

Waiblingen, 16.11.2020

STIHL to become climate neutral

- **STIHL will be climate neutral in Germany from 2021**
- **International production sites will follow in 2022, distribution companies as from 2023**
- **Increased energy efficiency of at least 40 percent planned by 2030**

STIHL is working on its pledge to eliminate its global carbon footprint. The company has now set out its guidelines covering actions to protect the climate in the short, medium and long term. In an initial step, all plants in Germany (Waiblingen, Fellbach, Ludwigsburg, Weinsheim, Wiechs am Randen) and the distribution centre in Dieburg will become climate neutral from 2021. The focus will be on the direct and indirect CO₂ emissions that can be directly controlled (scopes 1 and 2 as outlined in the Greenhouse Gas Protocol). In future, the entire scope of electricity needs will therefore be covered by the use of 100 percent green electricity. CO₂ emissions which cannot be avoided in the short term will be compensated by support for international climate protection projects certified with the internationally recognised independent Gold Standard. In the longer term, emissions will be reduced through the implementation of sustainable energy efficiency measures, and generation of the company's own green energy will be significantly increased in order to steadily reduce the amount of CO₂ compensation.

The STIHL climate strategy

“As a family business with a commitment to sustainability, STIHL is conscious of its responsibility to the environment. We are committed to the target set in the Paris Climate Agreement of reducing global warming to less than 2° Celsius. With our climate strategy we want to play our part and expand our range of climate protection activities,” says Dr Michael Prochaska, Executive Board member for Human Resources and Legal Affairs, whose responsibilities at STIHL include the Sustainability department. After STIHL Germany – the main producer of CO₂ emissions in the STIHL Group with around 40,000 tonnes – all the other global production companies will follow in 2022: Austria, Switzerland, China, the U.S., Brazil and the Philippines. The distribution companies around the world will be integrated successively into the climate audit from 2023 to 2028 at the latest. In terms of emissions from up- and downstream pro-

cesses (scope 3) outside STIHL's actual area of activity, we are currently evaluating the potential for reductions with the ambitious aim of reaching climate neutrality well before 2050 and ahead of the schedule set out in the Paris Agreement.

The pillars of climate neutrality

STIHL's climate strategy is built on the following pillars:

Green electricity: in future, STIHL will only use green electricity in Germany, in other words electricity generated from renewable sources. This will enable energy-related CO₂ emissions of the German plants to be immediately cut by some 50 percent.

Energy efficiency and generation: "In principle, our approach is to conserve resources in our production processes to the greatest extent possible: using materials efficiently, conserving water, electricity and heat, as well as designing buildings and spaces with sustainability in mind – these are all mainstays of our strategy. We will now intensify our efforts and resolutely make the most of further potential for conservation," explains Martin Schwarz, Executive Board member for Manufacturing and Materials. By 2030, energy efficiency is due to be increased by at least 40 percent as compared to 2019. STIHL will also increase its own generation of green energy, for example by adding to the numbers of solar installations.

Compensation: On the whole, STIHL believes in the principle that reducing emissions comes before compensation. However, unavoidable emissions – for example, from combustion processes or electricity in countries where there is only limited availability of green electricity or none at all – are mitigated via compensatory measures. STIHL is supporting a Gold Standard certified climate protection project in Gatsibo, Rwanda. The local population has to boil water on open fires in order to be able to use it as drinking water. Burning wood, which first has to be cut, releases greenhouse gases. This is where the project comes in: it funds the renovation of existing ones, combined with the introduction of efficient cooking stoves. This means on one hand that less CO₂ is released and the level of deforestation is reduced, and on the other hand that the local forests are conserved and biodiversity maintained. It also means that people have a safe supply of drinking water and are protected from disease. Furthermore, the lives of women and girls in particular are improved significantly.

Further and more detailed information on the STIHL climate strategy can be found on our website at: stihl.com/climate-strategy

Company profile

The STIHL Group develops, manufactures and distributes power tools for professional forestry and agriculture as well as for garden and landscape maintenance, the construction sector and private garden owners. The product range is complemented by digital solutions and services. The products are sold to end users through STIHL-authorized servicing dealers. The STIHL Group's sales network consists of 38 STIHL-owned sales and marketing companies, approximately 120 importers and more than 50,000 independent, STIHL-authorized dealers in over 160 countries. STIHL has its own manufacturing plants in seven countries: Germany, the U.S., Brazil, Switzerland, Austria, China and the Philippines. STIHL has been the world's top-selling chainsaw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart, Germany. In 2019, STIHL achieved a worldwide sales volume of 3.93 billion euros with a workforce of 16,722.

This press release and pictures are available for downloading from the STIHL website at <https://corporate.stihl.de/tages-wirtschaftspresse.aspx>.

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