



STIGA

Sustainability Summary 2023

STIGA

A Message from the CEO

STIGA is a purpose-driven Group.

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

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

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

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

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



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

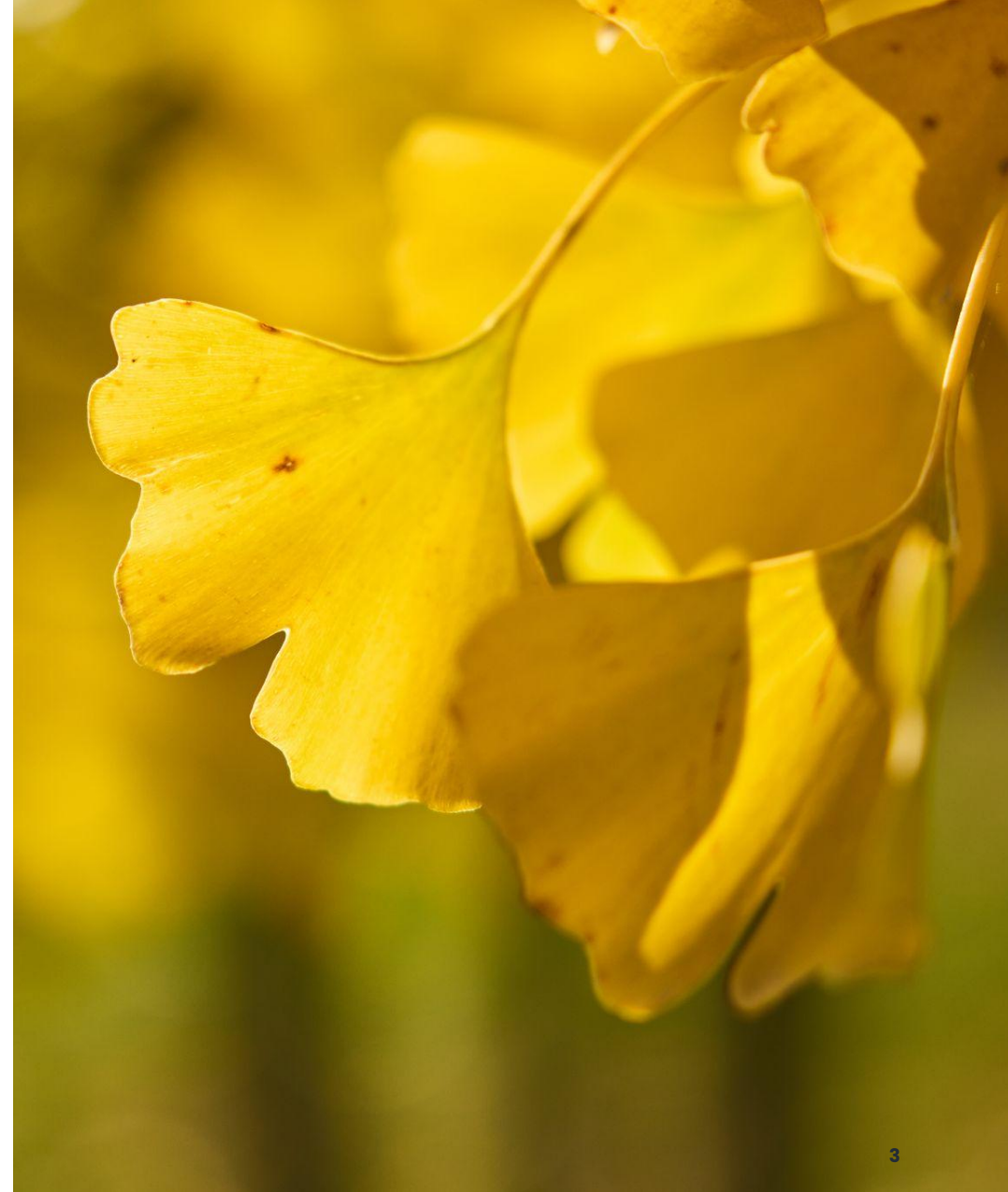
On that note, we are very proud to announce that from 2024 STIGA will be members of the UN Global Compact: a special initiative of the UN Secretary-General that calls on companies to align on the Ten Principles of human rights, labour, environment and anti-corruption, as well as contribute to the advancement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

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

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

Sean Robinson

CEO of STIGA Group



Key Data 2023

24%

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

6.7%

Recycled plastic in materials
vs 6.8% in 2022

59%

Recycled material in packaging
vs 61% in 2022

19,011

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

1

Unsuccessful data breach, with no information stolen or compromised

27%

Female employees
vs 25% in 2022

87%

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

96%

Renewable energy
vs 71% in 2022

STIGA ESG Strategy

STIGA defined the ESG Strategy as a set of plans, projects and targets which will build a sustainable future for the Company. This activity is performed with the contribution of all management and stakeholders, and it takes into account the imperatives of the 2024 Business Plan, Brand Strategy Values, and ESG pillars. Specific areas of focus were further split into projects, each of them assigned to a project leader.

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

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

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

PRODUCTS

“We are green-fingered engineers.”

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

PEOPLE

“Putting people first.”

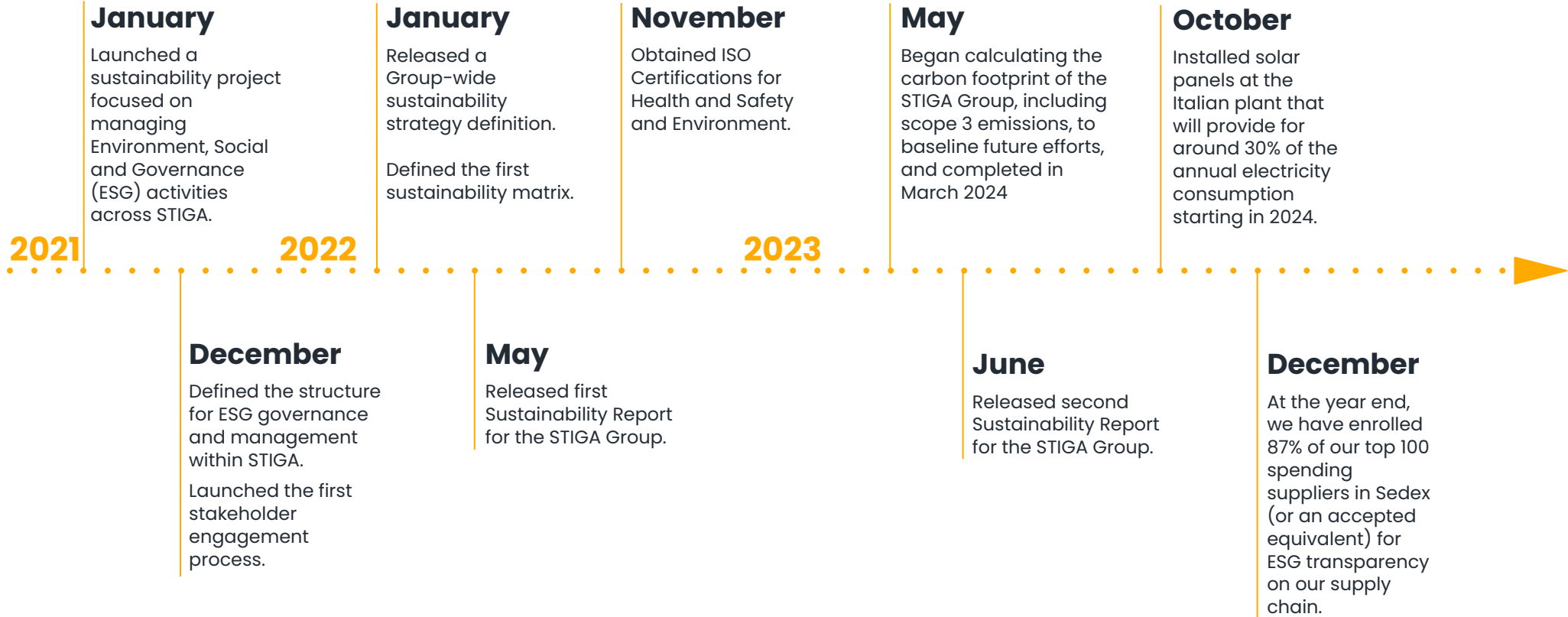
- Ensure people operate in a safe and stimulating work environment.
- Attract and retain talent.
- Develop internal capabilities.

PROCESSES

“The power of simplicity.”

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

The STIGA Sustainability Story



Achievements: Products

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

Achievements: People

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

Achievements: Processes

Project	Description	2023 Commitment	2023 Result	2024 Target	Page
Cybersecurity	Ensure strong cybersecurity and personal data protection investing in servers and networks.	Keep state-of-the-art safety standards and minimise issues to realise 0 data breaches.	1 breach (no data loss).	Keep state-of-the-art safety standards and minimise issues to realise 0 data breaches.	74
Efficient & Low Impact Plants & Offices	Reduce energy consumption per unit of volume produced and increase self-produced and purchased renewable energy.	Increase the percentage of renewable energy compared to 2022 (71%).	100% renewable energy in all plants and 96% across all offices.	Invest in energy-savings projects in the Italy and Slovakia plants.	79
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.	On track to complete calculation in Q1 2024.	Third-party certification of the 2022/2023 carbon footprint data. Annual data data and improvement of the data collection process.	84
Responsible 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.	87% of the top 100 spending suppliers are enrolled in Sedex or an accepted equivalent for ESG transparency on our supply chain.	Enrol all top suppliers by 2024, audit risky suppliers and update internal vendor rating score with ESG metrics.	86

UN Global Compact

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

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



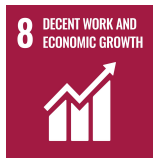
Gender Equality

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



Responsible Consumption and Production

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



Decent Work and Economic Growth

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



Climate Action

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

Ten Principles of the UN Global Compact

Human Rights

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

Labour

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

Environment

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

Anti-Corruption

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

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

STIGA ESG Strategy: Looking Ahead

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

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

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

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



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



Andrea Frassetto, Process Improvement and ESG Manager

We are green-fingered
engineers.



Products

Transition to more sustainable products

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

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

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

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



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

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

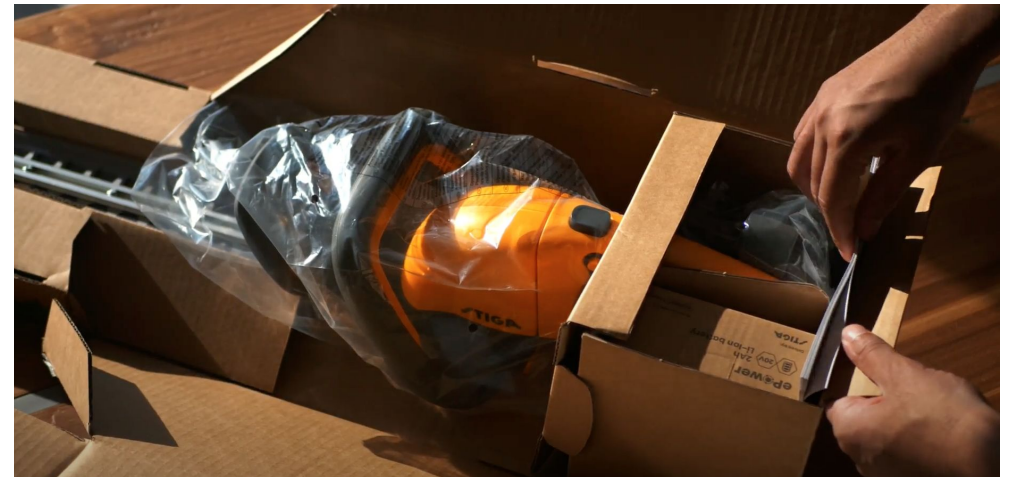
Sustainable Packaging



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

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

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





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

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

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



The use of recycled polymers is an important first step towards making products that are increasingly sustainable and recyclable.

We pay close attention to all the materials we use to manufacture our products because of their environmental footprint. Life Cycle Assessments will be a key element in establishing the basis for all the improvements we will make to our products to make them more sustainable, repairable and recyclable.



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

Quality and Product Safety

Quality and product safety are essential baseline requirements for consumer satisfaction and to meet growing market demands, which are the basis of economic returns. Internally, quality and product safety have an impact on our Research & Development, Manufacturing, Quality and Product Compliance departments. Externally, they have an impact on the supply chain and on the satisfaction of our customers and consumers.

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

The Product Development process includes different control gates. Pre-production (PPI) is the most relevant gate before the Start of Production (SOP) and it is carried out at the end of the Product Compliance and Certification Process, for which product certifications, user manuals and technical files should be completed. In adherence with these controls, all product components, industrial processes and tests must be successful before a new product goes to market. In this context, STIGA's medium-term objective is to continuously improve its product development, validation and certification processes to ensure a more sustainable and robust design.

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

GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services

Incidents of non-compliance concerning impacts on the health and safety of products and services	2021	2022	2023
Number of incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Number of incidents of non-compliance with regulations resulting in a warning	1	0	0
Number of incidents of non-compliance with voluntary codes	0	3	3
Total number of incidents of non-compliance	1	3	3



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



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

Putting people first.



People

STIGA's Approach to People Management

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

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



Impact

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



Mitigation

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



Human Rights

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

Employees (FTE)



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

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

Workers Who Are Not Employees (FTE)



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

Workforce Composition and Diversity



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

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



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



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 more than a quarter 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. STIGA Italy and China have hired workers with disabilities in the plants.



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.



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

In addition, health and safety training for employees is an important mitigation action. Training activities are tailored to employees and focused on current legislation on health and safety at work, general risks of the workplace, specific risks of the job, fire emergency, first aid, prevention actions and protection measures to be adopted in the workplace.

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

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

Information on health and safety is provided to employees through:

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

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



Impact

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



Mitigation

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



Human Rights

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

The power of simplicity.

Processes



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.

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

The ICT Security Plan in place was extended to 2023 and has granted further improvements with the aim of:

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

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

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

STIGA has adopted an internal procedure on Personal Data Protection. It is applied across the whole organisation and defines data protection activities that are GDPR-compliant. The main objectives of the Personal Data Protection procedures are to:

- Define procedures which best ensure compliance with regulatory provisions on data protection with respect to the handling of personal data, rights of data subjects and relationships with supervisory authorities.
- Provide the standard forms to be used when fulfilling the data protection obligations.
- Define roles and responsibilities of the main subjects involved in the process.
- Define, support and coordinate the incident management flow to address the data breaches that can arise in an enterprise company.

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

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

Efficient and Low Impact Plants and Offices



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

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



Impact

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



Mitigation

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

Responsible Supply Chain



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

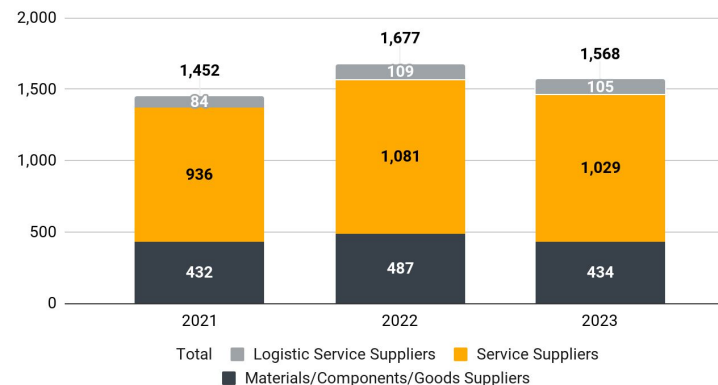
Now that most top suppliers have completed this questionnaire, we have begun analysis to select high risk suppliers to audit in 2024 and, as needed, will request corrective actions to reduce their risk. For the remaining unenrolled suppliers we will agree on a course of action to ensure we can properly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

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

*Suppliers with purchases > €5,000.

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

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



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



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



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

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



“

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