

Code of Conduct for Suppliers

Preamble

STIHL is committed to conducting business in a sustainable and responsible manner - in the interest of the company, its staff and the general public. As a medium-sized family-owned company, we are a part of society in all the regions in which we operate. Adherence to applicable law and regulations of the respective countries is the basis for cooperation. Furthermore we respect the cultural, social, political and legal diversity of societies and nations. Our values are laid down in our corporate culture. They represent a commitment for all employees with respect to their own conduct within the company and their dealings with the outside.

We expect from our suppliers that they too act in accordance with our principles of social responsibility. In all business activities in their own sphere of influence suppliers should work towards ensuring that their business partners and subcontractors also recognize these principles. This code of conduct for suppliers is based on the principles of the United Nations Global Compact and the declaration of the International Labour Organisation (ILO) concerning basic principles and rights at work. STIHL will pursue violations of this code of conduct. The aim is a general improvement of the situation in order to fulfil the requirements of the code of conduct. STIHL reserves the right, in case of violations of this code of conduct, to implement suitable measures, up to discontinuation of the business relationship.

1. Social Aspects and Human Rights

For STIHL, the observance of internationally recognized human rights is the basis for all business relationships. We expect from our suppliers that they comply with the principles of the code of conduct and neither commit nor participate in human rights violations.

■ **Ban on Child Labor and Forced Labor**

We expect from our suppliers that they observe the minimum age defined by the International Labour Organisation (ILO) and comply with existing rules concerning the respective national employment permits. Furthermore, we expect that every form of forced labor is rejected.

■ **No Discrimination**

When recruiting staff, we expect that our suppliers always base their decisions solely on the qualifications and skills of candidates in line with the principle of equal opportunity, as well during employment.

■ **Remuneration and Working Times**

We expect from our suppliers that remuneration and benefits at least conform to the statutory minimum wage and the statutory working hours / licensing agreement of the country concerned.

■ **Freedom of Association**

Our suppliers must recognize the basic right of every member of the staff to join employee organizations.

■ **Industrial Health and Safety**

We expect our suppliers to emphasize a safe and hygienic working environment. The conditions should always meet at least the national standards of the country concerned.

2. Environmental Protection

We expect our suppliers to comply with all applicable environmental laws, standards and other regulations. Pollution and risks to the environment should be minimized and environmental protection improved steadily in daily business operations.

3. Handling Information

We expect our suppliers to guarantee the protection of all information that requires protection. Furthermore, the obligation to maintain secrecy must be observed.

4. Ban on Corruption and Bribery

We expect our suppliers to reject any form of corruption, including blackmail and bribery. Among other things, this includes granting or accepting benefits (e.g. gifts, invitations or other benefits) outside the legally permissible limits. Furthermore, we expect fair competition to be just as important to our suppliers as it is to us.

Compliance with STIHL Code of Conduct for Suppliers

These expectations are regarded as the basis for maintaining successful business relationships with our partners. We expect our suppliers and other business partners to conduct their affairs in a legally and ethically irreproachable manner in the spirit of this code of conduct for suppliers.

In signing this document, the supplier agrees to comply with and recognize all principles and rules of this code of conduct, in addition to the obligations contained in supply agreements.

Place, Date

Signature

Name (in printed letters), Position

Company Stamp

December 2015

References:

UN Global Compact

www.unglobalcompact.org

International Labour Organization

<http://www.ilo.org/global/lang-en/index.htm>