



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. Products are distributed through authorized servicing dealers and STIHL's own online shops, which will be expanded internationally in the coming years. The STIHL Group's sales network consists of 44 sales and marketing companies, around 120 importers, and more than 52,000 independent, authorized dealers. STIHL produces in eight countries: Germany, Switzerland, Austria, Romania, Brazil, the United States, 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.

5.33

BILLION EUROS IN REVENUE worldwide in fiscal year 2024

19,732
EMPLOYEES Group-wide

as of late 2024

160
countries
people can buy STIHL

ABOUT THIS REPORT

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You are reading the fourth STIHL Sustainability Report. We have prepared the report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) for the period from January 1, 2024, to December 31, 2024. It outlines STIHL's sustainability strategy, targets, and activities in the past fiscal year. We use a different scope of consolidation for the Sustainability Report than for our Annual Report: Unless otherwise stated, all information refers to the operational STIHL locations in Germany (STIHL Group founding company, ANDREAS STIHL AG & Co. KG with eight locations in Waiblingen, Fellbach, Ludwigsburg, Weinsheim, and Wiechs am Randen, and STIHL Vertriebszentrale AG & Co. KG in Dieburg), the international STIHL production companies in the U.S., Brazil, Austria, China, and Switzerland, and the ZAMA Group with subsidiaries in China, Hong Kong, Japan, the United States, and the Philippines. The report does not include STIHL's international distribution companies, the U.S.-based company CS COSMOS STIHL Manufacturing Inc., the garden equipment manufacturer Mogatec GmbH, in which STIHL acquired a majority stake in 2023, or the production company in Oradea. Romania. which was founded in 2022 and will commence operations in 2025. We will include these companies in future reports in accordance with legal requirements.

The Sustainability Report was published online in May 2025 at SustainabilityReport.stihl.com/2024 and is available in German and English. In the event of discrepancies between the two language versions, the German version takes precedence. The information provided has not been audited externally.

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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The STIHL Sustainability Report 2024 is also available online.

LEARN MORE AT

SUSTAINABILITYREPORT.STIHL.COM/2024



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











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DEAR READERS,

Sustainability is one of the principles guiding STIHL's actions, even in difficult times. As we navigate economic crises, wars, and political, social, and economic uncertainty, these principles hold true for us as an entrepreneurial family: acting for tomorrow. We confront the challenges of today. But above all, we shape change based on our forward-looking vision, the same mindset that has defined STIHL for almost 100 years. We assume long-term responsibility for the environment with and in

which STIHL has prospered. For our employees and society. And of course for the economic development of STIHL. All of this is sustainable in the best sense of the word. Find out how STIHL delivers on this commitment in our fourth Sustainability Report.

SELINA STIHL
Deputy Chair of the
Advisory Board

DR. NIKOLAS STIHL Chairman of the Advisory Board KAREN TEBAR
Deputy Chair of the
Advisory Board



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STIHL AG EXECUTIVE BOARD

Dear Readers,

The past fiscal year was challenging for STIHL in many respects. Global crises such as wars, economic downturns in key markets, and climate change have become more persistent. Other trends have gained momentum and are affecting us not only, but above all, in Germany, including high costs for raw materials, energy, and bureaucratic requirements. For STIHL, these costs are a tangible competitive disadvantage. Added to this is the accelerated technological transformation in both the battery and combustion engine sectors, which has necessitated rapid adjustment. Despite these challenges, we still managed to achieve positive results: At 5.33 billion euros, revenue increased by 1.12 percent on the previous year (5.3 billion euros).

Despite all uncertainty, our unwavering commitment to and pursuit of sustainability across ecological, social, and economic dimensions endures. We are systematically integrating our 2021 sustainability strategy into every aspect of our daily operations. Thanks to the commitment of employees across the Group, we were able to make significant progress in our three focal areas: ecosystems, circularity, and care, last year. STIHL has taken an initial step toward having its emission reduction targets scientifically validated by signing the Science Based Targets initiative (SBTi) commitment letter. We aim to contribute to limiting global warming in accordance with the Paris Climate Agreement on the basis of transparent, verifiable actions and quantifiable targets. As one of many measures in the focal area of circularity, we have continued



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research and development on options for circular product design. In the focal area of care, which addresses people and corporate governance at STIHL, we have continued to work on initiatives such as diversity. These and many other examples that demonstrate how sustainability is embedded both strategically and operationally at STIHL are explored in more detail in the subsequent sections of this report.

At the same time, this STIHL Sustainability Report will most likely be the last in this format. From the fiscal

year 2025 onwards, our Group will be subject to the EU Corporate Sustainability Reporting Directive (CSRD), which aims to standardize the disclosure of key sustainability performance indicators in management reports. Although there is still no legal certainty regarding this new regulation, STIHL has set up a team to ensure that we will meet our CSRD obligations. In addition to the CSRD report, we will continue to report on sustainability. We will continue to provide you with insightful updates on our initiatives, and in the meantime, we hope you find this report informative and engaging.

Sule his

MICHAEL TRAUB
Chairman of the Executive Board

INGRID JÄGERING

Executive Board Member for Finance and Information Technology

Jula Stela Duit

ANKE KLEINSCHMIT
Executive Board Member for
Research and Development

DR. MICHAEL PROCHASKA
Executive Board Member for
Human Resources and Legal Affairs

MARTIN SCHWARZ
Executive Board Member for
Manufacturing and Materials



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PROCHASKA
Human Resources
and Legal Affairs

INGRID JÄGERING Finance and Information Technolog MICHAEL TRAUB Chairman of the Executive Board ANKE KLEINSCHMIT Research and Development MARTIN SCHWAR: Manufacturing and



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»The CSRD will transform STIHL's sustainability reporting scope and methodology. But one thing remains unchanged: We will maintain transparent and clear communication about our progress toward sustainable transformation.«

DR. MICHAEL PROCHASKA **Executive Board Member** for Human Resources and Legal Affairs



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LOCAL ROOTS, GLOBAL GROWTH

Our roots empower us to grow. In the almost 100 years since it was founded, STIHL has gone from a family business in Württemberg to a global market leader. Our actions are centered around people and the environment, and their power to grow. This has been our purpose since the very beginning – and so it will remain.

The STIHL Group is one of the world's leading manufacturers of chainsaws and outdoor power equipment. We have been the world's top-selling chainsaw brand since 1971. Andreas Stihl founded his company in Cannstatt, Baden-Württemberg, in 1926 – today our production and sales locations span the entire globe.

Our manufacturing is organized in a production network with legally independent plants in eight countries. The respective companies are independently responsible for manufacturing cast magnesium components, saw chains, carburetors, and other components, as well as finished goods.

Our area of activity

STIHL develops, manufactures, and distributes power tools for forestry and agriculture, landscape maintenance, the construction industry, and all gardening enthusiasts. Chainsaws are the products we are best known for. Our core technological expertise also includes brushcutters, hedge trimmers, blowers, mistblowers, cleaning systems, cut-off machines, earth augers, lawn mowers, and robotic mowers.

We have been a market pioneer in the development of battery-powered tools since 2009. While we continue to operate our combustion-engine device business and constantly advance its environmental performance, battery technology represents our primary engine for business 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 2024, this figure was 25 percent – a slight increase on 2023 (23.6 percent). In Germany, we have been selling more battery-powered tools than gasoline-powered ones since 2020. Our battery strategy is also crucial for key decisions concerning production sites. Since the reporting year, we have also manufacturing professional battery-powered tools at our founding company in Waiblingen. In addition, our new plant for battery-operated and electric tools in Romania is scheduled to start production in 2025.



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The STIHL portfolio 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

Sustainability has been at the heart of our family-owned business since day one. STIHL focuses 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 and employees, the environment, and society. Our core values have always included a strong sense of responsibility toward the environment and all people who come into contact with STIHL – whether as employees, customers, business partners, or interested citizens. All of those things together ensure our long-term success.

STIHL's equity ratio is around 69 percent. We can generally finance investments without the need for borrowing, allowing us to preserve our independence. Based on the ongoing vertical expansion of our value chain, we aim to strengthen our competitive position and ensure our resilience during crises.

COOPERATION WITH START-UPS

We aim to systematically build on our Group's core capabilities. To achieve this, our strategy incorporates sustainability-focused collaborations with innovative start-ups. Our corporate venture unit STIHL Ventures GmbH invests in and collaborates with young companies that help us to develop or expand sustainable products and services. In addition to start-ups, STIHL Ventures maintains close dialog with other investors and partners such as the Swiss venture capital investor Emerald Ventures. Through regular exchanges with Emerald's team of experts, we learn about the latest trends, developments, and opportunities in sustainable industrial transformation that we can either tap into for ourselves or financially support. Another cooperation took place in 2024 with refurbed.at, an Austrian online marketplace for refurbished products. An interview discussing the cooperation can be found on page 34.



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Fiscal year 2024

The first half of 2024 proved to be particularly challenging. Both sales and revenue were significantly lower than expected. However, despite a difficult start, we ended the second half of the year ahead of target and with a slight increase in revenue. More than 19,700 employees helped us achieve revenue of 5.33 billion euros (previous year: 5.3 billion euros) – an increase of 1.12 percent.



FOR DETAILS ABOUT THE FISCAL YEAR, PLEASE CONSULT OUR ANNUAL REPORT

Corporate structure and governance

One of the principles of good corporate governance at STIHL is to assume responsibility and act sustainably. All STIHL companies are united under the umbrella of STIHL Holding AG & Co. KG. Since 2002, the Group's business operations have been overseen by an independent Executive Board. In September 2024, Sarah Gewert, Executive Board member for Marketing and Sales, left the company. The Chairman of the Executive Board, Michael Traub, will take over her duties on a permanent basis. The Executive Board now consists of five members. The responsibilities of the individual members are defined in the rules of procedure and bylaws of the Executive Board. The Executive Board is appointed by the Supervisory Board of STIHL AG.

The Advisory Board of STIHL Holding AG & Co. KG decides on the strategic direction of the Group. The Advisory Board consists of eight members, including three shareholders from the family and five external representatives appointed by the shareholders. The Supervisory Board of STIHL AG has twelve members and its tasks are defined by law. Pursuant to German codetermination statutes, the Supervisory Board consists of six shareholder representatives and six employee representatives. The Annual General Meeting of STIHL AG elects the six shareholder representatives as proposed by the shareholders. 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.



THE COMPOSITION OF THE BOARDS CAN BE VIEWED ON OUR CORPORATE WEBSITE

When selecting representatives for the boards, the shareholders mainly look at whether candidates have outstanding qualifications. The external representatives advise the Group with expertise, experience, and know-how gained outside the STIHL Group. There are no cross-shareholdings with suppliers. Likewise, all transactions between members of the Advisory Board and Supervisory Board, as well as related persons or companies, are conducted at arm's length.



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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 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 management systems that the STIHL Group employs 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 Group. They also annually review and adjust the risk areas to identify, assess, and address potential new risks at an early stage. Such risks include ones associated with IT security or resulting from climate change. To this end, the STIHL Group relies on globally standardized assessment principles and processes that are laid out in corresponding guidelines and directives.

In organizational terms, the Internal Audit department coordinates the STIHL Group's risk management system. It reports directly to the Chairman of the Executive Board. Risk management is the responsibility of the Executive Board and related findings are regularly communicated to a defined group of shareholders. 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 applies to all STIHL employees within the Group as well as business partners. The fundamental values that guide our actions are integrity, legal compliance, and fairness. We are committed to complying with the laws of the countries in which we operate.

STIHL takes a firm stance against corruption and bribery. Our values are set out in our **SCODE OF CONDUCT**. The code of conduct provides guidelines for our employees both within the Group and in dealings with business partners. The **SCODE OF CONDUCT FOR SUPPLIERS** defines requirements for suppliers and STIHL's expectations of them.

In addition, STIHL's internal directives are designed to avoid compliance violations by stating how employees should behave in accordance with the applicable laws and regulations. A key objective is to prevent corruption and conflicts of interest and to avoid breaches of antitrust law. We continuously monitor legislative



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processes to stay informed about relevant new requirements. We also discuss these matters with external experts, including experts from industry associations. STIHL employees receive regular compliance training relevant to their roles. Organizationally, we minimize the risk of corruption through the separation of functions, approval procedures, and the dual control principle.

All operational compliance issues are coordinated by the Group Compliance Officer, who is the first point of contact for compliance issues and reports to the Executive Board member for Human Resources and Legal Affairs. The Group Compliance Officer and the Group Compliance department work closely with the Internal Audit, Risk Management, and Legal departments as well as the local compliance contacts at all STIHL companies.

We keep developing our compliance management system in terms of prevention, early detection, and response. STIHL implemented additional standardization of its internal policies in 2024, alongside other initiatives. A functional Group Compliance Standard now sets out and formalizes the structure for global collaboration between the founding company and its affiliated entities. A Group standard to combat corruption is also in the works and is intended to replace the existing guidelines and local standards. We have also further developed the tool-based business partner check with regard to combating corruption.

One key underlying requirement for compliance management is effective risk management. In accordance with the requirements of the German Act on Corporate Due Diligence in Supply Chains (LkSG), STIHL continuously analyzed human rights and environmental risks during the reporting period. The risk analysis covered the STIHL Group's own business area (defined in the LkSG) as well as the business of direct suppliers. In 2024, the German Federal Office for Economic Affairs and Export Control (BAFA) also reviewed the implementation of the LkSG at STIHL as part of various requests for information. Due to the update of the DICO (German Institute for Compliance) risk catalog in 2024, we are also reviewing the relevance analysis we carried out previously.

The code of conduct for employees developed in 2022, which is based on the principles of the International Labour Organization (ILO), a specialist agency of the United Nations, was supplemented in 2024 by a Dutch language version. As a result, the code is now available to all employees in seven language versions.

Alongside anti-corruption policies and antitrust law, the code of conduct is a focal point of our compliance training. In the reporting year, we launched a mandatory, target group-specific e-learning course on the code of conduct. With a few exceptions, it has been rolled out across the entire Group. In addition to the aforementioned focal points, the code of conduct also addresses human



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rights. In a bid to maximize learning success, the e-learning course involves practical case studies, decision-making aids, and a quiz at the end. A video message from the Executive Board member for Human Resources and Legal Affairs reinforces compliance as a top priority at STIHL.

As a further precautionary measure, STIHL has set up a whistle-blower system, giving employees, business partners, and third parties alike the opportunity to report suspected compliance violations, anonymously if preferred. All information received is reviewed confidentially by STIHL in a defined process so that suitable measures can be taken to remedy the situation if necessary. STIHL does not tolerate any discrimination or penalization of any person who submits a report in good faith.

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, which was voluntarily waived by STIHL while proceedings were still ongoing. The authorities believe that the clause in question violated antitrust law. At the end of August 2024, the Düsseldorf Higher Regional Court overturned the corresponding decision by the Bundeskartellamt. The Bundeskartellamt has lodged an appeal against this decision with the Bundesgerichtshof, the Federal Court of Justice. A decision is not expected until mid-2025 at the earliest.

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 Federal Association of the German Foundry Industry (Düsseldorf, Germany)
- CCI Chamber of Commerce and Industry for the Stuttgart Region (Germany)
- DGFP German Association for Human Resource Management (Berlin, 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 Garden Industry Association (Düsseldorf, Germany)
- OPEI Outdoor Power Equipment Institute (Alexandria, USA)
- Südwestmetall Metal and electrical industry employer association (Stuttgart, Germany)
- UVSH South Hesse Association of Entrepreneurs (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 has been at the core of our actions since STIHL was founded. With its focus on the environment, people, and companies, sustainability provides us with reliable guidance even in uncertain times. To maintain our focus on all these aspects, STIHL promotes sustainability both at the strategic level and in day-to-day business operations.

The violence in the Middle East and Ukraine continued to dominate the headlines in 2024, as did the intensified reporting on the U.S. election and the political upheavals in Germany following the collapse of the "traffic light" coalition. However, these issues cannot mask the challenges posed by climate change: The extreme weather events of 2024 have underscored both the imminent threat we face and the critical need to strengthen climate protection measures. We all have a role to play, from political decision-makers to citizens and companies. 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 all over the world, 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 on a broader scale.

To ensure a structured and strategic approach, we appointed a Sustainability Officer at the start of the process. To guide our sustainability efforts, STIHL has created a specialized steering group and developed a basis consisting of a materiality analysis and Group-wide sustainability targets. This has given the corporate strategy a clear direction and the entire Group clarity on the issues we want to work on. The Group Sustainability Standard defines the global collaboration between the founding company and its affiliated entities. 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.



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Material topics

The strategy is intended to prioritize and push sustainability activities at STIHL. The bottom line is that we want to make a measurable contribution to achieving the United Nations Sustainable Development Goals (SDGs).

Three aspects are critical in this regard. STIHL aims to contribute where our expertise and influence can make a difference. There are also topics with which we position ourselves in the public eye. We are also meeting 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 is expected to become binding for us in fiscal year 2025. The sustainability strategy is a key component of our corporate strategy as it aligns STIHL with a more sustainable future. We developed the strategy with internal and external stakeholders. It was then discussed by the Executive Board in October 2021 and subsequently passed by the Advisory Board in December of the same year.

PLEASE CONSULT THE SUSTAINABILITY REPORT 2021 TO LEARN MORE ABOUT THE MATERIALITY ANALYSIS PROCESS

MATERIALITY MATRIX



ECOSYSTEMS

- Climate change mitigation
- Climate change adaptation
- Biodiversity and protecting ecosystems
- Water use and conservation

CIRCULARITY

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

CARE

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

OUTSIDE-IN PERSPECTIVE (RELEVANCE FOR STIHL'S BUSINESS)



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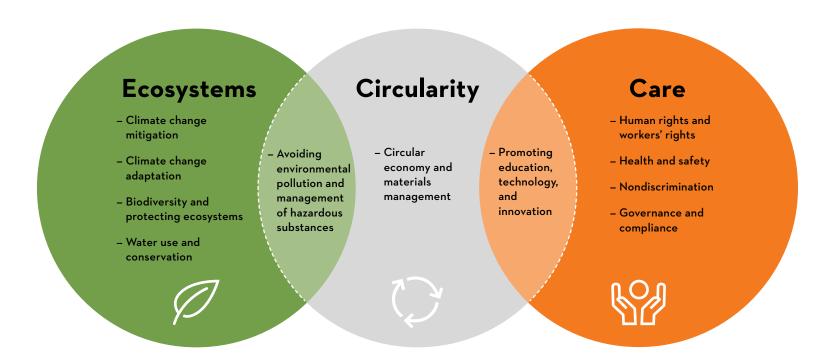
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Our focal areas each correspond to two SDGs: Ecosystems corresponds to SDG 13 (climate action) and SDG 15 (life on land), circularity corresponds to SDG 12 (responsible consumption and production) and SDG 9 (industry, innovation, and infrastructure),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

In 2024, we carried out a double materiality analysis in preparation for the CSRD. The findings from the analysis are in line with the topic priorities we set out in 2021, which were derived from our first double materiality analysis.

STRATEGIC FOCAL AREAS



COORDINATION

STIHL GROUP

COMPANIES

WITH



STIHL GROUP **AND STRATEGY**

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Sustainability management

The Sustainability Officer operates within the remit of the Executive Board member for Human Resources and Legal Affairs, and advises the entire Executive Board and Advisory Board on all strategically relevant sustainability subjects 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.

The Sustainability Officer and the sustainability steering group work together to implement the strategic focal areas in our operations. The Sustainability Officer is the technical head of the sustainability steering group, which meets four times a year, prepares Executive Board decisions, and offers recommendations. The steering group provides information, 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 sustainability 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. In 2024, we also defined a sustainability structure for the entire STIHL Group, which was set out in a functional Group standard. The steering group is now supplemented by an ESG Committee. While the steering group decides on strategy-relevant sustainability topics, the committee addresses new issues.

STIHL GROUP SUSTAINABILITY ORGANIZATION

EXECUTIVE BOARD AND ADVISORY BOARD

EXECUTIVE BOARD SPONSORS

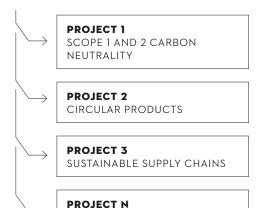
Executive Board member, Human Resources and Legal Affairs, and Executive Board member, Manufacturing and Materials

SUSTAINABILITY STEERING GROUP

Head: Vice President Sustainability

GROUP-WIDE INDIVIDUAL PROJECTS

Coordination: Vice President Sustainability





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In the reporting year, sustainability became more firmly established in STIHL's day-to-day business. Our goal is to ensure alignment from top-level strategic objectives to individual operating measures. STIHL follows the same logic as the CSRD. At STIHL, policy, metrics, goals, and actions are reflected in target statements, KPIs (key performance indicators), objectives, and measures/tracking. At the end of 2024, target statements were available for almost all of the topic modules we had identified, each setting out sustainability targets and measures. The target statements for the "biodiversity" and "sustainable process chemicals" topic modules are to be adopted at the beginning of 2025.

In 2024, STIHL continued numerous sustainability initiatives from previous years and launched new ones. We have taken a significant step by signing and submitting our commitment letter to the Science Based Targets initiative (SBTi). In 2025, our emission reduction targets will be independently scientifically validated by the SBTi.

We have taken various measures to achieve our goal of offsetting all STIHL-related emissions (Scope 1 and 2) by 2030: With the One SELMA project undertaken by STIHL Energy and Load Management, STIHL has introduced a Group-wide architecture for energy and load management, and the potential and necessary reduction measures are consolidated in a Group-wide list. We also continued to pursue our 2022 target of reducing the consumption of natural gas and oil across the company by 40% by 2030 compared to 2019 – as well as reforestation and carbon storage projects.

We plan to continue promoting e-mobility among our employees and make advancements in the field of sustainable materials. To this end, we have created a database to record the carbon footprints of materials and components. Our long-term ongoing initiatives include two technology platforms focused on maximizing product recyclability, alongside continued advancements in process chemicals.

We have also focused on the reporting obligations arising from the CSRD, the ESRS, the EU Taxonomy, and the Carbon Border Adjustment Mechanism (CBAM). To meet our extensive obligations under the CSRD, we have initiated a two-year project involving over 100 employees across more than 15 divisions at our founding company and international companies. We consistently track and ensure compliance with sustainability regulations. In this context, STIHL also addressed the EU Deforestation Regulation (EUDR) in 2024. The regulation was originally due to enter into force at the end of 2024. However, at the suggestion of the EU Commission, companies have now been granted a twelve-month deferral. If changes in the legal situation relevant to STIHL are foreseeable, the ESG committee familiarizes itself with the topic in question and identifies the right contacts within the Group.



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Sustainability targets

Our focal areas ecosystems, circularity, and care contain thematic modules, which we address by applying a standardized approach. We define the broad direction and set KPIs.



CLIMATE CHANGE MITIGATION	STATUS	PROGRESS
SINCE 2022 Carbon neutrality for Scope 1 and 2 emissions across all production companies	Achieved in 2022 through a combination of carbon offsets and carbon capture through agroforestry in partnership with Fairventures ② p. 44	0% 100%
SINCE 2023 Carbon neutrality for Scope 1 and 2 emissions across all sales companies	Achieved in 2023 through a combination of carbon offsets and carbon capture through agroforestry in partnership with Fairventures © p. 44	1 I 0% 100%
SINCE 2022 Development of reduction targets for Scope 3 emissions	Inventory launched in 2022, activated in 2023, and intensified in 2024 p. 42	0% 100%
BY 2030 Reduce fossil fuel consumption by 40% compared to 2019	Measures defined to exceed target • p. 43	0% 100%
SINCE 2022 Development of a product carbon footprint	In progress p. 42	0% 100%







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BIODIVERSITY AND PROTECTING ECOSYSTEMS

Roll-out of the biodiversity concept for specific customer groups	Construction of the first prototypes, training for key account managers and dealers, follow-up projects in preliminary stages ① p. 37	0% 100%
Development of a concept for tangible biodiversity in the production plant	First implementation measures initiated • p. 37	0% 100%



Potential analysis for increasing the

percentage of secondary raw materials

CIRCULAR ECONOMY AND

2023

MATERIALS MANAGEMENT	STATUS	PROGRESS
BY 2024 Feasibility study and foundational development project for products optimized for the circular economy	Completion of two prototypes (i) p. 32	0% 100%

In progress

() p. 33



100%





AVOIDING ENVIRONMENTAL POLLUTION AND MANAGEMENT OF HAZARDOUS SUBSTANCES

BY 2024 Development of a strategy for environmentally critical raw materials	Project completed and transferred to follow-up activities • p. 54	0%	100%
BY 2025 Action plan for avoiding hazardous process chemicals	In progress p. 39	0%	100%
FROM 2022 Reduction of plastic packaging and carbon emissions	Introduction and implementation of new packaging p. 40	0%	100%



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HEALTH AND SAFETY STATUS PROGRESS

2022

Reviewing measures to further reduce the accident rate per 1 million hours worked

Occupational safety campaign ended

(D) p. 69



100%



NONDISCRIMINATION

2022

Defining measures and targets for more transparency and strengthening diversity and inclusion in the workforce

Roadmap for the next steps completed, milestones have been defined

(S) p. 63

HUMAN RIGHTS AND WORKERS' RIGHTS

FROM 2022

Supplier management in accordance with the German Act on Corporate Due Diligence in Supply Chains (LkSG)

Continuous monitoring of further legal requirements

① p. 55

GOVERNANCE AND COMPLIANCE

Incorporating sustainability criteria into all key decision processes	Ongoing process	
Monitor legal requirements, for example relating to the Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy, Batteries Regulation	Ongoing process	



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In dialog with stakeholders

The interests of STIHL stakeholders were incorporated into the development of the sustainability strategy based on surveys, workshops, and stakeholders' publicly known positions, among other things. We maintain an ongoing dialog on sustainability issues with our customers, the scientific community, local authorities, and financial institutions.

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 use a variety of communication tools for ongoing stakeholder dialog. For employees, these tools include internal channels such as the intranet, company meetings, video messages, notices, performance reviews, employee surveys, and the in-house suggestion system. We communicate with private and commercial customers, as well as authorized dealers, via surveys, trade fairs, congresses, the customer service team, our hotline, social media, and our website. By participating in book projects and publications, we engage in discussions with interested members of the public. In the event of construction projects, we hold roundtable discussions with local residents. Suppliers are consulted through face-to-face meetings, negotiations, self-assessments, and audits. Project partnerships are the method of choice for government authorities, while the research community is involved through targeted cooperative efforts with universities and collaboration on projects. We work with nongovernmental organizations on projects at local and regional level and support them in their activities. Proactive press relations as well as our website and its dialog options create communication channels to the media and the broader interested public. We encourage communication and feedback, and continue to grow on the basis of good suggestions.



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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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THINKING FURTHER, GOING FURTHER



STIHL has been a technology leader for almost 100 years. An accolade that is also our mission and incentive for the future. Our products are innovative, durable, and of the highest quality. Developed to make it easier for people to work in and with nature.

Company founder Andreas Stihl was primarily driven by his customers' needs, which is why he never stopped enhancing STIHL products and launching new tools. In 1959, he revolutionized forestry work with the STIHL Contra, the first gearless gasoline-powered chainsaw. The technical foundations of the Contra have endured and are constantly being optimized with innovations: Whether in the first anti-vibration system from 1965, fuel-saving intelligent engine management, exhaust gas reduction technolo-

gies, the weight-saving magnesium piston, fuel injection, or the battery drive - performance, durability, service, working comfort, and safety as well as environmental protection remain the principles behind all STIHL products. Through innovation, we are working to cement our market leadership.

Our customers have high standards when it comes to STIHL. We deliver on them with our high level of vertical integration, which we intend to strategically expand further. This approach ensures our complete mastery of our technologies and products. Our suppliers are committed to the same product standards that we have in place at STIHL. Only together can we guarantee our well-established premium quality. The guiding principle behind our international and interdisciplinary development team is to optimally unite performance, durability, and ergonomics in our products. As a result, STIHL products not only meet the regulations and standards for safety, exhaust emissions, and noise, for example – in many cases they go far beyond.



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PRODUCT INNOVATIONS





SHA 140

In the reporting year, STIHL launched the SHA 140: the first STIHL battery-operated professional vacuum shredder, which outperforms the most powerful gasoline-powered model in the STIHL range. It allows professional users to quickly and easily collect and shred leaves, green waste, and dirt. Its performance, low noise levels, and locally emission-free drive make it the ideal tool for professional use in public spaces.





HTA 150

The HTA 150 is STIHL's first cordless pole pruner specifically designed for forestry maintenance work, offering exceptional ergonomics: The HTA 150 features a short, exceptionally lightweight rigid shaft with a hollow tube. When combined with the STIHL ADVANCE X-TREEm HT forestry harness, it enables efficient and low-fatigue young stand tending from a standing position.





AutoCut C12-2 mowing head

The AutoCut C 12-2 mowing head with rapid click system was presented with an award by the German Federal Association for Gardening, Landscaping, and Sports Field Construction at the GaLaBau trade fair in Nuremberg. Thanks to the innovative quick-change system, mowing heads can be removed and replaced without tools, with no more than a click. When working with brushcutters, mowing heads can be replaced quickly and easily and wound by hand from an upright position.

Quality

STIHL products are characterized by their durability, reliability, ease of use, high-quality workmanship, and repairability. These aspects are fundamental to how we view ourselves in relation to our products.

We lay the foundation for STIHL quality right from the product development stage: Testing techniques - many developed in-house - are central to how we ensure quality, reduce errors, and continuously improve. These include the endurance testing facilities that STIHL operates at the development center in Waiblingen and in São Leopoldo, Brazil: A wide variety of tool classes are



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tested at these sites around the clock. Each model undergoes a detailed test plan, controlled by our specially developed test program. The software simulates typical types of practical use. The resulting data helps us to ensure that our tools work smoothly and reliably. In addition to endurance testing, we conduct a variety of other procedures, including vibration and noise tests as well as material, fuel, and lubricant tests.

For STIHL, quality means ensuring that all components work together seamlessly to provide the greatest value to our customers. To ensure this, we traditionally rely on a high level of vertical integration. Our quality management system ensures that top quality is achieved consistently. We pursue a comprehensive quality assurance strategy in production and materials management. Throughout our manufacturing facilities, we utilize various testing and guality control methods, including production line cameras that verify proper component assembly.

In line with the circular economy, repairability is also one of the key principles of every new development. Customers can obtain spare parts from STIHL dealers or the online store - even after a series has been discontinued, they are available for at least another ten years. With this approach, we consistently adhere to the EU Right to Repair Directive, which entered into force in July 2024 and must be transposed into national law by June 2026. In 2022, we adopted a Group standard that created a common understanding of the right to repair throughout the Group. At the same time, we want to protect consumers from illegal or improper manipulation of parts that are essential to a product's environmental and/or safety performance. Our standard therefore also determines which repair work

should be left to authorized dealers. Our more than 52,000 authorized dealers worldwide assure the maintenance and - if necessary - repair of all STIHL equipment.

Our digital solutions, such as the STIHL connected app, continue to improve service and support for our customers: For example, the app allows professional users to keep track of the condition of their tools and notifies them in advance of upcoming maintenance. Service appointments can be arranged with dealers on the app and service-related tool data can be transmitted in advance, meaning the tool will be back in working order in next to no time.

The importance we attach to quality is also reflected in the fact that STIHL has defined it as a corporate objective and measures it in key figures. We analyze how figures on quality develop and introduce improvements as necessary. This is further supported by our systematic approach to obtaining customer feedback.



STIHL products are designed to LAST.



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

SPARE PARTS are



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



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Research and development

STIHL know-how is crucial for ensuring reliable quality and innovation. To secure know-how, we consistently expand our expertise in research and development (R&D) activities. Today, more than 1,300 engineers and technicians from various disciplines worldwide optimize existing products and develop new ones. In recent years, we have been building up expertise, particularly in the fields of digitalization, robotics, sensor technology, and artificial intelligence.

Our global positioning ensures that R&D takes into account the requirements and conditions of local markets and our production plants. To this end, we regularly obtain feedback from engineers at our international production companies. This is how we ensure that a STIHL product is suitable for the planned sales markets and that we can also manufacture it.

The Executive Board member for Research and Development at the founding company has overall responsibility for R&D. The founding company is also home to the Central Product Development department. All the departments involved must meet the strict guidelines of the STIHL product development process, which are defined in our internal directives.

STIHL held more than 2,500 patents and patent applications in the reporting year, protecting more than 800 separate inventions. Many of these strengthen our commitment to sustainability. We use an automated patent analysis tool to assign patents to the United Nations Sustainable Development Goals (SDGs). The majority of the 220 relevant inventions serve to reduce emissions and therefore contribute to SDG 13 (climate action) and SDG 9 (industry, innovation, and infrastructure). Our R&D activities as a whole also contribute to SDG 9, specifically its subgoal "Enhance scientific research and upgrade technological capabilities."

The special fuel MotoMix Eco, which was further developed in the reporting year, underlines our ambitions in terms of sustainability: The ethanol-free alkylate fuel MotoMix Eco 20 contains 20 percent biogenic raw materials. Compared to an EO fuel according to EN228, it achieves 25 percent lower carbon emissions. In addition, half of the canister is made from recycled material. MotoMix Eco 20 is expected to be available in the first quarter of 2025 and will replace MotoMix Eco.

Drivers of innovation

Strict exhaust and emission regulations for combustion engines are driving our innovation work on gasoline-powered STIHL machines. At the same time, we are reinforcing our commitment in the rechargeable battery segment. Since the beginning of the reporting year, the limits for hydrocarbons (HC) and nitrogen oxides (NOx) for certain products in the U.S. state of California have been 0 grams per kilowatt hour. For STIHL, these regulatory decisions fuel our two-pronged approach to R&D: We are constantly optimizing our combustion engines, for example for the use of CO_2e^* fuels, so that we can secure our market leadership in gasoline-powered tools. At the same time, we are constantly expanding our battery expertise to continuously increase the sales share of our battery-powered tools.

In the search for the best solutions, STIHL also works closely with external experts, for example at universities. In addition, some STIHL employees hold teaching posts at various universities, and a large number of student employees regularly support the company by working on innovative research topics.

^{*} CO₂e (CO₂ 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 (CO₂).



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Expertise in digitalization and electronics

STIHL recognized the opportunities offered by digitalization years ago. In 2022, we also underscored its importance throughout our organization and made hardware digitalization part of our development focus, improving processes and creating synergies as a result. Analyzing more production data ("big data") allows us to control production more efficiently. Operating data also provides us with valuable insights into where we can further improve the design of a product. When it comes to software and apps, on the other hand, we are primarily building up expertise to make our devices even more user-friendly.

We supplement our data expertise with electronics expertise. STIHL invests in robotics, sensor technology, artificial intelligence, and other fields with the aim of offering customers complete solutions for their applications. Our state-of-the-art center of excellence for battery and drive technology is located at the founding company in Waiblingen. A few years ago, we also further 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 one of the three focal areas of the STIHL sustainability strategy. A circular economy is geared toward consuming as few primary resources as possible and minimizing waste. We adhere to the 5 Rs: reduce, reuse, repair, refurbish, and recycle.

Efficient, resource-conserving use of materials is a guiding principle in STIHL production. Our quality standards also conserve resources, as they make our tools durable and repairable. Reusing or refurbishing products multiple times also contributes to a functioning circular economy. In 2025, STIHL will also launch a leasing service in Germany for the first time. In cooperation with financial institutions, we will offer our professional customers a complete leasing and product service package. This model will then be extended to other markets.

Devices or tools no longer fit for use can be recycled as a final step. We facilitate the recycling of our battery packs through our partnership with a specialized service provider, allowing our customers to return used batteries to designated drop-off points. In April 2024, STIHL Inc. in the United States, together with five other garden tool manufacturers, launched the first nationwide take-back and recycling program for high-performance lithium-ion batteries. Prior to this program, many batteries could only be returned to municipal recycling centers or regional providers. The HIGH ENERGY BATTERY RECYCLING PROGRAM, part of the industry initiative Call2Recycle, closes this gap.

We aim to make our processes and products increasingly recyclable. In a foundational development project, we have been building two technology platforms since the end of 2022, which have been optimized with regard to the intended circularity. In addition, we have further developed the metrics for recording circularity criteria as part of foundational development projects.



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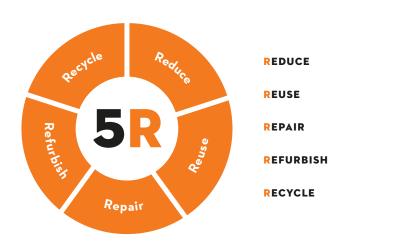
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IN LINE WITH THE GOAL OF A SUSTAINABLE CIRCULAR ECONOMY, WE FOLLOW THE 5 RS:



In 2024, we also continued our analysis of the potential for increasing the proportion of secondary raw materials in our products. We have evaluated various commercially available solutions as well as our own approaches to closed-loop recycling. We are currently examining follow-up projects.

As part of another project on the GHG accounting of our product-related emissions (product carbon footprint; PCF), we are working with other companies, NGOs, and research institutions to develop a proposal for creating a PCF specifically for our products. This involves creating specific product category rules for the products relevant to us and resolving certain conflicting objectives in our accounting.

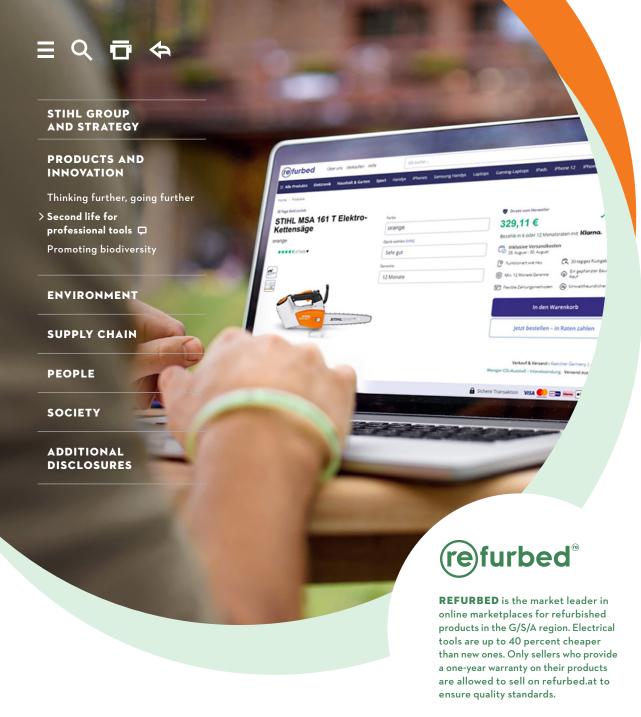
Product safety

We want our customers to be able to work safely and efficiently with our tools. Our product development is guided by rigorous adherence to technical standards and legal requirements, with designs that consistently incorporate state-of-the-art technology. STIHL often goes one step further: We are committed to offering our customers products that provide the best combination of safety and functionality. STIHL addresses this challenge with close interdisciplinary coordination during development, series production, and subsequent customer support.

STIHL provides comprehensive and easy-to-understand instruction manuals with every product. The information provided enables users to use their product safely at all times. STIHL also offers additional information for working safely with and in nature through various other channels. If customers have any unanswered questions, they can contact our global customer support team or authorized dealer network at any time to receive expert advice.

Continuously advancing our safety standards forms an integral part of our identity. In light of this commitment, STIHL is actively working on safety standardization in the working groups of global standardization organizations such as the ISO, ANSI, CSA, and IEC. This allows us to share our knowledge worldwide, including contributing our own findings on the strength of guards and handles as well as on electronic circuits and sensors to international standards.

As a technology leader, we take great pride in the countless innovations we have produced, especially in the field of customer safety. To ensure that our customers are fully on board with our safety philosophy, authorized dealers provide product instruction and safety training. Customers can also take advantage of this through our online sales channels.



SECOND LIFE FOR PROFESSIONAL TOOLS

STIHL is testing a sustainable idea in the "Refurbished" project: How about reselling used professional tools to private users on an online platform? And how would refurbished STIHL products with signs of use be received by gardening fans? Strategic Designer Cornelia Wintergerst, who heads the New Business project at STIHL. has the answers.

"Refurbished" means restored to a "like-new" condition. What is behind the STIHL project of the same name?

CORNELIA WINTERGERST With "Refurbished," we are testing how we can tap into the circular economy megatrend with tools for forestry, garden, and landscape maintenance. We wanted to find out if there is a market for used and reconditioned STIHL products.

How was the test designed?

CORNELIA WINTERGERST We kicked things off by exploring the market in detail. Figures show that consumers today are much more sustainability-conscious. Platforms for refurbished products are becoming ever more popular - we're still just scratching the surface of market potential. But why do people buy used tools? We conducted interviews with about 40 customers to gather firsthand insights.



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And what are the purchase incentives?

CORNELIA WINTERGERST Refurbished products' main selling point is their price. But people are also aware of sustainability: After all, I am making a sustainable decision when I give a STIHL tool a second life. At the same time, we learned from the interviews that a brand's quality promise is also very important for refurbished tools.

In the summer of 2024, STIHL used the refurbed at platform to sell used tools and test the waters. How did that work in detail?

cornelia wintergerst We bought up 120 used professional tools from the market – from chainsaws and clearing saws to hedge trimmers, pole pruners, and lawn mowers – and refurbished them in the workshop of our servicing center in Austria. Many of them were in a pretty interesting state, sometimes only single parts came back in the box. The team took the tools apart, cleaned them, checked them, and – if necessary – repaired them. They were then reassembled, repackaged, and shipped.

How was the response?

CORNELIA WINTERGERST We were surprised to learn that the tools were sold right from the very first day throughout the threemonth test period. And that was achieved without any marketing! Around 90 percent of them went to private customers – a completely new target group for professional tools.

You interviewed buyers. Weren't people concerned that the tools were clearly secondhand?

CORNELIA WINTERGERST We asked ourselves the same question beforehand. More than 50 percent of the tools had visible scratches. The great thing was: That didn't bother people at all. On the contrary: Nine customers who bought one of these tools bought a second one during the test period, and most of them ordered



»The signs of use on the tools didn't bother the buyers at all.«

CORNELIA WINTERGERST Strategic Designer

another one with clear signs of use. This clearly seems to be completely fine for refurbished tools from the gardening sector - unlike, say, for smartphones.

The pilot was a success. What are the next steps?

CORNELIA WINTERGERST The focus now is on creating a streamlined business model within our organization for the centralized refurbishment and distribution of refurbished tools. After all, our project shows: The demand is there.



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PROMOTING BIODIVERSITY



Our products make it easier to work in and with nature. They can be used to preserve and promote biodiversity. That is why biodiversity is central to our sustainability strategy.

Biodiversity is the basis for life on our planet. We raise awareness of the importance of biodiversity among both our professional and private users – and of how they can contribute to biodiversity with their STIHL products. This information is available across multiple channels – from our website and social media platforms to press releases, product manuals, and DIY tutorials. The growing awareness of biodiversity was also reflected in 2024 in the latest edition of the STIHL Garden Barometer, an annual representative survey of 1,000 garden owners. According to the survey, many respondents know that excessively well-kept gardens are detrimental to biodiversity, i.e. they restrict habitats for animals and plants. 56 percent would therefore be willing to keep their gardens less tidy – 22 percent already do.

ZAMA continued its commitment to endangered sea turtles in the Philippines in 2024: As part of the One for Pawikan project, employees built a protected hatchery, took on more than 20 nest sponsorships for turtle clutches, and helped over 100 hatchlings to be released safely into the water.

Biodiversity-friendly products

To improve our understanding of ecosystem interactions and the environmental impact of our products, we actively collaborate with academic institutions, research organizations, and experts as part of an ongoing learning process. We take what we learn in these partnerships and apply that knowledge directly to product development, model updates, and our communication efforts.

One example of this interdisciplinary learning and work is our cooperation with a research team at the University of Oxford, which we continued in 2024 together with another market player. In the project, we are investigating how small animals such as hedgehogs can be better protected from robotic lawn mowers. The project participants are currently developing hedgehog dummies that are as realistic as possible so that they can be used in future test processes. The long-term goal is to establish an industry standard for these test setups. In addition to the research project, we are continuously improving our robotic lawn mowers to increase the protection of small animals.



VIEW WHAT STIHL HAS TO SAY IN A VIDEO ABOUT THE
RESEARCH PROJECT AT THE UNIVERSITY OF OXFORD





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ADDITIONAL DISCLOSURES In May 2023, another interdisciplinary project was completed, which investigated the challenges of biodiverse land use in local communities. An important insight: Animal and plant diversity in cultivated landscapes can only be increased if people look after them. In addition to existing tools such as clearing saws and chainsaws, this requires new harvesting and cultivation techniques, and STIHL wants to play a major role in their development. Concrete product ideas were developed for this project based on this mindset.

We also integrated biodiversity even more firmly in the business and the value chain in 2024. The target statement for biodiversity in the product environment has been formulated and will be adopted at the beginning of 2025. Biodiversity is now also an integral part of the training courses for our key account managers and authorized dealers.

Biodiversity at STIHL sites

We are currently identifying which of our sites are located in protected areas as defined by the EU Commission. This will enable us to continuously evaluate the potential future impact of our business activities on these areas and take necessary measures to mitigate any negative impacts.

We plan to draw up Group-wide guidelines to support outdoor spaces that promote biodiversity at STIHL sites. The individual sites can then derive individual guidelines for projects that take into account the respective regional, climatic, and ecological conditions on the basis of our Group-wide guidelines. At our main facilities in Waiblingen, we have already launched pilot projects to enhance outdoor areas that promote biodiversity.





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> In nature, for nature

At home in the forest

Smart reforestation 📮

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IN NATURE, FOR NATURE





STIHL manufactures products for use in forests, woodlands, and gardens. We therefore have a special ecological responsibility and use our capabilities to help protect nature and the climate. We want to conserve resources and minimize the environmental impact of our tools and business activities.

STIHL observes the environmental protection regulations that apply to it in all countries where it has plants, both in terms of manufacturing and its products. The key regulatory frameworks to which we are subject include the European Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation and the EU's Restriction of Hazardous Substances Directive (RoHS). In the 2024 reporting year, many analyses of components and products demonstrated compliance with these requirements.

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 environmental impact of our business activities

to an absolute minimum. We have continued to carry out an inventory of all critical process chemicals in our production. A sustainable concept for dealing with critical process chemicals takes a number of different aspects into account, such as environmental compatibility, occupational health and safety, the conservation of resources, and social responsibility. The individual measures include evaluating the necessity of critical process chemicals and considering sustainable alternatives. Additional ways to reuse, recycle, and recover chemicals also need to be investigated in the interest of a circular economy. With this we will make a contribution to the United Nations target of achieving environmentally sound management of chemicals (SDG 12).

All of the STIHL production companies worldwide, as well as all locations of the ZAMA Group subsidiary, have a certified environmental management system in line with ISO 14001. Recertification takes place every three years, with additional annual external audits. The current **© CERTIFICATES** for the German STIHL locations can be viewed publicly on our corporate website. Regular internal audits supplement the external audits. Environmental officers at each of our plants are responsible for compliance with laws, standards, and quidelines.



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Water and effluents

STIHL primarily requires water for certain production processes, namely washing, cooling, and machining. We are working to reduce our water consumption even further.

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. A water treatment plant with an annual capacity of 50,000 cubic meters went into operation at STIHL Brazil in 2024, which has halved the plant's wastewater volume. In addition, ZAMA has put a rainwater catchment basin with a capacity of 200 cubic meters into operation at its site in the Philippines. ZAMA will use the water to flush toilets in a new building, among other things.

In 2024, the total volume of water extracted by all production companies amounted to around 557,000 cubic meters (previous year: 581,000 cubic meters).

Waste

The majority of the waste generated by the STIHL Group is made up of packaging, wood, metal, and plastics. We also generate smaller amounts of hazardous substances such as used oil and metal-containing sludge. The latter is disposed of professionally. Our approach to waste management follows the principles of prevention, recycling, and disposal. We sort the resulting waste. If possible, it is reused or recycled. If not, it is properly disposed of. During annual safety briefings, STIHL educates its workforce about waste management practices and demonstrates how each team member can personally contribute to these efforts. Our plant in Qingdao, China, set waste reduction targets in the reporting year and is promoting the reuse of pallets by both our plant and our suppliers.

The ZAMA Group carried out a waste separation awareness campaign in the Philippines in the reporting year.

In 2024, the volume of waste was below the level of previous years. This is mainly due to the completion of construction work at STIHL Brazil. In recent years, a large number of construction projects at STIHL Brazil generated higher volumes of waste. Now that these activities have been completed, the amount of waste has decreased.

In the reporting year, we successfully implemented and/or moved ahead with a variety of projects aimed at making our packaging more environmentally friendly. By reducing the film thickness of our spare parts packaging by 20 percent, we will now save 16 tons* of plastic every year. A further 48 tons will be saved by eliminating the viewing window in our chain packaging. Switching to monomaterials additionally has a positive effect on the recyclability of our packaging.

All packaging for mower heads has now been converted to solid and corrugated cardboard, which will save 111 tons of plastic and 447 tons of carbon emissions per year in the long term. We now use standard-size paper sleeves instead of different-sized plastic bags to package our belts – a saving of almost a ton of plastic per year. We have also launched a project to make our finished tool packaging more environmentally friendly. The cardboard packaging with a white outer cover and black and orange print is to be gradually replaced by brown cardboard with black print. The project will be implemented by 2026 both at the founding company and at our production companies in the United States, Brazil, and China. STIHL is also testing whether it is possible to use 50 percent recycled material for film bags on our machines.

Our distribution center in Dieburg will permanently reduce its cardboard consumption by changing its packaging and shipping processes. In the future, we will use the container logic for 16 articles,

^{*} metric tons (1 metric ton = 1,000 kilograms)



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which has the potential to save up to 11,500 boxes over the course of a year. Thanks to a newly acquired machine, we can also pack large and bulky items much more compactly, minimizing the use of oversized shipping boxes.

Converting our packaging allows us to make a contribution toward substantially reducing waste generation, a target under the goal "Sustainable consumption and production" (SDG 12).

WASTE1

IN METRIC TONS - VALUES ROUNDED

	2024	2023 ²
Total waste volume Of which hazardous waste	<u>37,100</u> 5,300	<u>70,700</u> 5,700

¹ 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

We take climate protection seriously and do our best to contribute wherever technically possible and economically viable. Since 2020, we have been striving to achieve long-term greenhouse gas neutrality in our operations across the value chain through calculated offsets. Our principle is that reducing emissions takes priority over offsetting. Our climate change mitigation activities make a contribution to the goal "Climate action" (SDG 13).

In order to support our climate targets, STIHL signed up to the Science Based Targets initiative (SBTi) and officially submitted our commitment letter in May 2024. As the next step, we defined specific targets for Scope 1, 2, and 3 emissions at the end of 2024, which will be adopted internally in 2025 and submitted to the SBTi for validation.

Scope 1 emissions at STIHL result primarily from the combustion of natural gas and heating oil to generate process heat for production and heating for buildings. We also record emissions from fuels used in development and adjustment processes in assembly and in our vehicle fleet along with all coolant losses under Scope 1. Scope 2 comprises indirect emissions from our electricity and district heating purchases.

² Updated figures following publication of the Sustainability Report 2023.



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Since the end of 2023, all STIHL production and sales locations worldwide have achieved greenhouse gas neutrality for their Scope 1 and Scope 2 emissions, calculated through the use of offset certificates and carbon sequestration by means of agroforestry (see "Climate protection projects," p. 44). At COSMOS STIHL Manufacturing, part of the STIHL Group since 2023, we collected the data needed to calculate emissions in 2024 and will decommission the associated certificates from climate protection projects in 2025. Such measures are still pending for our most recent acquisition, Mogatec. In the long term, we aim to reduce energy consumption and the use of fossil fuels throughout the Group. This will reduce the share of emissions from fossil sources, which we are currently still offsetting with financing contributions to climate protection projects outside our own value chain.

REDUCING SCOPE 3 EMISSIONS

Emissions occurring in the upstream and downstream value chain (Scope 3) are not something the STIHL Group can influence alone. Nevertheless, we want to do our part in line with global and German climate protection targets.

In 2022, we looked into which Scope 3 emissions categories are relevant to us. In the upstream value chain, those areas include business travel, goods and services, waste, logistics, employee commuting, fuel production, and fuel transport. In the downstream value chain, we intend to consider the use and recycling of our products, as well as distribution logistics and packaging. In the reporting year, we pressed ahead with recording our product carbon footprints (PCFs), which involves determining the ecological footprint of a product over its entire life cycle in CO₂ equivalents. An interdisciplinary team is now working on greenhouse gas accounting and, in 2024, also investigated the impact of materials on the greenhouse gas footprint of our products.

On average, 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. We have defined detailed Scope 3 reduction targets in connection with our commitment to the SBTi.



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Our Group mobility management supports our Scope 3 targets. The mobility concept has three main components that are intended to reduce emissions in STIHL employees' professional and private travel. It includes our Share & Go corporate car-sharing program for commuting between the plants of our founding company: Employees can use one of 13 vehicles (eight of which are fully electric). We are also pursuing further electrification of our vehicle fleet. In 2024, 14 new electric cars were added to the fleet at our founding company. With a total of 22 electric cars, around 17 percent of our vehicle fleet was electrified by the end of 2024. In addition, we will install a total of 130 charging points at the STIHL founding company plants by mid-2025, primarily for fleet, carsharing and company cars, and 50 charging points will be available at the employee parking lot in Waiblingen. A new employee parking lot with 20 charging points was opened in Weinsheim at the end of 2024. Our distribution center in Dieburg has purchased a battery-powered flatbed vehicle for the Facility Management department's plant traffic.

OUR PATH TO A POSITIVE CLIMATE CONTRIBUTION

STIHL aims to make a net positive climate contribution with regard to Scope 1 and 2 emissions. To this end, we are active in three core areas:

1) Clean energy

Since 2022, all STIHL production companies worldwide have only purchased electricity from renewable sources. This is not possible at the ZAMA production sites in the Philippines, China, and Hong Kong because no green electricity is available on the regional markets. We are currently looking into the transition to electricity from renewable sources for COSMOS STIHL Manufacturing in the United States, and this is also planned for Mogatec in Saxony, Germany.

In the reporting year, we also pressed ahead with our plans to supply our own green electricity. A photovoltaic system (PV system) with an area of 4,800 square meters has gone into operation at STIHL Brazil. It generates up to 1.4 GWh of electricity annually and reduces carbon emissions by 210 tons per year. The Weinsheim site has installed a PV system with a maximum output of 600 kWp (kilowatt peak) on the roof areas; the new employee parking lot will be covered with a further PV system with a nominal output of 1,200 kWp. It will not only supply 20 charging points for electric cars - we will also use the surplus electricity generated to power the plant. We assume that the system will be able to cover the plant's base load on nonproduction days and when there is sufficient sunshine. The two systems are expected to save a combined 1.73 GWh of purchased electricity per year. Our distribution center in Dieburg is planning to commission a PV system in 2025, which could produce up to 446,000 kWh of electricity per year, of which STIHL could use more than 80 percent to cover its own requirements. Our subsidiary ZAMA is also planning to install solar panels with a capacity of 250 kWp at its site in the Philippines during 2025. In the long term, 2,215 kWp of power capacity is to be installed at the site.

2) Defossilization

STIHL has set itself the goal of consuming 40 percent less fossil fuels by 2030 than it did in 2019. In our case, this primarily relates to natural gas and fuels. In 2019, consumption stood at around 150 gigawatt-hours (GWh). All Group companies have submitted corresponding action plans, which incorporate process optimization and technological innovations. We monitor progress in reducing consumption on a quarterly basis.



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ELECTRICITY INSTEAD OF GAS - CHAIN PLANT REDUCES CARBON EMISSIONS

In the reporting year, our chain plant in Switzerland took a significant step toward reducing its emissions by converting the gas-fired heating system of a kiln line to electric heating elements. This reduces carbon emissions by 489 tons per year. The commissioning of a new, exclusively electrically heated hardening line is also planned for 2025. These two measures will reduce carbon emissions at the chain plant by 38 percent.

3) Energy efficiency

We also aim to reduce our energy consumption – our benchmark for energy efficiency – and improve the energy intensity in the process. In 2024, our energy intensity per 1 million euros in revenue stood at 147.2 MWh (previous year: 149.8 MWh, 2019: 197.8 MWh).

Our plant in Qingdao, China, introduced various initiatives to improve energy efficiency in the reporting year. Each machine now saves 21 kilowatt hours (kWh) of electricity per day thanks to the infrared insulation of the melting drums in injection molding machines. Increasing the cooling water temperature from 15 to 20 degrees Celsius will save 6,000 kWh per year, while the drying temperature of the resin dryer, which is now adapted to the variable moisture content of the resin, will save 19,000 kWh per year. In the year under review, STIHL Inc. in the United States procured an energy monitoring system that measures the consumption of electricity, water, gas, and compressed air for all plant-wide processes in real time. Our monitoring system immediately notifies us of consumption spikes, leaks, and inefficiencies, facilitating pinpointed equipment replacement. Installation is scheduled for 2025. In the reporting year, ZAMA optimized the cooling systems and compressors in the Philippines and ZAMA China put an electricity storage system into operation.

CLIMATE PROTECTION PROJECTS

We adhere to the principle that reducing beats offsetting. To date, we have offset unavoidable Scope 1 and 2 emissions by purchasing and canceling certificates from climate protection projects.

In our view, it is crucial that the corresponding certification standards are internationally recognized, high-quality, and independent. For this reason, STIHL exclusively supports projects that have earned Gold Standard certification. These projects are also intended to support key targets from our sustainability strategy in addition to climate change mitigation. The related targets include "Good health and well-being" (SDG 3), "Gender equality" (SDG 5), "Decent work and economic growth" (SDG 8), and "Sustainable consumption and production" (SDG 12).

In 2024, we canceled certificates from two climate protection projects in the amount of the Scope 1 and 2 emissions generated in 2023. The projects are certified according to the Gold Standard and promote the supply of drinking water and the purchase of low-emission cooking stoves in Rwanda and Uganda. We will retire the certificates corresponding to the emissions generated in 2024 in spring 2025. In the reporting year, our agroforestry project in cooperation with Fairventures Worldwide also made its first contribution to climate protection by removing carbon dioxide from the atmosphere. Through the reforestation of deforested areas in Uganda and Borneo with over 1,000,000 seedlings, almost 10,000 tons of carbon was sequestered in the period between 2020 and 2024. In the future, we expect to contribute around 20,000 tons of carbon sequestration per year. As part of the project, local smallholders plant a mixture of crops and trees to contribute to their livelihoods and carbon sequestration. You can find out more about the project and the measurement of carbon sequestration on page 49.



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ENERGY CONSUMPTION AND INTENSITY

The energy management system at all German STIHL production plants has been certified in line with ISO 50001. We also strive to achieve continuous energy and cost savings by rolling out efficiency measures.

In the 2024 reporting year, our total energy consumption amounted to roughly 419 gigawatt-hours (GWh). This was slightly below the

ENERGY CONSUMPTION¹

IN GWH - VALUES ROUNDED

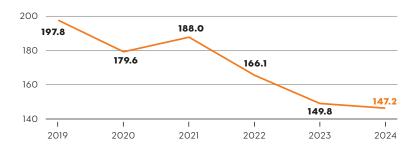
	2024	2023	2019²
Natural gas	114.8	117.8	133
Heating oil	2.5	2.6	3.4
Fuel ³	9.9	13.5	13.4
Renewable energy (geothermal heating and cooling)	2.6	2.4	0.4
Total direct energy consumption	129.7	136.3	150.2
Electricity	285.4	285	279
Of which from renewable sources	250.8	254	67
District heating	3.5	2.5	1.1
Total indirect energy consumption	288.9	287.5	280.1
Total energy consumption	418.6	423.8	430.3

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

previous year's figure (424 GWh). At 68 percent, the largest share of energy consumption is attributable to electricity, in particular for production, with natural gas accounting for 27 percent. Electricity consumption amounted to around 285 GWh in the reporting year (previous year: 285 GWh), while the consumption of natural gas amounted to 115 GWh (previous year: 118 GWh).

ENERGY INTENSITY¹

IN MWH PER 1 MILLION EUROS IN REVENUE - VALUES ROUNDED



^{&#}x27;Including STIHL Ventures GmbH and STIHL International GmbH, which are based at the founding company's headquarters.

² Base year.

³ Gasoline, diesel, and LPG for stationary and mobile applications.



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EMISSIONS AND EMISSION INTENSITY

Measured in CO₂ equivalents, the emissions generated by STIHL sites in Germany and our international production companies amounted to 46,491 tons in the reporting year (Scope 1 and 2 according to the GHG Protocol, previous year: 46,788 tons). We have offset these emissions with positive contributions from the climate protection projects that we support.

In line with energy consumption, CO₂ emissions also fell in 2024. In 2024, around 88 percent (previous year: 90 percent) of our

GREENHOUSE GAS EMISSIONS¹

IN METRIC TONS OF CO2e - VALUES ROUNDED

	2024	2023	2019 ²
	-		
Natural gas emissions	21,410	23,695	27,210
Heating oil emissions	637	699	900
Fuel emissions	2,642	3,198	3,720
Coolant emissions	1,550	1,623	1,860
Total direct emissions (Scope 1)	26,239	29,215	33,690
Electricity emissions	20,114	17,474	58,690
District heating emissions	139	99	60
Total indirect emissions (Scope 2)	20,252	17,573	58,750
Total emissions (Scope 1 and 2)	46,491	46,788	92,840
Of which offset	46,491	46,788	0

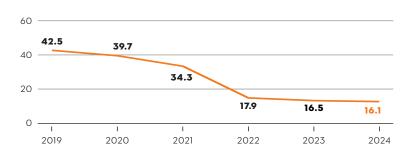
Including STIHL Ventures GmbH and STIHL International GmbH, which are based at the founding company's headquarters.

electricity requirements were covered by renewable sources (see "Clean energy," p. 43).

Our emissions are presented in accordance with the market-based approach. The calculation takes into account hazardous greenhouse gases under the GHG Protocol, the majority of which are carbon emissions. Although STIHL only generates negligible volumes of other greenhouse gases, the corresponding emissions are included for the sake of completeness.

EMISSION INTENSITY¹

SCOPE 1 AND 2 IN METRIC TONS OF CO2 PER 1 MILLION EUROS IN REVENUE, WITHOUT OFFSETTING - VALUES ROUNDED



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

² Base year.



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AT HOME IN THE FOREST



The forest is the lifeline of our planet. It provides a home for countless animal and plant species, and is no less important for humans: Trees store carbon, we maintain the forest, and it serves us as a recreational area. STIHL has grown with the forestry industry and this places a distinct obligation on us to champion sustainable forest stewardship and development.

Sustainable forestry practices safeguard the future of our business while compelling us to act as responsible stewards. That is why STIHL condemns invasive and reckless forestry activity involving illegal tree felling, clearances by fire, or illegal clearances using heavy equipment – and not only in especially sensitive and biodiverse tropical rainforests. Such practices are harmful to the preservation of forests and, consequently, to the basis of our existence. Around the world, STIHL is committed to the sustainable use of forest resources and thus contributes to achieving the UN Sustainable Development Goal "Life on land" (SDG 15).

Replanting

We support various reforestation and sustainable management initiatives around the world, primarily to alleviate damage to tropical rainforests. The connecting element? The projects combine ecological and social sustainability. Only by engaging local communities can we ensure the long-term protection of forests against destruction. To achieve this, parts of the already degraded areas must be managed in such a way that they can provide a livelihood for local communities. Only then can residents be won over to preserve existing forests and get involved in reforestation.

In Brazil, we have been supporting the Instituto Floresta Tropical (IFT) and, since 2023, the organization Meu Pé de Árvore ("My Tree"). During the reporting year, we continued our reforestation efforts by planting seedlings in degraded Amazon basin areas with our project Juntos plantamos mais! ("Together we plant more!"). We rely on an agroforestry approach for these projects. In addition to endemic tree species, economic plants are also planted on the land for the local population.

In Germany, STIHL supports Bergwaldprojekt e.V., a nonprofit organization that works to protect, maintain, and preserve forests.



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Our Group member ZAMA continued its reforestation project in 2024 for the fourth year, focusing on ten hectares of mountain land planted with the Narra tree, a national symbol of the Philippine archipelago. By August 2024, 2,000 trees had already been planted, and the aim is to plant 5,000 by 2027. By the end of 2025, five hectares of wetlands are to be planted with 12,500 mangrove seedlings in another sponsored project; by March 2024, 10,000 seedlings had already been planted. Together with other companies in the Santo Tomas industrial park, ZAMA employees also planted 2,500 trees to mark Philippine Forest Day.

monocultures. In the long term, the trees also store carbon, making an important contribution to climate protection. Roughly 500,000 seedlings were distributed in the reporting year alone, helping reforest more than 680 hectares. Fairventures also succeeded in acquiring more than 600 new participating local farmers. Since its inception, the partnership has planted more than 918,000 trees on 2,409 hectares of land. You can find out more about the project and the measurement of carbon sequestration on page 49.

STIHL in research projects

STIHL is committed to supporting research and aid projects that develop concepts and approaches for sustainable forestry in selected zones of the tropical rainforest. We plan to continue to actively engage with nongovernmental organizations (NGOs). STIHL is a long-standing cooperation partner of the NGO Fairventures Worldwide. This NGO reforests degraded areas in Uganda and on Borneo in Indonesia together with local communities on the basis of an agroforestry approach. Farmers receive seedlings of native trees and various food crops that they can plant as intercrops. This generates income without destroying rainforests or



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Sustainable reforestation of deforested

areas, secure and verifiable sequestration

of carbon: To achieve this, STIHL supports

reforestation projects. In TREEO, STIHL has a

partner that combines technology with a solid

scientific foundation and social commitment.

For many years, STIHL has been engaged in reforestation projects in cooperation with the Stuttgart-based NGO Fairventures Worldwide: Together, they support smallholders in Uganda and Indonesia with planting trees on depleted land. In doing so, they also contribute to climate protection by sequestering carbon from the atmosphere.

The partners have taken their collaborative efforts to a new level with the aim of pursuing this goal even more consistently and presenting it as transparently as possible: TREEO, an app developed by the Fairventures subsidiary Fairventures Digital, calculates, discloses, and monitors the carbon sequestered by each individual tree. "The crux of many reforestation projects is that companies pay for the trees to be planted – but mortality rates are high, and after a few years, customers no longer know whether the forest they purchased still exists and is sequestering the predicted amount of carbon," explains

TREEO cofounder and CEO Stefan Ferber.

"We use TREEO to provide traceability
and transparency over the entire lifespan of the trees."

TREEO is a climate tech start-up based in Stuttgart, Germany. It helps companies achieve their climate targets using nature-based solutions. TREEO's app for monitoring individual trees provides maximum transparency for reforestation and carbon sequestration.

»We measure the carbon stored in each tree annually using the TREEO app. We demonstrate that transparency is possible when it comes to sustainable reforestation projects for climate protection, biodiversity, and social impact.«

STEFAN FERBER
TREEO cofounder and CEO



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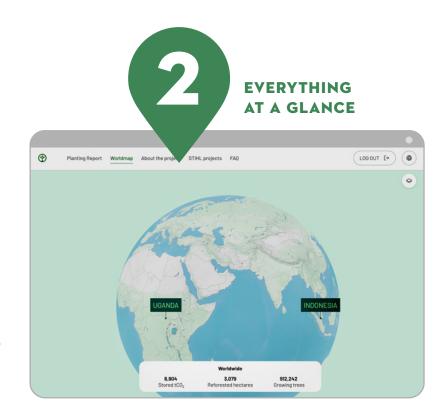
ADDITIONAL DISCLOSURES



The seedlings are cultivated in tree nurseries, while farmer field schools teach small-scale farmers the theoretical and practical basics. The selection of participants is strict and is based, among other things, on reliability and a long-term approach. "It's not just about planting the seedlings," adds Ferber, "it's about tending to them." Especially during the first year or two after planting, because many seedlings would die otherwise. This is why a community approach is being pursued in which "villages, parishes, or schools with established structures make the success of reforestation less dependent on individuals." After a few years, the trees can be felled and sold as lumber. Tree prunings are converted into biochar, which is used to improve the soil. Alternatively, the trees are left standing to provide protective cover for decades.

The seedlings have been grown from native tree species. Instead of monocultures, the focus is on mixed cultures comprising two, four, or six different species.





To date, TREEO has focused on reforestation organizations in Uganda and Indonesia. On the TREEO data dashboard, customers can navigate to "their" plantations and zoom in on individual trees and their respective carbon sequestration capacity on an interactive world map. The dashboard shows the number of trees as well as the measured and predicted sequestration levels, and updates these based on the individual measurements. The calculation methods are based on both tree- and region-specific growth models. Based on the annual individual tree measurement, each carbon sink is recorded in the Carbon Standard International Register, assigned to the buyer, and decommissioned.

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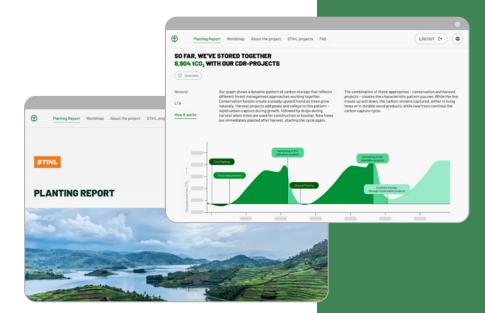


At the heart of the climate technology start-up TREEO is an app of the same name: Once a year, the participating farmers hold the red TREEO card against their trees and take a photo of them. The app calculates the carbon sequestration capacity based on the reference size on the card, the trunk diameter, the tree species, and the age of the tree. Simultaneously, GPS data for each tree is recorded along with the photo. TREEO validates each dataset, compares it with satellite images, drone recordings, or on-site visits, and stores it in a database. The data is then visible on the customer dashboards - for maximum transparency and a high level of credibility.

The farmers are paid for these annual measurements and the resulting amount of sequestered carbon documented. In this way, TREEO combines climate protection and social development: "We believe in helping people to become business owners, not recipients of donations from a charity-run project," says Stefan Ferber. "The principle is 'My tree - my money."



The TREEO app is ideally adapted to conditions in the partner countries: It also works offline and even on older Android phones.



MAXIMUM TRANSPARENCY

Together with its pilot customer STIHL, TREEO has developed its dashboard into a storyboard: Although it was originally designed for a specialist target group of sustainability officers or teams and was complex in terms of the data involved, in the future it should appeal to the wider workforce and any other interested parties. The layout and content are now more clearly arranged and appealing: In addition to key data on the trees planted, the app contains engaging background reports and useful information on the reforestation projects.

YOU CAN FIND THE STORYBOARD HERE: DASHBOARD.TREEO.ONE/STIHL

3,079 **HECTARES OF**

REFORESTED AREA

912,242

DIGITALLY **MEASURED TREES**

8,904

TONS OF SEQUES-TERED CARBON

(In each case as at January 2, 2025)







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ACTING RESPONSIBLY



We are committed to responsible entrepreneurship both within the Group and in our supply chain.

STIHL aims to maintain a partnership with its more than 10,000 suppliers based on shared values and goals. In return, we expect high standards of cooperation, but also offer support to achieve this together.

Organization and responsibilities

In 2024, 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. By centrally managing our requirements, we ensure an efficient supply of raw materials and resources.

Internal guidelines and standards determine our purchasing strategy by specifying uniform processes and procurement principles. The Head of Purchasing, who reports to the STIHL AG Executive Board member for Manufacturing and Materials, works with the

respective 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 procurement principles are followed.

Commodity managers control all activities relating to individual product groups. Our lead 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 supplement the purchasing strategy for product groups with specific requirements and criteria for regional markets.

As a global organization, the STIHL Group also 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 CO₂ emissions to a minimum.



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> Acting responsibly

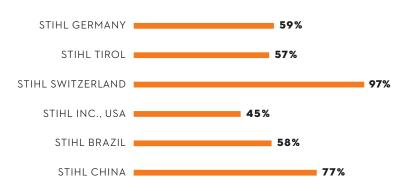
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LOCAL PURCHASING VOLUME OF PRODUCTION MATERIALS

(PRODUCTION COMPANIES ONLY) - VALUES ROUNDED



¹ 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 MATERIAL¹ - VALUES ROUNDED



¹ Production companies only, not including ZAMA Group.

Sustainable purchasing decisions

STIHL sources a wide range of materials from suppliers, including raw metals and plastics, along with electronic and electromechanical components. STIHL manufactures many key components of its tools in-house. This above-average vertical integration enables us to safeguard our expertise in key areas of technology and our high quality standards. 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.

In production, we aim to use resources as sparingly as possible. In 2022, we initiated a strategy process for the use of raw materials that are critical from an environmental perspective. We have introduced targeted measures for implementation across our three product groups: magnesium, battery cells, and textiles. STIHL has joined the International Magnesium Association to broaden and share our knowledge and to network. We have also audited one of our magnesium suppliers, and audits are planned for other suppliers. With regard to battery cells, we are using the project findings to implement the EU Battery Regulation (EUBR) throughout the Group. New requirements for textiles will be implemented in our commodity strategy. We are currently working on a template for commodity strategies in all areas.



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We have also addressed the requirements in connection with supply chain management, raw material procurement, and substance bans. We want to either replace environmentally critical raw materials or procure irreplaceable ones as sustainably as possible. In addition, we plan to reduce the use of potentially hazardous process chemicals in our production and, over the medium term, in our supply chain to the greatest possible extent. Our projects in this context include the establishment of a Groupwide chemicals management system for production processes.

Supplier management

The sustainability of our supply chain depends crucially on which suppliers we work with. STIHL has expanded the purchasing criteria (price, quality, and logistics) to include sustainability-oriented aspects. Quality Management laid the foundations for this in the "Sustainable supply chains" project from 2020 to the end of 2022. Sustainability has been an integral part of STIHL supplier management since the beginning of 2023.

One milestone of the project was a risk exposure analysis of all suppliers to identify the necessary precautionary measures. As part of the analysis, we classified suppliers 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.

In the reporting year, the platform provider adapted the content of the questionnaires on environmental protection, human and labor rights, anti-corruption and anti-bribery, occupational safety, and responsibility in the supply chain so that they are better aligned with regulations such as the LkSG. STIHL has developed an internal reporting tool to provide all employees in procurement with access to the platform. We have invited all series production suppliers to join the platform, as well as nonseries suppliers for whom we exceed a certain purchasing volume and suppliers that we assign to a higher risk category. By the end of 2024, 80 percent of those invited had provided information on the platform.

Sustainability is already a core aspect in the (pre-)selection and on-boarding of suppliers: The OCODE OF CONDUCT FOR BUSINESS

PARTNERS is a mandatory component of all supplier contracts (see "Code of conduct for suppliers," p. 56). An international reporting system that takes into account input such as the information on our internal platform is in place for existing suppliers. We systematically audit suppliers and, if necessary, help them to meet our sustainability requirements. In cases where this is not successful, we first try to implement concrete changes in dialog with the supplier in accordance with the principle of "empowerment before withdrawal." If this is not successful, STIHL may end the cooperation. We report violations by our suppliers to BAFA as part of the LkSG report.

Since 2021, STIHL has been involved in SustaiNet, a corporate network focusing on sustainability in the supply chain. In 2024, the focus was on regulation, such as the effectiveness review in accordance with the LkSG and the EU requirements for sustainability reporting, and how it can be efficiently integrated into the organization. Discussions were also held regarding sustainability audits of suppliers.

In 2024, our internal Sustainable Supply Chain (SSC) network was also further consolidated. A community of sustainability enthusiasts has formed in the SSC network to promote the topic in the procurement departments and production companies. The participants discuss the complex regulatory environment and other related topics at regular meetings. In the reporting year, those responsible



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also addressed relevant legislation such as the Carbon Border Adjustment Mechanism (CBAM) and the EU Deforestation Regulation (EUDR). Although some of these laws are already in force or will soon come into force, there is a lack of guidelines that enable companies like STIHL to implement them in a legally compliant manner. In addition, STIHL's own sustainability audit was jointly developed further and assessment standards were defined.

Our supplier management contributes to achieving the UN Sustainable Development Goal "Decent work and economic growth" (SDG 8) by promoting minimum social standards and addressing issues such as respect for human rights, the prohibition of child labor, and the promotion of fair and safe working conditions.

Code of conduct for suppliers

When building a sustainable supply chain, we expect the active support of our suppliers. Our code of conduct for suppliers has been in place since 2015 and outlines STIHL's principles for sustainable and responsible business practices. In 2021, we revised the code with regard to social, environmental, and governance aspects. It now includes clear standards that are essential for our partners and serve as our evaluation criteria.

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. It not only requires

our suppliers to respect human rights and ensure fair and safe working conditions, but also to commit to actively protecting the environment, for example by conserving resources. The code also contains provisions stating that suppliers are to prevent discrimination and corruption, and ensure data protection. We update the code regularly so that it always meets our own internal requirements as well as legal requirements.

By the end of the reporting year, all members of the SSC network had undergone training on the content and application of the code. The next step is to train all employees in purchasing and quality assurance for suppliers and to raise awareness among suppliers.

We monitor our suppliers' commitment to sustainability in a number of ways. These include our internal platform, the code of conduct, and sustainability audits, each of which form a prerequisite in the approval process for new suppliers and are also part of the regualification audit for existing suppliers. STIHL also publicly honors the strong ecological and social commitment of our suppliers. In 2024, we named one of our partners as S "SUSTAINABILITY SUPPLIER OF THE YEAR" for the second time.





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We are a global market leader in our heads and a family business in our hearts. Together, this approach defines our understanding as an employer. We maintain a partnership-based corporate culture around the globe with family-friendly working hours, individual development opportunities, and comprehensive social benefits.

Organization and responsibilities

Overall strategic responsibility for human resources (HR) at the STIHL Group lies with the STIHL AG Executive Board member for Human Resources and Legal Affairs. All large subsidiaries have HR departments that are jointly committed to global standards of excellence in all key HR processes. We adjusted our organizational structure at the beginning of the reporting year. The HR managers of all production facilities and major sales companies now report functionally to the Executive Board member for Human Resources and Legal Affairs.

International human resources strategy

The HR department has a particularly important role to play, especially in times of transformation: To deliver on its role as effectively as possible, 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.

Our new strategy consists of the five areas of action ONE HR, digital HR, HR as a transformation partner, leadership transformation, and new skills and abilities. The aim is to achieve a standard of excellence in HR at STIHL. To this end, the HR department will continue to grow together across the Group in line with strategic guidelines. STIHL employs standardized HR software across the Group to manage core HR processes. Standardized KPIs can be analyzed across all companies and used by the Executive Board and Advisory Board to manage the Group. Digital self-services, such as for the entry of personal data and for internal application and staff development processes, are modernizing HR. In 2024, the HR master data system was rolled out broadly across the STIHL Group, including at our production companies in the United States and Brazil as well as at 15 subsidiaries on five continents. The kick-off for the launch took place at five European distribution companies and at the production sites of the German founding company. Implementation is also planned at our companies in China and India as well as at the ZAMA locations over the coming years.



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As a partner in the transformation, the HR department has an impact on the entire STIHL organization. The department is actively involved in shaping important projects, and HR employees are constantly developing their own roles and skills to drive transformation and innovation.

The transformation is also changing the demands placed on managers and their activities. They need to develop skills and capabilities that will make every employee fit for the future and integrate them into the Group. STIHL prepares executives for their future roles with global management programs. The STIHL Leadership Principles were created in this context. They guide the leadership transformation and form the basis of the Leadership Academy, which was launched in 2024 (see "Leadership development," p. 65).

Employment within the STIHL Group

As of December 31, 2024, STIHL Group companies employed 19,732 people worldwide. This means that the number of employees has fallen slightly on the previous year (19,805) (excluding temporary staff). In respect of all other employee figures in this report, we have included the founding company, STIHL International GmbH, the Dieburg distribution center, the production companies in the USA, Brazil, Austria, China, and Switzerland, and ZAMA. The companies within this scope of consolidation had a total of 17,423 employees at the end of 2024 (previous year: 17,515, not including temporary agency workers).

In 2024, there were 2,210 new hires (previous year: 1,934). This figure also includes temporary employees, trainees, and students, but not temporary agency employees. Our current reporting system does not provide for a breakdown of new hires by age group or gender, but we are looking into this for future surveys.

EMPLOYMENT WITHIN THE STIHL GROUP

AS OF DEC. 31

	2024	2023
Total headcount within the STIHL Group ¹	19,732	19,805
Total headcount within the scope of consolidation ¹	17,423	17,515
Of which apprentices and students	743	844
Average headcount ¹	17,410	18,142
Number of temporary agency workers	735	180

¹ Not including temporary agency workers. STIHL does not employ any nonguaranteed-hours employees.

TOTAL HEADCOUNT BY TYPE OF EMPLOYMENT¹

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

FULL-TIME: 15,880 (16,107)



PART-TIME: 774 (670)



Not including employees with temporary contracts, temporary agency workers, students, and employees in partial retirement.



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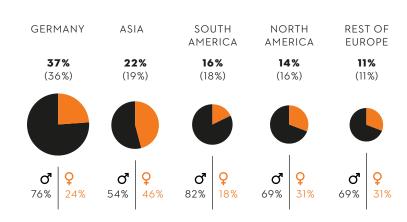
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HEADCOUNT BY REGION AND GENDER¹

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

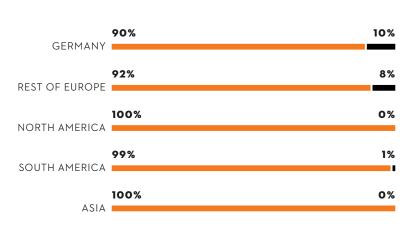


■ Men ■ Women

As at December 31, 2024, around 90 percent (previous year: 91 percent) of our employees have permanent contracts. We are thus contributing to achieving the "full employment" sub-goal of the UN Sustainable Development Goal "Decent work and economic growth" (SDG 8) within the scope of our possibilities.

HEADCOUNT¹ BY TYPE OF EMPLOYMENT AND REGION

AS OF DEC. 31 - VALUES ROUNDED



■ Full-time ■ Part-time

¹ Not including temporary agency workers.

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



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WORKERS' RIGHTS

Maintaining an open and constructive exchange with employee representatives is a long-standing tradition at STIHL. All of our plants in Germany have employee councils, and work agreements for staff are in place there. Together, these individual employee councils form the General Employee Council for the founding company. Our international locations, such as Brazil and China, have employee representation bodies in line with national law. Collective bargaining agreements or similar collective wage structures are in place at many production companies. At the end of 2024, these regulations covered around 56 percent (previous year: 57 percent) of employees. Employees in all countries generally receive standard market remuneration. By protecting workers' rights, STIHL is making a contribution to achieving the UN Sustainable Development Goal "Decent work and economic growth" (SDG 8).

Attractive employer

STIHL promotes fair cooperation in a spirit of partnership throughout the Group. This mindset is at the heart of our corporate culture and is expressed in collegial support and open communication. The fact that our values can also be experienced in day-to-day operations is demonstrated by the long periods of service and low number of resignations (excluding retirements) at almost all of our locations. The turnover rate of permanent employees in the indirect area, i.e. outside of production, amounted to 4 percent for the underlying scope of consolidation in the reporting year (previous year: 3.6 percent). Because the number is so low, we do not keep records of voluntary resignation by region, gender, or age group.

Our employees frequently have the opportunity to work abroad at other companies within the STIHL Group. We thus promote international networking and cooperation, which strengthens both the exchange of knowledge and mutual understanding between our national companies. In the reporting year, there were 84 (previous year: 86) corresponding secondments. You can read reports on this on page 67. Events such as parties, joint hiking days and competitions, campaigns for Women's Day, Mother's Day, and Father's Day, and local initiatives further strengthen the sense of community at the locations.

BENEFITS AND PERKS

STIHL employees can take advantage of voluntary social benefits that go far beyond the requirements of collective agreements.

At nearly all STIHL companies, eligible employees receive an annual bonus linked to financial performance. Employees at the founding company can also participate in a company pension plan that is financed entirely by STIHL and acquire profit participation rights within the scope of a stock ownership plan. Their own contribution is one third, while STIHL contributes two thirds. Interest is paid on the profit participation rights depending on the company's performance. Commitment and performance can be directly translated into building equity. In the reporting year, we also concluded a works agreement regarding a company bike program. Employees have been able to take advantage of company bike program since 2019. The works agreement now provides employees with additional benefits and STIHL has increased the attractiveness of the bike programs. Additionally, since 2024, STIHL has been offering its employees the Deutschlandticket as a Group-subsidized transit pass and will continue this in 2025.



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AWARDS

In 2024, STIHL once again topped the rankings for the plant/mechanical engineering industry in the BEST RECRUITERS study, which reviews around 1,200 large employers from Germany, Austria, Switzerland, and Liechtenstein every year. In the overall ranking across all economic sectors, we achieved a commendable 23rd place. The magazine CHIP and the portal great-jobs.org have recognized us as a TOP employer for IT jobs. STIHL Tirol took second place in the "Best Employers in Austria" ranking in 2024. And STIHL Inc. has once again been included by Forbes magazine in its list of the best medium-sized employers in the USA. We were also particularly pleased to receive the Top Company seal of approval from the employer rating platform kununu. Only around five percent of the top-rated companies receive this accolade.

WORK-LIFE BALANCE

We offer our employees many opportunities to achieve the best possible work-life balance. First and foremost, these opportunities concern working hours. At most locations, Group member companies work with employees to arrange working models that are flexible enough to take childcare, family care, and other personal circumstances into account. STIHL provides additional support with part-time models. We are also expanding childcare facilities at some locations, including with the Mia Stihl company daycare center and in cooperation with private facilities where STIHL offers childcare. In 2024, two more nursery spots were added to the existing nursery places in Waiblingen at a cooperating daycare center; further expansions are planned. In addition to a breastfeeding room, our chain plant in Switzerland also has a room where parents can hand over their children to each other when changing shifts. STIHL also offers maternity and paternity leave in Switzerland that is longer than legally required (16 and 3 weeks respectively instead of 14 and 2 weeks respectively), which is paid at 100 percent of the employee's salary (instead of 80 percent). The ZAMA Group also has a breastfeeding room at its site in the Philippines.

The coronavirus pandemic has also made us aware at STIHL of the advantages to remote working. Since the end of restrictions, employees and supervisors have made individual arrangements regarding this matter. 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 not only make our HR policy more sustainable - they also help ensure our long-term success. Our commitment is based on STIHL's core values such as internationality, openness, and diversity. As a family business, we view diversity in all its forms as an asset. Our aim is to create a culture in which employees can grow and develop their full potential. To this end, we foster an inclusive working environment in which all employees feel equally respected and valued.

TOTAL HEADCOUNT BY AGE1

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



¹ Not including temporary agency workers.



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In the reporting year, women accounted for around 30 percent of the total workforce (previous year: 29 percent). Two of the five STIHL AG Executive Board members are women. As a result, STIHL has more than met the target 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.

At a strategic level, in the reporting year we set milestones for what we want to achieve in terms of diversity. In the next step, we will be promoting increased networking between the STIHL founding company and our international businesses. The aim will be to establish a shared understanding of diversity, even if the national companies can act independently in their projects and priorities. The topic is structurally anchored in our newly established project group, which is staffed by experienced team members and responsible for developing initiatives and creating a Group-wide framework that promotes diversity awareness and strengthens an inclusive corporate culture. As a sign of our commitment, we have joined the "Made in Germany. Made by diversity" campaign. The target statements on diversity were adopted at the end of the reporting year. We currently plan to sign the Diversity Charter in 2025.

Throughout the reporting year, we also promoted diversity with a large number of specific events and initiatives. The focus was particularly on promoting women and improving intercultural cooperation. We have further expanded our "Female Leadership" program and added a communication training course for women. As our Group operates around the globe, we have increased

our focus on intercultural skills and offered dedicated training on working with colleagues and business partners from other countries. Our "Working together successfully internationally" program has enabled STIHL employees across different cultures and countries to develop the skills required for successful project collaboration. In October 2024, the new cross-mentoring program was launched in which we work together with three other companies to promote female managers. New training courses have also been launched on our e-learning platform since 2024, including "Diversity & Inclusion - Leading and promoting diversity" and "Intercultural Teams - Communicating with colleagues from other cultures." Both training courses help employees to actively embrace diversity and inclusion, and improve collaboration in diverse teams. The attendance figures for and feedback on both training courses have been positive to date.

Launched in 2023 under the patronage of CFO Ingrid Jägering, the "Women Network @ STIHL" continued its work in the reporting year with online presentations. Online events on topics such as mental load, subconscious bias, and gender-sensitive health and their consequences for the world of work were very well attended. The kick-off event for a local women's network took place at STIHL Tirol in the reporting year.

In addition to our internal programs, STIHL places a great emphasis on external networking and cooperation. Through our membership in numerous cross-industry networks, we promote communication on diversity issues and learn from the best practices of other companies. Our involvement in networks enables us to stay updated on current developments in the field of diversity and inclusion and to integrate them into our strategy.



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Professional development and training

THE STIHL COMPETENCY MODEL

The knowledge, skills, and development potential of our employees ensure the success of our Group. We employ the STIHL competency model to both preserve existing knowledge within the Group and promote the development of new expertise. The model is based on survey results and workshops with employees and managers, and defines our common understanding of competence requirements. It comprises eight fields of competence, which, in addition to specialist knowledge, also reflect motives, attitudes, and values - from an entrepreneurial mindset and behavior 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. It acts as a basis for annual staff performance reviews. In the reporting year, we made small adjustments to the competency model to make it even easier to understand and more accurate. Thanks to the digitalization of the annual staff performance reviews, employees from production have also been able to use the digital format since 2024 with impressive response rates.

STIHL LEARNING WORLDS

Employees at almost all STIHL companies have access to a wide range of training opportunities, whether in-house or external, face-to-face, hybrid, or purely digital. The key issues covered include social and interpersonal skills, methodological competencies, project management, and technical training for employees in production. In 2024, each employee across the Group received an average of roughly 23 hours of professional development over the course of the year (previous year: 20 hours).

Our learning management system "STIHL HR Online Training" was rolled out to other national companies in the reporting year and will be available at all STIHL locations by the end of 2027. Employees can find information on training courses on the platform and book them directly. STIHL also offers employees support in completing professional training measures, such as pursuing a degree program or gaining master tradesperson certification. Technical staff who work on gasoline-powered drive technology can take advantage of training and gain qualifications in electrical engineering and mechatronics to support them in our ongoing shift to battery-powered drive technology.

In the reporting year, STIHL also addressed the topic of "Future Skills," i.e. the skills that will be required in certain professional fields in the future. The PROJECT "FUTURE@SKILLS.BW" emerged from a study conducted jointly by the Baden-Württemberg state government, trade unions, and employer associations in the metal and electrical industry. The aim is to develop further training modules for selected future skills that are relevant to the Group and can be integrated as closely as possible to the workplace. At STIHL, we plan to implement this project in the plastic parts production center. Our focus is on several digitalization measures that have the power to positively change the working methods and efficiency of employees. We initially worked with employees and works councils to identify opportunities and risks as well as implementation steps. After trial runs, the training courses at STIHL were finalized by the end of 2024.



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EXECUTIVE DEVELOPMENT

In 2024, we took the next step in the reboot of our executive development program at the founding company, which has been ongoing since the end of 2022. As a result, the STIHL Leadership Academy has been launched with three pilot programs. The aim of the project is to develop a systematic Group-wide approach that addresses relevant target groups, their needs, and strategic competence requirements using modern didactic approaches.

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. This mentoring usually lasts one year and is designed to promote talent in the long term. The international STIHL companies - such as those in China and Brazil, as well as ZAMA – also offer a variety of programs.

In partnership with the St. Gallen Management Institute, STIHL launched the International General Management Program (IGMP) in 2021, which is designed for senior international leaders. It imparts strategic management knowledge and current perspectives on management topics and is also intended to strengthen international exchange within the Group. Some 17 managers completed the program in the reporting year. The International Talent Management Program (ITMP) was added in 2024 and targets second-tier managers who show potential for executive positions or other senior leadership roles. The 18 participants in the first year rated the program very highly across the board.

In March 2024, the digital Global Leadership Summit took place at STIHL with around 2,500 managers in attendance. In addition to contributions from the Executive Board, the day was filled with learning opportunities that participants could book themselves onto. Alongside strategy, innovation, and transformation, the summit also focused on diversity and sustainability.

The Global Leadership Survey for managers, which was last conducted in November 2023, underwent further conceptual development in 2024, transforming it for the first time into a globally standardized, short pulse survey system for all employees across the STIHL Group. The first Global Pulse Survey will begin in May 2025. The aim is to obtain information on STIHL culture and emerging trends - for example, factors influencing staff performance and fluctuation or the "STIHL management culture KPI" - as well as sustainable improvements with regard to cooperation.



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VOCATIONAL TRAINING AND DEGREE PROGRAMS AT STIHL

As a Group that offers vocational training, STIHL has been highly committed to securing young talent for decades. In addition to many technical and commercial apprenticeships, young people can also complete a dual study program at the STIHL founding company in cooperation with the 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. In 2024, 205 apprentices and dual students were employed at the STIHL founding company. In terms of the scope of consolidation, there were a total of 740 trainees and students.

We are constantly updating our vocational training and its content around the globe, including in terms of sustainability. The reporting year also saw us step up corporate volunteering among our junior employees. First-year vocational trainees and students now volunteer at the VESPERKIRCHE in Stuttgart and the VESPERKIRCHE in Stuttgart an in Waiblingen. In their second year of vocational training or study, they can choose between stints at the Sos CHILDREN'S VILLAGE in Schorndorf, the REMSTAL WORKSHOPS in Kernen, or a NURSING HOME in Waiblingen.

In Germany, we provide training as part of a dual approach at four 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 United States, Brazil, and Qingdao, China. At our Swiss chain plant, we offer our unskilled employees up to twelve places on EFZ (Federal Certificate of Competence) apprenticeship programs as plant operators every year.

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STIHL's Global Mobility Program offers employees the opportunity to develop both professionally and personally while on an international assignment. The program also promotes the exchange of knowledge and networking within the STIHL Group. Regardless of which company they work for or which country they end up in, they can rely on comprehensive support. STIHL makes it easier for expats to find their feet in their new home and provides them with practical support for the entire duration of their assignment abroad.



READ REPORTS BY SCOTT SMITH, STIHL INC., PAULA MARTINEZ, STIHL SPAIN, AND EDUARDO COLUCCI BONOME, STIHL BRAZIL, ON OUR WEBSITE.



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OCCUPATIONAL HEALTH AND SAFETY



The health of STIHL employees is a top priority for us. STIHL is committed to promoting and preserving health. We are constantly optimizing occupational safety and accident prevention, and our health management is tailored around the differing needs of employees across the Group.

specialists within the executive departments for occupational safety are responsible for compliance and the implementation of legal and internal guidelines. Safety officers in the specialist departments further reinforce awareness of occupational safety and help their superiors to implement safety precautions. The target statements for the "Workplace health and safety" module were adopted in the reporting year.

Organization and responsibilities

Our management system for occupational health and safety is certified according to ISO 45001 at all plants of the STIHL founding company, at the production companies in Brazil and China, and at ZAMA China and ZAMA Philippines. In the reporting year, this corresponded to coverage of 71 percent (previous year: 64 percent) of all employees. All management systems were successfully recertified in 2022 and 2023. In addition to these regular checks, internal and external audits are carried out on an annual basis. STIHL guidelines and standards define the processes and instructions relating to occupational health and safety. Overall responsibility for the topic lies with the Executive Board member for Human Resources and Legal Affairs. At our locations, dedicated

Accident avoidance and prevention

STIHL directives define a hazard analysis and risk assessment process for work involving machines and other activities, with the aim of systematically identifying and avoiding potential hazards. The responsible managers and safety officers work together to assess the risks with guidance, training, and support from occupational safety specialists. We formulate our goals and steps for further improving occupational safety on the basis of these assessments. New findings are incorporated right away into safety training for our employees. All external parties, such as visitors or employees of external companies, are made aware of potential hazards before entering the STIHL plants and are familiarized with our safety precautions and rules.



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Reports of accidents and incidents are collected by the respective occupational health and safety departments at the sites. Incidents like these are investigated together with those affected, their superiors, and the Employee Council within the scope of the relevant legal provisions. As a result of these investigations, we may review risk assessments and adapt them if necessary. If the investigations reveal a need for change, we implement the corresponding changes immediately. Higher-level adjustments are determined and executed based on our systematic analysis of all incident reports.

WORKPLACE ACCIDENTS

Our goal is to keep the number of workplace accidents as low as possible. We record the number of accidents involving employees, contractors, and visitors. In 2024, the accident rate stood at 3.8 per 1 million hours worked and was therefore slightly lower than in 2023 (4.2). We did not record any fatal accidents at work. In the reporting year, we successfully completed our "Get involved" pilot project for all founding company locations, which was first launched back in 2022. Our aim with this project is to permanently reduce the number of accidents and improve our culture of safety. During the project period, we established "10 minutes for safety" as a firm fixture in all team meetings. In many cases, we have directly implemented the findings from these meetings. For example, tripping hazards were eliminated, the use of cell phones while walking was recognized as a risk and addressed, and previously missing safety signs and markings were installed in the relevant locations. Communication was also at the heart of the campaign outside of meetings. To promote workplace safety awareness, we have uploaded educational videos onto our intranet and installed screens in busy areas like canteens.

WORKPLACE ACCIDENTS¹

	2024	2023
Tabel and other and death	175	1.45
Total workplace accidents	135	145
Of which employees of STIHL Group companies	117	127
Of which outside workers	18	18
Serious workplace accidents (more than 6 months' time lost)	1	1
Of which employees of STIHL Group companies	0	1
Of which outside workers	1	0

¹ Includes workplace accidents with at least 1 day of time lost.

ACCIDENT RATE

(STIHL EMPLOYEES ONLY) PER 1 MILLION HOURS WORKED

	2024	2023
Total accident rate	3.8	4.2
Serious accident rate (more than 6 months' time lost)	0.0	0.1



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We want to transfer the most important findings from the project phase into everyday working life, which is why safety remains a fixed element of regular communication in all teams and areas. Following the project's completion in July 2024, we initiated an ideas competition at the founding company focused on enhancing workplace safety to reinforce employee involvement. There were around 190 submissions on various topics such as the elimination of hazardous areas, additional protective equipment on machines, the safe and ergonomic design of workplaces, and cleanliness and tidiness. Many suggestions were implemented directly or incorporated into the planning of future workplaces and processes. In turn, this has made a strong contribution to improving occupational health and safety.

Another aim of the campaign was to strengthen the role of safety officers, who support line managers in all specialist areas with their safety work. We introduced visual displays to make safety officers more recognizable in all areas. The safety officers receive technical support and share information in regular meetings with the occupational safety officers, and a cross-departmental workshop for all safety officers was held in fall 2024. They received valuable expert input from the employer's liability insurance association (Berufsgenossenschaft) through presentations and information booths.

In Qingdao, China, the focus in the reporting year was on road and occupational safety. Through specific support programs and preventive measures, STIHL employees in this megacity of ten million receive training to minimize road accidents, similar to factory safety protocols. Our site conducts eight road safety inspections each year and has established a local safety protocol. The protocol defines the safety requirements for our employees on the various trans-

port routes to and from the site, whether by shuttle bus, car, motor-cycle, bicycle or on foot. As part of the road safety campaign "Searching for mines on roads," employees identified dangerous spots and safety risks on critical commuting routes, which they then marked using an app and shared with all colleagues.

TRAINING AND COMMUNICATION

Awareness and knowledge are the two most important building blocks for ensuring occupational health and safety. Our regular training courses for all employees promote both aspects. All employees undergo a safety briefing at least once a year. Training courses such as fire drills and training on hazardous goods and load securing are part of our training catalog. Any employee who requires special training for a job, for example to drive a forklift or operate a crane, will receive it. New managers also complete a two-day mandatory training course on occupational health and safety. At the founding company, around 200 managers took part in this program in the reporting year. Occupational safety awareness is continuously promoted in posters, employee communications, regular updates in Executive Board reports, and reports from management at Group meetings. Employees can submit improvement recommendations related to occupational safety aspects and other topics at any time using the local idea management system.

In addition to our core activities, we also ran a pilot project entitled "Cultural Dialogues" at our founding company in cooperation with the heads of our production and logistics centers. This led to the introduction of a firmly established process that needs be upheld to prevent and deal with accidents in production. It involves regular workplace safety inspections on the one hand, and on-site meetings



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with a larger group on the other, at which the accident victim describes the incident and a shared understanding of causes and lessons learned is developed. STIHL has defined "Five questions on deviations from the rules" for a structured analysis of accidents.

In 2024, STIHL Brazil launched the "Caring Leadership Program." We aim to improve the safety culture at the site and further reduce the number of accidents by providing additional training for process managers in production. At the Swiss chain plant, we also prioritize special safety awareness and want to encourage others to follow suit. Each month, we select occupational safety and environmental "kings" and "queens."

HEALTH AT STIHL

Healthy and happy employees are very important to STIHL. Nearly all of the STIHL production companies have company doctors or agreements with external physicians and occupational health specialists. Together with the health management experts, they provide the workforce with occupational health care and individual health advice. STIHL also offers regular preventive occupational health exams and aptitude tests. At many locations, the Group even provides counseling and a free annual flu shot. In the reporting year, 477 employees from the Waiblingen and Ludwigsburg sites completed first aid training.

In addition, we provide a wide range of different information and courses that our employees can use to promote their physical and mental health. We aim to make our employees feel that they are in good hands with us, and keep them healthy and motivated when it comes to their work. In order to establish this as early as possible, we have already integrated courses on the four prevention principles of exercise, nutrition, addiction, and stress into the training

plans for our vocational trainees and students. Depending on the location, our corporate health management incorporates various options, including individual physiotherapy, health promotion, and prevention and sports programs, as well as consultations, training sessions, and lectures on workplace ergonomics, nutrition, addiction, stress management, mindfulness, and resilience.

In April 2024, STIHL held two health days in Waiblingen with presentations, information booths, and individual services, including measuring strength, fatigue, and blood pressure. During break times, employees were able to find out about nutrition during shift work, healthy sleep, and resilience. We also offered a series of lectures on healthy sleep entitled "Well rested and fit." A campaign day in October, also held in Waiblingen, was dedicated entirely to the topic of "skin." Since the reporting year, employees have not only been able to find a video series with yoga exercises on the STIHL intranet, we have also launched a health calendar. The calendar is based on international health days, which focus on and raise awareness of a certain health topic on a fixed date each year. Once a month, we choose one of the health days and offer related content, such as online participation courses. In 2024, we supported World First Aid Day and World Mental Health Day, among other health days.

At STIHL in Switzerland, the STIHL Care program offers employees support as needed in the event of difficulties at work or at home. We also provide incentives for sport and health-related activities, for example by offering discounted gym subscriptions.

With our health services, we contribute to achieving the UN Sustainable Development Goal "Good health and well-being" (SDG 3), particularly with regard to general health care, access to vaccines, and addiction prevention.





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THINK GLOBALLY, ACT LOCALLY

Being a family business, social commitment is second nature to us. We not only operate around the globe as a Group – we also want to be a reliable and responsible partner to the communities in which we operate. We promote social development at our German locations and worldwide through cooperation, partnerships, and donations.

Some examples of STIHL's commitment:

FLOOD RELIEF IN BADEN-WÜRTTEMBERG, BRAZIL. AND SPAIN

2024 was another year of extreme weather: In spring, heavy rainfall led to catastrophic flooding in Brazil, and in early summer, rivers in Baden-Württemberg, Germany, and elsewhere burst their banks after heavy rainfall. STIHL acted quickly and with solidarity in both situations. In the Brazilian state of Rio Grande do Sul, almost 450 employees were directly affected. The plant in São Leopoldo was spared, allowing the social building to be used as emergency accommodation for more than 130 people at times. Volunteers from the workforce helped out as well as doctors, nurses, and a vet.

Our site donated personal protective equipment and cleaning agents for the clean-up work, in which a number of employees actively participated, both in the homes of colleagues and in public places. The STIHL Advisory Board and Executive Board decided to provide emergency aid totaling 800,000 euros, 500,000 euros of which was for employees and 300,000 euros for donations in kind to local authorities. STIHL also donated equipment to aid organizations. The "STIHLers help STIHLers" fundraising campaign at the founding company raised a further 45,000 euros for the Brazilian flood victims. There was also support from China, where our colleagues organized a charity bazaar and donated the proceeds.

The floods in Baden-Württemberg also directly affected many of our employees. "STIHLers help STIHLers" collected almost 40,000 euros in employee donations, which the company matched to double the amount to 80,000 euros. Our employees were able to report flood damage by email, and a committee checked all requests and ensured that donations were distributed fairly. We also allowed our employees to take paid leave to deal with the aftermath of the floods. STIHL has supported volunteer fire departments and the technical relief organization in the affected region with equipment worth 40,000 euros.



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There were also severe storms in Spain, particularly in the Valencia region and other southern parts of the country. STIHL donated high-pressure cleaners, water pumps, chainsaws, and protective equipment with a total value of 27,500 euros to support the police, civil defense, and military emergency unit on the ground.

PARTNERSHIP WITH DIAKONIE STETTEN

STIHL and Diakonie Stetten have a long-standing partnership. On the occasion of the 175th anniversary of Diakonie (a major social welfare organization in Germany), we expanded our engagement further in the reporting year. STIHL has donated 15,000 euros to the Wildermuthhaus children's home, where children and young people with multiple disabilities live. We have been working with Diakonie for more than 25 years. In the organization's Remstal workshops, employees with disabilities perform simple assembly and packaging tasks for STIHL.

COLLABORATION WITH COOPERATIVES

STIHL Brazil has been working with local recycling cooperatives for ten years now. People from socioeconomically disadvantaged backgrounds come together in these cooperatives, supplementing their income by collecting and sorting paper and plastic waste. In the municipality of São Leopoldo, more than 120 families belong to the cooperatives. They generate 85 percent of their annual income with waste from the STIHL plant and also make a contribution to the circular economy.

PROMOTING JOB OPPORTUNITIES

Our chain plant in Wil, Switzerland, was also involved in numerous initiatives to promote employment opportunities in the reporting year. 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 trainees with disabilities at the Brüggli integration company internships with subsequent permanent employment. Our chain plant participates in Lift, a project that empowers academically challenged high school graduates 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. On request, STIHL employees visit elementary schools in the region to answer questions about finding an apprenticeship and to help with preparing for job interviews.

SUPPORTING CHARITABLE ORGANIZATIONS

In 2024, STIHL China in Qingdao pooled various social initiatives under the joint slogan "Power to Green." Our employees have cleaned up some of the city's streets in events known as "City Walks." They have also collected money for charities in charity runs. Employees used an app to record the distances they had covered, and the donation amount grew with every kilometer. STIHL also donated used computers to schools in a disadvantaged neighborhood. The social commitment of our site was recognized in the reporting year with the "Excellent Organization Award for Charity Activity" from the Chengyang District.



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SUPPORT FOR SOS CHILDREN'S VILLAGES

STIHL Tirol has a multiyear partnership with the world's first SOS Children's Village in Imst, Austria. We sponsored the flooring for two newly constructed buildings in 2020. In the reporting year, the Children's Village then asked us to make the outdoor area more attractive. Our site has supported the purchase of three raised beds, two park benches, and a lawn mower.

ONGOING COMMITMENT

The STIHL distribution center in Dieburg was once again on the road for a good cause in the reporting year. With their annual charity run, colleagues from the center raised more than 4,300 euros this time and donated it to the Dieburg water sports club. STIHL uses the money to support courses ranging from baby swimming to programs for people with disabilities. STIHL teams from Dieburg and Waiblingen once again participated in this year's J. P. Morgan Corporate Challenge in Frankfurt. The proceeds from the world's largest corporate running event support the Laureus Sport for Good Foundation and the German Disabled Sports Youth Association (Deutsche Behindertensportjugend).

SPECIAL OLYMPICS WITH STIHL

In 2024, STIHL's magnesium diecasting plant in Weinsheim, Rhineland-Palatinate, extended its partnership with the Special Olympics Rhineland-Palatinate for another two years. We have been supporting this organizer of sporting events for people with disabilities since it was founded in 2004. Among other things, apprentices at our site manufactured the hand torch, which is an important part of the ceremony at the Special Olympics in Rhineland-Palatinate. STIHL Weinsheim is also aware of the special importance of sport for people with disabilities from an even longer-running collaboration. For more than 40 years, we have been cooperating with Westeifel Werke, whose employees carry out assembly and sorting work for STIHL.

ACTIVE AT THE ZAMA LOCATIONS

The ZAMA Group is committed to supporting local communities at its sites in the Philippines and the United States. Together with other companies from the local industrial park, the HSE (health, safety, environment) managers from ZAMA Philippines visited elementary and middle schools during the reporting year. During the visits, they talked to the pupils about waste separation, hygiene, and emergency preparedness and distributed meals and hygiene kits. ZAMA's company in the United States raised donations for four local organizations in Franklin, Tennessee, in the fourth quarter of 2024: the fire department, the Special Olympics, a veterans' association, and the Fraternal Order of Police, a charity organization for various law enforcement agencies. At the annual "Food Drive," employees collected food that was then distributed to people in need by a charitable church organization.

ADDITIONAL DISCLOSURES

not disclosed

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PUBLISHING INFORMATION

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