

Corporate Culture



Cooperation Success Guidelines

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Dear Staff,
Dear Business Partners,
Dear Friends of the Company,

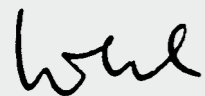
A company is more than the sum of its employees, buildings, machines and processes. It is also more than purely manufacturing products or providing services. Above all else, a company represents a strong and reliable community of people who work together to achieve goals. These people have to stick together and identify themselves with the company. In order to continue our success on the world market in the future, we need a common understanding of our strategies, principles, objectives and values, both at the founding company and the STIHL Group's subsidiaries, i.e. a corporate culture. And this is of preeminent importance to us as family-owned group which has the character of a medium-sized company.

Our corporate culture is not a theoretical or static structure, but a living organism – which has grown over 80 years and has been molded by the people in the company. It has continued to develop in the past few years. With this brochure we would like to show you how our corporate culture presents itself today.

Our employee-oriented management culture promotes constructive and result-oriented collaboration on the basis of a friendly professional relationship. The company's goals are defined every year at a meeting of executives and discussed with the employees.

Our corporate culture must be seen by all employees as a guide for their own conduct within the company and in their dealings with the external environment. In their function as role models, executives are called upon in particular to practice this corporate culture.

Waiblingen, November 2011



Hans Peter Stihl
Chairman of Supervisory Board of STIHL AG



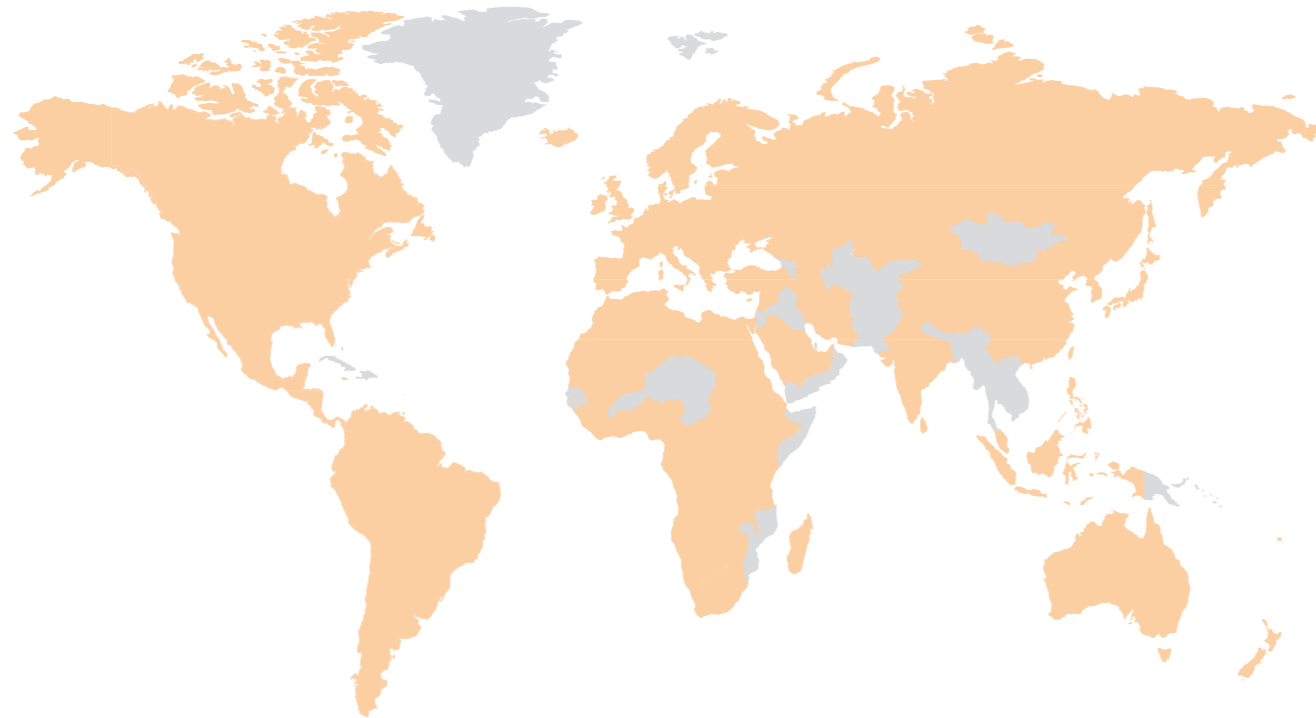
Dr. Bertram Kandziora
Chairman of Executive Board of STIHL AG

Values

Culture Strength
Worldwide

Structure of the STIHL Group

- Countries in which STIHL is represented by subsidiaries, representative offices or importers



Since the company was founded in 1926 by Andreas Stihl, the "father of the chainsaw", STIHL has grown into an international manufacturer of chainsaws and power tools. Today, STIHL has production plants at seven locations in Germany and also in the United States, Brazil, Switzerland, Austria and China. The executive, advisory and supervisory boards and the engineering center are based at the German founding company, ANDREAS STIHL AG & Co.KG, in Waiblingen near Stuttgart.

The STIHL Group develops, manufactures and sells power tools for the forestry industry, landscape care and the construction industry. There are well over one thousand STIHL patents and registered designs, most of which have been incorporated

in series production. STIHL has been the world's best selling brand of chainsaws since 1971.

In addition to gasoline and electric chainsaws, the extensive line of products includes brush cutters, hedge trimmers, blowers, sprayers, pressure washers, cut-off machines and earth augers as well as protective equipment and accessories. The product portfolio is complemented by the VIKING range of garden equipment, such as lawn mowers and shredders. As a matter of principle, products are distributed through a network of retailers offering full service – with 32 wholly-owned sales subsidiaries, more than 120 importers and some 35,000 servicing dealers in more than 160 countries throughout the world.



STIHL partners: Dr. Rüder Stihl, Gerhild Schetter (née Stihl), Eva Mayr-Stihl, Hans Peter Stihl



STIHL executive board: Jürgen Steinhauser, Dr. Bertram Kandziora, Wolfgang Zahn, Dr. Klaus Detlefsen

Together Dialogue
Loyalty Trust

Goals
Competence
Success



“We want to expand our position as the world’s best selling chainsaw brand and a leader in power tools for landscape care and the construction industry.”

■ **Continuity and Core Competence**

Continuity in thought and action is an essential pillar of the company’s success. Ever since the company was founded, STIHL’s thinking and planning has always been long-term, while maintaining flexibility and adaptability at the same time. Close cooperation between the executive board and owner family guarantees continuity in the strategic alignment of the company. In this process the company concentrates on its core competence: The development, manufacture and distribution of chainsaws and power tools.

■ **Independent Family Company**

As a family-owned company, STIHL attaches major importance to independence. The cornerstones for this are the legal form of the company, reasonable profits, a high equity ratio as well as its own manufacturing and sales subsidiaries. In order to be able to guarantee independence and a secure basis for long-term planning, special attention is paid to in-house production, organic growth and the cultivation of know-how.

■ **Strict Customer Orientation**

STIHL focuses consistently on customer requirements because, in the final analysis, the company’s success depends on customer satisfaction. In order to ensure a high quality of professional advice, product training and service, products are sold through servicing dealers only – true to the maxim of company founder Andreas Stihl: “A chainsaw is only as good as its service.”

■ **Employee-Oriented Management Culture “Succeeding Together”**

As an employer, STIHL puts its trust in well-qualified, committed employees and promotes a frank, performance and employee-oriented management culture. Special encouragement is given to personal contacts in this process. Traditionally, the company attaches great importance to training and further education. Executives are expected to set a good example in implementing and passing on company strategies and values as part of their management task.

Our Self-Image and Corporate Policy Maxims

Global Strong
Reliable

■ Top Quality

“Made by STIHL” stands for top quality of products and processes throughout the world. The high level of engineering know-how guarantees the company’s technology leadership. STIHL constantly demonstrates its competence as world leader with innovations for improving functionality, user friendliness and environmental protection as well as user and product safety.

■ International Orientation

STIHL operates on a global basis and is represented on all continents. The global orientation of the Group is reflected in worldwide sales and distribution as well as manufacturing plants and highly competent suppliers in other countries. In this connection it is necessary to take into account many-faceted local customs and mentalities. A balanced location policy is pursued within the international network of manufacturing plants.

■ Fairness and Responsibility

STIHL cultivates good, long-term cooperation with servicing dealers, suppliers and other business partners on a basis of a friendly professional relationship. Important keys to business success are fairness with one another and good personal relations both internally and externally. Employees observe the “Principles of Social Responsibility”.

Quality
Fairness
Enthusiasm
Responsibility



Principles of Social Responsibility

Social Responsibility Human Rights

■ Preamble

STIHL operates on a sustained basis in the interest of the company, its staff and the community in equal measure. The Group recognizes its responsibility as part of society in all regions in which it operates. STIHL respects the cultural, social, political and legal diversity of societies and nations. The STIHL Group abides by the laws and regulations applicable in individual countries and harmonizes commercial goals with the demands detailed below.

These principles are part of STIHL's corporate culture and apply to the whole of the STIHL Group. All our employees are called upon to abide by these principles and we expect business partners to observe comparable principles.

■ Human Rights

STIHL observes the maintenance of internationally decreed human rights.

■ Business World

STIHL embraces the principles of the social market economy and competition, recognizes employees' freedom of association, rejects any form of forced labor or child labor, guarantees equality of opportunity in recruitment and employment, undertakes to maintain, and constantly and purposefully improve, safety and health at work at a high level, and promotes the integration of physically and psychologically handicapped persons.

■ Environment

STIHL declares its commitment to sustainability in conservation of the environment. The company undertakes to practice environmental protection at a high level and its continuous improvement - in both company processes and in the products.

■ Corruption

STIHL takes a firm stance against corruption, including blackmail and bribery

Equality of Opportunity Human Rights Environment



Social
Responsibility
Objectives
Strength
Role Model

ANDREAS STIHL AG & Co. KG
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www.stihl.com

Cover: Sculpture by Werner Mally, 2003 "Double helix, poplar, 90 x 160 x 280cm"



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