	22k training hours in total including training on Human Rights in 2022. New for 2023: 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.	66
Flexibility	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.	70
ISO Certifications	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.	79

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.	87
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.	90
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.	94
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.	98
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.



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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.

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.



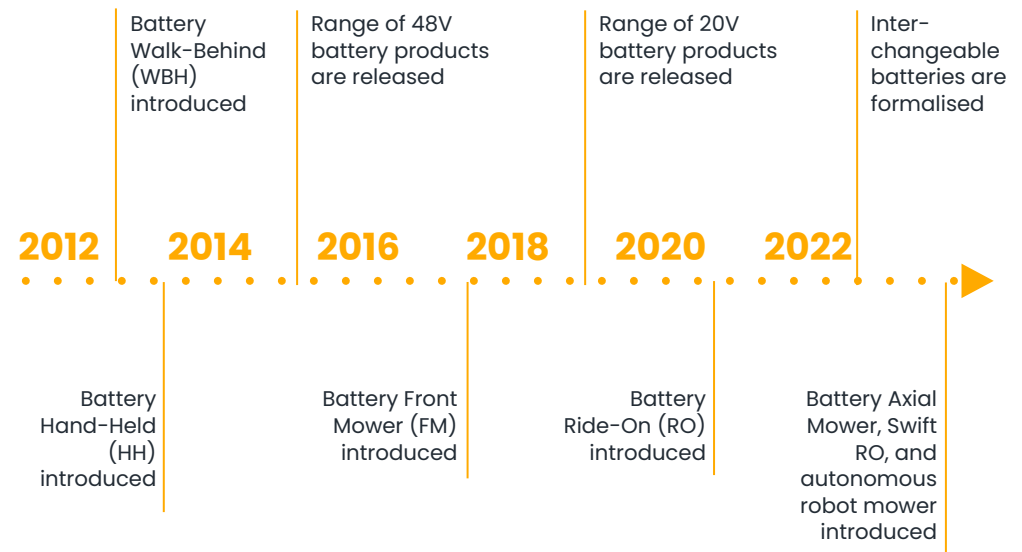
Impact

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.



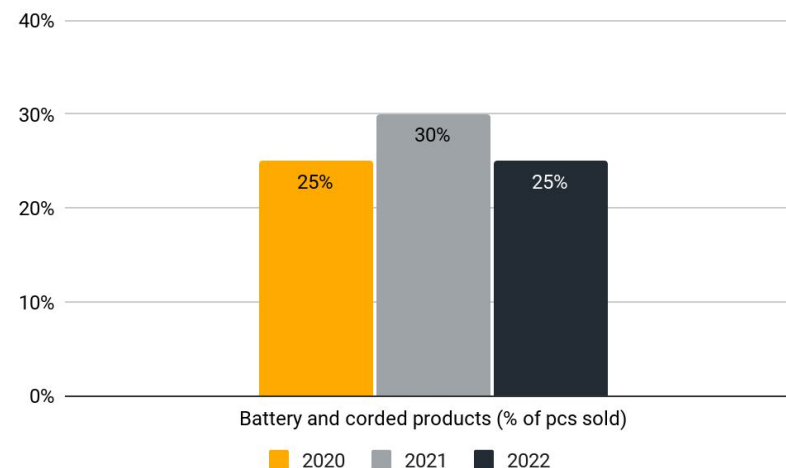
This design process is led by two teams in Italy and China that are specialised in advanced battery technology. The Italian plant also has an internal laboratory to test batteries. These efforts are supported by a significant investment: in 2022, 80% of the New Product Development investment done by 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.

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.



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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 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



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.



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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

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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.



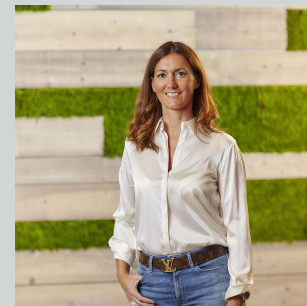
Mitigation

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.



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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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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

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	



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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

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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

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

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.

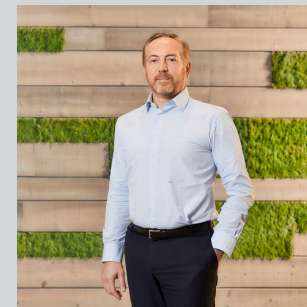


Human Rights

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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We believe...

In the power of **simplicity**:

making the complex intuitive.

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

In questions, not answers.

Because **curiosity** drives us.

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

In putting **people** first –

giving them the power they need,

when and where they need it.

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

for our people, customers and planet.

In doing more with less, but performing better.

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

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

In the joy and ever-changing wonder of gardening.

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

We are **green-fingered engineers**.

We are STIGA.

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