IT'S ALL IN THE MIX

Some 230,000 inhabitants and almost 10,500 kilometers separate the sleepy neighborhood of Wiechs am Randen, part of the town of Tengen in Germany, and the bustling city of São Leopoldo in the south of Brazil. And yet the two places are very, very close to each other every single day: both are part of the STIHL Group, and both are crucial elements of the manufacturing network. No matter how large, or how small, the plant might be.

ANNUAL REVIEW



engen. A sleepy little town, a comfortable and quiet sort of place. The municipality borders on Switzerland to the east, south, and west. The viewer's gaze sweeps across rolling hills, meadows, forests. When visibility is perfect, you can see as far as Germany's Lake Constance. Tengen is a spa town, specially designated for its healthy air - a perfect place to take a deep breath. People who grow up here seldom leave. Roland Restle is firmly rooted in the local area, and he has found a home for his career at STIHL Plant 3, which has been located in Wiechs am Randen, part of Tengen, since 1960. His father and grandfather worked with saws, too, so his first job was as a carpenter. He has been with STIHL since 2011, having traded in his saws and woodwork for a job as an equipment operator. His favorite part? Working on the laser cutter used to manufacture STIHL brush knives. "The job is multifaceted and challenging," he says. But what he likes most about his work is the closeknit community here, at the smallest production facility in the STIHL Group. With just 67 employees at the plant, it almost goes without saying that everyone treats each other like family. "No one is just a number here. Everything is very personal and direct, and there usually isn't much red tape," Restle (36) says with a smile.





»Getting a job at STIHL Ferramentas Motorizadas was a dream come true. I was first hired for a fixed term, and now I've been here for more than ten

years.«

JAIANE DOS SANTOS BURKNER (34), plastic production employee

ADVISORY AND EXECUTIVE BOARDS



»It's a perfect blend of global company and family environment. Communications are direct, and the interpersonal climate is great.«

> FELIZITAS THIEL (46), works council chair and quality assurance employee



Jaiane dos Santos Burkner remembers her first day at STIHL Ferramentas Motorizadas like it was yesterday: "Everyone said hello, and some people even hugged me. At first I thought someone had died." But then she realized it was part of the team's morning routine, with everyone telling each other to have a great day. Her hometown is more than 10,000 kilometers away from Restle's. But she doesn't have a long commute to get to work, either - these days, she lives right near the STIHL plant in São Leopoldo, a big city in the Porto Alegre metro area. She left her hometown specifically to take a job in plastic production here, and she has never regretted it: "I started out in a fixed-term job, and now it's been ten years." She has shared her enthusiasm for STIHL with both of her sons, too - they are both sure that they want to work for the global company from Swabia some day.

Some 60 years ago, a personal appeal led to the laying of the cornerstone for STIHL in Wiechs am Randen. With unemployment on the rise and mass migration from rural areas to the cities, the local parish priest approached Andreas Stihl, who felt a close connection with the place where his father had been born. So, he decided to help. The first production site outside the founding company's original location in Waiblingen began operating with six employees in the community center.



Big and bigger - STIHL Ferramentas Motorizadas. The production company in South America has been growing steadily since it was founded in 1973.

Brazil followed 13 years later, but it was another first, as it was the first production company located in another country. The city – dubbed the "cradle of German culture in Brazil" due to its large German immigrant presence – produced only about 500 machines a year at first. Today, the location is an integral part of the STIHL Group, with its expertise in magnesium pressure casting, crankshaft and bar manufacturing, and, above all, its cylinder production. Cylinders made in Brazil cover more than 90 percent of demand across the Group.

Gilmar Rodrigues Palagem is proud of that figure. Month after month, he stubbornly returned to submit his application at the reception desk, trying to join part of the success story himself. It worked - he has been with the company since 2004. Today, he works in the cylinder casting shop. He has completed a continuing education program to become a precision mechanic and is also studying part-time to become a production manager. "My goal is to acquire a lot of knowledge so I am ready for future opportunities within the company. I want to grow and develop here." Commitment pays off, as Felizitas Thiel knows as well. Thiel, 46, has done "almost all the jobs" over the 15 years she has been working in Wiechs am Randen, she says. These days, Thiel, who originally apprenticed as a print artwork producer, works in quality assurance and chairs the works council. In her experience, things move a little differently in Wiechs than in the rest of the world. She likes that. And she really likes her location: "We went through a big

»With STIHL's support, I completed a training program to become a precision mechanic and am now studying production management. I want to grow and develop here.«

GILMAR RODRIGUES PALAGEM (37), aluminum casting employee



ADVISORY AND EXECUTIVE BOARDS



»STIHL gives you a good feeling even in uncertain times. The work is multifaceted, and there's a lot of variety. I'm really happy here.«

> ROLAND RESTLE (36), equipment operator, brush knife and bar production

development process. We proved what we can do time and again, and how important we are to the whole Group." Producing the aluminum handlebars, with and without heating, and brush knives - those are minor but important capabilities that make us unique.

Sometimes, Holger Vollmer views himself and his team as a kind of academy within the STIHL Group. "We do assembly and production at the same location. It's a big challenge for all of us. We're like a mini factory," says Vollmer, who manages the plant. He is obviously happy about this position within the company. Vollmer is a typical STIHL homegrown talent. Throughout his career, he has moved through various departments at the founding company. That is, up until he was offered the job of plant manager in this small enclave on the Swiss border back in 2013. He isn't just the boss there. Sometimes he is a security quard, or a seller of brand shop items. Throughout his time here, he has held a firm belief: "The fact that we are located in a small village has nothing to do with our competence." With machine efficiency at over 90 percent and loss time under 3.5 percent, Wiechs is performing much better than the required indicators. And with the company's own shredder blade, "we really dislodged an Asian competitor." That is encouraging as the team looks to the years ahead.



A state-of-the-art laser system is used to produce brush knives in Wiechs am Randen – and nowhere else.





BRAZIL



SQUARE METERS is the current developed area at STIHL Ferramentas Motorizadas.

»My career at STIHL is ending a year from now, after more than 35 years. I'll pass the torch to my kids and brother at that point. There's a reason people call us >the STIHLERS.<«

LUIS CARLOS DE SOUZA (57), export warehouse employee

While Vollmer looks down the road with a head full of ideas, Luis Carlos de Souza is looking back a bit. Now, at 57, he is getting ready to retire. He has mixed feelings. After all, it feels "like yesterday" that he started out at STIHL Ferramentas Motorizadas, he says. A warehouse clerk, de Souza actually has many years of work under his belt by now, 35 of them at STIHL. Back then, the situation in Brazil must have felt a bit like in Wiechs: "We were a small team. Everyone knew everyone else. There were only a few buildings, and it felt like a family." In the meantime, the STIHL family and his own have grown quite a bit de Souza has three children. Two have already followed in his footsteps. He hopes his youngest daughter will do the same and join STIHL as well. "No matter how large or small it is, STIHL is STIHL, and it has always stayed true to its values. It is a family business, founded by one family for many other families."

CYLINDER EXPERTISE

More than 90 percent of all cylinders for STIHL products are made in Brazil. The Cylinder Competence Center was created there in 2012.



2,808 EMPLOYEES work in São Leopoldo.

EXPORTS TO ALL OVER THE WORLD

Every day, many, many components leave São Leopoldo for destinations across the STIHL Group.

ADVISORY AND EXECUTIVE BOARDS

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marked the start of STIHL's history in Wiechs am Randen. The company started out at the community center with just eight employees.

> EFFICIENT AND FAST With machine efficiency at more than 90 percent, Wiechs takes top marks.



»We're a mini factory, the >academy< for many other areas. I'm proud of that, and it shows just how valuable our plant is.«

HOLGER VOLLMER (45), plant manager in Wiechs am Randen since 2013