

A scenic landscape featuring a calm lake in the foreground, reflecting the surrounding environment. The shoreline is lined with tall, slender trees, some of which have turned a vibrant golden-yellow, indicating autumn. In the background, a range of mountains is visible, with some peaks covered in dense green forest and others showing patches of autumnal foliage. The sky is clear and bright, suggesting a sunny day. The overall atmosphere is peaceful and natural.

**STIHL**

**2023**

**ACTING FOR  
TOMORROW**  
—

SUSTAINABILITY REPORT



# ABOUT US

The STIHL Group develops, manufactures, and distributes outdoor power equipment for forestry, agriculture, landscaping, construction, and discerning consumers. The product range is complemented by digital solutions and services. The products are sold to end users through authorized servicing dealers and through STIHL's own online shops, which are slated for international expansion in the years ahead. The STIHL Group's sales network consists of 44 sales and marketing companies, approximately 120 importers, and more than 55,000 independent, authorized dealers. The Group has manufacturing operations around the world in seven countries: Germany, Switzerland, Austria, Brazil, the U.S., China, and the Philippines. STIHL has been the world's top-selling chainsaw brand since 1971. The STIHL Group was founded in 1926 and is based in Waiblingen near Stuttgart, Germany.

# 5.3

**BILLION EUROS IN REVENUE**  
worldwide in fiscal year 2023

# 19,805

**EMPLOYEES** Group-wide  
as of late 2023

IN OVER  

# 160

**COUNTRIES**  
people can buy STIHL

## ABOUT THIS REPORT

This publication is the third STIHL Sustainability Report. The report was prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) for the period from January 1, 2023, to December 31, 2023. It outlines the strategy, targets, and activities of STIHL with regard to sustainability in 2023. The consolidated group covered in the report differs from the one covered in the STIHL Annual Report. Unless stated otherwise, all data relates to the operating German STIHL locations (the founding company of the STIHL Group, ANDREAS STIHL AG & Co. KG, with eight locations in Waiblingen, Fellbach, Ludwigsburg, Weinsheim, and Wiechs am Randen, as well as STIHL Vertriebszentrale AG & Co. KG in Dieburg), along with all international STIHL production companies (U.S., Brazil, Austria, Switzerland, and China) and the ZAMA Group, with subsidiaries in China, Hong Kong, the Philippines, Japan, and the U.S. The STIHL Group's international sales companies, the U.S. company CS COSMOS STIHL Manufacturing Inc. (which was founded in late 2022), and Mogatec GmbH (a garden technology manufacturer based in Drebach, Germany, in which STIHL acquired a majority stake in March 2023) are not covered in this report, but will be included in future reporting efforts in accordance with legal requirements. The Sustainability Report was published in digital form at [SUSTAINABILITYREPORT.STIHL.COM/2023](https://sustainabilityreport.stihl.com/2023) in May 2024 and is available in German and English. In the event of deviations between the two language versions, the German version takes precedence over the English translation. It was not subjected to external assurance. All forward-looking statements in this report were based on assumptions valid as of the editorial deadline. The actual results and developments may vary. The next STIHL Sustainability Report is scheduled for publication in spring 2025.

## OUR MOTIVATION

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**STIHL is a family-owned business with roots in forestry that stretch back nearly 100 years. Everything we do has always been focused on people, nature, and their power to grow. That is what drives us – and what we want to keep driving forward.**

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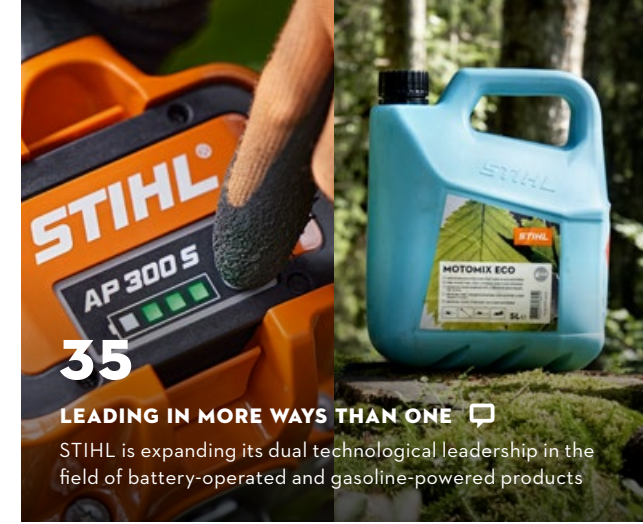
### READ ONLINE

The STIHL Sustainability Report 2023 is also available online.

LEARN MORE AT [SUSTAINABILITYREPORT.STIHL.COM/2023](https://sustainabilityreport.stihl.com/2023)



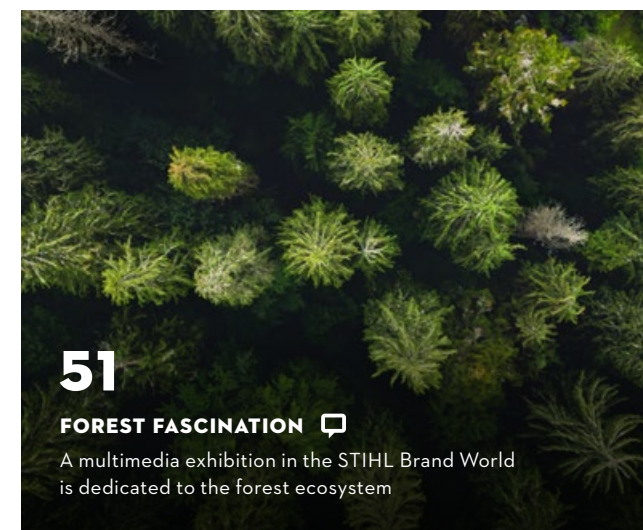
This report looks at several flagship projects, which are marked with this icon.



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STIHL is expanding its dual technological leadership in the field of battery-operated and gasoline-powered products



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STIHL Brazil promotes diversity and inclusion in the workforce with the diversity program



# STIHL GROUP AND STRATEGY

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Karen Tebar, Dr. Nikolas Stihl, Selina Stihl

# DEAR READERS,

STIHL acts for tomorrow. We see that as more than just the title of our sustainability reports. This intention is also what allows us to navigate the persistent uncertainties resulting from geopolitical tensions, wars, and economic crises. We approach the challenges of today with a view to the near and distant future alike. As a business, and as an active member of society, acting for tomorrow means nothing less than approaching sustainability from every angle: By embracing the special environmental responsibility that STIHL has accepted for nearly 100 years since its founding. By engaging with employees across the Group and with society at large. And by doing business sustainably. That is what we stand for as a family of entrepreneurs. It is what we have done for three generations – and what we will continue to do for the generations that follow.

**DR. NIKOLAS STIHL**  
Chairman of the Advisory Board

**SELINA STIHL**  
Deputy Chair of the Advisory Board

**KAREN TEBAR**  
Deputy Chair of the Advisory Board

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# STIHL AG EXECUTIVE BOARD

## Dear Readers,

Behind us lies a difficult and challenging year. Slower growth, inflation, and high energy prices influenced the economic climate and led, in general, to restrained spending among consumers. Meanwhile, global uncertainties – such as the consequences of armed conflict and climate change, which are burdening people and businesses alike – compounded the situation. This environment had an impact on the STIHL Group as well, resulting in a 4.1 percent decline in revenue to 5.3 billion euros in 2023.

Our ability to look to the future with optimism, despite everything, is also due to the dedication of employees throughout the Group, who have earned our heartfelt thanks. They have internalized the mission that has been part of STIHL's basic principles since its founding in 1926: "Acting for tomorrow." First formulated in 2021, our sustainability strategy – which we have continued

rolling out and anchoring within the STIHL Group, and which has already started to bear fruit – provides a framework for this.

Our confidence and optimism were reflected in 2023, especially at the site of our founding company in Waiblingen. There, we opened the STIHL Brand World, which provides everyone interested with an opportunity to learn about our history, our products, and our mission. We are also making investments in innovative battery technology, with battery-operated products slated to roll off the production line in Waiblingen for the first time in 2024. What is more, we plan to deepen our value chain going forward by manufacturing EC motors – the heart of our battery-operated tools – in-house. And, in terms of our face to the world, we are more diverse than ever: Sarah Gewert joined our Executive Board in early 2023, taking on responsibility for Marketing and

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Sales. As a result, our six-person Executive Board now has an equal number of men and women.

We have always paid special attention to the environmental sustainability of the business and our products. That commitment inspired the STIHL Group to join the United Nations' Global Compact in February 2023, which obliges us to comply with social and environmental standards that can only be met through sustainable development. Among our most important achievements is that our international distribution companies' direct and indirect CO<sub>2</sub> emissions are now fully offset through offsetting projects. Our potential analysis, which started in 2023 and is aimed at increasing the propor-

tion of secondary raw materials, is making progress, as is our feasibility study for a product guided fully by a circular approach. In terms of social aspects, we have strengthened responsibility in our supply chain by performing supplier sustainability audits.

At the same time, we know that sustainability takes tireless dedication. We have only just started our journey and still have miles to go before we achieve all of our goals. We will continue down this path with a sense of purpose and commitment, and look forward to taking you along with us in our third Sustainability Report. Enjoy!

**MICHAEL TRAUB**  
Chairman of the  
Executive Board

**SARAH GEWERT**  
Marketing and Sales

**INGRID JÄGERING**  
Finance

**ANKE KLEINSCHMIT**  
Research and Development

**DR. MICHAEL PROCHASKA**  
Human Resources and  
Legal Affairs

**MARTIN SCHWARZ**  
Manufacturing and Materials



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**INGRID JÄGERING**  
Finance

**DR. MICHAEL PROCHASKA**  
Human Resources and Legal Affairs

**MICHAEL TRAUB**  
Chairman of the Executive Board

**SARAH GEWERT**  
Marketing and Sales

**MARTIN SCHWARZ**  
Manufacturing and Materials

**ANKE KLEINSCHMIT**  
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**»At STIHL, we mainly understand sustainability as a responsibility – for the environment, for people, and for the long-term development of our business. Sustainability is our mission, and is our shared inspiration for transformation and innovation.«**

**DR. MICHAEL PROCHASKA**  
Human Resources and Legal Affairs



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# LOCAL ROOTS, GLOBAL GROWTH

*Strong roots give STIHL the power to grow. In our nearly 100 years, we have gone from being a Swabian family business to being a global player. Everything we do is focused on people, nature, and their power to grow. That is what has driven us so far, and it will remain our source of inspiration and motivation going forward.*

The STIHL Group is one of the world's leading manufacturers of chainsaws and other outdoor power equipment. Since 1971, we have been the world's top-selling chainsaw brand. Andreas Stihl founded his company in Bad Cannstatt (in the German state of Baden-Württemberg) in 1926. Today, our Group's production and distribution network spans the entire globe.

Our production network includes plants, each of them legally independent, in seven countries. The production companies are responsible for manufacturing cast-magnesium components, saw chains, carburetors, and other products. The most recent addition to the STIHL Group is Mogatec GmbH<sup>1</sup>, a company based in the German state of Saxony that specializes in garden technology. Prior to the acquisition in 2023, we had maintained a trust-centered business relationship with Mogatec GmbH for nearly 30 years. The deal strengthens STIHL in the growing battery market. More

<sup>1</sup> Data pertaining to Mogatec GmbH has not been included in this Sustainability Report.

importantly, though, the further expansion of the STIHL Group's depth of production will also make it even more resilient against uncertainties in global supply chains.

## Our area of activity

The STIHL Group develops, manufactures, and distributes power equipment for forestry, agriculture, landscaping, construction, and gardening enthusiasts. In addition to our best-known product group, chainsaws, our core technological expertise covers brush-cutters, hedge trimmers, blowers, mistblowers, cleaning systems, cut-off machines, earth augers, lawn mowers, and robotic mowers.

STIHL is steadily evolving from an engineering company to a provider of mechatronic and software solutions. We are currently supporting this transformation by making investments in the digitalization of our products and services, to name just one example. When it comes to battery-powered technology, however, STIHL has been a driving force in the market since 2009. Even though we are hard at work making our traditional business involving gasoline-powered tools more and more environmentally friendly, and plan to continue offering such equipment in the long term, battery-powered tools are the main driver of our growth. We intend to raise the share of sales attributable to battery-operated tools to at least 35 percent by 2027, with a target of 80 percent by 2035. In 2023, that figure stood at approximately 24 percent – an increase of around 4 percent compared to 2022. In Germany, battery

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powerheads have been outselling than gasoline equivalents since 2020. Our battery strategy is also associated with major decisions regarding our production companies. Starting in 2024, we will manufacture professional battery-operated tools at our founding company in Waiblingen as well. In addition, our new plant for battery-operated and electric tools in Romania is scheduled to open in 2025.

Our product portfolio additionally includes fuels and lubricants, accessories, and personal protective equipment, as well as digital solutions and services for our customers. Our magnesium diecasting plant in Weinsheim, the Asian carburetor manufacturer ZAMA, the U.S.-based company COSMOS STIHL Manufacturing, and Mogatec in the German state of Saxony also serve customers outside the STIHL network, in industries such as the automotive sector.

**Sustainable business**

As an independent, family-owned business, STIHL has been acting with sustainability in mind since its founding in 1926. We focus on more than just short-term profit. Instead, we do business with a view to the long term, and with present and future generations in mind – in the interest of the Group, its customers, employees, nature, and society. Since the beginning, our core values have included a keen sense of responsibility toward both the environment and all of the people who come into contact with STIHL, including staff, community members, and customers alike. All of those things together ensure our long-term success.

The equity ratio stands at roughly 66 percent. We can generally finance investments without the need for borrowing, allowing us to preserve our independence. We plan to expand our depth of production in order to strengthen our competitive position and remain capable of acting even in times of crisis, while both securing existing jobs and creating new ones.

**ALLIANCES WITH START-UPS**

Through investments and partnerships in the field of sustainability, we aim to support the targeted expansion of our skills, capabilities, and expertise. Our corporate venture unit STIHL Ventures GmbH (formerly STIHL Digital GmbH) invests in and partners with start-ups whose innovations are helping us develop sustainable and innovative products and services, among other things. In the reporting year, we worked with companies such as TinyMobile Robots and Spotta.

**INVESTING IN INNOVATIVE START-UPS**

**TinyMobileRobots®**

For several years, STIHL has been working with the Danish start-up **TINYMOBILEROBOTS**. The company's autonomous line-marking robots are used in a variety of industries, including amateur and professional sports, with a focus on business in Europe and the U.S. TinyMobileRobots' solutions require up to two-thirds less paint than manual marking equipment, helping protect the environment. Beyond that, the company provides valuable expertise for STIHL in the field of professional robotic equipment.

➤ [WWW.TINYMOBILEROBOTS.COM](http://WWW.TINYMOBILEROBOTS.COM)

**SPOTTA**

One new addition in the reporting year was our investment in **SPOTTA**. Based in Cambridge, UK, the start-up digitalizes pest monitoring to help make insect management more sustainable. The use of the solution enables targeted action, which avoids the large-scale application of insecticides and prevents imminent risks for harvests by providing notifications in real time through a digital dashboard. The sensors, which were developed by Spotta, are used in settings such as forests and agriculture. Another area of application is to detect and prevent the spread of bedbugs in hotel rooms.

➤ [WWW.SPOTTA.CO](http://WWW.SPOTTA.CO)



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## Fiscal year 2023

Following strong growth in previous years, sales figures fell in 2023. The reasons for the decline are manifold. In light of high energy prices, inflation, and weak economic growth, consumers were more reluctant to spend their money in general and less likely to spend it on STIHL products. Both the downturn in consumption worldwide and the high inventory levels held by authorized dealers slowed sales growth.

These developments also had an impact on revenue. More than 19,800 employees Group-wide helped us achieve revenue of 5.3 billion euros (previous year: 5.5 billion euros), a decrease of 4.1 percent.

FOR DETAILS ABOUT THE FISCAL YEAR, PLEASE SEE OUR **ANNUAL REPORT**

## Corporate structure and governance

At the STIHL Group, good corporate governance means taking responsibility and acting based on principles of sustainability. STIHL Holding AG & Co. KG includes all STIHL companies. Since 2002, the Group's business operations have been overseen by an independent Executive Board made up of six members. The responsibilities of the individual members are defined in the Executive Board rules of procedure and in the bylaws. The Executive Board is appointed by the Supervisory Board of STIHL AG.

The Advisory Board of STIHL Holding AG & Co. KG makes decisions about the strategic direction of the Group and consists of eight members. Representatives of the shareholders are joined by external representatives that are also appointed by the partners. The Supervisory Board of STIHL AG has twelve members. Its duties are defined by law. Pursuant to German codetermination statutes, the Supervisory Board consists of six shareholder representatives and six employee representatives. The six shareholder representatives are nominated by the partners and elected at the STIHL AG Stockholders Meeting. The workforce at the German locations elects four of the employee representatives every five years, with two further representatives being appointed by the trade union IG Metall. Both the Supervisory Board and the Advisory Board have formed a personnel committee.

New elections to the Supervisory Board and Advisory Board were held in 2023.

INFORMATION ON THE CURRENT **MEMBERS OF THE STIHL GROUP'S BOARDS** IS AVAILABLE ONLINE

When selecting representatives to the boards, the partners mainly look at whether candidates have the appropriate qualifications. The external representatives should be capable of leveraging their expertise, experience, and skills gained outside STIHL to advise the Group. There are no cross-shareholdings with suppliers. Likewise, any transactions with related parties are conducted under arm's length conditions.

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The members of the Advisory Board and the Supervisory Board receive fixed monetary compensation and attendance fees. Executive Board compensation consists of a fixed component and a variable component that is based on the Group's success. Sustainability aspects are not taken into separate consideration. STIHL consults market comparisons by external remuneration experts to determine Advisory Board, Supervisory Board, and Executive Board compensation.

The Chairman of the Advisory Board and the Supervisory Board is Dr. Nikolas Stihl, who took over the position from his father, Hans Peter Stihl, in 2012. Hans Peter Stihl is the Honorary Chairman of both boards and is the general partner of STIHL Holding AG & Co. KG.

### RISK MANAGEMENT

At forward-looking businesses like STIHL, proactive risk management plays an important role in all decisions and business processes. It is just one of many systems that the STIHL Group uses to measure, monitor, and manage risks. Each segment of the business tailors its risk management approach to its regional or global responsibilities. Those responsible regularly discuss, evaluate, and report identified risks for the company. They also review and adapt risk areas annually so as to identify, evaluate, and take steps against new and arising risks at an early stage. Such risks include those associated with IT security or resulting from climate change. To do so, the STIHL Group relies on standardized assessment principles and processes that are laid out in corresponding guidelines and directives.

In organizational terms, the Group Audit department, which reports directly to the Chairman of the Executive Board, oversees the STIHL Group's risk management system. Risk management activities are the responsibility of the Executive Board. Its findings and outcomes are communicated regularly to the Advisory Board. Together, they define further risks, which are then tracked by the individual departments and members of staff that are responsible for them. Appropriate measures for monitoring and mitigation are in place for every risk identified in the risk assessment.

### COMPLIANCE

Compliance refers to an organization's or person's adherence to statutory and internal rules and regulations. It constitutes an obligation for all employees in their dealings within the STIHL Group and with the outside world. Our actions are guided by the fundamental values of honesty, fairness, and abiding by the law. We obey the law in all countries in which we operate.

We take a clear stance against corruption and bribery. Our values are firmly rooted in our **CORPORATE CULTURE**. Since 2022, they have additionally been reflected in our **CODE OF CONDUCT**. They offer employees guidance on how to act internally within the Group and in dealings with business partners.

Every STIHL company has internal guidelines to ensure compliance with the law. Particular attention is paid to effectively preventing corruption and conflicts of interest while avoiding violations of anti-trust law. We keep an eye on new legal requirements through continuous monitoring and consult on them with outside experts through interest groups and other organizations, for example. STIHL employees across the Group receive regular training in line with their responsibilities. To minimize the risk of corruption, STIHL relies on the separation of functions, approval processes, and the principle of dual control.



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All operational compliance issues are coordinated by the Group Compliance Officer, who is the first point of contact for questions about compliance and reports to the Executive Board member for Human Resources and Legal Affairs. In cooperation with the Group Compliance department, the Group Compliance Officer works closely with the Group Audit, Risk Management, and Legal departments, as well as with the local compliance contacts at each STIHL company.

In order to continue ensuring the compliance of its business operations with the law and its corporate values, STIHL is constantly working to enhance its compliance management system with avoidance, early detection, and response in mind. As part of our corporate targets since 2022, we have defined sub-targets and key performance indicators for their further development. In addition, those responsible submit progress reports to the Executive Board on a regular basis.

One key underlying requirement for compliance management is effective risk management. In light of the regulatory requirements set down in the German Act on Corporate Due Diligence in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG), the compliance risk analysis in the reporting period focused on identifying, evaluating, and managing risks related to human and environmental rights. The risk analysis included the STIHL Group's departments and its affiliated companies. The Group reports on the risk analysis to the German Federal Office for Economic Affairs and Export Control (BAFA) within the scope of the LkSG report.

In 2022, the STIHL Group developed a code of conduct for employees based on the principles of the United Nations' International Labour Organization (ILO). Designed as an important tool for preventing compliance violations, the Group uses it to affirm its aim of complying with internationally recognized human rights standards. The code was initially released internally in German and English on various platforms in late 2022 and was rolled out worldwide at the STIHL Group in the reporting period. The most important channel for spreading the message was the STIHL intranet, along with various training and communication offerings. In order to reach all employees as effectively as possible, versions in French, Spanish, Portuguese, and Chinese are now available in addition to German and English.

Alongside anti-corruption policies and antitrust law, the code of conduct is the focal point of our compliance training offerings. Such content is mandatory for all employees and is being expanded further for staff from divisions and departments that are exposed to particularly high risks. In 2023, the efforts focused on continuing to propagate the code of conduct and anchor it in day-to-day business operations. Personalized e-learning options on the code of conduct were developed in the reporting period and will be rolled out in 2024. In organizational terms, staff has been added to the corresponding team at the founding company in Waiblingen in order to further strengthen compliance management. STIHL also appointed a Human Rights Officer for the Group in March 2023 in connection with the LkSG.

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As a further preventive measure, STIHL has set up a whistleblower system, giving employees, business partners, and third parties alike the opportunity to report suspected compliance violations, even anonymously. In 2023, the system received a total of 188 reports for the Group, which the STIHL Group reviewed in a defined process. Fifty-six suspected cases of compliance violations were confirmed. In some cases, multiple reports referred to the same incident. The significant rise year on year primarily results from the rollout and launch of the Integrity Line whistleblower system in late 2022, making 2023 the first fiscal year in which complete and systematic records of the reports were kept. The number of reports illustrates the extent to which STIHL employees and other potential users accept and trust the compliance organization and whistleblower system.

The STIHL Group has been cooperating with the Bundeskartellamt, the German market competition authority, in an information procedure that has been ongoing since 2020. The matter relates to a clause in some contracts between the STIHL sales company responsible for the German market and STIHL dealers. The authorities believe that the clause in question violated antitrust law. STIHL disagrees and has therefore filed a complaint with the Higher Regional Court (Oberlandesgericht) in Düsseldorf. The procedure is still ongoing.

## STIHL GROUP COMPANIES AND THEIR EMPLOYEES ARE INVOLVED IN A VARIETY OF ASSOCIATIONS AND INITIATIVES (SELECTION):

- ABIMAQ – Associação Brasileira da Indústria de Máquinas e Equipamentos (São Paulo, Brazil)
- BDG – Bundesverband der Deutschen Gießerei-Industrie (Düsseldorf, Germany)
- CCI – Chamber of Commerce and Industry for the Stuttgart Region (Germany)
- DGFP – German Association for Human Resource Management (Stuttgart, Germany)
- DIHK – Association of German Chambers of Commerce and Industry (Berlin, Germany)
- eFuel Alliance – Interest group (Hamburg, Germany)
- EGMF – European Garden Machinery Industry Federation (Brussels, Belgium)
- EUROMOT – European Association of Internal Combustion Engine Manufacturers (Brussels, Belgium)
- European Power Tool Association (Brussels, Belgium)
- IMA – International Magnesium Association (Saint Paul, Minnesota, USA)
- IVG – Industrieverband Garten (Düsseldorf, Germany)
- OPEI – Outdoor Power Equipment Institute (Alexandria, Virginia, USA)
- Südwestmetall – Metal and electrical industry employer association (Baden-Württemberg, Germany)
- UVSH – Unternehmerverband Südhessen (Darmstadt, Germany)
- VDMA – German Engineering Federation (Frankfurt am Main, Germany)
- vem.die arbeitgeber – Rhineland-Palatinate employers' association (Koblenz, Germany)



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# SUSTAINABILITY AS A STRATEGY

*Sustainability acts as our compass in challenging times. Thinking and acting sustainably is the only way we can overcome the greatest challenges of our time. STIHL embeds sustainability into its strategy and organizational structure to remain on this clear trajectory.*

The wars in Ukraine and the Middle East may have dominated the headlines and overshadowed many other developments, but issues such as the consequences of climate change have not disappeared. Peace is just as important to sustainable development as the awareness that our economy cannot continue to consume resources and emit greenhouse gases on such a massive scale. The same goes for human rights violations, which have no place in an economically, ecologically, and socially sustainable world. That is why STIHL is dedicated to actively promoting greater sustainability within its sphere of influence. Because we want to be part of the solution, we made a decision in 2021 to only do business in a way that allows us to further reduce negative ecological impacts while meeting our due diligence obligations in the supply chain.

One of the most important changes from the outset was appointing a Group-wide Sustainability Officer (see interview on page 27). We also set up a sustainability steering group, developed a materiality analysis, and specified Group-wide sustainability targets to give the topic of sustainable corporate strategy a realistic direction and to define the issues that we want to work on. Through this process, the STIHL sustainability policy that has been in place since 2016 has been transformed into a sustainability strategy that is relevant for our business.

## Material topics

The strategy is geared toward pooling STIHL's many different sustainability activities, thereby increasing their impact. The bottom line is that we want to make a measurable contribution to achieving the United Nations Sustainable Development Goals (SDGs).

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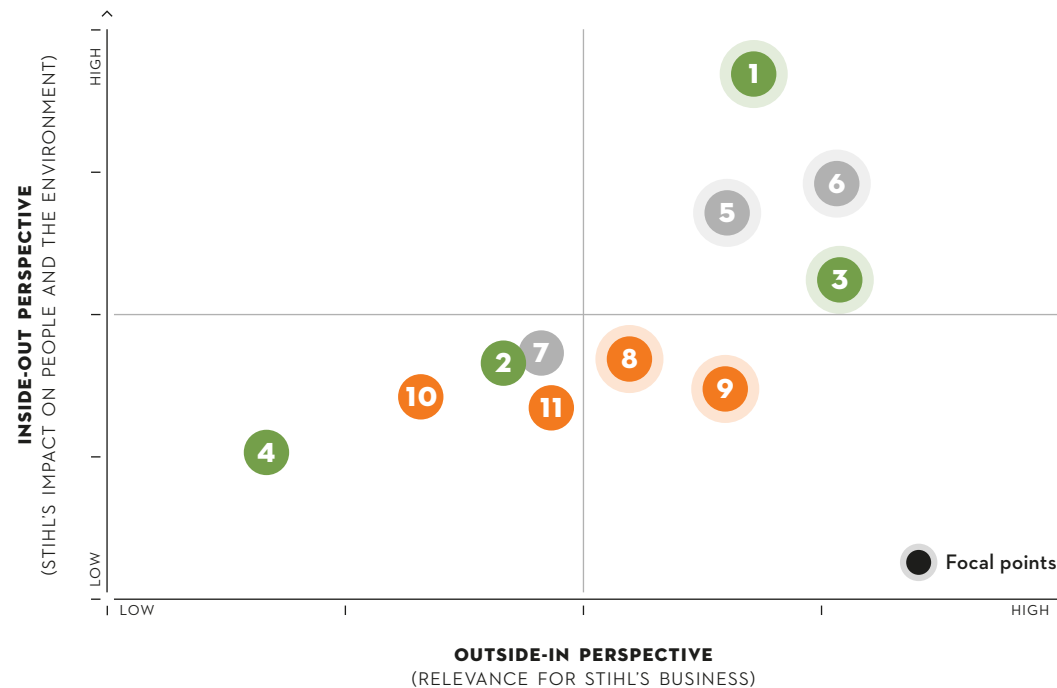
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There are three key aspects to this commitment: Firstly, STIHL aims to make a difference in areas where it has the requisite expertise and is able to exert influence. Secondly, we want to position ourselves in the public eye with selected topics. Thirdly, our activities also help us meet new legal requirements, such as the German Act on Corporate Due Diligence in Supply Chains (LkSG) and the European Corporate Sustainability Reporting Directive (CSRD), which will become binding for us in fiscal year 2025. Rather than being an end in itself, our sustainability strategy is an essen-

tial component of our corporate strategy. It puts STIHL on the road to a sustainable future. We developed the strategy together with internal and external stakeholders. It was then debated by the Executive Board in October 2021 and subsequently approved by the Advisory Board in December of the same year.

➤ PLEASE SEE THE **SUSTAINABILITY REPORT 2021** FOR MORE DETAILS ON THE **MATERIALITY ANALYSIS PROCESS**

**MATERIALITY MATRIX**



**ECOSYSTEMS**

- 1 Climate change mitigation
- 2 Climate change adaptation
- 3 Biodiversity and protecting ecosystems
- 4 Water use and conservation

**CIRCULARITY**

- 5 Avoiding environmental pollution and management of hazardous substances
- 6 Circular economy and materials management
- 7 Promoting education, technology, and innovation

**CARE**

- 8 Human rights and workers' rights
- 9 Health and safety
- 10 Nondiscrimination
- 11 Governance and compliance



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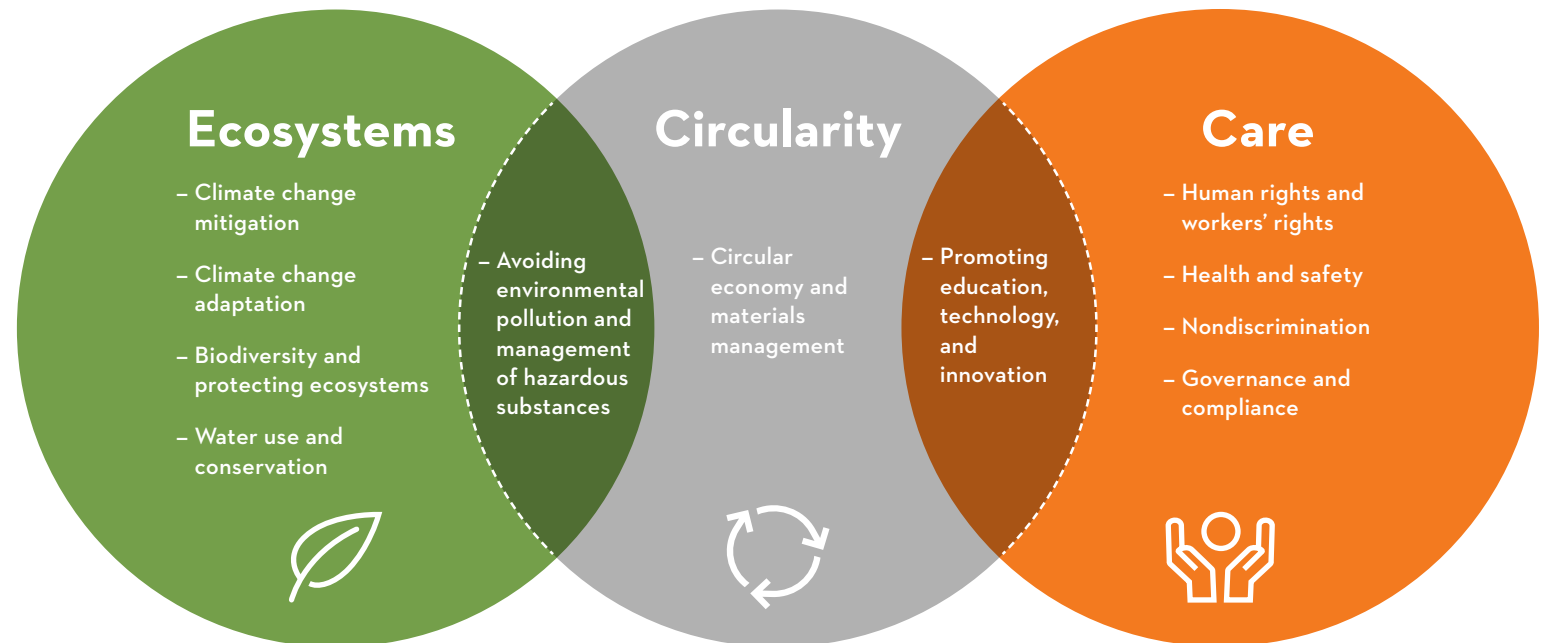
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We pinpointed eleven material topics for STIHL, including four environmental aspects: climate change mitigation, circular economy and materials management, avoiding environmental pollution, and protecting biodiversity. We allocated the eleven topics (with overlaps) to three strategic focal areas – ecosystems, circularity, and care – which form the basis for sustainability management (see materiality matrix, page 18).

Each of our three focal areas corresponds to two SDGs: Ecosystems corresponds to SDG 13 (climate action) and SDG 15 (life on land), circularity corresponds to SDG 12 (responsible consumption and production) and SDG 9 (industry, innovation, and infrastructure), and care corresponds to SDG 8 (decent work and economic growth) and SDG 3 (good health and well-being).

**STRATEGIC FOCAL AREAS**



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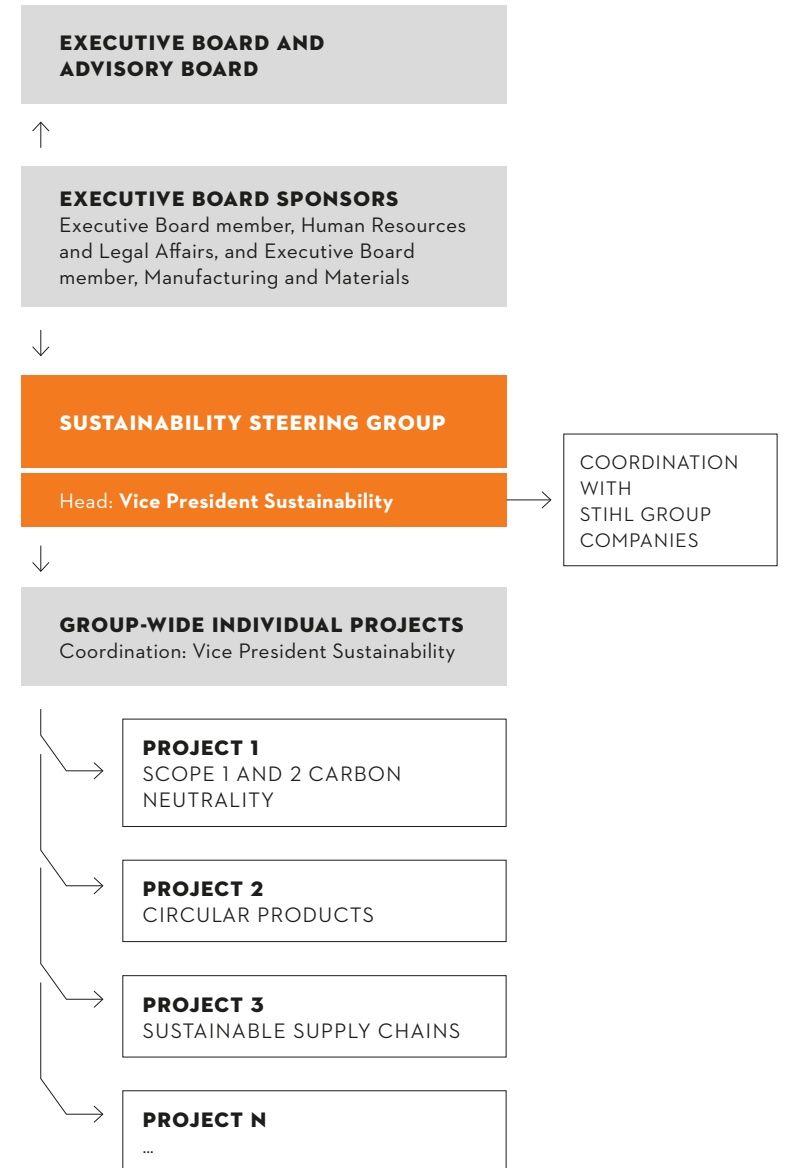
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## Sustainability management

The Sustainability Officer and the sustainability steering group work together to implement the strategic focal areas in our operations. In organizational terms, the Sustainability Officer is responsible for overseeing the work of the sustainability steering group, which meets on a quarterly basis, prepares Executive Board decisions, and offers recommendations. The steering group provides information and reports on all sustainability projects and initiates new projects as needed.

The Executive Board members in charge of Human Resources and Legal Affairs, Manufacturing and Materials, and Research and Development attend all steering group meetings, with the first two acting as topic sponsors on the Executive Board. Each Executive Board unit is also represented in the sustainability steering group by a second-level executive, and additional STIHL experts are members of the steering group. The Sustainability Officer is part of the unit of the Executive Board member for Human Resources and Legal Affairs, and advises the overall Executive Board and Advisory Board on all strategically relevant sustainability topics on both a regular and ad hoc basis. The Executive Board approves and releases reports on sustainability, which are also submitted to the Advisory Board.

## STIHL GROUP SUSTAINABILITY ORGANIZATION





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The STIHL Group launched numerous initiatives in 2023 that will be continued in the years ahead. These include projects aimed at creating products that are aligned as closely as possible with the circular economy principle, using sustainable materials and process chemicals, and developing a new mobility concept that includes revised guidelines for company cars. We have also identified potential to cut CO<sub>2</sub> emissions throughout the Group and intend to introduce an identical energy management system worldwide as part of our efforts in this area. In the reporting year, we also made preparations for STIHL to join the Science Based Targets initiative (SBTi), with the commitment planned for 2024. Other areas of focus included the reporting obligations under the EU's Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy, and the Carbon Border Adjustment Mechanism (CBAM). We always keep a close eye on the regulatory framework on the subject of sustainability. If changes in the legal situation are foreseeable, the steering group familiarizes itself with the topic in question and identifies the right contacts within the company. We continue to pursue our other sustainability targets that we defined in the prior year, including reducing the consumption of natural gas and oil by 40 percent throughout the Group compared to 2019 levels by 2030.

We have developed a systematic process to ensure the successful introduction and implementation of sustainability in our operations at STIHL. On the basis of our three focal areas, we have defined topic modules and formulated target statements for each target, which are pivotal in communicating our plans within the company in an easily understandable way. They form the basis of clearly defined guidelines and key performance indicators and serve as a starting point for development objectives and measurement processes for these key performance indicators. All departments that are relevant to target implementation are involved in the process, which is ultimately designed as a participatory path to implementation. Training for management and employees is particularly important because it gives them the skills necessary to achieve what is expected of them.

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## Sustainability targets

Our focal areas of ecosystems, circularity, and care incorporate topic modules that we are working through on a standardized basis.

We are defining the basic trajectory and determining key performance indicators (KPIs).

### Ecosystems

CLIMATE CHANGE MITIGATION	STATUS	PROGRESS
<b>FROM 2022</b> Scope 1 and 2 carbon neutrality at all production companies	Achieved in 2022 through a combination of carbon offsets and carbon capture through agroforestry in partnership with Fairventures ⓘ p. 46	
<b>FROM 2023</b> Scope 1 and 2 carbon neutrality at all sales companies	Achieved in 2022 through a combination of carbon offsets and carbon capture through agroforestry in partnership with Fairventures ⓘ p. 46	
<b>FROM 2022</b> Define reduction targets for Scope 3 emissions	Inventory launched in 2022 and activated in 2023 ⓘ p. 44	
<b>BY 2030</b> Reduce fossil fuel consumption by 40% compared to 2019	Measures defined to exceed target ⓘ p. 45	
<b>FROM 2022</b> Define a product carbon footprint (PCF)	Launched and in progress ⓘ p. 44	
<b>BIODIVERSITY AND PROTECTION OF ECOSYSTEMS</b>		
<b>2022</b> Develop a biodiversity concept for specific customer groups	Project completed in 2023. Measures initiated from the resulting findings. ⓘ p. 38	



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 **Circularity**

**CIRCULAR ECONOMY AND MATERIALS MANAGEMENT**




STATUS

PROGRESS

<p><b>BY 2024</b> Feasibility study for a product geared entirely to circularity</p>	<p>In progress 🔗 p. 33</p>	
<p><b>2023</b> Potential analysis for increasing the percentage of secondary raw materials</p>	<p>In progress 🔗 p. 34</p>	



**AVOIDING ENVIRONMENTAL POLLUTION AND MANAGEMENT OF HAZARDOUS SUBSTANCES**

<p><b>BY 2024</b> Develop a strategy for environmentally critical raw materials</p>	<p>Create a structure and process for analyzing raw materials (magnesium 25%, battery cells 10%, textiles 10%) 🔗 p. 56</p>	
<p><b>BY 2025</b> Action plan for avoiding hazardous process chemicals</p>	<p>Project initiated in 2023 🔗 p. 41</p>	
<p><b>2022</b> Define specific targets for reducing plastic packaging and CO<sub>2</sub> emissions</p>	<p>Finalize more sustainable alternatives, introduce new packaging 🔗 p. 42</p>	



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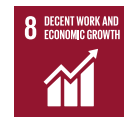
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HEALTH AND SAFETY	STATUS	PROGRESS
<b>2022</b> Review measures to further reduce accident rate per 1 million hours worked	Launch a new occupational health and safety campaign in 2023 ⓘ p. 71	
<b>NONDISCRIMINATION</b>		
<b>2022</b> Define measures and targets to ensure transparency and strengthen diversity and inclusion in the workforce	Inventory of existing offerings in 2023 ⓘ p. 64	
<b>HUMAN RIGHTS</b>		
<b>FROM 2022</b> Supplier management in accordance with German Act on Corporate Due Diligence in Supply Chains (LkSG)	Continuous monitoring of further legal requirements ⓘ p. 57	
<b>GOVERNANCE AND COMPLIANCE</b>		
<b>BY 2023</b> Develop derived sustainability targets for each STIHL company	Include "sustainability" in corporate target system and define key performance indicators  Guidance developed and discussed with the organizations	
Incorporate sustainability criteria into all key decision processes	Ongoing process	
Monitor legal requirements, for example under Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy, Batteries Regulation	Ongoing process	



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## In dialogue with stakeholders

In developing its sustainability strategy, STIHL considered stakeholder interests in a variety of ways, including by conducting surveys, participating in workshops, and taking into account stakeholders' publicly stated positions. When it comes to sustainability topics, we also engage in a regular dialogue with our customers, the research community (on biodiversity), local authorities (on biodiversity and making a positive climate impact), and banks.

The expectations and requirements that STIHL faces are regularly collected and assessed by external appraisers as part of the ISO certification process for quality, environmental, occupational safety, and energy management systems. Relevant findings are included in the design of products and processes.

In addition, we employ a large array of tools in order to remain in continuous contact with our stakeholders. For employees, these tools include internal channels such as the intranet, company meetings, video messages, notices, performance reviews, employ-

ee surveys, and the in-house suggestion system. We communicate with private and commercial customers, as well as authorized dealers, through surveys, trade fairs, congresses, the customer service team, our hotline, social media, our website, and other channels. We engage with the general public by participating in book projects and other publications. We also seek dialogue with residents at round-table meetings for construction projects. Suppliers are consulted through face-to-face meetings, negotiations, disclosures, and audits. Personal contact and project partnerships are the methods of choice for government authorities, while the research community is involved through targeted alliances with universities and collaboration on projects. We work with nongovernmental organizations on projects at local and regional level and support them in their activities. Our active media relations work, along with our website and the opportunities for dialogue offered by it, also allows us to be in contact with a much wider range of stakeholders, such as the media and potential customers. We have a vested interest in dialogue and feedback and are able to make progress through suggestions and recommendations.

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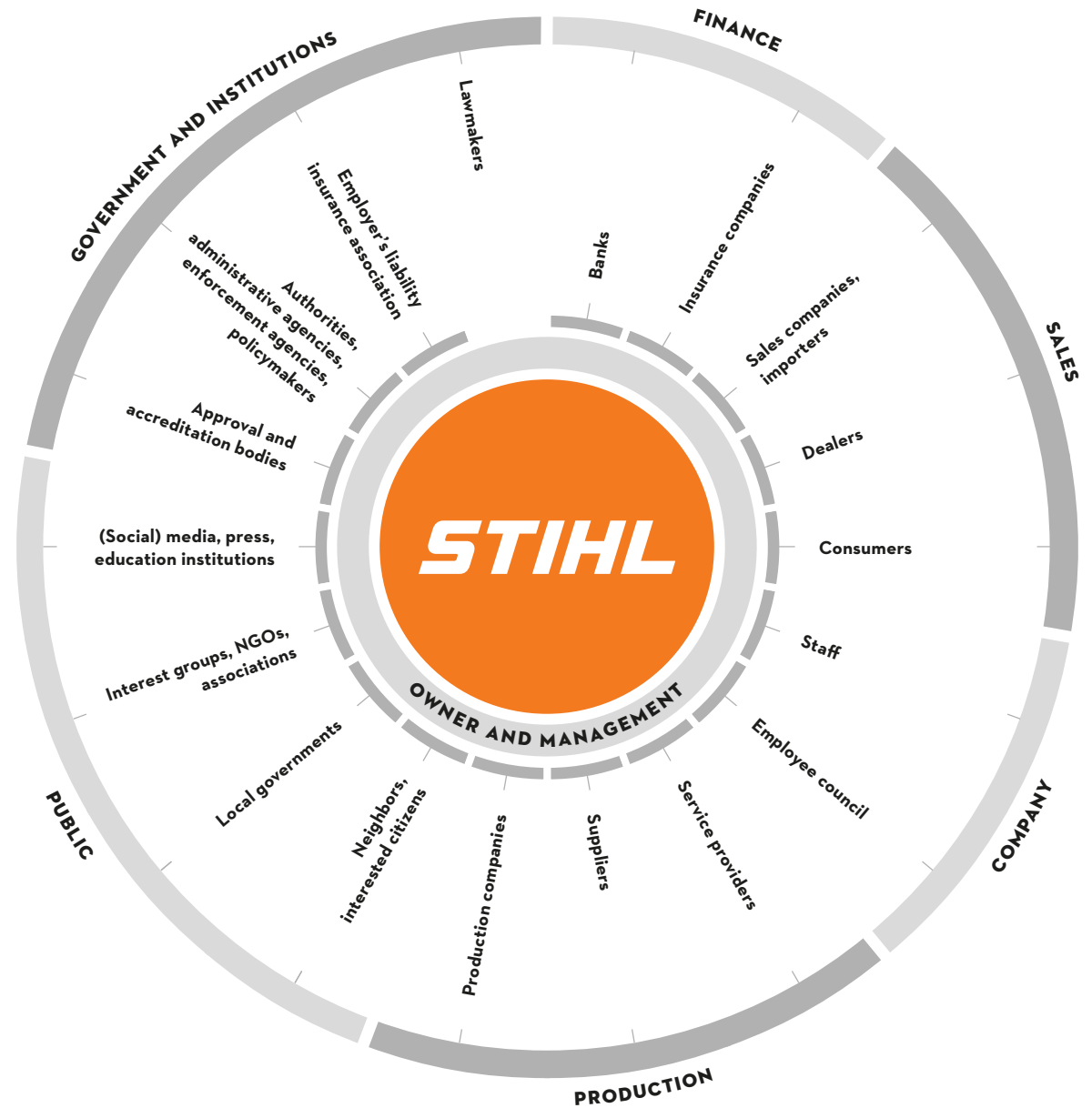
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**STAKEHOLDERS AT STIHL**

Stakeholders are individuals and groups who


- a) can influence decisions or activities at STIHL or
- b) are influenced by STIHL's decisions or activities.







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# QUESTIONS FOR DR. FRIEDEMANN STOCK

*Dr. Friedemann Stock has been the STIHL Group's Vice President Sustainability since 2021, putting him in charge of everything sustainability-related at the company. A physicist by training, Stock needs a clear head and perseverance to master the challenges.*

### Is the job just like you imagined it?

**DR. FRIEDEMANN STOCK** There's no way I could have imagined it – the position is completely new. What I knew, though, was that there were a lot of levers and tools at STIHL to maximize the company's sustainability profile. The task of bringing them all into concert with each other appealed to me.

### Becoming more sustainable means doing things differently. How do you take people along on this change journey?

**DR. STOCK:** By having a clear strategy and communicating openly. Our employees across the STIHL Group and our suppliers need to know what we plan to do – and what their contribution to that is. That's why our approach is to allow the responsible department to address the topic of sustainability and take the appropriate actions itself, as part of its day-to-day business, so to speak. Another thing that's important to me is the message that change takes time. No one needs to fear that we're going to turn everything upside down overnight.

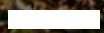
### Where does the STIHL Group stand when it comes to rolling out its sustainability strategy?

**DR. STOCK:** We're fairly far along on some topics, but still at square one on others. When it comes to energy management, for example, the foundation has already been laid: We've set specific standards for each Group company and explained them in training. When it comes to sustainable supply chains, we're even farther along our journey. There, we've incorporated the aspect of human rights and worker rights into the purchasing process and developed a code of conduct for our suppliers. They're successful steps along the way, but both examples also illustrate that our work has only just begun! New processes need to become everyday practice. That's why I don't see sustainability as a project that you can check off your list at some point. It's a path that will bring us growth and require us to keep learning.





# PRODUCTS AND INNOVATION





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> Thinking further, going further

Leading in more ways than one 🗨

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# THINKING FURTHER, GOING FURTHER

*We have been a technology leader for almost 100 years. This is where our inspiration for the future also lies: the desire to develop and manufacture products that are innovative, long-lasting, and second to none in quality. Products that make it easier for people to work in and with nature.*

Our founder, Andreas Stihl, always placed the demands of our customers at the forefront of the company’s activities, which is why he never stopped enhancing STIHL products and launching new tools onto the market. In 1959, he revolutionized forestry work with the STIHL Contra, the first gearless gasoline-powered chainsaw. Based on the technical foundation laid by the Contra, STIHL has worked tirelessly to further enhance its chainsaw models. Whether it be the anti-vibration system (first installed in the Contra in 1965), intelligent engine management for reducing fuel consumption, innovations to cut exhaust gases, weight-saving magnesium pistons,

fuel injection, or battery technology: Performance, durability, service, convenience, and safety – as well as protecting the environment – always have been and always will be the principles on which all STIHL products are designed. Through innovation, we are working to cement our market leadership.

Our customers have high standards, which we can meet thanks to our traditionally high level of vertical integration – something that we increased even further in the reporting year with the acquisition of Mogatec GmbH. This vertical integration ensures that our knowledge of all our technologies and products is as comprehensive as possible. We demand the same standards from our suppliers, since working hand in hand with them is the only way we can deliver STIHL premium quality. Our international and interdisciplinary development team makes sure that our products offer an optimum combination of performance, durability, and ergonomics. As a result, STIHL products do more than just meet bare minimum legal and technical requirements when it comes to safety, emissions, and noise exposure. In some cases they go far beyond the minimum standards.





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**SUSTAINABLE PRODUCT INNOVATIONS**

**LOW-EMISSION**



**FSA 200**

The high-performance FSA 200 cordless clearing saw is now part of STIHL's range of products for professionals. It mows through tall grass and scrub effectively and comfortably without producing any emissions. At the same time, the tool can be employed in noise-sensitive areas. The FSA 200 also helps protect health thanks to its innovative ergonomics and technology.

**INNOVATIVE**



**Battery charging cabinets**

STIHL offers two battery charging cabinets for professionals that were designed together with cabinet specialists Asecos. Thanks to a 400-volt connection and integrated warning system, the cabinets can charge up to 16 (M model) or 32 (L model) batteries reliably and efficiently.

**AWARD-WINNING**



**Modular belt system**

In May 2023, STIHL received a silver medal in innovation for the ADVANCE X-Flex belt system at the demopark industry exhibition. The modular system provides maximum flexibility and optimum ergonomics. It consists of hip belts, a shoulder harness, a clearing saw carrying system, and various clip-on pockets. The components can be combined as needed, giving forestry and landscaping professionals a lightweight tool belt, an ergonomic harness for brushcutters, or a battery belt, to name just a few examples.

**Quality**

Durability, reliability, ease of use, high-quality manufacturing, and repairability are what make all STIHL products stand out from the competition. These characteristics are part of our corporate philosophy. The same tools are passed down from generation to generation, from grandparents to grandchildren. Long product life-cycles not only save customers money, they can also help to conserve resources.

We lay the groundwork for our proven STIHL quality at the product development stage. Testing methods for quality assurance (often developed in-house), and continuous improvement are all essential stages of the product development process. These methods include endurance testing in specially designed testing facilities such as those at STIHL Brazil in São Leopoldo or at the Waiblingen development center: All kinds of tools – from chainsaws and hedge trimmers to mistblowers – are put through their paces around the clock at the testing facilities. Each model in our range

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goes through a meticulously structured testing plan controlled through our own special testing program. The software simulates typical usage in real-life situations, and the resulting data helps us to ensure that our tools work smoothly and reliably. Besides endurance testing, we also conduct a variety of other procedures, including vibration and noise tests, as well as numerous material, fuel, and lubricant tests.

🔍 HERE YOU CAN FIND OUT WHICH **TESTING METHODS** ARE USED FOR **BATTERY PACKS**

Quality at STIHL also means optimally combining all product components to create the greatest possible benefit for to the customer. With this in mind, STIHL has always maintained a high level of vertical integration in the manufacture of its products. Our quality management system ensures that top quality is achieved at all times. We pursue a sophisticated and comprehensive quality assurance strategy in production and materials management. A large number of testing and quality assurance procedures are also deployed at STIHL Group production facilities, including cameras on the production line that carefully monitor whether all components are correctly assembled.

As part of our efforts to promote a sustainable, circular economy, repairability is an additional aspect of our development work. Customers can obtain spare parts from STIHL dealers or through the online store. Even once we stop manufacturing a particular series, spare parts are still available for at least ten years. We have always been firm advocates of the right to repair, which the European Commission and the European Parliament introduced for consumers in 2023. In 2022, we adopted a company standard that created a common understanding of the right to repair throughout the Group. At the same time, it is also our responsibility to pro-

tect consumers from illegal or improper manipulation of parts that are essential to a product's environmental and/or safety performance. Our standard therefore determines what repair work should be left to authorized dealers. With over 55,000 specially trained dealers, our broad and global network of experts provides seamless maintenance and can also repair tools if necessary.

With digital solutions such as the STIHL connected app, we can deliver an even better quality of service and support to our customers. For example, the app allows professional users to keep track of the condition of their tools and notifies them in good time of upcoming maintenance. Customers can use the system to arrange a service appointment with their local dealer and submit relevant tool information in advance if they wish. The result is faster servicing and greater tool availability.

The vital importance of quality at STIHL is also reflected in its inclusion as a corporate objective, measurable in key performance indicators. We analyze how these figures develop and introduce improvements as and when necessary. We also utilize structured customer feedback for this purpose.



STIHL products are designed to **LAST**.



**SPARE PARTS** are **AVAILABLE FOR AT LEAST TEN YEARS** even after we stop making a particular series – often for much longer.



More than **55,000 DEALERS** take care of maintenance and, if necessary, repair.

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## Research and development

Our innovation and quality at STIHL are fueled by our expertise, which is why we are continuously expanding our research and development (R&D) activities. In 2023, we increased the number of employees in R&D at the founding company in Waiblingen by a significant margin. Today, a global team of over 1,000 engineers and technicians from a variety of departments is busy improving existing products and developing new ones. We recently built up knowledge in the areas of digitalization, robotics, sensors, and artificial intelligence in particular.

In our global group of companies, we ensure that R&D takes into account the individual requirements and circumstances of local markets and our manufacturing plants. To this end, we regularly obtain feedback from engineers at our international production companies to be sure that a product is the right fit for its intended sales markets, and that we have the capabilities to manufacture the product as designed. Overall responsibility for R&D activities lies with the Executive Board member for Research and Development at the founding company. This is also where central product development is located. All the departments involved must meet the strict guidelines of our STIHL product development process, which are defined in our internal directives.

STIHL held more than 2,800 patents and patent applications in the reporting year, protecting more than 800 separate inventions. Many of those patents directly support our commitment to sustainability. Our automated patent analysis tool makes it possible to assign patents to the United Nations Sustainable Development Goals (SDGs). Accordingly, most of the 182 relevant patents contribute to reducing emissions and therefore have an impact on SDG 13 (climate action) and SDG 9 (industry, innovation, and infrastructure). Overall, our R&D activities allow us to enhance scientific research and upgrade technological capabilities – a contribution to achieving one of the targets of the United Nations Sustainable Development Goal SDG 9.

## Drivers of innovation

As well as introducing stricter emissions requirements for our internal combustion engines, we have also enhanced our innovations in the cordless segment. Hydrocarbon (HC) and nitrogen oxide (NOx) limits of zero grams per kilowatt-hour have applied to certain products since the start of 2024 in the U.S. state of California, which equates to a de facto ban on internal combustion engines for those product segments. From our perspective, regulatory decisions such as these are yet another source of inspiration for the two-pronged approach of our R&D activities: We continue to optimize our internal combustion engines to enable the use of low-CO<sub>2e</sub>\* fuels, for example, with the aim of maintaining our market-leading position in gasoline-powered tools. At the same time, we are expanding our expertise in the battery segment in order to continuously increase sales of cordless tools (see story on p. 35).

STIHL also finds the best solutions through intensive dialogue with external experts at universities and other institutions, such as Prof. Jürgen Haag from Esslingen University of Applied Sciences. In the reporting year, we organized an exclusive STIHL event together with Prof. Haag where students were able to gain fascinating insights into theoretical and practical aspects at STIHL in a series of lectures and product presentations. STIHL also proposes topics for use cases in lectures, including as part of the Cutting Edge Award student competition. Some employees also teach at a variety of universities and colleges. Our network of higher-education contacts forms the basis for innovative products and technologies. In 2023, a total of 45 students wrote their final theses on innovation at STIHL, including on products in the circular economy.

\* CO<sub>2e</sub> (CO<sub>2</sub> equivalent) is a unit of measurement indicating the effect of all greenhouse gases on the climate, which is expressed as the equivalent effect of carbon dioxide (CO<sub>2</sub>).



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## Expertise in digitalization and electronics

We have long recognized the opportunities offered by digitalization. In 2022, we further enhanced our organizational focus on the topic and incorporated the digitalization of hardware into our development activities, improving processes and creating synergies as a result. Analyzing the large volumes of production data we create (known as “big data”) allows us to manage our manufacturing more efficiently or further optimize the sale and use of STIHL equipment when it comes to factors such as fuel and electricity consumption. What is more, operating data lets us know where we can make changes to improve the design and engineering of our products. We also intend to leverage our growing expertise in software and apps with the particular aim of making our tools even easier to use.

STIHL is investing in fields such as robotics, sensors, and artificial intelligence in order to offer complete solutions on the market and round out its data expertise with the hardware to match. In 2016, we opened a state-of-the-art center of excellence for battery and electrical technology in Waiblingen, Germany. Five years later, we enhanced our battery strategy by teaming up with the Elrad International Group to found a joint venture for the production of electronic assemblies.

## Circular economy

Circularity is a key part of our sustainability strategy. A circular economy is geared toward consuming as few primary resources as possible and minimizing waste. STIHL follows the 5 Rs principle: reduce, reuse, repair, refurbish, and recycle.

The efficient use of resources has always been a watchword in our production. Our durable, repairable products also conserve resources, as reusing and refurbishing existing products is one of the main elements of a functioning circular economy. Devices or tools no longer fit for use can be recycled as a final step. Recycling is a particular focal point for cordless products. In pilot projects with our authorized dealers, we test systems for collecting portable old batteries and sending them for recycling.

We are striving to further optimize our processes and products in the interests of creating a circular economy. At the product development stage, this relates to component recyclability: We aim to make our tools reusable to the greatest extent possible. To this end, we launched a pilot project in late 2022 to investigate the potential of developing a clearing saw that is fully circular in terms of its manufacture and use.

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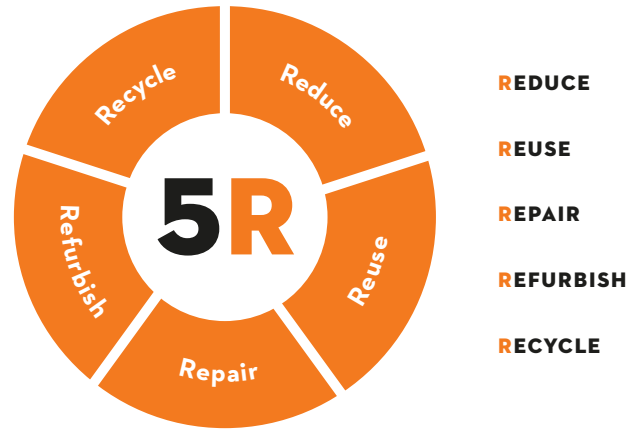
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**IN LINE WITH THE GOAL OF A SUSTAINABLE CIRCULAR ECONOMY, WE FOLLOW THE 5 RS:**



In 2023, we began analyzing the potential for increasing the share of secondary raw materials in our products. The first step of this process involved defining the most important fields of action and researching solutions already established on the market. We are currently assessing the findings. Our handling of environmentally critical raw materials and the avoidance of hazardous process chemicals are also important aspects of our circular economy agenda.

**Product safety**

We want our customers to use our tools safely. It goes without saying that our products satisfy technical and legal standards and are designed according to the state of the art. The continuous advancement of product safety is part of our DNA, which is why STIHL is a leading presence in global working groups for safety standards issued by organizations such as ISO, ANSI, CSA, and IEC. This allows us to share our knowledge with the world. In the past, STIHL's own findings on the strength of guards and handles and electronic circuits and sensors have been incorporated into international standards.

As a technology leader, we take great pride in the countless innovations we have produced, especially in the area of customer safety. To ensure that our customers are fully on board with our safety philosophy, authorized dealers provide product instruction and safety training. Buyers in our online shop can also take advantage of this offer. Our RESCUE SAW MR – Mixed Reality Emergency Services Saw Simulator virtual training platform, which has already received multiple awards, shows how digitalization can contribute to even greater safety. The platform was originally designed to enable emergency response teams from fire departments and civil protection organizations to practice the safe handling and proper use of chainsaws and emergency services saws in a digitally augmented training environment.



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# LEADING IN MORE WAYS THAN ONE

*STIHL is expanding its dual technological leadership in the field of battery-operated and gasoline-powered products – with proprietary innovations in development and production. The development of battery technologies and energy management systems, as well as the lower-carbon MotoMix Eco special fuel, form the foundation for drivetrain technology transformation.*

Bayerische Staatsforsten, the German state of Bavaria's forestry service, bought 300 battery-operated chainsaws from STIHL in 2022. Since then, foresters have been using the tools for cultivation, conservation, and tree maintenance, along with other light tasks. The result is a zero-emission approach to forestry – at least in part. In other places, however, Bayerische Staatsforsten continues working with tools powered by combustion engines. Why? "There still aren't any adequate battery-operated tools for forest thinning and felling large trees, where you need powerful chainsaws," says Dr. Holger Lochmann, Senior Vice President of Innovation at STIHL. "The main challenges are the weight and battery life of the lithium battery packs."

Those packs would have to be roughly ten times lighter for users to get the same battery life and performance that they can with a gasoline-powered tool. If a chainsaw consumes ten liters of fuel for





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a day of work, a forester would have to carry more than 100 kilograms of battery packs through the forest to obtain the same performance as today. “That’s unrealistic,” says Dr. Lochmann.

**Research on all drive technologies**

The example shows that battery products are a climate-friendly alternative for forestry work and home garden maintenance alike. But there are situations where they fall short – at least today. “There will always be areas without charging infrastructure where you’re still only going to be able to work with internal combustion engines in the future,” Dr. Lochmann predicts. That is why STIHL is performing research on more efficient engines and fuels, even as it advances battery technology. “We want to secure technological leadership in both fields,” Dr. Lochmann explains.

Biofuels and e-fuels offer a virtually carbon-neutral way of using STIHL products. E-fuels are manufactured by capturing CO<sub>2</sub> from the atmosphere and generating hydrogen with the help of green electricity. The hydrogen is then converted, with the CO<sub>2</sub>, into methanol, which can then be used to produce fuel. “All of our products with combustion engines are already e-fuel-ready today,” says Dr. Lochmann, who has conducted extensive testing with the initial output from the pilot production facilities. Because sufficient quantities of these fuels are not available yet, STIHL experts are looking for alternative lower-carbon components.

**Advancing innovation with MotoMix Eco**

One unique breakthrough from STIHL that has the potential to become a technology champion is MotoMix Eco for two-stroke engines. This bio-based special fuel contains 10 percent raw materials from



»Synthetic fuels allow us to achieve the same performance while reducing carbon footprint significantly.«

**DR. HOLGER LOCHMANN**  
Senior Vice President of Innovation

**MotoMix Eco contains 10 percent renewable raw materials and is designed for the operation of gasoline-powered 2-stroke engines.**



**18%**

**LOWER CO<sub>2</sub> EMISSIONS** than with conventional fuels are possible with the bio-based MotoMix Eco special fuel.

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»Producing EC motors in Waiblingen is an important step toward further increasing the performance and quality of our battery-operated tools.«

**DR. HOLGER LOCHMANN**  
Senior Vice President of Innovation

renewable sources, such as wood by-products and residues from forestry. As a result, burning it produces 18 percent less CO<sub>2</sub> than conventional fuels. “Synthetic fuels allow us to achieve the same performance while reducing carbon footprint and emissions significantly,” Lochmann explains. MotoMix Eco 2 and 3, the next innovations in development, are set to reduce CO<sub>2</sub> emissions from fuels further in the years ahead.

STIHL is also driving forward innovation in the second strategic field: battery-operated tools. “We have been developing battery technology for nearly 20 years and have made tremendous progress,” Dr. Lochmann says. “The latest milestones are the AP 500 S battery solution, with power laminate technology, and the MSA 300 chainsaw with a 3 kW motor, our most powerful one on the market right now. The chain speed, an important parameter for the pros, is absolutely comparable with gasoline-powered saws. And we’re aiming

high: Between now and 2035, we want to increase the share of sales accounted for by battery-operated products from 24 percent to 80 percent.”

**Investments in battery segment**

On the path to leadership, STIHL is constantly amassing know-how and expertise. The first cordless hedge trimmer hit the market in 2009. Since 2020, the Group has been making battery packs in Waiblingen. In 2024, it plans to start manufacturing battery-operated tools at the site of the founding company, with the new production site in Oradea, Romania, following suit one year later. Waiblingen is also set to start producing EC motors, the heart of the battery-operated tools, in 2025 (see box).

STIHL is already developing these motors. Many of the components found in the battery-operated saws – such as housing parts, handles, slides, chains, and cable harnesses – are made in-house. “Producing

EC motors in Waiblingen is an important step toward further increasing the performance and quality of our battery-operated tools,” Dr. Lochmann says. The goal is to achieve new advancements in innovation – for battery-based devices and low-carbon combustion engines alike.

**EC MOTORS MADE BY STIHL**

STIHL plans to start manufacturing EC motors at the site of its founding company in Waiblingen in 2025. EC stands for electronically commutated. In simplified terms, EC motors use a magnetic field to convert electricity into torque. EC motors can be found in hard drives and PC fans, as well as in many battery-operated products from STIHL. They offer a number of advantages over other electric motors. EC motors are particularly energy-efficient, durable, and low-maintenance. STIHL is investing around 17 million euros to build and scale up its production facilities.

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# PROMOTING BIODIVERSITY

*STIHL makes products for working in and with nature – products that allow us to preserve and foster biodiversity. That is why biodiversity is central to our sustainability strategy.*

Biodiversity is the basis for life on our planet, which is why we raise awareness of the topic among our customers – and show them how they can help protect the natural world when using their STIHL products. Biodiversity is addressed on the STIHL website and social media channels and is included as a topic in press releases and instruction manuals. In 2022, we gave biodiversity an even bigger role in our articles and tutorials. The STIHL garden barometer, an annual survey of garden owners, is one place where awareness of biodiversity is particularly great. In 2023, more than two-thirds of the 1,000 survey respondents stated that, when buying new plants, they make an effort to choose regional varieties that offer sustenance to birds and insects and thereby promote biodiversity in the garden. Just under half of those surveyed said that their motivation to choose such plants was “strong” or “very strong.”

In the reporting year, we began supporting the nonprofit organization Heckenretter e. V. with our first equipment donation. Heckenretter e. V. champions the conservation and expansion of wild hedges, which are an important natural habitat to many plants and animals and play a key role in fostering greater biodiversity. Since 2023, the STIHL Group company ZAMA has been involved in the conservation of sea turtles, whose numbers have been in decline for decades, in the Philippines. The project is focused

on expanding the hatchery, renovating the collecting basin for turtle eggs, and placing young turtles back into the wild.

## Biodiversity-friendly products

Because we want to do an even better job of understanding how ecosystems are connected and how our products might affect them, we are in constant dialogue with universities, colleges, institutions, and experts. We take what we learn in these partnerships and apply that knowledge directly to product development, minor model updates, and our communication efforts.

Together with a competitor, we continued to work with the University of Oxford during the reporting year with the aim of developing realistic testing procedures for robotic mowers. The next step will be for the project partners to analyze technical solutions for protecting small animals such as hedgehogs from injury even more effectively.

In May 2023, we completed a project that investigated the challenges associated with biodiverse land use in local communities against the backdrop of increasingly strict legal obligations facing municipal authorities. The first steps in the implementation of the 2030 EU Biodiversity Strategy have already been taken. Our project partners were Trier University of Applied Sciences with its Institute for Applied Material Flow Management (IfaS) and the municipalities of Losheim am See (Saarland), Pirmasens (Rhineland-Palatinate), and Waiblingen (Baden-Württemberg). At the start of the project in 2022, these municipalities set aside spaces to test biodiversity-optimized planting and use patterns. Together with



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experts from the Chair of Ecological Resource Technology at the University of Bayreuth and the land use planning agency and consultancy firm Flächenagentur Baden-Württemberg, the project partners ascertained how biodiversity has improved in those spaces over a specified period of time following specific measures. They also investigated potential ways to simplify and automate recording and measurement processes that were previously done by hand.

One of the project's key findings was that human intervention is required to increase the diversity of flora and fauna in cultural landscapes. Rather than focusing on large-scale machinery and pesticides, however, new techniques of harvesting and land management will be needed. Existing STIHL products can be used in some cases, but new or redesigned tools will be necessary in others. The project yielded many ideas for such products. STIHL has already presented the first prototypes to the other project partners.

Other results from the project include a legislation monitoring "radar" developed by STIHL together with Flächenagentur Baden-Württemberg, which makes it possible to monitor and analyze current and prospective biodiversity laws in Germany and the effects they may have. Internally, we have also developed a biodiversity road map and appointed people from our departments to take charge of various issues. The agenda includes fundamental content such as product profiles detailing the influence of specific

tools on biodiversity, training modules for our distribution center in Dieburg derived from these product profiles, and the inclusion of biodiversity in the training programs for key account managers and authorized dealers.

Our measures for making more biodiversity-friendly products contribute to achieving the United Nations Sustainable Development Goals, which aim to safeguard biodiversity in terrestrial ecosystems (SDG 15).

## Biodiversity-friendly locations

The aspects communicated in our Sustainability Report 2022 have been taken forward in our planning. On a gradual basis, we intend to develop overarching concepts for the major STIHL locations that take into account and promote the biodiversity of the area that we occupy. As a rule, potential sustainability measures in line with DGNB (German Sustainable Building Council) and LEED (Leadership in Energy and Environmental Design) standards are assessed for major new construction projects at our locations. Biodiversity aspects are also considered in the course of this work.





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# IN NATURE, FOR NATURE

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*STIHL tools are used in forest, landscape, and garden maintenance. As a manufacturer, we feel a special affinity for the environment and leverage our scope as a global business to help protect nature and the climate. Our aim is to conserve resources and keep the environmental impact of our business activities and our products to a minimum.*

Around the world, STIHL bases its actions on the legal guidelines regarding environmental protection at the individual locations, both when it comes to manufacturing processes and the products it makes. The regulations that guide our actions include the European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and the EU's Restriction of Hazardous Substances Directive (RoHS). In 2023, no violations of relevant laws were reported.

Our own environmental and quality standards are often stricter than those required by law. Where it is not possible to avoid the use of potentially hazardous substances, we always act in accordance with the regulations and standards and do everything in our power to keep the impact of our business activities on humans

and the environment to an absolute minimum. As before, we plan to draw up an inventory of all critical process chemicals such as biocides, which are added to cooling oils and process water. A sustainable concept for dealing with critical process chemicals takes various aspects into account, such as environmental compatibility, health, conservation, social responsibility, and economic efficiency. The individual measures include evaluating the necessity of critical process chemicals and selecting environmentally compatible alternatives. In addition, a concept of this nature encompasses a review of efficient use, including longer service lives, which help avoid waste. Ways to reuse, recycle, and recover chemicals also need to be investigated with a circular economy in mind. In this way we will make a contribution to the United Nations target of achieving the environmentally sound management of chemicals (SDG 12).

All of our production companies worldwide, as well as all ZAMA locations, have a certified environmental management system in line with ISO 14001. They are subject to recertification every three years, and external audits are conducted every year. Our current **CERTIFICATES** for the German STIHL locations can be viewed on the STIHL corporate website. Regular internal audits round out the external reviews. Environmental officers at each of our plants are responsible for compliance with laws, standards, and guidelines.

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## Water and effluents

We require water mainly for steps in manufacturing, such as cleaning, cooling, and other processing stages. STIHL is working constantly to reduce its water consumption. The STIHL production company in Brazil treats roughly 200 cubic meters of effluents daily for use in production processes. The local site is optimizing its consumption through measures such as timers on showers and water faucets, as well as the use of rainwater in toilets. In the reporting year, our subsidiary ZAMA built a rainwater tank with a volume of 200 cubic meters at its production site in the Philippines. ZAMA plans to use the water in its toilets and for watering the plant's landscaped outdoor spaces.

During some manufacturing processes, water is mixed with additives to act as a cleaning agent or to finish surfaces. We treat the resulting effluents in accordance with the applicable regulatory requirements before releasing them into wastewater collection systems.

In 2023, production companies Group-wide extracted around 581,000 cubic meters of water (previous year: 655,000 cubic meters).

## Waste

Most of the waste generated at the STIHL Group is made up of packaging, wood, metal, and plastic. Hazardous waste, such as used oil or slurry containing metals, accounts for a small share. The latter is disposed of properly. Our approach to waste management follows the principles of prevention, recycling, and disposal. We sort the waste we generate. If possible, it is reused or recycled. What remains is properly disposed of. We regularly provide all members of staff with information about waste and raise their awareness of the contribution that they are capable of making.

In 2023, waste volume was slightly higher than the level reported in 2022, mainly due to construction work at the STIHL company in Brazil. While the proportion of other waste rose, the proportion of the other types of waste by material fell.

We continued our project on environmentally friendly packaging. The potential for savings with regard to our product packaging was identified in an analysis, which was initially performed for our Group member companies in Germany and Austria, as well as for individual types of packaging in Switzerland (chains) and the United States (mowing heads). In the reporting year, we finalized a large portion of the more sustainable alternatives and obtained technical confirmation by performing tests. We have already rolled out some of the new packaging options at the German STIHL locations, allowing us to reduce the thickness of the foil used in our spare parts packaging by 20 percent. We anticipate annual savings of 16 metric tons of plastics starting in 2024 as a result of this change. The conversion of our mowing head packaging from plastic to solid and corrugated fiberboard is expected to save an additional 111 metric tons of plastic. By the end of the reporting year, 20 percent of such packaging had already been converted.

Since early 2024, we have also been gradually doing away with the window on our chain packaging, eliminating a further 48 metric tons of plastic. Switching to mono materials additionally has a positive effect on the recyclability of our packaging, since different materials no longer need to be combined. Follow-up projects began in 2023 at STIHL Inc. in the U.S., as well as at STIHL companies in Brazil and China. The feasibility of the sustainable alternatives defined in the original project is currently being reviewed in the individual countries.

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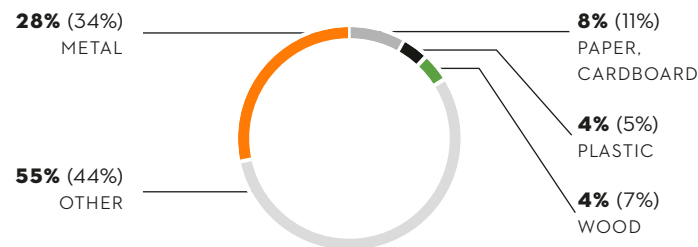
Converting our packaging allows us to make a contribution toward substantially reducing waste generation, a target under the goal “Responsible consumption and production” (United Nations Sustainable Development Goals, SDG 12).

**WASTE<sup>1</sup>**  
IN METRIC TONS – VALUES ROUNDED

	2023	2022
Total waste volume	69,300	68,200
Of which hazardous waste	4,300	9,600

<sup>1</sup> Production companies only; data collection to be expanded in the future.

**WASTE BY MATERIAL**  
VALUES ROUNDED (PREVIOUS YEAR IN PARENTHESES)



**Energy and climate change mitigation**

The STIHL Group is committed to protecting the climate and makes its contribution within the scope of its financial and technical abilities. Since 2020, we have been pursuing the goal of going carbon-neutral in the long term when it comes to our own business activities. However, we believe that reducing emissions should take precedence over offsetting them. Through our climate change mitigation activities, we make a contribution to the goal “Climate action” (United Nations Sustainable Development Goals, SDG 13).

To give our climate targets a solid foundation, STIHL has agreed on a commitment to the Science Based Targets initiative (SBTi).

Initially, our focus is on Scope 1 emissions under the Greenhouse Gas Protocol (GGP), which come from direct energy consumption.

At STIHL, such emissions result primarily from the combustion of gas and oil to generate process heat for the various manufacturing processes, as well as to generate heat for buildings. We record fuels used in development, adjustment processes in assembly, and our vehicle fleet, along with all coolant losses, under Scope 1. In Scope 2, we look at indirect emissions from electricity and district heating that we purchase.

The Scope 1 and 2 carbon emissions of all STIHL Group production and distribution locations around the world have been offset since the end of the reporting year, with the exception of our most recent acquisitions (COSMOS STIHL Manufacturing and Mogatec). Appropriate measures are expected at both companies in 2024 and 2025. In the long term, we aim to consume less energy and reduce the use of fossil fuels significantly throughout the STIHL Group. Doing so will lower the share of unavoidable emissions, which we currently offset by making positive contributions from climate protection projects in the form of carbon credits.



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## ENERGY ROAD MAP AT THE STIHL MAGNESIUM DIECASTING PLANT

As part of an energy road map, the STIHL magnesium diecasting plant aims to achieve significant reductions in energy consumption by 2030. To do so, the plant in Weinsheim has initiated a variety of projects. Since 2023, for example, it has been using local district heating from a neighboring industrial enterprise to heat its facilities, potentially saving up to 3 million kWh of electricity every year. The plant has also converted the lighting in three production halls to LED technology, resulting in annual savings of more than 300,000 kWh.

## REDUCING SCOPE 3 EMISSIONS

Emissions occurring in the upstream and downstream value chain (Scope 3) are not something we can influence alone. However, the STIHL Group still aims to make a contribution here in accordance with the targets under the Paris Agreement and under German legislation.

In 2022, we looked into which Scope 3 emissions categories are relevant to us. In the upstream value chain, those areas include raw materials, business travel, goods and services, waste, logistics, employee commuting, and fuels. In the downstream value chain, we intend to consider the use of our products and their disposal, as well as distribution logistics and packaging. We plan to define detailed reduction targets for Scope 3 emissions in connection with our commitment to the SBTi.

We have calculated product carbon footprints (PCFs) for initial portions of some products' life cycles. The calculation involves determining the environmental footprint in CO<sub>2</sub> equivalents in a life cycle phase. In the reporting year, we assessed the PCFs of four products from the personal protective equipment range. With regard to corporate carbon footprint (CCF), further efforts to round out the evaluation method for production were undertaken in the reporting year. For example, we calculated CO<sub>2</sub> emissions

in slide and plastic production, as well as for magnesium diecasting, in order to determine their CO<sub>2</sub> share in comparison to emissions from raw materials. Calculations for additional manufacturing facilities are pending.

On average, however, the use phase accounts for 60 to 90 percent of our products' emissions. Battery-operated products tend to lie on the lower end of the scale, depending on the local electricity mix. That is why our primary focus is on calculating Scope 3 emissions from the use of sold products (Scope 3.11). To do so, we are currently determining our influence with regard to such emissions, and are developing and validating measurement methods.

The STIHL plant in Qingdao, China, set Scope 3 reduction targets for the transport of materials and parts in 2023. The use of recycled packaging materials will act as one of the main methods for achieving those targets. By the end of the reporting year, a good 1,000 parts had been converted to sustainable cardboard packaging, saving up to 770 metric tons of CO<sub>2</sub> a year. The STIHL distribution center in Dieburg has switched to carbon-offset shipping options, despite using multiple transport service providers.

We are also taking specific measures in corporate mobility management. The mobility concept is made up of three main building blocks that are designed to lower the emissions associated with both business-related and personal mobility, including a corporate car sharing service to enable staff to travel between plants and the further electrification of fleet vehicles. Four electric cars were added at the founding company in the reporting year. With a total of nine electric cars and two hybrid vehicles, roughly 10 percent of our vehicle fleet was electrified by the end of 2023. In addition, we plan to set up charging stations for company vehicles and privately owned cars at the founding company's headquarters in Waiblingen and in Weinsheim, Germany, to help facilitate the switch to electric vehicles.

Charging options have been available in the visitor parking lot of the distribution center in Dieburg since 2022, as well as at the

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STIHL plants in Austria and Switzerland. In 2023, Dieburg added 20 charging stations for employee vehicles, as well as charging outlets for e-bikes, while STIHL Inc. in the U.S. added another four vehicle charging stations.

The greatest potential for climate-friendly change lies in the way people commute to and from work – an area where the STIHL Group is helping reduce emissions. In August 2023, for example, it began offering staff in Germany financial support for the Deutschland-Ticket, which lets holders travel by all modes of local public transit within the country. The Group also provides an e-bike leasing program. In Qingdao, we also introduced an electric shuttle bus for staff in the reporting year. The first vehicle of its kind in the entire province of Shandong, it will reduce CO<sub>2</sub> emissions by 17 metric tons a year.

**OUR PATH TO A POSITIVE CLIMATE CONTRIBUTION**

Ultimately, the STIHL Group aims to make a positive climate contribution in Scope 1 and 2. To this end, we focused on progress in four areas in the reporting year:

**1) Defossilization**

By 2030, we plan to reduce the use of fossil energy sources by 40 percent compared to 2019. The main fossil energy sources used at STIHL are natural gas and fuels. In 2019, their consumption stood at around 150 gigawatt-hours (GWh). All Group companies have drawn up plans for achieving this goal that include process optimizations and technological advancements. In mathematical terms, the plans will be enough to achieve our target. We will assess the progress of reducing consumption on a quarterly basis by way of a monitoring system.

The reporting year brought measurable progress at STIHL in Qingdao, for example, where we replaced the gas stoves in the cafeteria with electric models. The move saves 32,500 cubic meters of natural gas a year – the equivalent of 70.3 metric tons of

CO<sub>2</sub>. In December 2023, the Swiss chain plant converted the gas-fired heating on one of the hardening lines to electric heating elements, reducing CO<sub>2</sub> emissions by 480 metric tons a year. By making further planned changes to equipment in production, the chain plant aims to cut its gas consumption and the associated emissions by more than half compared to 2019 levels by 2026.

**2) Energy efficiency**

We also aim to reduce our energy consumption – our measure of energy efficiency – and improve our energy intensity in the process. In 2023, our energy intensity per 1 million euros in revenue stood at 149.8 MWh (previous year: 166.1 MWh, 2019: 197.8 MWh). In the reporting year, we improved energy efficiency at the Chinese production plant, where the injection molding machines are cooled using water with a temperature of 23 degrees Celsius. Previously, the water temperature stood at 15 degrees Celsius. The move reduces the cooling equipment’s electricity consumption by 5,000 kWh a year. In addition, Qingdao now uses energy management software that makes it possible to monitor each electricity meter on a minute-by-minute basis. STIHL Inc. in the U.S. is preparing to introduce an energy management system in 2024. In the Philippines, ZAMA also optimized its cooling and compressed air supply technology in 2023. The STIHL Group’s Swiss chain plant saves 950,000 kWh of energy a year by supplying compressed air to treat chains on a timed basis rather than constantly.

**3) Renewable sources of electricity**

Since 2022, all STIHL production companies worldwide have been using electricity from renewable sources. So far, it has not been possible to do so at the ZAMA production sites in the Philippines, China, and Hong Kong due to a lack of availability. We plan to switch our most recent acquisitions, COSMOS STIHL Manufacturing and Mogatec, to green electricity by 2025 at the latest.

In addition, STIHL is constantly expanding the in-house generation of green electricity worldwide. The solar cells on the plant buildings in Qingdao, China, provide around 3.3 gigawatt-hours (GWh)

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of green electricity for the plant and roughly 1.2 GWh for the grid every year. In the reporting year, we equipped the roof of a new wing at the plant in Brazil with solar panels that produce up to 1.4 GWh a year and make the building self-sufficient in terms of energy. Ludwigsburg introduced a photovoltaic system that generates up to 730,000 kWh a year and allows the plant to meet roughly two-thirds of its energy needs. In the Philippines, ZAMA also plans to build a solar array. The increasing generation of electricity in-house reduces our emissions while also strengthening our energy security.

**4) Carbon offsetting**

To offset the emissions of all production and sales companies by the end of 2023, we purchased credits for 94,500 metric tons of CO<sub>2</sub> emissions in 2022. One of the measures we support is a climate protection project focusing on drinking water purification in Uganda that gives schools modern filtration technology for drinking water treatment so that they no longer have to boil it over a wood fire.

We intend to make an even stronger contribution to permanent carbon capture and storage going forward. To this end, we continued our agroforestry project in cooperation with Fairventures in 2023, which aims to provide almost 500,000 seedlings to help

reforest cleared land in Uganda and Borneo. Using an app, local farmers can scan the trees regularly to deliver precise data for calculating the amount of carbon stored. By doing so, STIHL plans to store a total of 120,000 metric tons of CO<sub>2</sub> between 2023 and 2028.

**ENERGY CONSUMPTION AND INTENSITY**

The energy management system at the German STIHL production plants has been certified in line with ISO 50001. Our aim is to save energy and costs through efficiency measures.

In 2023, our total energy consumption (Scope 1 and 2 under the GHG Protocol) amounted to roughly 424 gigawatt-hours (GWh), which was 73 GWh, or around 15 percent, below the previous year's level (497 GWh). At 67 percent, the largest share of energy consumption is attributable to electricity, in particular for production, with natural gas to heat buildings accounting for 28 percent. Electricity consumption stood at 285 GWh in the reporting year (previous year: 331 GWh), whereas natural gas consumption amounted to 118 GWh (previous year: 146 GWh). The decline in energy consumption was due to the general economic situation in the reporting year, which led to a decline in sales. That decline in sales then led to the need for temporary adjustments in production.



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**ENERGY CONSUMPTION<sup>1</sup>**  
IN GWH – VALUES ROUNDED

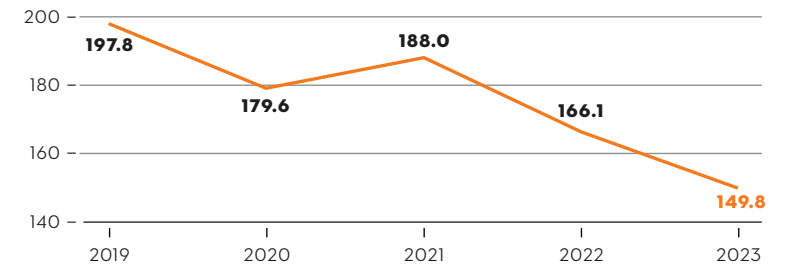
	2023	2022	2021	2020
Natural gas	117.8	146	160	141
Heating oil	2.6	2.8	5.8	4.5
Fuel <sup>2</sup>	13.5	13.8	12.5	12.1
Renewable energy (geothermal heating and cooling)	2.4	1.6	1.3	2.5
<b>Total direct energy consumption</b>	<b>136.3</b>	<b>164.2</b>	<b>179.6</b>	<b>160.1</b>
Electricity	285	331	332	294
Of which from renewable sources	254	297	160	67
District heating	2.5	1.6	2.4	2.1
<b>Total indirect energy consumption</b>	<b>287.5</b>	<b>332.6</b>	<b>334.4</b>	<b>296.1</b>
<b>Total energy consumption</b>	<b>423.8</b>	<b>496.8</b>	<b>514.0</b>	<b>456.2</b>

<sup>1</sup> Including STIHL Ventures GmbH and STIHL International GmbH, which are based at the founding company's headquarters.

<sup>2</sup> Gasoline, diesel, and LPG for stationary and mobile applications.

In 2022 and 2023, we reduced our gas consumption on account of the impact of the Russia–Ukraine war. The steps taken to do so included powering down our cogeneration plant at the Waiblingen location. We also took preventive measures that would allow us to maintain gas-powered processes in the event of a gas shortage and supply buildings with oil-generated heat as an alternative. Heating oil consumption did not increase appreciably compared to 2022.

**ENERGY INTENSITY<sup>1</sup>**  
IN MWH PER 1 MILLION EUROS IN REVENUE – VALUES ROUNDED



<sup>1</sup> Including STIHL Ventures GmbH and STIHL International GmbH, which are based at the founding company's headquarters.

Approximately half of our gas consumption was attributable to the STIHL Group's German locations. We use most of the gas for processes such as casting and metal hardening. However, we are constantly looking for ways to reduce gas consumption and replace natural gas with sustainable sources of energy.

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**EMISSIONS AND EMISSION INTENSITY**

Measured in CO<sub>2</sub> equivalents, emissions at our German locations and at the international STIHL production companies amounted to 46,788 metric tons in total in 2023 (Scope 1 and 2 under the GHG Protocol, previous year: 53,685 metric tons). We offset these emissions through positive contributions to climate protection projects (see “Offsetting,” p. 46).

In line with the decrease in energy consumption, the Group also recorded a drop in CO<sub>2</sub> emissions.

**GREENHOUSE GAS EMISSIONS<sup>1</sup>**

 IN METRIC TONS OF CO<sub>2</sub>E – VALUES ROUNDED

	2023	2022	2021	2020
Natural gas emissions	23,695	29,980	32,570	28,860
Heating oil emissions	699	710	1,510	1,180
Fuel emissions	3,198	4,620	3,300	3,340
Coolant emissions	1,623	980	1,310	790
<b>Total direct emissions (Scope 1)</b>	<b>29,215</b>	<b>36,290</b>	<b>38,690</b>	<b>34,170</b>
Electricity emissions	17,474	17,330	55,060	66,450
District heating emissions	99	65	90	120
<b>Total indirect emissions (Scope 2)</b>	<b>17,573</b>	<b>17,395</b>	<b>55,150</b>	<b>66,570</b>
<b>Total emissions (Scope 1 and 2)</b>	<b>46,788</b>	<b>53,685</b>	<b>93,840</b>	<b>100,740</b>
Of which offset	46,788	53,685	19,800 <sup>2</sup>	0

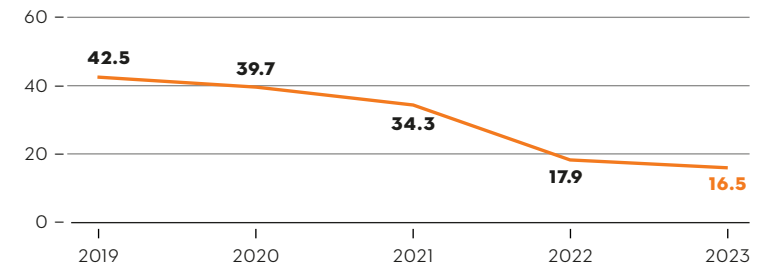
<sup>1</sup> Including STIHL Ventures GmbH and STIHL International GmbH, which are based at the founding company's headquarters.

<sup>2</sup> STIHL Germany: founding company and Dieburg distribution center.

In 2023, we obtained around 90 percent (previous year: 90 percent) of our electricity needs from renewable sources.

Emissions and emission intensity are presented using the market-based approach. The calculation takes into account hazardous greenhouse gases under the GHG Protocol, which mainly consist of CO<sub>2</sub> emissions. Although STIHL only generates negligible volumes of other greenhouse gases, such as coolants, such emissions are included for the sake of completeness.

**EMISSION INTENSITY<sup>1</sup>**

 SCOPE 1 AND 2 IN METRIC TONS OF CO<sub>2</sub> PER 1 MILLION EUROS IN REVENUE, WITHOUT OFFSETTING – VALUES ROUNDED

<sup>1</sup> Including STIHL Ventures GmbH and STIHL International GmbH, which are based at the founding company's headquarters.

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# AT HOME IN THE FOREST

*Forests are a vital part of our world. They are home to countless species of plants and animals, plus they ensure human existence. We earn our livelihoods in forests, we seek recreation in forests, and we need trees to capture and store CO<sub>2</sub>. The STIHL Group has grown with forests. That is one reason why we care deeply about their sustainable cultivation, management, and development.*

The STIHL Group has its roots in forestry. Sustainable forest management ensures our success and is an obligation for the future. That is why STIHL condemns invasive and reckless forestry activity involving illegal tree felling, clearances by fire, or illegal clearances with heavy equipment – and not only in especially sensitive and biodiverse tropical rainforests. Such practices damage forests and endanger our survival as a species. Through our commitment to the sustainable use of forest resources around the world, we are making a contribution to the goal “Life on land” (United Nations Sustainable Development Goals, SDG 15).

### New plantings

STIHL supports numerous reforestation and forest management projects that focus on mitigating the damage done to tropical rain forests in particular. All of the projects aim to strike a balance between the interests of the local population and nature through a socially and environmentally sustainable approach to forest management. That is because actively involving local populations is an absolute must when it comes to providing long-term protection from further destruction. Some of the already degraded land has to be managed in such a way that it provides local people with an attractive foundation for their lives in order to win them over for the preservation of existing forests and the reforestation of those that have already been destroyed.

The initiatives supported by STIHL in Brazil include the Instituto Floresta Tropical (IFT), as well as a partnership with the organization Meu Pé de Árvore (“My Tree”). Launched in 2023, the project Juntos plantamos mais! (“Planting More Together!”) has STIHL Brazil working with the organization to help reforest the Amazon basin. The initial phase of the collaboration involved planting thousands of trees. As part of the second phase, we plan to use our extensive local sales and distribution network to win over our customers and business partners to join us for planting campaigns.





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In the reporting year, we worked with IFT to release the **VIDEO SERIES IDEIAS QUE FLORESCEM NA AMAZÔNIA** (“Ideas that Grow in the Amazon”), which showcases local projects to preserve the rainforest. In Germany, STIHL supports Bergwaldprojekt e.V., an organization that is dedicated to the protection, conservation, and care of forests. At its location in the Philippines, our subsidiary ZAMA has been working with an adopt-a-forest program to help reforest ten hectares of land with the narra tree, a national symbol of the archipelago, since the end of the reporting year. As part of another sponsorship, the company aims to plant 12,500 mangrove seedlings on five hectares of wetlands by the end of 2025.

The STIHL Group provides financing and support for research and aid projects that develop concepts and approaches for sustainable forestry in selected zones of the tropical rain forest. In addition,

STIHL is continuing its long-standing exchange with nongovernmental organizations (NGOs). As part of our alliance with Fairventures Worldwide, representatives of STIHL also sought dialogue with local farmers in Uganda in 2023. There and in Borneo, Fairventures takes an approach focusing on agriculture and forestry to help reforest degraded and cleared areas with local community involvement. Farmers receive seedlings of native trees and various food crops that they can plant as intermediate crops. Harvesting wood and food allows the people to generate income without having to clear rainforests or cultivate monocultures such as palm oil plantations. In the long term, the trees also make a climate contribution by capturing and storing CO<sub>2</sub> (see “Carbon offsetting,” p. 46). Roughly 700,000 seedlings were distributed in the reporting year alone, helping reforest more than 800 hectares. Fairventures also succeeded in winning over more than 1,500 new participating local farmers.

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# FOREST FASCINATION

*People need forests. And forests need people. That is why a multimedia exhibition at the new STIHL Brand World takes a closer look at this complex ecosystem – one that people have a responsibility to preserve, now more than ever.*

“Forest Fascination” is the name of this expansive exhibition, the work of an interdisciplinary team of experts. “We could fill another five exhibitions with what we’ve assembled in terms of facts and knowledge,” says Silke Kluth, a trade journalist who holds a degree in horticultural engineering. Together with Gunther Willinger, a science journalist and biologist by training, she spent two and a half years exploring and outlining aspects related to forestry in Germany and around the world to create a modern, interactive exhibition. The efforts of the two journalists were coordinated by Monika Schuler, who heads up the exhibition at STIHL, and scientific curator Dr. Jürgen Bauhus. “I don’t know of any forest exhibition that has such a global focus and such a thematic range – while also being as current as could possibly be,” says Bauhus, Chair of Silviculture at the University of Freiburg.

**From the Black Forest to the rainforest**

Measuring 600 square meters, the exhibition is divided into six areas, each covering a different topic: natural forests, forest ecosystems, sustainable forestry, forests and climate, forests and society, and forests of the future. More than 30 videos – along with placards, illustrations,



**THE BRAND WORLD**  
Spanning 1,500 square meters, the STIHL Brand World offers visitors a glimpse at the STIHL brand and its products, along with much more. The ground floor is home to a multimedia exhibition on forests and forestry. The Brand World opened in July 2023.



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**ROTATING THEATER**  
More than 30 videos were produced for “Forest Fascination.” The centerpiece is a rotating platform that provides a 360-degree view of various forests around the world over the centuries.



**POWERFUL IMAGES**  
Making complex content comprehensible is one of the main challenges when educating people about forests. The exhibition does just that – with a mix of largely short texts, infographics, videos, and items on display.

items, and an accompanying app – provide visitors with an immersive, multimedia experience. In addition, all of it has been translated into English for the STIHL Brand World’s international guests.

“Everything centers on forest ecosystems, what they do, and how forest management affects their performance,” Bauhus explains. “It allows forests to absorb CO<sub>2</sub> from the atmosphere, enables us to make use of their recreational function, and keeps them a hotbed of biodiversity.”

The topics covered range from how forests are born and professions in forestry to the impact of climate change. To provide a multimedia overview of real-life forestry practices and research, Willinger traveled the world with a film team, interviewing international scientists and local experts from ForstBW, the German state of Baden-Württemberg’s forestry service. They also talked to people from South America and Asia whose lives and work are especially connected to the forest.

**600 M<sup>2</sup>**  
**OF EXHIBITION SPACE**  
are dedicated to forests at the STIHL Brand World.



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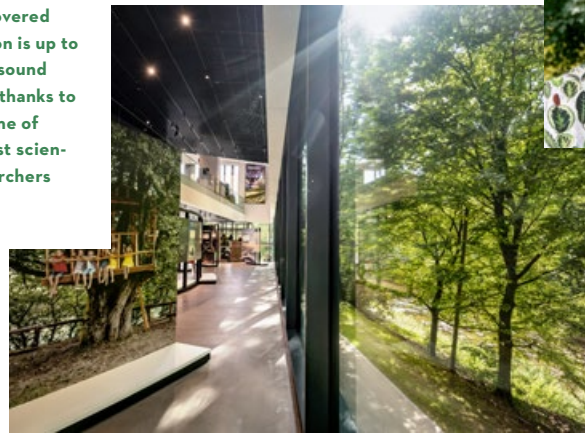
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**SIX MODULES**  
 "Forest Fascination" covers six main topics. Despite being closely connected, each of them can also be looked at on their own. An app rounds out the exhibition with additional multimedia content, such as audio clips.

**TOP-NOTCH KNOWLEDGE**  
 The content covered in the exhibition is up to date. It is also sound and objective, thanks to the help of some of the world's best scientists and researchers in their field.



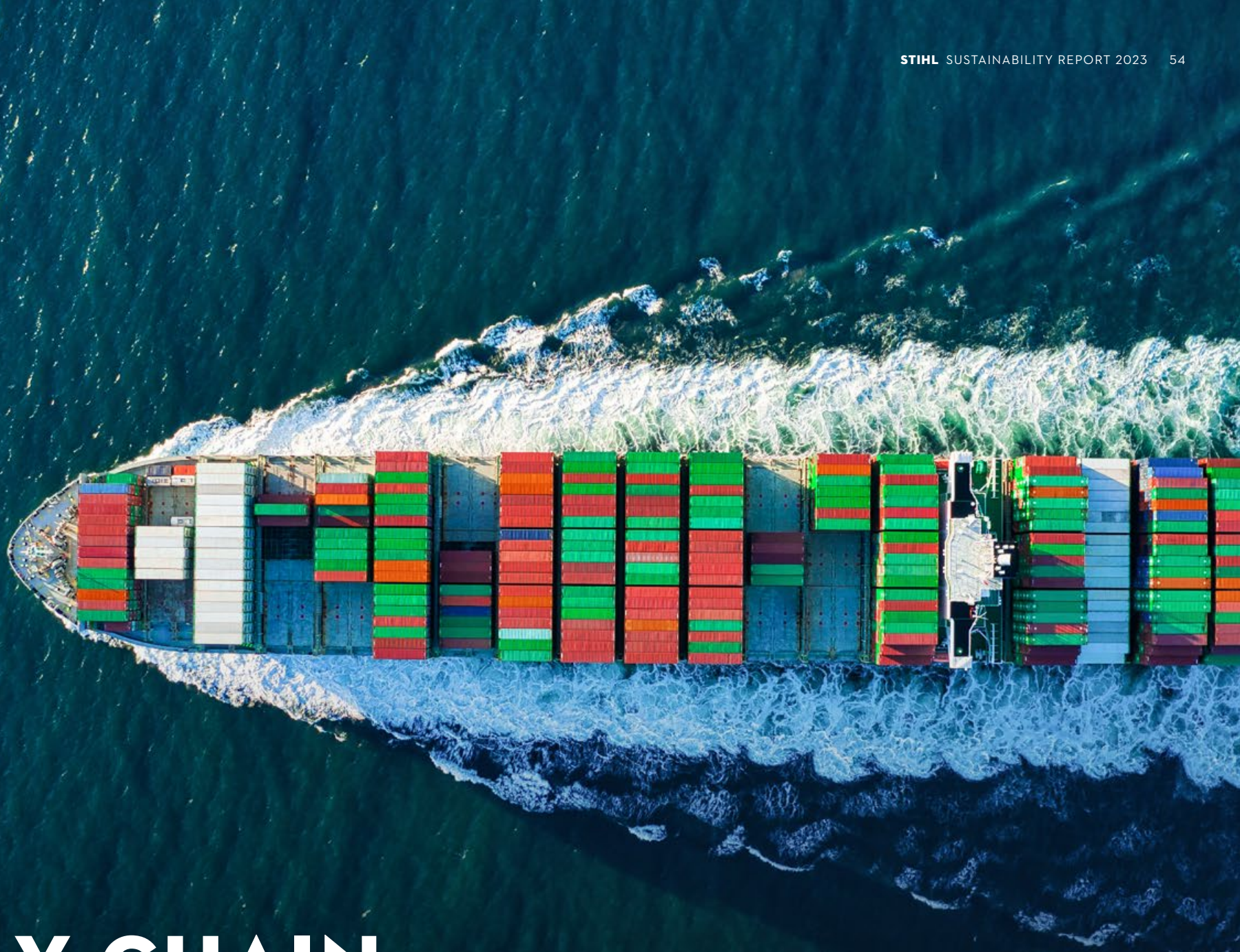
**Focus on responsibility**

Through it all, the STIHL brand and the Group behind it play only a minor role. "Providing sound, neutral, and understandable insights was our mission," says Willinger. That is because the topics explored by this section of the Brand World go deeper than the business itself, since responsible forestry and forest use are in the interest of all humankind. "This exhibition is one of a kind," Bauhus says. "It showcases both the tremendous diversity of forests as well as the breadth and depth of the challenges. And it presents potential solutions."

»It's a unique exhibition that showcases both the tremendous diversity of forests as well as the breadth and depth of the challenges. And it presents potential solutions.«

**DR. JÜRGEN BAUHUS**  
 Professor of silviculture at the University of Freiburg and curator of the exhibition





# SUPPLY CHAIN

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# ACTING RESPONSIBLY

*Within the STIHL Group, doing business responsibly does not end at our factory gates. We strive to foster and maintain a partnership with our more than 10,000 suppliers that is based on common values and goals. Through it all, we work toward a responsible collaborative relationship in which we expect both high standards and appropriate support to help us achieve them together.*

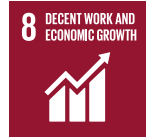
## Organization and responsibilities

In the reporting year, there were no material changes to the way procurement is organized at the STIHL Group. The STIHL founding company plays the leading role within the purchasing network and defines the strategy for the entire Group, allowing us to manage our needs centrally and guarantee the efficient supply of raw materials and consumables.

Our purchasing strategy is regulated by internal guidelines and standards to ensure standardized processes and procurement principles. The director of purchasing, who reports to the STIHL AG Executive Board member for Manufacturing and Materials, works with the responsible senior managers and the purchasing managers of the production companies to develop the strategy. Procurement teams from Purchasing, Quality Management, and Procurement Logistics are responsible for the Group-wide implementation of the strategy and for making sure that our STIHL procurement principles are followed everywhere.

Commodity managers are responsible for procurement and all other activities related to individual product groups. Our leading buyers maintain contact with suppliers. They work with the commodity managers to select suppliers for individual products from the product groups and negotiate prices. Commodity buyers round out the structure. They incorporate regional markets' specific requirements and criteria into the product group procurement strategies.

As a global organization, the STIHL Group buys goods and services around the world. Within our production network, we strive to procure raw materials and upstream components on the continent where they are actually processed whenever possible to keep transport distances and CO<sub>2</sub> emissions to a minimum.



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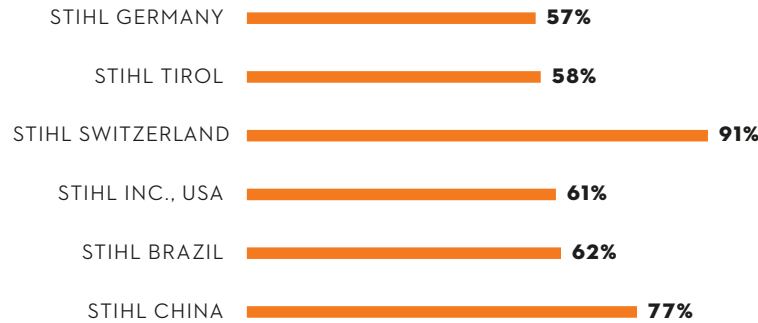
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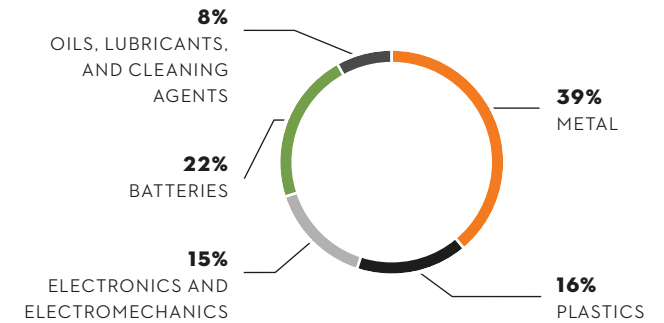
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**LOCAL PURCHASING VOLUME<sup>1</sup> OF PRODUCTION MATERIALS**  
(PRODUCTION COMPANIES ONLY) – VALUES ROUNDED



<sup>1</sup> Purchasing volume on the continent on which the STIHL production company is based (Europe, North America, South America, Asia).

**PURCHASING VOLUME OF ESSENTIAL PRODUCTION MATERIALS BY TYPE OF MATERIAL<sup>1</sup>** – VALUES ROUNDED



<sup>1</sup> Production companies only, not including ZAMA Group.

**Sustainable purchasing decisions**

Steel, magnesium, plastic, and electronic modules account for a significant portion of our purchased materials and components. STIHL uses them to make many important components of our products ourselves. Our above-average vertical integration helps us ensure our expertise in key areas of technology and meet our high quality standards in these steps of the production process. The lion's share of our indirect purchasing needs is attributable to the operation, maintenance, and repair of our equipment, along with IT services and technical services.

We want to ensure that our products are manufactured with the greatest possible conservation of resources in mind. In 2022, we initiated a strategy process for the use of raw materials that are critical from an environmental perspective. In the reporting year, we developed a structure and a process for the analysis of critical raw materials, with an initial focus on our battery cells and the raw material magnesium. Beyond that, we concentrated on meeting requirements in the context of supply chain management, raw material procurement, and substance bans. Our goal is to either replace environmentally critical raw materials or procure irreplaceable ones as sustainably as possible.



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## Fiscal year 2023

2023 once again presented STIHL with major challenges. Following multiple years of strong growth, demand and order intake saw a sustained drop in 2023. In October, the business climate in the German metal and electronics industry fell to its lowest level in more than two years. The war in the Middle East, which spells further challenges for the economy, is an additional factor. As in the previous years, components made of steel (such as punched and turned parts) and entire assemblies made out of steel were most affected by the shortages, as were electronics components and plastics. The problems procuring cable harnesses, switching equipment, and rubber parts have also persisted since the Russian invasion of Ukraine.

We are trying to mitigate the impact of the energy crisis through long-term contracts, and covered most of our electricity and gas needs for 2022 and 2023 by relying on existing supply agreements.

The shortages of raw materials, components, and energy have driven up prices and resulted in a sharp rise in our procurement costs. As a result, we too have had to adjust our prices.

## Supplier management

Because our choice of suppliers has an impact on how sustainable our supply chain is and is capable of being, the Group has expanded the purchasing criteria (price, quality, and logistics) to include sustainability-oriented aspects. To this end, Quality Management launched the Sustainable Supply Chains project in 2020 and completed it in late 2022. Sustainability has been an integral part of the STIHL Group's approach to supplier management since the start of the reporting year.

The project milestones include a risk exposure analysis of all suppliers as a basis for necessary preventive measures. They have been

classified into four risk categories: low, medium, high, and extreme. In addition, we introduced a cloud-based platform that we can use to check and monitor our suppliers' conformity with the relevant sustainability and compliance standards. The platform is designed to increase our suppliers' transparency. It is currently in use at the founding company and all production companies. All of our regular suppliers receive an invitation to the platform, as do nonregular suppliers from which we purchase a certain, pre-defined volume. Increased risk exposure is another criterion, according to our analysis. The platform now allows us to systematically document the information provided by suppliers and use it to assess risks, prepare audits, and make contracting decisions.

Following the Sustainable Supply Chains project, the STIHL Group used the reporting year to focus on expanding a global sustainable supply chain network (SSC). The goal of the network is to create a community of people and organizations that are interested in SSCs and are responsible for promoting them within purchasing departments and at production companies. To this end, we established a structure, convened regular meetings, and organized training on topics such as child labor, forced labor, and the sustainability processes at STIHL.

Sustainability already plays an important role when (pre)selecting and onboarding suppliers. Our **▶ CODE OF CONDUCT FOR BUSINESS PARTNERS** is an obligatory element of any supply contract (see "Code of conduct for suppliers," p. 58). An international reporting system that takes into account input such as the information on our internal platform is in place for existing suppliers. We audit them systematically and support them if necessary during their development to help them act on our sustainability standards. If a supplier does not meet sustainability standards, we initially attempt to improve the situation, with a focus on dialogue and deriving measures for the supplier. The purpose of doing so is to empower suppliers before we withdraw from the partnership. STIHL reserves the right to terminate the working relationship as a last resort, should these efforts prove fruitless. The German Federal Office for Economic Affairs and Export Control (BAFA) is

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notified of violations by our suppliers within the scope of the LkSG report.

Our supply chain management approach helps us contribute to the goal “Decent work and economic growth” (United Nations Sustainable Development Goals, SDG 8) by promoting minimum social standards and enforcing respect for human rights requirements, including the ban on child labor, as well as fair and safe working conditions.

**SUSTAINET**

Working together is the key to achieving more, especially when it comes to complex issues like sustainability. That is why STIHL decided in 2021 to join SustaiNet, a platform for sharing and exchange that is moderated by a consultancy firm and focuses on sustainability in the supply chain. External support for the network, which is made up of seven member companies from a variety of sectors, ended in summer 2023. The network continues sharing knowledge and experience as in the past and remains committed to complying with laws and statutes. In 2023, the participants took a closer look at the German Act on Corporate Due Diligence in Supply Chains and its consequences, CO<sub>2</sub> in the supply chain, incorporating sustainability into decision-making processes, and supplier audits.

## Code of conduct for suppliers

We expect our suppliers to actively support us in developing a sustainable supply chain. Our code of conduct for suppliers, in which we describe our vision of sustainable and responsible business practices, has been in place since 2015. In 2021, we revised the code with regard to social, environmental, and governance aspects. It now contains even more clearly defined criteria that we use to assess our partners.

The code of conduct is based on the principles of the United Nations Global Compact and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and has been adopted by the Executive Board. In addition to compliance with human rights standards while providing fair and safe working conditions, STIHL Group members oblige their suppliers to pledge a commitment to protecting the environment. They are required to do business in a way that conserves resources, to record and reduce their greenhouse gas emissions, and to procure (raw) materials sustainably. The code also contains provisions stating that suppliers should prevent discrimination and corruption and ensure data protection. Most of our largest suppliers\* have already signed the code of conduct. Our code of conduct is updated regularly so as to consistently meet our standards and the relevant legal requirements.

Over the course of the reporting year, we initially trained all members of the SSC network on the content of the code of conduct and its application. Training for all procurement staff and for our suppliers is currently in development.

The STIHL Group uses a variety of mechanisms to monitor our suppliers' commitment to sustainability, such as our internal platform, the code of conduct for suppliers, and sustainability audits. Such audits are part of the new supplier approval process, as well as the requalification audit that we use to decide whether to continue business relationships with current suppliers. STIHL also honors suppliers accordingly. In 2023, we named two companies **“SUSTAINABILITY SUPPLIERS OF THE YEAR”** for the first time. Both of those partners care about environmental and social matters as much as we do.

\* Production companies only, not including ZAMA Group.





# PEOPLE





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> Side by side and hand in hand

Many shades of orange

Occupational safety

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# SIDE BY SIDE AND HAND IN HAND

*The STIHL Group is both a family-owned business and a global market leader. Both of those things shape the way we see ourselves as an employer. At every member company worldwide, we maintain a corporate culture built on partnership, offer family-friendly working hours, and provide extensive benefits. By doing so, we give all employees the opportunity to grow at STIHL.*

## Organization and responsibilities

Overall strategic responsibility for personnel management at the STIHL Group lies with the STIHL AG Executive Board member for Human Resources and Legal Affairs. Each major STIHL company has its own human resources department, whose work is subject to guidelines set by the founding company. The guidelines govern the introduction and alteration of pension systems, conditions for international staffing assignments, and contractual and compensation parameters for managers. We altered the organizational structure at the end of the reporting year. Since early 2024, the HR managers at all production companies and the major sales companies have reported to the Executive Board member in charge of Human Resources and Legal Affairs.

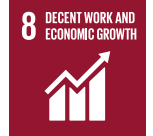
## International human resources strategy

Human resources, or HR, plays a decisive role in our transformation from mechanical engineering company to a mechatronic and software specialist. Because qualified and motivated employees are the engine of this change, the HR team at the founding company has partnered with managers in charge of staffing at the production and sales companies in Germany and France to develop an international HR strategy.

The strategy covers five fields of action:

- ONE HR
- Digital HR
- HR as a transformation partner
- Leadership transformation
- New skills and abilities

The aim is to establish an excellence standard in HR at STIHL. With this goal in mind, HR across the STIHL Group will continue to grow together based on strategic directives such as the harmonization of core HR processes, which will be made possible by a common software standard. Uniform KPIs across all companies make it possible to present analyses of business management to the Executive Board and Advisory Board. Digital self-services, such as for the entry of personal data and for the internal application and staff development process, help modernize HR. To this end, STIHL launched a project in 2017 to roll out a uniform software standard worldwide. The master data system was introduced at our Nordic



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locations in the reporting year, with a corresponding kickoff taking place in Germany and at other European sites. Various self-service modules were rolled out at the STIHL companies in Brazil and Austria, for example.

HR acts as a transformation partner both throughout the entire organization while also proactively supporting important projects. HR staff members continue developing their own roles and skills in order to drive forward transformation and innovation within the Group.

The transformation also places new demands on supervisors and their functions. They have to develop skills and capabilities that will make every employee fit for the future and integrate them into the company. Global management programs prepare executives for their future roles. The STIHL Leadership Principles were developed in this context. They guide the leadership transformation and have been undergoing introduction at all production companies and major sales companies since late 2022. We revised the concept in the reporting year so that we can launch further initiatives in 2024.

## Employment within the STIHL Group

As of December 31, 2023, STIHL Group companies employed 19,805 people worldwide, a decrease of 747 compared to the previous year (20,552, not including temporary agency workers). All other workforce figures in this report take into account the founding company, STIHL International GmbH, the Dieburg distribution center, and all production companies, including the ZAMA Group. The companies within this scope of consolidation had a total of 17,515 employees at the end of 2023 (previous year: 18,667, not including temporary agency workers). All other key performance indicators are reported on this basis.

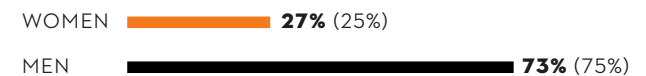
### EMPLOYMENT WITHIN THE STIHL GROUP AS OF DEC. 31

	2023	2022
Total headcount within the STIHL Group <sup>1</sup>	19,805	20,552
Total headcount within the scope of consolidation <sup>1</sup>	17,515	18,667
Of which apprentices and students	844	866
Average headcount <sup>1</sup>	18,142	18,622
Number of temporary agency workers	180	519

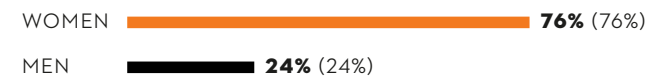
<sup>1</sup> Not including temporary agency workers. STIHL does not employ any non-guaranteed hours employees.

### TOTAL HEADCOUNT BY TYPE OF EMPLOYMENT<sup>1</sup> AS OF DEC. 31 (PREVIOUS YEAR IN PARENTHESES) – VALUES ROUNDED

**FULL-TIME: 16,107** (15,830)



**PART-TIME: 670** (623)



<sup>1</sup> Not including employees with temporary contracts, temporary agency workers, students, and employees in partial retirement.

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In the reporting year, there were 1,934 new hires (previous year: 3,594), including employees with temporary contracts, apprentices, and students, but excluding temporary agency workers. The current reporting system does not provide for a detailed disclosure of new hires by age group or gender. However, such disclosures are under consideration for future reports.

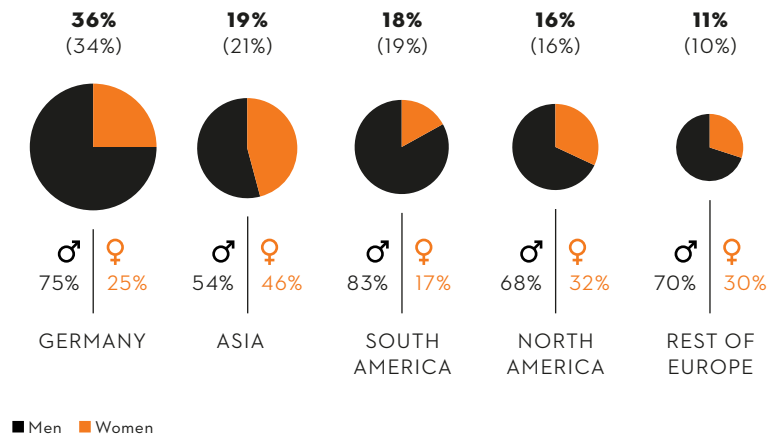
The decrease in headcount is attributable to workforce adjustments that we were forced to make due to multiple production adjustments as a result of weak economic activity and the global decline in sales. The number of temporary agency workers was signifi-

cantly below the previous year's level. STIHL primarily hires temporary agency workers in product-related areas to cover peaks in manufacturing.

STIHL makes every effort to create secure jobs. As of December 31, 2023, roughly 91 percent of employees Group-wide had permanent contracts (previous year: 86 percent). In doing so, we make a contribution within our means to achieving the target of full employment, as stated in the goal "Decent work and economic growth" (United Nations Sustainable Development Goals, SDG 8).

**HEADCOUNT BY REGION AND GENDER<sup>1</sup>**

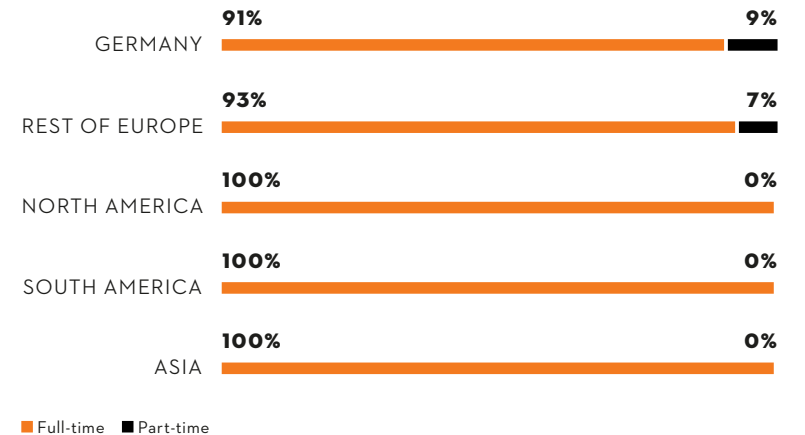
AS OF DEC. 31 – VALUES ROUNDED (PREVIOUS YEAR IN PARENTHESES)



<sup>1</sup> Not including temporary agency workers.

**HEADCOUNT<sup>1</sup> BY TYPE OF EMPLOYMENT AND REGION**

AS OF DEC. 31 – VALUES ROUNDED



<sup>1</sup> Not including employees with temporary contracts, temporary agency workers, students, and employees in partial retirement.



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**WORKERS' RIGHTS**

At the STIHL Group, we have traditionally maintained open and constructive exchange with employee representatives. All STIHL plants in Germany have employee councils, and work agreements for staff are in place there. Together, the individual employee councils form the General Employee Council for the founding company. Our international companies, such as those in Brazil and China, have local employee representation bodies in accordance with national law. Collective bargaining agreements or similar collective wage structures are in place at many production companies, covering roughly 57 percent (previous year: 56 percent) of all staff. Generally, we pay employees in all countries in line with market rates. By protecting workers' rights, STIHL is making a contribution to achieving the goal "Decent work and economic growth" (United Nations Sustainable Development Goals, SDG 8).

**Attractive employer**

Fair cooperation in a spirit of partnership is a key element of our corporate culture. Support from colleagues and open communication are just two of the ways in which this manifests itself. Long terms of service and low rates of voluntary resignation (excluding retirements) at nearly all locations show us that our values are also embraced and appreciated. Turnover among permanent staff not employed in production stood at 3.6 percent in the reporting year for the consolidated group (previous year: 4.1 percent). Because the number is so low, we do not keep records of voluntary resignation by region, gender, or age group.

We foster international networks and cooperation within the STIHL Group by offering employees the opportunity to work abroad. Working with colleagues at other STIHL companies and sharing

experiences with them promotes the exchange of knowledge and strengthens mutual understanding and collaboration. A total of 86 STIHL employees were seconded to other Group member companies in the reporting year. At the individual locations, we additionally strengthen team spirit through a variety of activities, including celebrations, outings, and competitions, as well as events to mark International Women's Day, Mother's Day, and Father's Day.

**BENEFITS AND PERKS**

We offer our employees voluntary social benefits that go far beyond what is agreed upon through collective bargaining.

At nearly all STIHL companies, eligible employees receive an annual bonus linked to financial performance. Employees at the founding company can also take part in a company pension plan that is financed entirely by STIHL and acquire profit participation rights within the scope of a stock ownership plan that consists of an employee contribution (one-third) and an employer subsidy (two-thirds). The profit participation rights may offer yields as high as 10 percent, depending on the company's success, allowing staff members to profit from their dedication and performance by adding to their savings.

In addition, the parties within the founding company signed a new employment and site guarantee agreement through the end of 2025 in late 2021. The agreement gives core staff at the founding company a four-year employment guarantee. In it, STIHL has also made a commitment to continue providing extensive vocational training and support to new employees just entering the workforce. For more than 20 years, employment and site guarantee agreements have played an important role in allowing us to develop the business and safeguard jobs.

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**AWARDS**

In the United States, *Forbes* magazine has once again named STIHL Inc. one of the best medium-sized employers in America. Our company in Spain received “Great Place to Work” certification in the reporting year, with STIHL Brazil being honored as one of the country’s best employers for the fourth time in a row while STIHL China earned those same accolades for the second time in a row. In August 2023, STIHL Greece won the “Greek Business Champions Award.”

**WORK-LIFE BALANCE**

Employment with STIHL offers employees a wide range of options for striking a balance between work and their private lives. At most locations, Group member companies work with employees to arrange working models that are flexible enough to enable care for children or other family members, or take other personal circumstances into account. In addition, the STIHL Group supports staff by offering part-time models and local perks such as corporate childcare. At the Waiblingen and Ludwigsburg locations in Germany, we have started expanding childcare capacities in addition to current offerings, such as our Mia STIHL day-care center and spaces funded by STIHL at other private facilities for the children of staff. New mothers at our Swiss chain plant and STIHL Brazil can also make use of lactation rooms. The Swiss plant also provides a space where children can spend the time during their parents’ shift changes in a pleasant atmosphere.

The coronavirus pandemic has made us even more aware of the advantages of remote working for employees and employers, with staff and supervisors making individual arrangements on the matter since the end of the Covid-related restrictions. At the founding company, at the distribution center in Dieburg, and in Brazil, the guidelines call for staff to be in the office 60 percent of the time, with remote working possible for the remaining 40 percent of their hours.

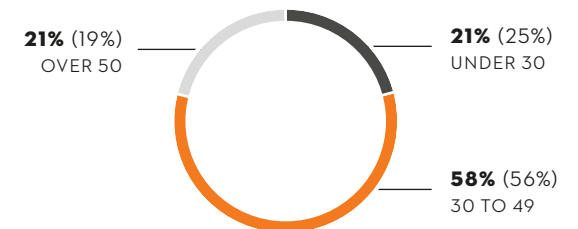
**DIVERSITY AND EQUAL OPPORTUNITY**

Diversity and equal opportunity contribute to a sustainable HR policy and help secure the sustainable success of the Group. Our commitment builds on core values of our globally operating family business, such as internationality, openness, and diversity. We aim to empower employees to bring their strengths, experiences, and potential to the fore at the STIHL Group, regardless of their gender, origin, age, and other traits. We do not tolerate racism or any form of discrimination, and we support the inclusion of people with disabilities.

To do an even better job of strategically promoting our diversity strategy, our locations in Germany are currently conducting a review of current offerings, including our “Female Leadership” training. In addition, the founding company spoke to STIHL Brazil, which has been making good progress with its diversity program for many years (see “Many shades of orange,” p. 68). Because diversity and equality need to be supported and actively encouraged,

**TOTAL HEADCOUNT BY AGE<sup>1</sup>**

AS OF DEC. 31 – VALUES ROUNDED (PREVIOUS YEAR IN PARENTHESES)



<sup>1</sup> Not including temporary agency workers.

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we expanded our e-learning options to include training on leadership approaches to promoting diversity and inclusion. We plan to launch further initiatives over the course of 2024. The founding company already collects information and draws up key performance indicators on the issue of equality, which it provides to the Employee Council on a yearly basis.

In the reporting year, women accounted for 29 percent of the total workforce within the STIHL Group (previous year: 30 percent). Three of the six STIHL AG Executive Board members are women. As a result, STIHL has more than met the target that was defined by the STIHL AG Supervisory Board in June 2022 of having at least one woman on the Executive Board. Four of the twelve members of the STIHL Supervisory Board are women, exceeding the statutory requirement in Germany of at least 30 percent.

Sponsored by Deputy Advisory Board Chair Karen Tebar and Chief Financial Officer Ingrid Jägering, “Women Network@STIHL” was launched at the STIHL founding company in the reporting year. More than 200 participants attended the kickoff meeting in May 2023. The network was initiated by twelve women from each department at the founding company with the aim of creating a platform that supports women in sharing their experiences and best practices while raising awareness of their needs. Sharing experience and knowledge also plays an important role in HR, with colleagues from a variety of countries and companies coming together to discuss initiatives.

The STIHL Group also discusses diversity and equal opportunities with other companies, both informally and at specific events. This approach allows us to see how others develop and roll out diversity concepts, giving us insights into what could await us as we move forward.

## Professional development and training

### THE STIHL COMPETENCY MODEL

The knowledge, skills, and development potential of employees play a pivotal role in the STIHL Group’s success. The STIHL competency model aims to secure and develop new know-how. Based on findings from surveys and workshops involving employees and supervisors, it defines our common understanding of the required competencies and consists of eight fields of competence that relate to specific expertise, as well as motives, attitudes, and values – from entrepreneurial thought and action to partnership-based leadership and shaping change. To ensure a consistent approach to talent development and succession planning throughout the Group, the competency model has been introduced at all companies, where it acts as a foundation for annual staff performance reviews, among other things.

### STIHL LEARNING WORLDS

At nearly all locations, employees can choose from an extensive selection of seminars, including internal and external classroom training sessions and a growing number of hybrid and purely digital learning opportunities. The options focus on social and interpersonal skills, methods, project management, and technical training for employees in production. In 2023, each employee received an average of roughly 20 hours of professional development a year (previous year: 15 hours).



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Our learning management system STIHL HR Online Training, which offers employees information on professional development and the option to schedule training sessions, was expanded to Brazil, the U.S., and Austria in the reporting year. STIHL also offers employees support in completing professional training measures, such as pursuing a degree program or gaining master trades-person certification. Technical staff who work on gasoline-powered drive technology can take advantage of a training and qualification program in electrical engineering and mechatronics to support them as we shift our focus to battery-powered drive technology.

We reached a central works agreement on digital learning in the reporting year. The central works agreement governs all key aspects of information and rules regarding professional development at the STIHL Group's founding company, from determining the need for training to the sign-up process for employees. The STIHL corporate cloud also features new content for improved knowledge management that we are constantly expanding.

**EXECUTIVE DEVELOPMENT**

A project to refocus executive development started at the STIHL founding company in November 2022. The goal of the project is to develop a systematic executive development approach at the founding company that addresses the relevant target groups, takes their needs and strategic skill profiles into account, and includes up-to-date teaching concepts. The first step involves creating an overall concept before outlining the program for the first target group. The first two programs were successfully launched in 2023.

As part of the STIHL mentoring program, long-serving managers pass on their knowledge and experience to the talents of tomorrow, rounding out the range of offerings. The mentoring program usually lasts one year and is geared toward a long-term approach to fostering talent. The international STIHL companies – such as those in China and Brazil, as well as ZAMA – also offer a variety of programs.

In 2021, STIHL set up an international general management program (IGMP) for international senior executives in cooperation with SGMI Management Institute in St. Gallen, Switzerland. It aims to impart strategic management knowledge and offer new perspectives on the latest leadership issues while strengthening international exchange within the Group. Participants have had high praise for the program from the start, with 31 managers completing it in the reporting year. An international talent management program is slated to be added in 2024. Geared toward staff at the second management level in whom STIHL companies see potential for an executive or supervisory role, it too will address topics such as leadership, strategy and competition, finance, change management, and collaboration. At the founding company, the STIHL HR team is currently also developing the STIHL Leadership Academy, an additional offering for managers and supervisors from a variety of backgrounds.

The STIHL Group conducts executive surveys every year. Already in use at all production companies and the largest sales companies, we expanded this format to another 19 sales companies in the reporting year. As a result, we are able to gain insights into leadership culture at a total of 38 companies, as well as an overview of the aspects we want to improve and advance. In 2023, 1,961 out of 2,412 surveyed managers, supervisors, and executives (81 percent) responded to the questionnaire. The overall result for the STIHL Group is positive across the board, with a mark of 2.41 on a scale of 1 (strongly approve) to 7 (strongly reject). This shows that our leadership culture is based on solid foundations. Working equipment and occupational health and safety were highlighted as particularly positive aspects. The focus on quality and solution-based approach to mistakes were also assessed highly across the Group.

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**VOCATIONAL TRAINING AND DEGREE PROGRAMS  
AT STIHL**

We take our responsibility as a business that provides training very seriously. In addition to a wide range of technical and business training tracks, young people can also complete a combined vocational training and degree program at STIHL in cooperation with Baden-Württemberg Cooperative State University in Stuttgart. Both training and education paths are an important part of our strategy to ensure access to specialists in the long term. STIHL had 401 apprentices and students on cooperative education programs in the reporting year.

Around the world, we invest in modern vocational training, as well as comprehensive training options that focus on the latest material. To enhance our focus on social sustainability within our training and education offerings, a pilot corporate volunteering project was launched in the reporting year. Apprentices at the founding

company in Waiblingen spent four days supporting **“VESPER-KIRCHE”**, a social project in Stuttgart, while students enrolled in our cooperative education program helped out during the **“SCHAFFTAGE”** campaign spearheaded by the local charitable organization Diakonie Stetten.

In Germany, we provide apprenticeships that combine hands-on training and classroom education at four STIHL locations. Most recently, we have also rolled out proven training concepts in line with this dual approach at locations where the state school system does not provide this type of training, such as in the U.S., Brazil, and Qingdao, China. Every year, we give up to twelve staff members at our Swiss chain plant who do not have formal professional qualifications the opportunity to obtain a certificate as a machine and plant operator. The training is funded by STIHL and the Swiss cantons.



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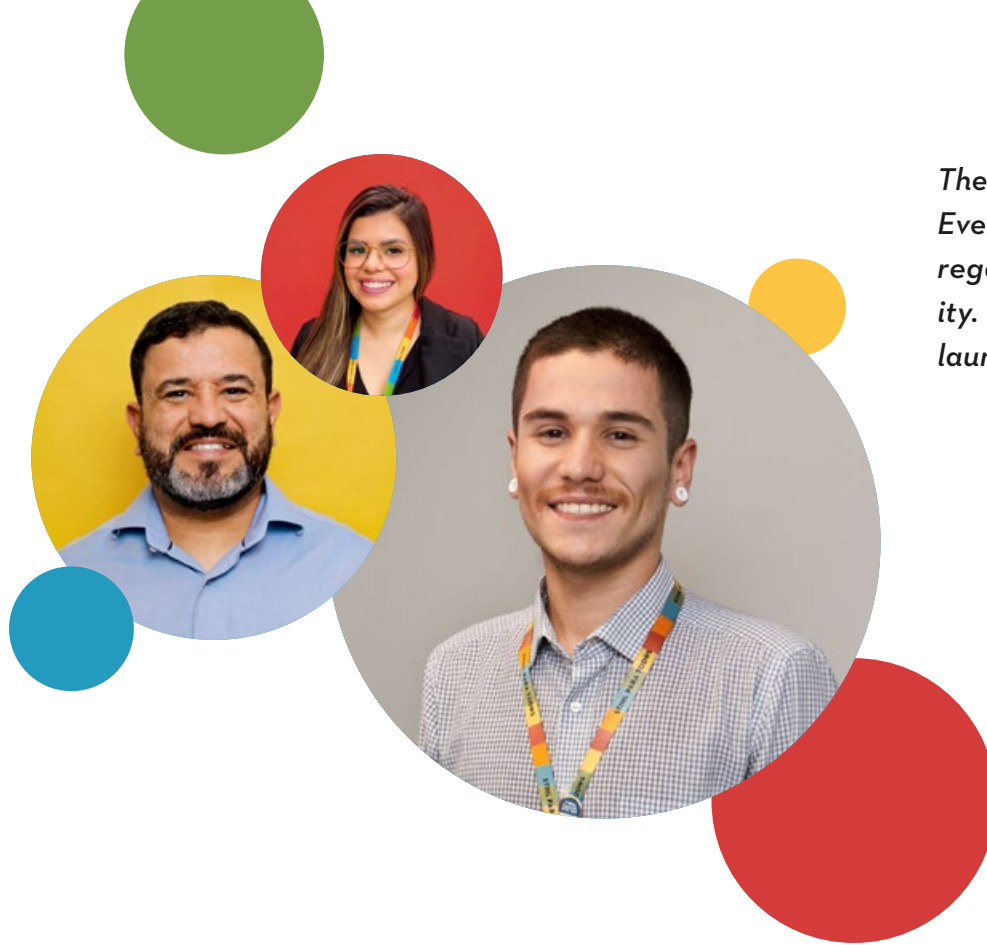
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*The diversity of our workforce is one of STIHL's strengths. Every employee has the chance to make a difference, regardless of gender, origin, sexual identity, or disability. To underscore this mission, STIHL Brazil has launched its own diversity program.*

STIHL is an employer. But it is also a member of society with a responsibility. That is why care is one of the focus areas of our sustainability strategy. Our commitment to diversity is part of it. "Treating each other with respect is one of STIHL's core values, which is something we want to reflect in the image we project," says Andréia de Borba de Souza from Human Resources at STIHL Brazil. Since 2019, the 37-year-old has been in charge of Programa Diversidade. The goal of the program is to foster diversity and inclusion among staff. "Diversity is the invitation to the party," says Borba. "Inclusion is the invitation to dance."

Both aspects contribute to a sustainable human resources policy under which everyone can leverage their strengths. The factors also play an important role in success, with studies indicating that diverse teams are often particularly innovative. The message to society is another factor. According to Borba, 56 percent of Brazilians are black, yet Afro-Brazilians only make up 4.7 percent of all business leaders. For women, those figures stand at 51 and 29 percent. STIHL Brazil aims to lead the charge for change, and has made both ethnicity and gender two pillars of its diversity program.

**"We see a change in how people act"**

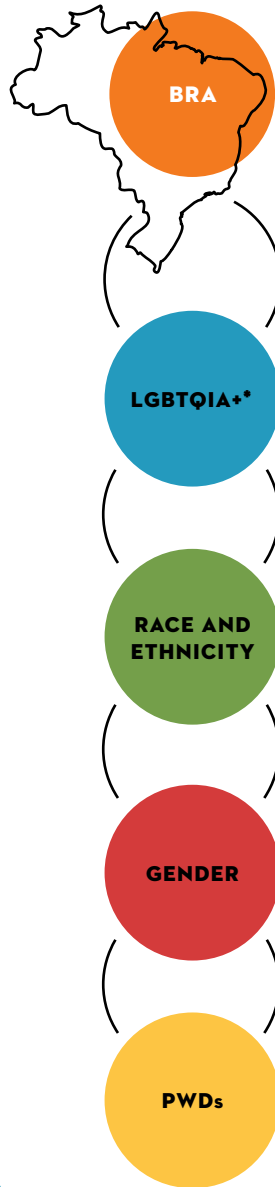
Having started at management level, the program is now being felt on the factory floor. At its core, the strategy is about information and sensitization. New management staff complete mandatory "Diversity School" training. In

# MANY SHADES OF ORANGE





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**“PROGRAMA DIVERSIDADE”**  
THE DIVERSITY PROGRAM AT STIHL BRAZIL RESTS ON THE FOLLOWING FOUR PILLARS:

STIHL aims to promote acceptance of a wide range of gender identities and sexual orientations. One of the reasons is the violence against the LGBTQIA+ community in Brazil.

Ethnicity is another important aspect. Black Brazilians are underrepresented in management positions.

There is also a discrepancy between the overall population and the percentage of women in management positions. That is why the diversity program includes measures to support women.

People with disabilities (PWDs) are often restricted to manual labor on Brazil’s job market.

\* Abbreviation for lesbian, gay, bisexual, transgender, queer, intersexual, and asexual people. The + is a placeholder for other gender identities.



**»Treating each other with respect is one of STIHL’s core values.«**

**ANDRÉIA DE BORBA DE SOUZA**  
HR Business Partner, STIHL Brazil

group discussions, employees talk about ways to overcome prejudice and create acceptance for one another. International Women’s Day and Black Awareness Day, which commemorates the end of slavery, are celebrated together. Additionally, diversity and inclusion are constant elements of internal communication, advanced training, and recruiting.

The company does not use binding targets such as quotas, Borba explains. But success when it comes to soft factors is just as important. “We feel people’s pride, and we see a change in how they act,” she says. “It renews my motivation every day that we at STIHL are contributing to a shift in people’s mentality, and to a fair and respectful society.” For the fifth year of the program, she has her eyes set on a fifth aspect of diversity: “We’re thinking of setting up a working group on the topic of age.”



**DIVERSITY WORLDWIDE**

**WOMEN’S NETWORKS**

“Women Network @ STIHL” was launched at the STIHL founding company in 2023. Sponsored by Deputy Advisory Board Chair Karen Tebar and Chief Financial Officer Ingrid Jägering, the network gives women an opportunity to connect, share experiences and best practices, and draw attention to their needs. Previously, the company had smaller networks, such as “Women in IT.”

**EQUAL OPPORTUNITY**

Our Swiss chain plant focuses on equal opportunities during the recruiting process by looking at people and their abilities, regardless of factors such as gender, age, or origin. The same goes for career development, with opportunities for advancement open to all.

**WOMEN IN MANAGEMENT**

At our subsidiary ZAMA in the Philippines, 70 percent of employees are women – as are 40 percent of management staff.

**2019**

Program founded at the STIHL Group company in São Leopoldo, now with 200 participants

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# OCCUPATIONAL SAFETY



*We are dedicated to promoting and protecting the health of employees across the STIHL Group. We are constantly optimizing our approach to occupational safety and accident prevention while adapting our health management system to the needs of staff.*

## Organization and responsibilities

The plants at the German founding company, the STIHL Group production companies in Brazil and China, and ZAMA China have an ISO 45001-certified occupational health and safety management system, covering 64 percent of the entire workforce (previous year: 57 percent). The management system at the founding company was recertified in 2022, with the other countries successfully completing the process in 2023. In addition, internal and external audits are performed annually. Processes and directives regarding occupational health and safety are defined in our STIHL guidelines and standards. Overall responsibility for the topic lies with the STIHL AG Executive Board member for Human Resources and Legal Affairs. At our locations, dedicated specialists within the executive departments for occupational safety are responsible for compliance and the implementation of legal and internal guidelines. Safety officers in the departments also keep an eye on occupational safety and support their supervisors when it comes to implementing preventive measures.

## Accident avoidance and prevention

The internal STIHL directives define a hazard analysis and risk assessment process for work involving machines and other activities, with the aim of systematically identifying risks at an early stage and avoiding potential hazards wherever possible. Hazard analysis is conducted jointly by the appointed management and safety officers. Occupational safety specialists provide guidance, training, and support during the process. Based on the findings of the analysis, we plan targets and measures to further increase occupational safety. New insights are incorporated right away into the safety instructions for our staff. We familiarize all external visitors and staff from outside companies with potential hazards, as well as the applicable safety measures and safety rules, before they enter any of the Group plants.

Accidents and incidents are reported to the local occupational health and safety departments. STIHL investigates such events in cooperation with the individuals affected and their supervisors. Whenever possible, the employee council is also consulted. In addition, we review the findings of the hazard analysis and make adjustments to it as necessary. Necessary measures resulting from the investigations are initiated immediately. Fields of action for further improvements are derived from the regular analysis of all reported incidents.

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## &gt; Occupational safety

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**WORKPLACE ACCIDENTS**

Our goal is to keep the number of workplace accidents as low as possible. The number of accidents at STIHL facilities involving STIHL employees, staff from outside companies, and visitors is included in our records. In 2023, the accident rate stood at 4.2 per 1 million hours worked and was therefore slightly lower than in 2022 (4.5). As in previous years, we recorded no fatal workplace accidents. In 2022, we launched a pilot project for Germany, Austria, and Switzerland that aims to reduce the number of accidents in the long term and further enhance our safety culture. Findings from previous accident analyses and inspections show that simple changes in behavior, such as avoiding the use of cell phones on stairs or storing materials properly in a way that keeps paths clear, can help prevent up to 80 percent of accidents. We invite employees to participate in these preventive measures aimed at increasing safety in the workplace.

With that in mind, we took a variety of measures in the reporting year, including the launch of the “Misch dich ein” (“Get involved”) occupational safety campaign. Through intranet articles, tutorial videos, and signs in various locations such as cafeterias and at the entrances to the factory floor, we aim to increase employee awareness of occupational safety even further. Constant exchange on safety issues among members of staff and with their supervisors is also important. That is why the topic is regularly discussed in team meetings as part of the “Ten minutes for safety” section. Unsafe conditions and potential improvements in each employee’s personal working environment are addressed openly, along with good occupational safety solutions already in place. The approach allows other departments to adopt ideas as needed.

**WORKPLACE ACCIDENTS<sup>1</sup>**

	2023	2022
<b>Total workplace accidents</b>	145	187
Of which employees of STIHL Group companies	127	150
Of which outside workers	18	37
Serious workplace accidents (more than 6 months' time lost)	1	2
Of which employees of STIHL Group companies	1	1
Of which outside workers	0	1

<sup>1</sup> Includes workplace accidents with at least 1 day of time lost.

**ACCIDENT RATE**

(STIHL EMPLOYEES ONLY) PER 1 MILLION HOURS WORKED

	2023	2022
Total accident rate	4.2	4.5
Serious accident rate (more than 6 months' time lost)	0.1	0.1



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**PEOPLE**

Side by side and hand in hand

Many shades of orange

> Occupational safety

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Another aspect of the campaign involves strengthening the role of safety officers, who support supervisors in all departments when it comes to promoting safety. Visual reminders within the departments help make the safety officers better known among their colleagues, while regular meetings with occupational safety specialists ensure expert support and exchange. In addition, a cross-divisional workshop for all safety officers is planned for 2024.

**TRAINING AND COMMUNICATION**

Occupational health and safety can only be ensured if all employees have the necessary awareness and have access to the necessary information. That is why companies within the STIHL Group provide all staff members with comprehensive training on a regular basis. They undergo a safety briefing at least once a year. Our continuing education program includes a wide range of learning opportunities such as fire drills and seminars on hazardous materials and load restraint. Employees who require special training to do their jobs, such as forklift or crane operators, receive the instruction they need. New managers and supervisors complete mandatory training on occupational safety. At the founding company, a total of 135 managers and supervisors took part in this two-day training program in the reporting year. In addition, we strengthen awareness among the workforce through constant communication by way of posters, written employee information, and regular contribu-

tions to the Executive Board report and the report of the management at company meetings. Employees can submit improvement recommendations related to safety aspects and other topics at any time using the local idea management system.

The STIHL plant in Qingdao, China, tested a new approach to fire prevention in the reporting year. Twenty-two teams from various departments received training on fire extinguishers, hydrants, and other equipment. Afterward, they had the opportunity to test their firefighting skills in a competition. The concept made it fun for staff to learn about an otherwise serious topic.

In the reporting year, STIHL Brazil demonstrated just how effective our awareness and training-based approach truly is. As part of a project to reduce the number of workplace accidents, 64 foremen and other members of staff spent a total of roughly 300 hours completing occupational safety training. Thanks to the training and other measures, this facility recorded a historically low occupational accident rate of 0.6 per 1 million hours worked – well below the upper threshold of 3.0. In 2023 alone, our colleagues in Brazil invested more than 5,800 hours on the job in fostering an even better safety culture and helped eliminate more than 3,200 potential risks.

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**HEALTH AT STIHL**

We care about the health and satisfaction of employees. At nearly all production companies, the STIHL Group has company doctors or agreements with external physicians and occupational health experts who look after the occupational health needs of our staff and provide personalized medical support. STIHL also offers regular preventive occupational health exams and aptitude tests. At many locations, the Group even provides counseling and free annual flu shots.

Through a wide range of information and training offers, we promote the physical well-being and mental health of employees across the Group. We want employees to stay healthy, motivated, and able to perform in the long term and feel well cared for at STIHL. That is why we have developed classes on the four prevention principles of exercise, nutrition, addiction, and stress – even for our apprentices and student employees – and incorporated them into our training curriculum. The health management team provides a variety of options depending on the location, such as one-on-one physical therapy support, information on promoting good health, preventive measures, and sports programs. Consultation, training, and presentations on workplace ergonomics, nutrition, substance abuse, stress management, resilience, and mindfulness are also available. In 2023, the founding company spearheaded a campaign to help staff get into shape for the summer. Entitled “Fit für den Sommer,” the initiative gave employees an opportunity to prepare physically and mentally for the warm months ahead through cooking classes, exercise options such as circuit training, and seminars on topics such as healthy sleep. Health Day at our plant in Ludwigsburg centered on bicycle safety training, presen-

**STIHL BRAZIL:  
CARE PROGRAM EARNS RECOGNITION**

In the reporting year, the Brazilian Association of Human Resources recognized STIHL Brazil's comprehensive Care Program with its Top Human Being Award. The program, which was launched in 2019, includes occupational health exams and vaccinations, services for pregnant and chronically ill people, information on nutrition and smoking cessation, and much more. In 2022, the São Leopoldo plant also dedicated its Comprehensive Health Care Center, which has three doctor's offices, two dentist's offices, a physical therapy space, and a lactation room. The center can be used by employees and their family members alike.

tations on topics such as sleep and stress, core stability screening, and much more. The STIHL chain plant in Switzerland reached discount agreements with a variety of health and fitness service providers for employees, such as a gym. In 2023, the distribution center in Dieburg held resilience training as well as back pain prevention seminars.

Through our health-related offerings at STIHL, we are making a contribution to the goal “Good health and well-being” (United Nations Sustainable Development Goals, SDG 3), with a special focus on universal health coverage, access to vaccines, and the prevention of substance abuse.





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> [Think globally, act locally](#)

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# THINK GLOBALLY, ACT LOCALLY

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*For us as a family-owned business, a commitment to society is deeply rooted in our values. Our activities worldwide go beyond merely doing business. Instead, we are also dedicated to making a positive contribution to the societies with which we come into contact. We stand up for our convictions through alliances, partnerships, and donations, allowing us to foster social development at home and around the world.*

Education, health, inclusion, and society are at the heart of our commitment. Many international STIHL companies promote good vocational training and better educational opportunities by working with schools, universities, and other organizations. Wherever possible, we support the communities in which we have locations, as well as their local projects.

Some examples of STIHL's commitment:

## **EARTHQUAKE RELIEF FOR TURKEY**

The severe earthquake in the Turkish–Syrian border region in early February 2023 triggered an international wave of solidarity. And we did not idly stand by either. An employee campaign to help earthquake victims collected more than 50,000 euros in staff

donations. The company doubled that amount, donating half to the German relief agency Technisches Hilfswerk and half to the German chapter of Médecins Sans Frontières.

## **WATER PUMPS FOR UKRAINE**

The destruction of the Kakhovka dam in June 2023 was a tragic further escalation in the Russian war of aggression in Ukraine. The consequences for people and nature were immense, with villages being flooded and wide stretches of land devastated. The STIHL Group helped provide immediate relief right at the start of the disaster by delivering 120 units of our most powerful water pump, the WP 900, to the central warehouse for emergency personnel in Kyiv to support aid workers on the ground.

## **SUMMER CAMP FOR STAFF CHILDREN**

The STIHL plant in Qingdao, China, set up its first summer camp for the children of staff members in 2023. Forty-seven children from first to ninth grade had the opportunity to attend a two-day DIY camp and a two-day intelligent creation camp. The younger kids took part in hands-on activities at the DIY camp, such as cutting enamel wire, painting lamps, creating modeling clay, and baking cakes. Meanwhile, the older kids concentrated on training their cognitive abilities at the intelligent creation camp. The “Marshmallow Challenge” and the “Land Curling Competition” demonstrated the importance of goal-setting, time management, and situational communication. In classes on communication and critical thinking,

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the young students learned how to reflect on their approach to communication in their everyday lives at school and discovered how important independent thinking and considering the needs of others are.

**SUPPORTING PEOPLE IN NEED**

For ten years, STIHL Brazil has maintained partnerships with local waste picker cooperatives, where low-income people from socially and economically disadvantaged backgrounds work together to improve their financial situation by sorting waste and reselling it. In the reporting year alone, STIHL donated 900 metric tons of paper and plastic waste to cooperatives that support more than 120 families. Apart from a source of income, sorting and selling waste also makes a small contribution to establishing a functional circular economy with waste reduction and reuse.

**WORK FOR PEOPLE WITH DISABILITIES**

For more than 40 years, the STIHL magnesium diecasting plant in Weinsheim has been working with Westeifel Werke GmbH, a non-profit business run by the Bitburg, Daun, and Prüm chapters of the German disability advocacy organization Lebenshilfe. STIHL provides work for roughly 60 staff members with a disability at Westeifel Werke, such as assembly and sorting tasks. By doing so, the company helps people by giving them opportunities to lead a more independent life.

**PROMOTING JOB OPPORTUNITIES**

The STIHL chain plant in Wil, Switzerland, is involved in multiple programs to promote job opportunities. In close cooperation with HPV Uzwil-Flawil, an organization that provides special education services, STIHL provides work for the Buecherwäldli sheltered

workshop. Staff at the workshop perform some of the tasks at the HPV's own facilities, with others being performed at the STIHL plant. STIHL offers internships for trainees with learning disabilities at Brüggli, an organization dedicated to promoting integration. Apart from hiring Ukrainian refugees to fill permanent positions, our Swiss plant participates in Lift, a project that empowers high school graduates with academic challenges to enter the working world, and works with the city and the regional employment center in Wil to help unemployed individuals find new jobs. In addition, we have established a partnership with a secondary school for girls to encourage future female apprentices to enter technical professions.

**RUNNING FOR A GOOD CAUSE**

In the reporting year, our distribution center in Dieburg organized a charity run to benefit the nonprofit organization Nieder-Ramstädter Diakonie. Some 100 employees signed up – almost one-third of the workforce. For every kilometer they ran, participants collected money for a residential project for people with disabilities in Dieburg. All in all, the runners earned several thousand euros. The distribution center also reached a multiyear donation agreement with Deutsche Lebens-Rettungs-Gesellschaft (DLRG), the world's largest volunteer lifesaving association.

**LETTING YOUNG PEOPLE GROW**

STIHL Brazil supports the care and maintenance of Rio de Janeiro's botanical garden. In addition, the company works with the organization as part of the Pró Florescer project, which is aimed at young people between the ages of 16 and 18 from a disadvantaged background. They receive training in horticulture, environmental monitoring, or office administration, helping prepare them for a professional career. Along with training material, they receive a scholarship, clothing, and lunch.



# ADDITIONAL DISCLOSURES

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