

CODE OF CONDUCT OF THE STIHL GROUP —

STIHL

THE STIHL GROUP

When Andreas STIHL developed his first chainsaw over 95 years ago, he wanted - according to his vision - to „make it easier for people to work with and in nature“. Today, the parent company and the affiliated companies of the STIHL Group (hereinafter referred to as ‚STIHL Group‘) develop, manufacture and sell power tools for forestry and agriculture as well as for landscape maintenance, the construction industry and private garden owners. The product range is complemented by digital solutions and services. STIHL has been the world's best-selling chainsaw brand since 1971. The company was founded in 1926 and has its headquarters in Waiblingen near Stuttgart.



The products are basically sold through service-providing specialist dealers and STIHL's own online shops, which will be expanded internationally in the coming years - **with 41 of its own sales and marketing companies**, around **120 importers** and more than **54,000 specialist dealers** - STIHL produces in seven countries worldwide: Germany, Brazil, Switzerland, Austria, China, the USA and the Philippines.

If you want to be a global leader, you must never be satisfied with what you have achieved. Only those who continuously develop and align their company with lasting principles will reap sustainable success. Our corporate culture, our values and our brand image are the basis for the principles by which the STIHL Group is managed. Our relationships with third parties are built on these principles. We have always thought long-term and set the highest standards for the quality of our products. Even the founder Andreas STIHL manufactured many components of his chainsaws himself. Only in this way was it possible to obtain the quality he needed for his tools. Anyone who works in forestry or agriculture, in landscape maintenance or on the construction site - or who has the highest demands as a private user - knows STIHL and appreciates the brand promise: top quality, customer orientation and innovation.

The quality „**Made by STIHL**“ is characterised by a high level of in-house expertise and detailed workmanship. The STIHL Group sees itself as more than the sum of employees, buildings, machines and processes. It sees itself as a strong and reliable community of employees who together do everything to achieve the company's goals. Mutual reliability and identification with the company is the basic prerequisite for success in the global market. In order to continuously develop this success, it requires a consensual understanding of our principles, corporate culture and values.



DEAR STAFF MEMBERS, LADIES AND GENTLEMEN,

In accordance with the principles of our founder Andreas STIHL, STIHL operates sustainably and responsibly today and in the future – in the interests of the company, our customers, employees and the general public alike. The STIHL Group also wants to be exemplary in this area and recognises its responsibility as part of society worldwide. All employees respect the cultural, social, political and religious diversity of all people, societies and nations.

In the course of our business activities, we comply with the applicable laws and regulations of the respective countries and act as a fair and reliable partner. This is a matter of course for us. This Code of Conduct forms the binding foundation of our business dealings within the STIHL Group, as well as with third parties. We expect all employees of the STIHL Group, regardless of position, to comply with the law, regulations and contracts in the performance of their duties. This Code of Conduct therefore summarises the key principles that the Advisory Board and the Executive Board believe are important for this conduct.

The Code of Conduct provides concrete examples to guide every employee in the STIHL Group to make the right decision even in difficult situations. In this way, this Code of Conduct creates security in everyday business for each and every one of us. It is the direct responsibility of each individual to be a reliable and law-abiding partner in their conduct. This responsibility cannot be delegated.

»The growth and success of STIHL are based on the strong values that are firmly anchored in the company's history.«

Dr Nikolas Stihl

With this in mind, we urge you to familiarise yourself with the contents of this Code of Conduct and to follow it through your actions and behaviour in everyday business.

DR NIKOLAS STIHL
Advisory Board of STIHL
HOLDING AG & Co. KG

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Board of Management
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ANKE KLEINSCHMIT
Board of Management
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Board of Management
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DR MICHAEL PROCHASKA
Board of Management
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SCOPE



THIS CODE OF CONDUCT APPLIES TO ALL EMPLOYEES IN THE STIHL GROUP.

Compliance is the conduct of a company, its bodies, such as the Board of Directors or local management, managers and employees, in accordance with the rules, with regard to all applicable statutory provisions and the company's own regulations. The Code of Conduct is a mandatory component of an effective compliance management system and part of the STIHL Group's rules and regulations. Where necessary, it is supplemented and specified by local standards at the parent company and affiliated companies.

This Code of Conduct is equally binding for everyone - the Board of Directors, local management, executives and all employees of the STIHL Group companies. It is the responsibility of every employee to inform themselves about the regulations that apply in their area of work and responsibility and to comply with them accordingly.

The overall responsibility for compliance with laws, official requirements, internal rules and thus also for the implementation of this Code of Conduct lies with the Executive Board of STIHL AG and, at local level, the management of the affiliated companies of the STIHL Group, who also live our values in their everyday business as role models. Managers also have a special task: they are the first point of contact for questions from their employees on the correct behaviour in individual cases.



Managers ensure compliance with this Code of Conduct in their area of responsibility through appropriate instruction. The importance of compliance with laws and the STIHL rules and regulations is emphasised and addressed by managers in training courses. However, the responsibility of managers does not absolve individual employees from fulfilling their own responsibilities. This corresponds to the requirement to regularly inform themselves about the relevant applicable legal regulations and provisions of the STIHL rules and regulations in their own area of work and to implement them in their daily practice. Observed breaches of the rules can be reported, for example, via the STIHL Group's **Integrity Line**.

In the event of questions or uncertainties regarding this Code of Conduct or other compliance-relevant topics, both managers and employees can contact the Compliance Department at the parent company or the local contact person at the affiliated company. In addition, further information can be found on the intranet and on the STIHL Group website (www.STIHL.com).

GENERAL PRINCIPLES OF CONDUCT

1.1 WE COMPLY WITH APPLICABLE LAW AND OUR STIHL RULES AND REGULATIONS.

Our actions are always guided by the core values of honesty, law-abidingness and fairness. We comply with the laws of the countries in which we operate. If we do not act in accordance with the law and our self-imposed standards, this can lead to loss of reputation in the public eye, financial loss and consequences under criminal law. It is our joint responsibility to ensure the sustainable success of the company and to protect the reputation of the STIHL Group. The basis for this is knowledge of the relevant laws, the internal rules and regulations and the contents of this Code of Conduct.



1.2 WE RESPECT HUMAN DIGNITY AND RESPECT HUMAN RIGHTS AND RIGHTS AT WORK.

In the STIHL Group, we respect, protect and promote compliance with internationally recognised human rights and good and fair working conditions. The STIHL Group respects the human rights of its employees and has set the prevention of human rights violations in the supply chain as a declared goal. In its decisions, the STIHL Group is guided by the corporate responsibility formulated in the United Nations Guiding Principles on Business and Human Rights and the 3-pillar model: protect, respect and remedy.

The STIHL Group's long-term values include trust, tolerance and employee participation. Degrading or humiliating behaviour that is likely to violate the dignity of another person, e.g. through discrimination, bullying, sexual harassment of any kind, threats or the use of physical violence and psychological coercion, has no place at STIHL. Mutual respect is our highest principle. Compliance with the fundamental rights and principles at work defined by the United Nations International Labour Organization (ILO) is a matter of course for the STIHL Group:

1. prohibition and abolition of child and forced labour:

We strongly reject child and forced labour in any form and advocate for their effective abolition.

2. protection against discrimination:

Discrimination on the basis of ethnic, national and social origin, gender, skin colour, age, language, disability or other characteristics, religious, political or other world view and sexual identity will not be tolerated.

3. freedom of association and the right to collective bargaining:

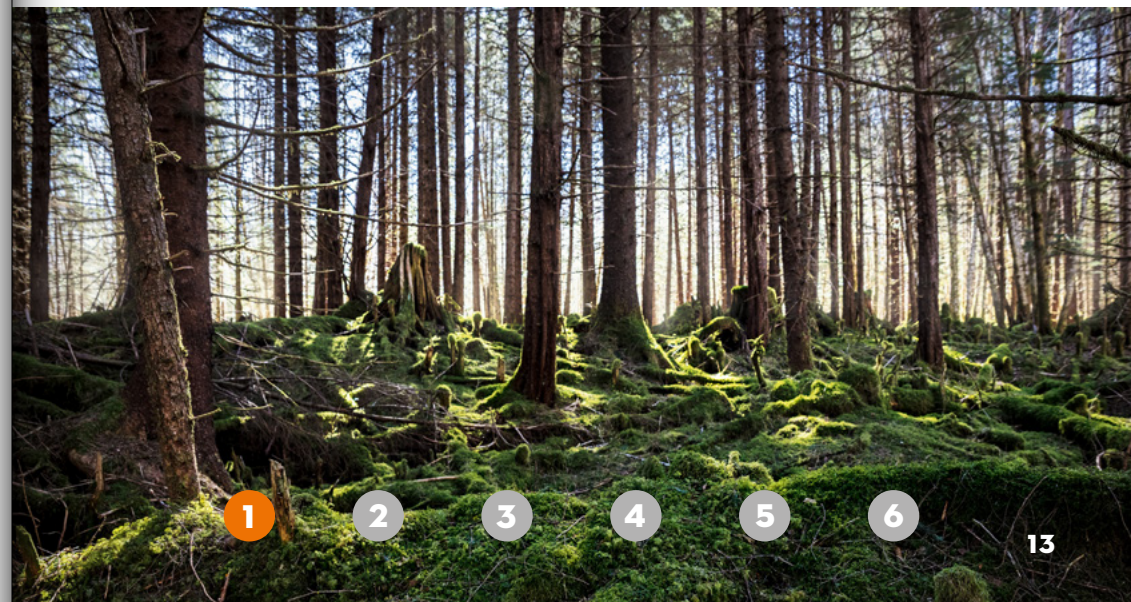
The STIHL Group is committed to freedom of association, the right to collective bargaining and „equal pay for equal work“. Trust and constructive cooperation characterise our dealings with employee representatives.

With regard to general working conditions such as working hours, remuneration and qualification, the STIHL Group complies with the applicable national regulations and promotes the participation of employees in the design and continuous improvement through a constructive exchange with employee representatives.

The STIHL Group promotes long-term employment relationships and supports the further development of its employees by offering training and further education. The STIHL Group is guided by the ILO standard instruments on working conditions.

1.3 WE PROTECT THE ENVIRONMENT.

As a manufacturer of power tools, the STIHL Group is committed to environmental protection and energy efficiency at a high level and to their continuous improvement - both in corporate processes and in products. As early as the development and production of our products, we ensure that resources are used sparingly and that the environmental impact is reduced, for example through suitable recycling measures. Sustainable environmental protection is implemented worldwide at the corporate level through our certified environmental management system (ISO 14001).

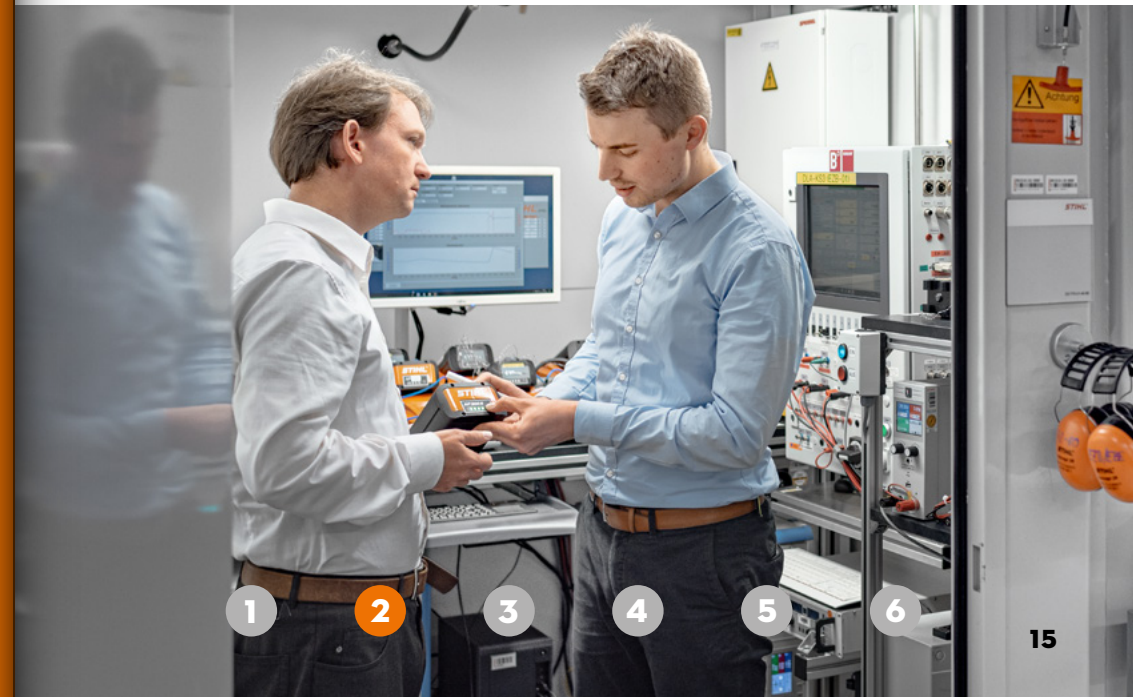




PRINCIPLES OF CONDUCT IN CONTACT WITH BUSINESS PARTNERS

2.1 WE STAND FOR FAIR COMPETITION.

The STIHL Group is committed to the free-market principle of free competition. We therefore comply with the applicable competition and antitrust laws. Violations are consistently pursued by antitrust authorities worldwide and can lead to sanctions against the STIHL Group that could threaten its existence. The STIHL Group does not participate in restrictive practices and cartels. Specifically, this means that we do not enter into any agreements, whether verbal, written or tacit, to share markets and regions, prices, allocate customers or co-ordinate strategies with competitors of the STIHL Group. If we are encouraged by a competitor to enter into agreements, this must always be firmly and explicitly rejected, documented and reported immediately to the supervisor and the responsible Compliance Officer. Further details are provided in RL 60-02 and the respective local standards.



2.2 WE REJECT ANY FORM OF CORRUPTION.

The STIHL Group opposes all forms of corruption, including extortion. In every country in which the STIHL Group is active, corruption is prohibited and can lead to criminal consequences. Corruption carries high criminal risks for STIHL Group employees, officials and business partners. We comply with all local laws and regulations in the context of corruption prevention. In particular, business partners must not be influenced in their decisions by granting advantages in such a way that they unfairly favour the STIHL Group or that the business partner violates his duties towards his company. The same applies to decisions we make for the STIHL Group. We do not offer, demand or grant any improper advantages. Benefits in the form of gifts, invitations and hospitality among business partners can be problematic if they are given in the course of contractual negotiations. The mere attempt to exert influence (for example, offering gifts) can be punishable. Hospitality is possible to a reasonable extent.

Commissions and remuneration received by traders, intermediaries or advisors may only be paid for permissible services actually rendered, must be proportionate to these services and always require a written agreement. The STIHL Group convinces through the quality and performance of its products as an efficient business partner, not through unfair influence.



2.3 WE AVOID CONFLICTS OF INTEREST AND MAKE THEM TRANSPARENT.

A conflict of interest exists when an employee's objectivity is limited due to private interests and his or her business decisions are no longer exclusively oriented towards the company's best interests. Employees are obliged to avoid conflicts between their private interests and the interests of the STIHL Group. Even the appearance of a conflict of interest must be avoided. Should such a situation nevertheless arise, employees shall disclose the details to the respective supervisor.

2.4 WE HANDLE DONATIONS AND SPONSORSHIP RESPONSIBLY.

The STIHL Group regularly engages in environmental, educational and social activities through cooperation, donations and sponsorship. Donations are always voluntary expenditures without consideration. Donations are only made if the recipient and intended use are known. Sponsoring is a donation based on a contractually agreed consideration. We always ensure that the relationship between the donation and the consideration is appropriate. Donations and sponsoring are always in a factual context to the company and are compatible with the corporate interests of the STIHL Group and applicable law.

2.5 WE COMPLY WITH THE PROHIBITION OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM.

The STIHL Group is committed to full compliance with all applicable anti-money laundering and anti-terrorist financing laws. By money laundering we mean the smuggling of assets, such as cash from possible criminal offences, into the legal economic cycle. By terrorist financing we mean the provision of funds or other resources for terrorist offences or to support terrorist organisations.

2.6 WE COMPLY WITH TAX AND DUTY REGULATIONS.

Due to its national and international activities, the STIHL Group is subject to different tax or other fiscal framework conditions that must be observed. Violations of these framework conditions, in particular violations of the tax regulations of a country, can trigger criminal law risks for the companies of the STIHL Group as well as the persons acting, cause considerable economic disadvantages for the companies concerned and cause lasting damage to the reputation of the STIHL Group. This must be avoided at all costs.





2.7 WE COMPLY WITH ALL EXPORT CONTROL AND FOREIGN TRADE LAWS.

Export control is an international instrument that focuses on security-relevant, cross-border exchanges of goods, services and cooperation with persons (for example embargoes).

Export control regulations may impose restrictions on the STIHL Group. Depending on the export control regulation, these restrictions may be related to goods, services and/or persons. Violations of these restrictions can have serious consequences for the STIHL Group companies concerned and their responsible employees.

The STIHL Group complies with local export control regulations and strictly rejects circumvention deliveries. Questions in this regard can be answered by the local export control officer or the export control officer of the parent company.

2.8 REQUIREMENTS FOR PRODUCT CONFORMITY.

Product compliance focuses on the safety and health requirements of the applicable laws and regulations with which our products must comply. Product compliance is demonstrated as part of the product approval process, which ensures that the STIHL Group only places appropriately compliant products on the market.

3

PRINCIPLES OF CONDUCT IN DAILY WORK

3.1 WE RESPECT EACH OTHER.

As in a healthy forest, there is no monoculture in the STIHL Group, but diversity. Only from the interplay of different perspectives and the tolerance of these can long-term success grow. We see open, cooperative and fair interaction as an essential part of our corporate culture. All employees make a valuable contribution to this. Our Executive Board, managers and directors provide orientation, promote individual development and exemplify an open, respectful way of communicating and giving feedback.



3.2 WE ARE COMMITTED TO HEALTH PROTECTION AND OCCUPATIONAL SAFETY.

Ensuring the safety and health of employees is a central task for the STIHL Group. It is therefore committed to maintaining occupational health and safety at a high level and ensuring a safe working environment. To meet this obligation, we have taken a wide range of preventive and health measures and ensure that these are constantly improved. Furthermore, our internal processes serve to ensure that the laws, regulations and standards on occupational safety are complied with.

3.3 WE HANDLE CONFIDENTIAL INFORMATION RESPONSIBLY.

Trade and business secrets as well as technical knowledge are foundations for our business success. Unauthorised disclosure of information can lead to competitive disadvantages, loss of reputation and high damages and can have legal consequences. Within the STIHL Group, we are aware of this risk and have taken measures to ensure that no unauthorised third party gains knowledge of sensitive information belonging to the STIHL Group.

3.4 WE OBSERVE DATA PROTECTION.

Data protection is a top priority at the STIHL Group. We protect the personal data of our current and former employees, customers and suppliers and all other parties. We comply with the legal regulations on data protection. No personal data may be collected or processed without a legal authorisation or the consent of the person concerned. As a matter of principle, personal data is only processed for the purposes for which it was collected.



REQUIREMENTS FOR OUR BUSINESS PARTNERS

We expect our business partners, especially suppliers, to also adhere to the values and principles underlying this Code of Conduct. Furthermore, in all business activities within their own sphere of influence, business partners should ensure that their business partners also comply with these principles. This is the basis for a successful business relationship between us and our partners. The Code of Conduct for Suppliers applies in addition.

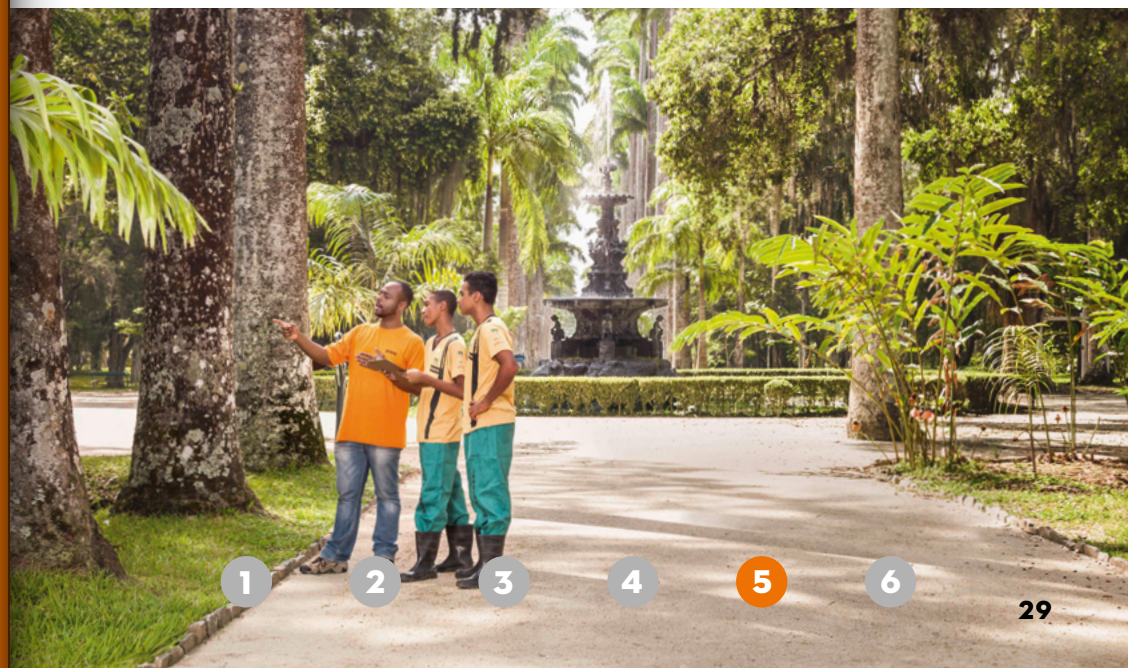


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IMPLEMENTATION OF THE CODE OF CONDUCT

Violations of this Code of Conduct will not be tolerated and may result in disciplinary action based on applicable labour laws. All indications of such violations will be investigated. All employees of STIHL Group companies may report possible violations of this Code of Conduct, internal rules or applicable law. These reports can be submitted to the supervisor, the **compliance officers** or to the **Integrity Line**. In this way, appropriate measures can be initiated and violations can be responded to. This protects the entire STIHL Group and its employees.

All reports of possible violations will be investigated immediately. Reports can be made anonymously. All information will be treated as strictly confidential within the framework of the legal regulations. Discrimination or pressure against a complainant will not be tolerated.





CONTACT PERSONS IN THE STIHL GROUP

Questions regarding this Code of Conduct or the correct behaviour in individual cases can be answered by the respective supervisor. Specific questions can also be discussed with the local **Compliance Officers** or directly with the **Compliance Department** of the parent company:



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Group Compliance Officer

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Information is also sent to the Compliance Department via the compliance e-mail address: **compliance@STIHL.de**. Confidential treatment is assured for tips sent to this e-mail address, by telephone and the **Integrity Line**.

1

GENERAL PRINCIPLES OF CONDUCT

Human dignity, human rights, rights at work, protection of the environment.

PRINCIPLES OF CONDUCT IN CONTACT WITH BUSINESS PARTNERS

Fair competition, no corruption, avoidance of conflicts of interest, responsible handling of donations and sponsoring, prohibition of money laundering and financing of terrorism, compliance with tax and duty regulations, compliance with export control and foreign trade laws, product conformity.

2

3

PRINCIPLES OF CONDUCT IN DAILY WORK

Respect, health protection, occupational safety, responsible handling of confidential information, data protection.

4

REQUIREMENTS FOR OUR BUSINESS PARTNERS

Compliance with the Code of Conduct - also by their business partners, the basis for successful business relationships.

IMPLEMENTATION OF THE CODE OF CONDUCT

Violations will not be tolerated, in case of violations = disciplinary action, following up on indications of violations, request to report possible violations of the Code of Conduct, dealing with reports.

5

6

CONTACT PERSONS IN THE STIHL GROUP

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