

ESG Report

2025 Edition

Prinoth AG

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Italy

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1.0 ESG at Prinoth

Our ESG Commitment



At Prinoth, our legacy is built on performance, progress, and responsibility. As a global leader in high-performance equipment, we recognize that our impact extends beyond engineering excellence. We are shaping the future of the industries we serve by integrating sustainability, social responsibility, and strong governance into everything we do. Our ESG approach is built on three pillars: advancing sustainable technologies, fostering a strong and inclusive workforce, and upholding the highest standards of governance.

Sustainability is not a new concept for Prinoth. For decades, we have pioneered technologies that reduce environmental impact, enhance efficiency, and support responsible land management. Our innovations—whether in low-ground-pressure vehicles, electrification, or digitalization—demonstrate our commitment to developing machines that work smarter while minimizing their footprint.

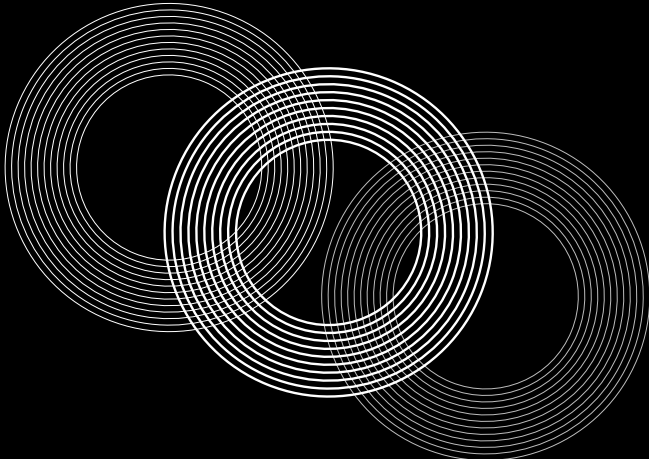
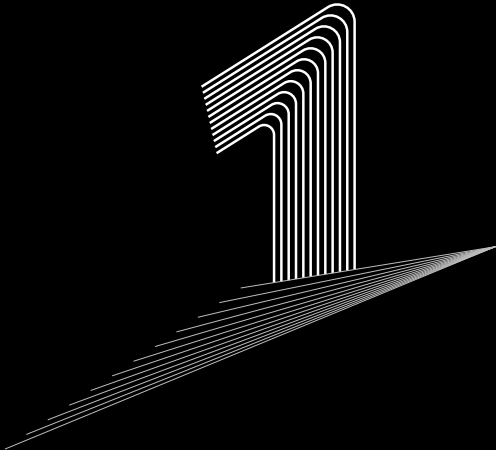
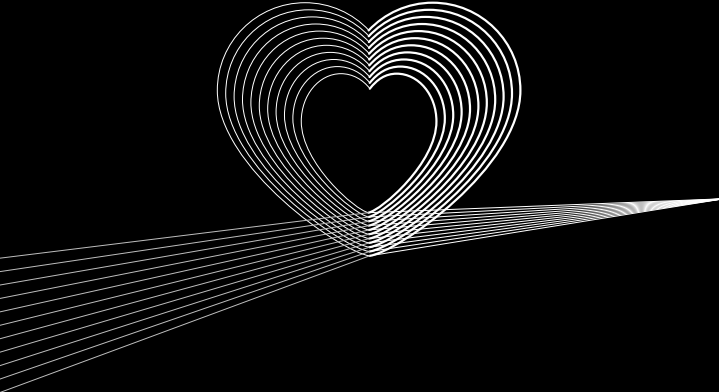
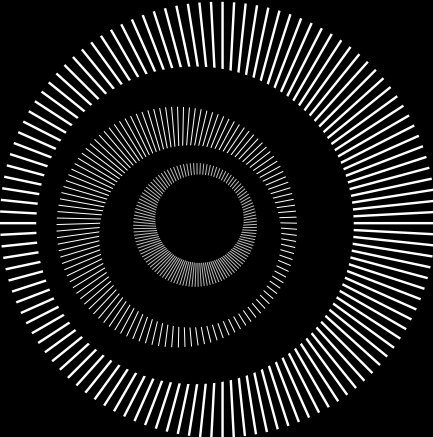
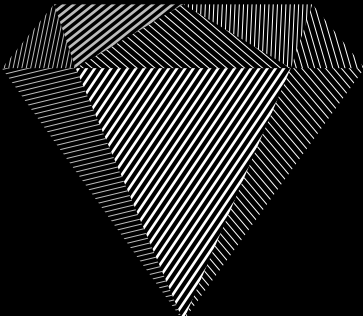
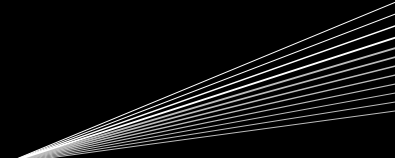
Yet, our ESG commitments go beyond technology. People are at the heart of Prinoth. We are proud of the diverse and highly skilled workforce that drives

our company forward, and we are committed to fostering an inclusive, safe, and inspiring work environment. By investing in talent development, a strong workplace culture, and employee well-being, we ensure that our teams are empowered and equipped to meet the challenges of tomorrow.

Governance is a key part of our approach. We are committed to integrity, transparency, and accountability in how we operate. Through ethical business practices, strong internal guidelines and stakeholder engagement, we strive to uphold high standards and create long-term value for our customers, employees, and partners.

This report provides an overview of our ESG commitments and the actions we have taken to integrate sustainability, social responsibility, and strong governance into our operations. It reflects our ongoing efforts to uphold high standards, measure our impact, and contribute to a more sustainable and resilient future.

Prinoth Values

 TEAMWORK Collaborate, have fun and together we go further	 LEADERSHIP Aim high and empower your team	 TRUSTWORTHY We stick to our word	 CUSTOMER FOCUS Know your customer inside out
 HIGH QUALITY What we do, we do well	 CREATIVITY & INNOVATION We love ideas, openness and transparency	 EFFICIENCY Work smarter, be happier	



Future-Ready ESG Reporting

Prinoth understands the importance of aligning with the evolving expectations of stakeholders and regulatory frameworks. With the introduction of the Corporate Sustainability Reporting Directive (CSRD) by the European Union, we are taking proactive steps toward transparent and structured ESG reporting. Although the first mandatory reports have been postponed until 2027, we are using this moment as an opportunity to initiate our journey and build the foundations of a robust reporting process.

As the ESRS framework continues to develop, this report presents a clear and concise view of the groundwork we have undertaken—including process setup, internal collaboration, and context evaluation—while offering a preview of our commitments across the environmental, social, and governance dimensions.



Company Overview

With decades of experience in snow grooming, construction, and vegetation management, Prinoth develops vehicles and equipment built for high performance in demanding environments. Our focus on safety, reliability, sustainability, and operational efficiency is reflected across all product lines. Prinoth operates through three dedicated business units:

Crawler Carriers

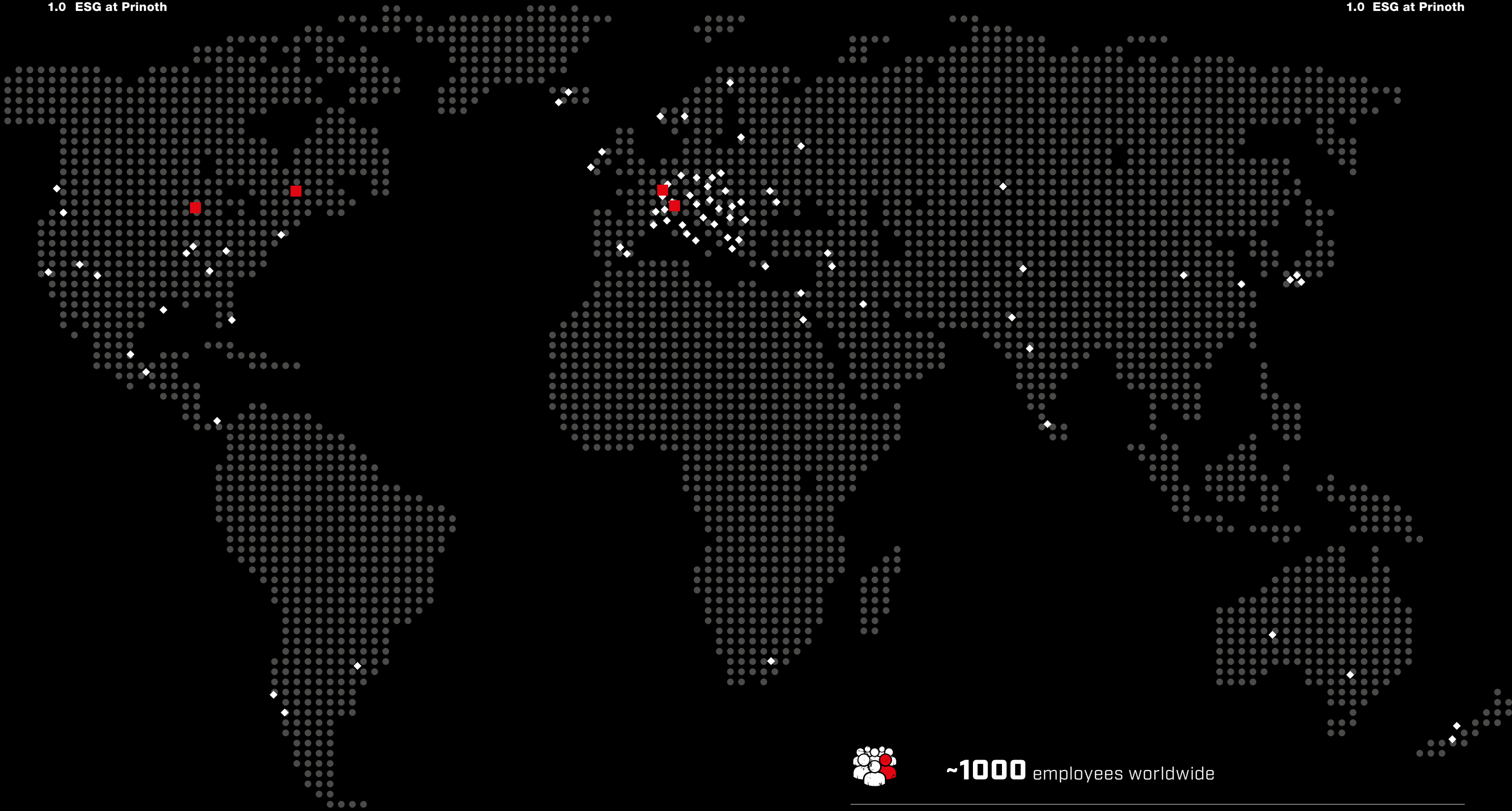
The Panther series is engineered for off-highway transport across soft ground or sensitive terrain, commonly used in construction, energy, and utility projects where traditional wheeled vehicles cannot operate.

Snow Groomers

Our Leitwolf, Bison, and Husky models, along with specialized attachments, are used worldwide to prepare ski slopes and trails with precision and efficiency.

Vegetation Management

This business unit provides equipment such as Jarraff tree trimmers, Raptor carriers, and powerful Grizzly mulchers—offering effective solutions for vegetation control, land clearing, and right-of-way maintenance.



■ **Four** production facilities on two continents



◆ Sales and service partners in over **80** countries



~**1000** employees worldwide

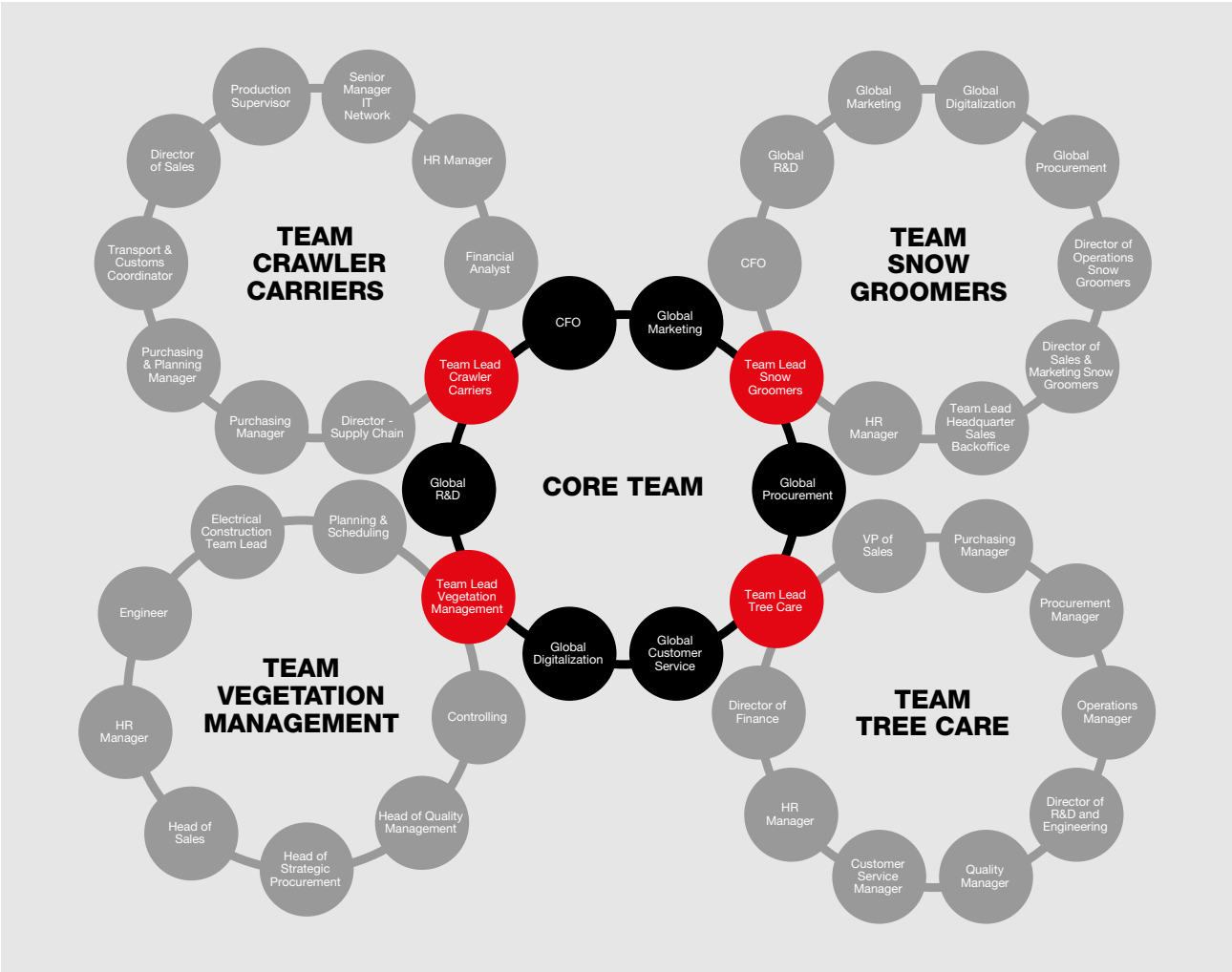


More than **70** products in our portfolio



5% of revenue spent on R&D and investments

How We Structured the Process



Our approach is grounded in the principles of CSRD and ESRS, even as those frameworks continue to evolve. We established multidisciplinary local teams at each manufacturing site to ensure a deep understanding of site-specific impacts and contexts. A global core team, comprising local leads and company-wide roles, was formed to consolidate insights and guide the overall process.

Over 40 employees—including our President and CFO—were actively involved, contributing perspectives from production, finance, operations, and beyond. This collaborative structure reflects our ambition to generate a holistic view of Prinoth’s sustainability impact.

Context and System Analysis

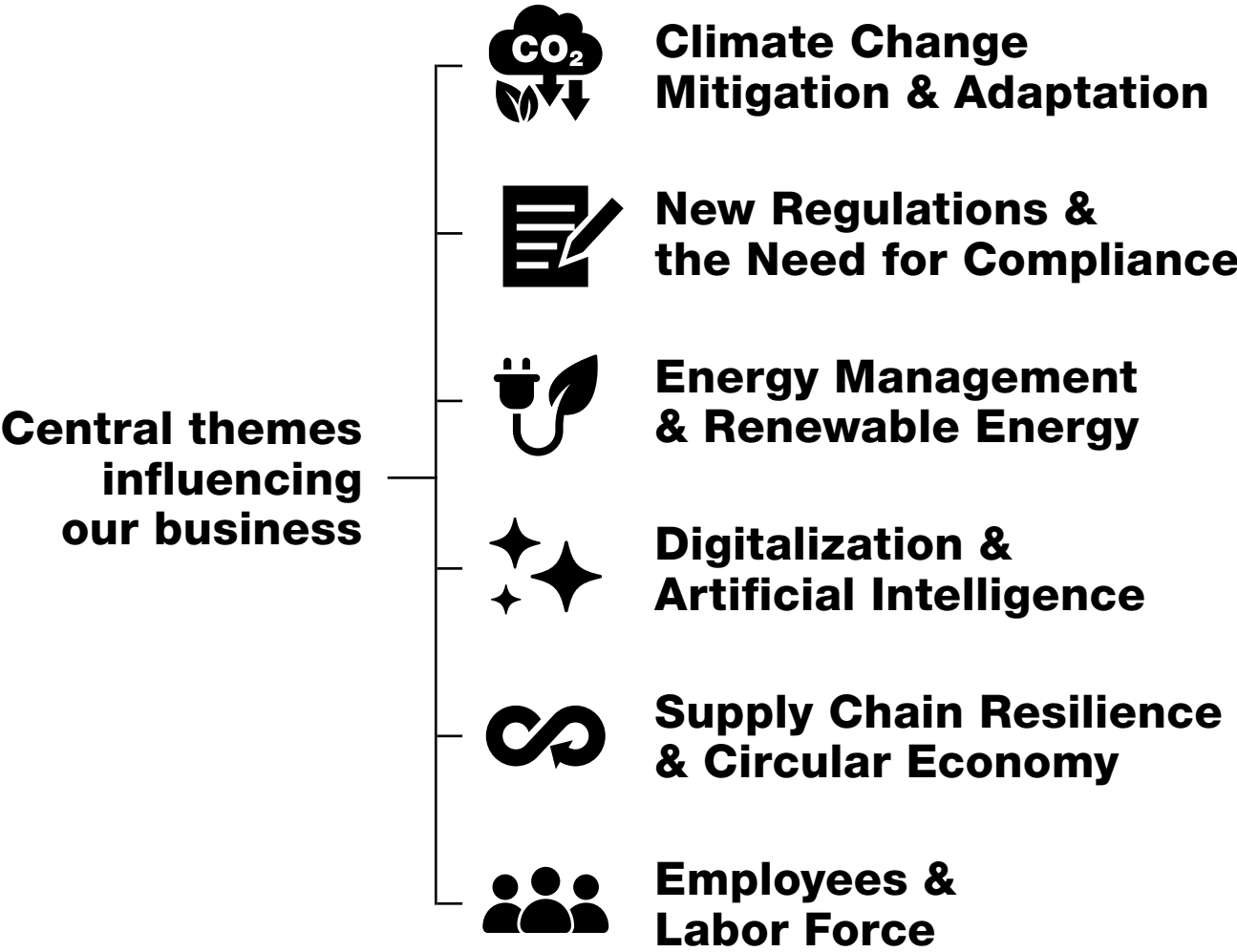


To ground our analysis, we benchmarked sustainability practices among industry peers in snow groomers, crawler carriers, and vegetation management. This was complemented by a thorough review of the macroeconomic, social, cultural, and political factors shaping our business environment.

In parallel, we developed system maps for each manufacturing site. These visual representations helped clarify organizational structures, value chains, workflows, and interdependencies. This foundation allowed us to identify impacts, risks, and opportunities across our operations.

Key Topics Identified

From our analysis, we identified six central themes influencing our business now and in the future:



Each of these areas presents both challenges and opportunities that we are addressing through targeted actions and innovation.

Double Materiality Assessment



Our reporting process included a double materiality analysis, the core element of the CSRD. We examined:

- The inside-out perspective: the impact of Prinoth's operations on the environment and society.
- The outside-in perspective: how external developments pose financial risks or opportunities for our business.

Impacts, risks, and opportunities were assessed across the entire value chain—from raw materials to end-of-life management. This assessment was enriched by stakeholder engagement with key internal and external partners.

As the CSRD framework continues to develop, our process remains dynamic. We are committed to adapting our methodology as needed and strengthening our ability to deliver high-quality, transparent ESG reporting. While the detailed results are not included in this report, they are currently being used to inform internal strategy and decision-making, with a view to future disclosure as our reporting matures.

Executive Summary

This report presents an overview of Prinoth's approach to environmental, social, and governance (ESG) topics, aligned with the evolving expectations of stakeholders and the emerging European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). It reflects the foundational work undertaken in 2023 and 2024 to establish processes, identify material topics, and begin data-based reporting across all three ESG pillars.



Environment

Prinoth completed its first full Corporate Carbon Footprint, covering Scope 1, 2, and 3 emissions. In 2023, total emissions amounted to 111,285 tCO₂e, with 95% arising from Scope 3 sources, particularly from materials and purchased goods. Scope 1 and 2 emissions accounted for 5%, with a growing share of electricity sourced from renewables. The company now powers its main sites in Italy, Canada, and Austria with 100% renewable electricity, and solar installations at the Italian facility significantly increased self-generation capacity in 2024.

Environmental initiatives include continued electrification of the snow groomer fleet, the development of hydrogen-powered prototypes, and the expansion of Prinoth Connect digital services, which support fuel and resource efficiency in field operations.

Prinoth's machines across all business units are designed for minimal ground pressure and targeted environmental protection, with vegetation management and tree care equipment optimized for low-impact operation. The snow groomer facility in Italy holds ISO 14001 certification for environmental management.



Social

Prinoth employed 960 people in 2024. The workforce was 18% female and 15% under the age of 30, with 26% over 50. The company operates in countries with strong labour protections and adheres to additional internal standards that explicitly prohibit child or forced labour. Social protections, including parental leave and health insurance, are provided at all major sites.

Employee health and safety is managed using certified systems such as ISO 45001 and local programmes like AWAIR in the U.S. No work-related fatalities or major incidents occurred in the reporting period.

Employee engagement is supported through town halls, suggestion systems, and direct communication with leadership. Fair pay is ensured through annual benchmarking, structured salary systems, and clear performance review processes. A non-retaliation policy protects all individuals who raise concerns. Gender equality remains a challenge. The company has committed to improving representation in leadership and aims to achieve national gender equality certification by 2027.

Training and development are provided through internal programmes such as HTI College, and leadership practices are guided by the 2025 HTI Leadership Guidelines, which promote accountability, development, team spirit, and customer focus.



Governance

Prinoth operates under a two-tier governance system. The company board, composed of the President & CEO, the CEO for Snow Groomers, and the CFO, meets regularly and is overseen by the HTI Group's non-executive Advisory Board. Governance structures promote transparency, cross-functional collaboration, and independent oversight.

The company follows the HTI Compliance Manual, which defines mandatory legal and ethical standards across ten key areas including anti-bribery, data protection, and environmental compliance. It is complemented by the HTI Code of Ethics, which applies to all employees, partners, and suppliers. Oversight and enforcement are supported by designated compliance officers at both the group and company level.

A secure, anonymous whistleblowing system is available to all employees, partners, and community members. Reports are handled by an independent third party, with clear escalation procedures and protection from retaliation.

2.0 Environmental Approach



Prinoth’s Carbon Footprint

At Prinoth, we take climate responsibility seriously and are committed to understanding, measuring, and ultimately reducing our greenhouse gas (GHG) emissions. This report covers the footprint of the entire organization and provides a snapshot of our emissions for 2023.

Our carbon footprint analysis follows internationally recognized Greenhouse Gas (GHG) Protocol standards, ensuring a transparent, consistent, and accurate assessment of emissions. The report adheres to the GHG Protocol Corporate Accounting and Reporting Standard (2004) and the GHG Protocol Corporate Value Chain Standard (2011). These frameworks classify emissions into:

SCOPE 1

DIRECT EMISSIONS

SCOPE 2

INDIRECT EMISSIONS FROM PURCHASED ENERGY

SCOPE 3

ALL OTHER INDIRECT EMISSIONS, INCLUDING THE SUPPLY CHAIN

Wherever possible, primary data was used to ensure accuracy. In cases where direct measurements were unavailable, standardized emission factors and calculation methods were applied. This report does not include carbon offsets or removal activities and represents Prinoth’s first comprehensive Corporate Carbon Footprint assessment. As such, there is no prior data for comparison; this report will serve as the baseline for future emissions tracking and reduction initiatives

GHG Emissions by Scope and Value Chain

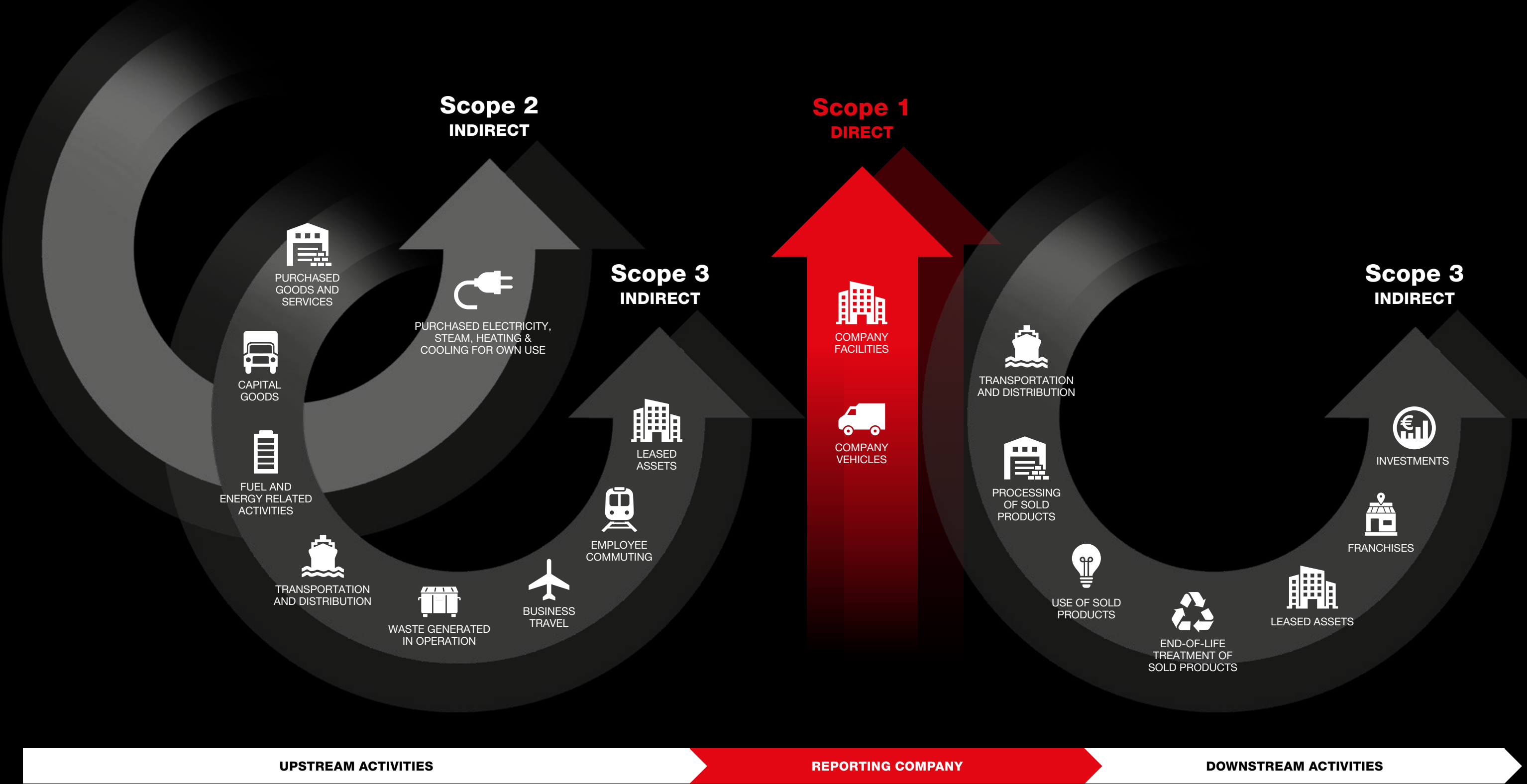


Figure 1: Overview of Greenhouse Gas Protocol scopes and activity categories across the value chain.
Adapted from the Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard.

Ensuring Accuracy and Credibility

To guarantee a robust and reliable emissions assessment, this report follows the five key accounting principles outlined by the GHG Protocol:

Relevance

The emissions data accurately reflects Prinoth's operations and supply chain, ensuring it is meaningful for decision-making.

Completeness

All significant emissions sources have been accounted for, and any exclusions are clearly justified.

Consistency

The same methodologies and data sources are used over time, allowing for accurate tracking of progress.

Transparency

All calculations, data sources, and assumptions are fully documented to provide a clear and auditable report.

Accuracy

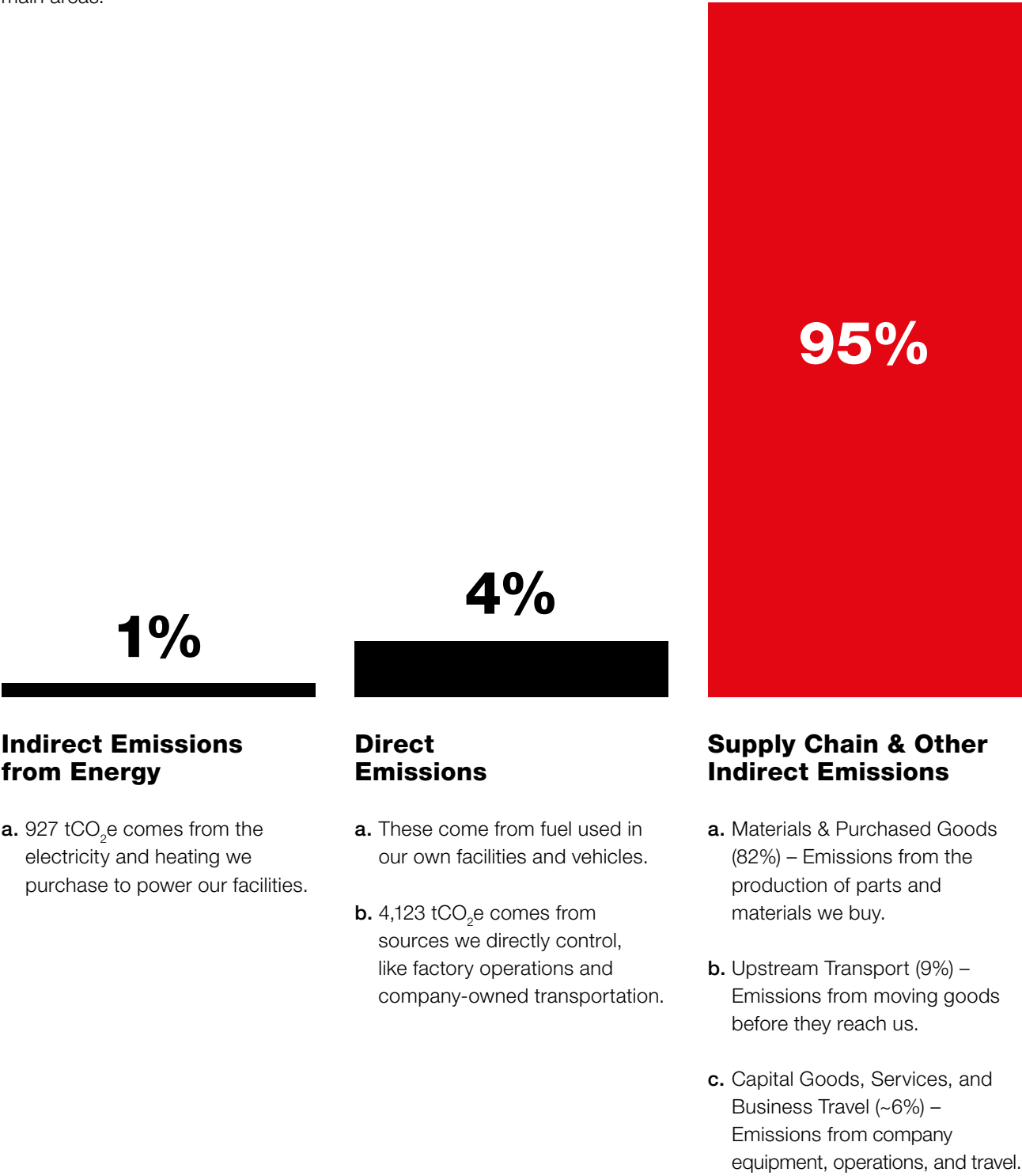
Every effort has been made to reduce uncertainties, prevent overestimation or underestimation, and ensure data reliability.

By adhering to these principles, the report provides a clear, precise, and actionable overview of Prinoth's environmental impact, reinforcing our commitment to sustainability and responsible reporting.

Total Emissions in 2023

- 111,285 tCO₂e (metric tons of CO₂ equivalent)
- This includes all emissions from operations, electricity use, and supply chain impacts.

Prinoth's emissions are categorized into three main areas:



Key Insights

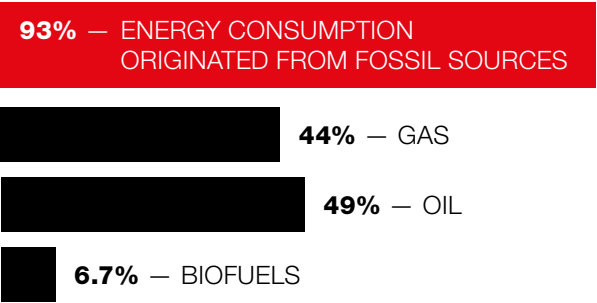
- The majority of Prinoth’s emissions come from materials and supply chain logistics, rather than direct factory operations.
- Direct and electricity emissions (those under our control) are much lower relative to the emissions generated across our supply chain.
- This means collaboration with suppliers and logistics partners is essential to reducing our overall footprint.

Understanding Scope 1 & 2 Emissions in Context

While Scope 1 and 2 emissions represent a relatively small share of Prinoth’s total carbon footprint — 3.86% in 2023 — they are associated with areas of direct operational control. As such, they are an important part of our overall environmental picture and are monitored closely as part of our broader climate responsibility efforts.

Scope 1: Direct Emissions

Scope 1 emissions are generated by activities such as heating systems and company-owned vehicles. In 2023, 93% of Scope 1 energy consumption originated from fossil sources, including approximately 44% from gas and 49% from oil. Renewable sources, including biofuels, accounted for around 6.7% of this category. These figures provide a clear, data-based view of our current energy profile and support future decision-making across operational areas.



Scope 2: Purchased Electricity

In 2023, Prinoth powered its sites in Italy, Canada, and Austria with 100% renewable electricity. Across the company, this resulted in 86.2% of our purchased electricity coming from renewable sources, based on available data for these and other locations. If we look at the average electricity supply in the regions where we operate, the renewable share would be 74.5%. The difference between these two figures reflects sites where we are still working to transition to renewable electricity. This demonstrates the impact of our electricity sourcing decisions and underlines the value of our renewable procurement practices.



Summary

Altogether, our Scope 1 and Scope 2 operations used 18.5 million kWh of energy in 2023, with 36.6% coming from renewable sources (market-based). This share is driven by the high proportion of renewable electricity in Scope 2, while Scope 1 primarily includes conventional energy sources such as diesel and natural gas. The combined figure reflects the differing energy profiles of each scope and provides a valuable basis for ongoing monitoring.



Renewable Energy in the HTI Group Context



In 2023, Prinoth's electricity demand was 4.07 GWh—just 6% of the 67.6 GWh of renewable electricity generated by the HTI Group* that year. This means we operate within a group that generates significantly more renewable electricity than we consume.

At the company level, solar panels at the Italian site produced 471,400 kWh of electricity in 2023 and 813,922 kWh in 2024. These figures represent 11.6% and 20.0%, respectively, of Prinoth's total electricity consumption. This level of self-generation is considered significant in the manufacturing sector, where on-site renewable production remains relatively limited. The year-over-year increase further demonstrates the company's growing contribution to renewable energy generation within the HTI Group and supports the group's position as a net producer of renewable electricity. The HTI Group is one of the very few industrial organizations worldwide whose renewable electricity production exceeds its total electricity use—a rare and powerful indicator of its role as both a provider and driver of global renewable energy solutions.

67.6 GWh — HTI GROUP RENEWABLE ENERGY PRODUCTION

4.07 GWh — PRINOTH ELECTRICITY CONSUMPTION

Our Next Steps: Working Towards a Greener Future
Prinoth is actively evaluating strategies to reduce emissions across all areas. Some of the key initiatives include:

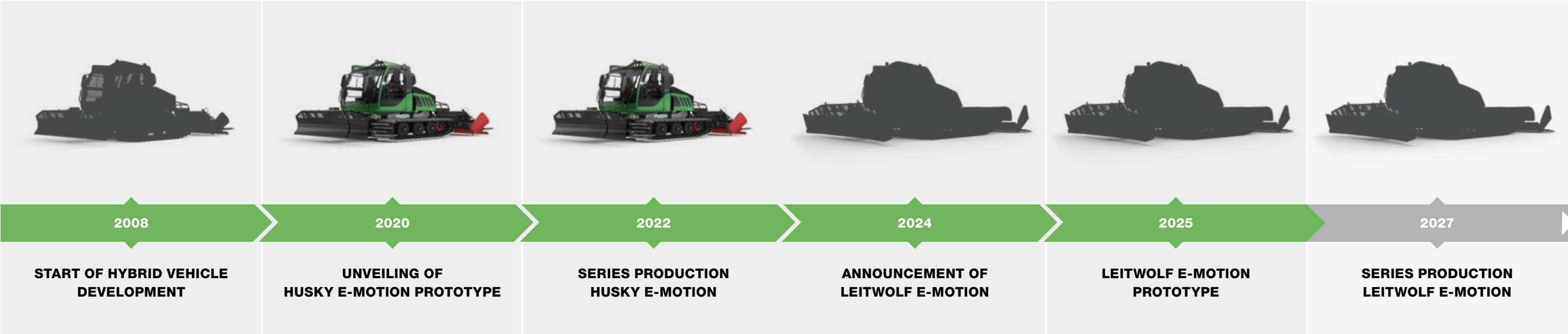
-  **Optimizing energy** use in our production facilities to lower Scope 1 & 2 emissions.
-  **Exploring alternative materials** with lower environmental impact.
-  **Partnering** with suppliers and logistics providers to reduce Scope 3 emissions.
-  **Increasing efficiency** in transportation and supply chain management.

Reducing reliance on fossil fuels is not only about environmental responsibility—it's a strategic shift toward long-term energy security. Renewable energy sources offer a sustainable and stable path forward. By actively managing our emissions and resource use, Prinoth is contributing to a more resilient future.

* The HTI Group combines innovative solutions and sustainable products in the fields of winter sports technology, urban mobility, material transport, snow and vegetation management, as well as renewable energies. As developers and manufacturers, the companies of HTI are drivers of innovation and are active worldwide. www.hti.global



Innovating for Zero Emissions



Prinoth's roots in developing electrically powered vehicles go back to 2008, when the industry's first hybrid snow groomer was developed as a test project. The hybrid Husky E-Motion combined a diesel-electric drive, reducing fuel consumption by 20%.

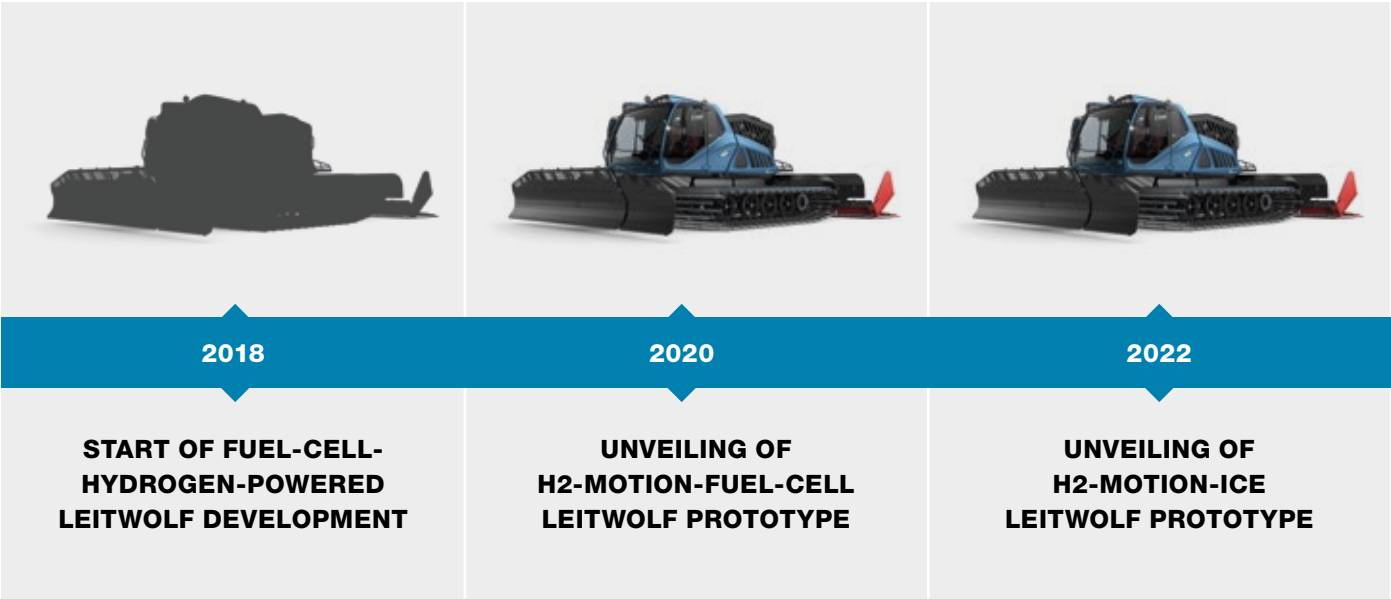
At the time, technology was still in its infancy in terms of capacity and reliability—especially for off-highway applications in extreme environments like snow grooming. However, Prinoth recognized the potential of electrification early on and used this hybrid vehicle as a stepping stone to gain hands-on experience, ensuring it was best prepared for future advancements.

This early investment in hybrid technology provided valuable insights, enabling Prinoth to advance its electrification strategy as technology improved. In 2022, Prinoth became the first manufacturer to release a fully electric snow groomer for series production, following the unveiling of the prototype in 2020.

Building on the expertise gained with the Husky E-Motion, Prinoth announced in December 2024 its plans to electrify its flagship model, the Leitwolf—the company's largest and most powerful snow groomer. With the electrification of the Leitwolf, Prinoth is expanding its portfolio of zero-emission snow groomers, supporting the industry's transition toward more sustainable operations.



Hydrogen Power



In 2018, Prinoth began developing a fuel cell hydrogen-powered snow groomer. The Leitwolf, the company’s largest and most powerful model, was chosen for the project. In 2020, Prinoth unveiled the first prototype, making it the world’s first hydrogen-powered snow groomer. As a research initiative, the project aimed to demonstrate that hydrogen could effectively power a high-demand vehicle like the Leitwolf while also providing valuable insights into the potential of hydrogen technology for future applications.

As with the hybrid Husky E-Motion prototype in 2009, the primary objective was to gain knowledge, experience, and technical expertise in an emerging

technology to ensure Prinoth was well-positioned for future advancements. Building on these learnings, Prinoth introduced a second prototype in 2022—the Leitwolf equipped with a hydrogen internal combustion engine (ICE). This version was developed to explore the feasibility and performance characteristics of hydrogen ICE technology as an alternative to fuel cell systems.

Both prototypes represent Prinoth’s commitment to exploring multiple pathways for decarbonizing snow grooming operations. These projects contribute to a broader effort to evaluate sustainable energy sources that could support the industry’s transition to low-emission alternatives in the years ahead.

Reducing Environmental Impact Across Operations

Solar Energy at Prinoth Headquarters

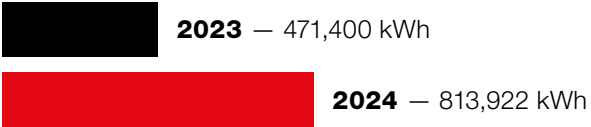
Prinoth has significantly expanded its renewable energy capacity at the Italian facility with the installation of two photovoltaic (PV) systems. The first system, with a 403.44 Kilowatt-peak (KWp) was activated in November 2022, followed by a second system of the same size in August 2023, bringing the total nominal power to 806.88 KWp—equivalent to approximately two football fields covered in solar panels.

The impact of this expansion is evident in the sharp rise in energy production, with 813,922 Kilowatt-hours (kWh) generated in 2024, a substantial increase from 471,400 kWh in 2023. Combined, this amount of electricity would be enough to power around 200 average European households for an entire year*, reinforcing Prinoth’s commitment to sustainability and energy efficiency.

HTI Group’s Commitment to Green Power

In 2024, the HTI Group generated 55.8 GWh of renewable energy, enough to power around 14,000 European households for an entire year*. Wind energy was by far the largest contributor, accounting for 89% of total production (49.8 GWh), while hydropower added 3.74 GWh, and solar energy contributed 2.32 GWh across all sites. Prinoth’s Italian photovoltaic installation played a key role in the solar segment, reflecting a growing investment in solar energy. While wind remains the backbone of HTI’s renewable production, solar is expanding, further strengthening the company’s commitment to sustainable energy.

*based on an average consumption of 4,000 kWh per household



Reducing Emissions with Stage V Engines



Prinoth was the first manufacturer of snow groomers and crawler carriers to equip its entire fleet with Stage V engines — a milestone achieved years ago, underscoring its long-standing commitment to clean engine technology.

These advanced engines significantly reduce particulate matter and nitrogen oxide emissions while maintaining the high performance and efficiency expected. Currently, Stage V engines are in all major vehicles across all business units. By adopting Stage V technology early, Prinoth set a benchmark for sustainability in the industries it serves, ensuring compliance with stringent emissions regulations while continuously improving fuel efficiency and operational reliability.

This ongoing commitment to cleaner solutions reflects Prinoth’s dedication to innovation and providing customers with environmentally responsible, high-performance machinery.

Academy Trainings



The Prinoth Academy has played a key role in supporting our environmental goals since its inception. Established in 2001 with the first technician courses, the Academy was founded on the belief that knowledge is a driver of sustainability. Well-trained technicians ensure vehicles are properly maintained, resulting in longer machine lifespans, reduced component waste, and fewer repairs—all of which contribute to more resource-efficient operations.

In 2012, the Academy expanded to include official operator trainings. These courses are designed not only to improve grooming results, but also to instill a responsible and sustainable approach to machine operation. Operators learn how to reduce fuel consumption, optimize grooming efficiency, and minimize environmental impact—without compromising on performance or safety.

To extend this knowledge further and make it more accessible, the Prinoth Academy also offers a suite of online training courses. These flexible, digital modules support continuous learning while eliminating the need for travel, reducing the carbon footprint associated with in-person training. They reinforce environmentally conscious operation and maintenance practices, and reflect our commitment to innovation and education as part of a sustainable future.

ISO 14001 Environmental Certification



Prinoth’s Italian site where all snow groomer models are built, is ISO 14001 certified, reflecting our commitment to systematic environmental management and continuous improvement. ISO 14001 is the globally recognized standard for environmental management systems (EMS), providing a structured approach to identifying and managing environmental impacts across all operations.

This certification helps ensure compliance with evolving environmental regulations while promoting more efficient resource use, reduced waste, and improved operational performance. Through ISO 14001, we have implemented processes that reduce energy consumption, minimize waste, and optimize raw material use—advancing both environmental sustainability and cost efficiency.

Beyond operational improvements, ISO 14001 supports a company-wide culture of environmental responsibility. Clear environmental policies and objectives engage employees, reinforcing Prinoth’s long-standing belief that sustainability is a shared responsibility.

The certification also strengthens risk management by helping us proactively identify and address environmental risks. As part of its continuous improvement cycle, ISO 14001 requires regular monitoring and evaluation of environmental performance—ensuring we not only meet today’s standards but consistently raise them. This transparency and accountability help build trust among our stakeholders and demonstrate our leadership in environmental stewardship.

Minimizing Ecosystem Impact Across our Business Units



Across all Prinoth business units, minimizing the environmental footprint of our machinery is a key design and operational priority. From engine technology to connected services and machine architecture, we implement targeted measures to reduce environmental impact in the areas where our machines operate.

Connected Services for Sustainability: Prinoth Connect



Prinoth Connect is our suite of digitally connected tools designed to support more sustainable and efficient machine operation across a range of applications. It includes features for fleet management, maintenance planning, task coordination, and—specifically for snow groomers—snow measurement. These tools enable data-driven decisions that contribute to lower emissions, improved resource efficiency, and extended machine lifespans.

By embedding digital systems into daily operations, Prinoth Connect helps operators and fleet managers align performance with environmental objectives. It is a key component of our strategy to reduce the environmental impact of our machinery in the field.

Crawler Carriers



Prinoth crawler carriers are built to access remote and roadless areas, and their core design—featuring exceptionally low ground pressure—offers clear environmental advantages. By distributing weight over a larger surface area, these vehicles can operate on soft or sensitive terrain with minimal soil compaction, helping to preserve ground structure and reduce long-term damage to ecosystems. This makes them particularly suitable for environments where traditional wheeled vehicles would leave a more disruptive footprint.

All models are equipped with Stage V engines, which reduce nitrogen oxide and particulate emissions, and are compatible with Hydrotreated Vegetable Oil (HVO) for further CO₂ reductions. Together, these features support more sustainable access solutions in environmentally sensitive settings.

Snow Groomers



Prinoth snow groomers are engineered to operate efficiently with reduced environmental impact. All units produced at our Italian facility are tested and delivered using Hydrotreated Vegetable Oil (HVO), a renewable diesel that can reduce CO₂ emissions by up to 90% compared to conventional fossil fuels.

Digital tools also play a key role in making snow grooming more sustainable. Snow measurement, as part of Prinoth Connect, provides real-time data on snow depth, enabling operators to manage snow distribution more efficiently. Instead of pushing snow into areas that already have adequate coverage, operators can focus efforts where snow is actually lacking—reducing unnecessary snow movement. This not only conserves fuel by minimizing pushing operations but also reduces wear on machines and terrain. Additionally, it supports more targeted snowmaking, helping to lower water and energy use. Snow measurement is a critical tool for sustainable snow management across varied winter environments.

Vegetation Management



Prinoth’s vegetation management machines prioritize soil protection and ecological sensitivity. The precision mulching technology ensures targeted clearing with minimal disruption to surrounding vegetation and root systems. The use of low ground pressure undercarriages further limits soil compaction and erosion, helping maintain biodiversity in areas like forest edges, embankments, and utility corridors.

Combined with efficient drive systems and reduced noise emissions, these machines allow operators to work safely and responsibly in areas close to wildlife or residential zones.

Tree Care



Our Jarraff line of tree care machines has been developed with eco-efficiency at its core. Low ground pressure designs prevent rutting and compaction during operation, especially in sensitive or wet terrain. These machines are engineered for precision, enabling targeted trimming that reduces unnecessary disturbance to surrounding trees and vegetation.

Noise-reducing features and clean diesel engine technology further enhance their environmental performance, making them suitable for work in residential areas, along powerlines, and in protected natural settings.

Used and Refurbished Vehicles



In addition to clean fuels and digital tools, Prinoth supports more sustainable snow grooming through the resale and refurbishment of used vehicles. In 2024, used vehicle sales accounted for over 50% of new snow groomer sales. A large proportion of these machines were refurbished, extending their service life while reducing the need for new manufacturing. This approach conserves raw materials, lowers industrial energy use, and minimizes waste. By ensuring that used machines meet high standards for quality and performance, we help extend the lifecycle of our products in the field. This approach supports a more resource-efficient product lifecycle and reflects our commitment to reducing environmental impact across operations.

USED VEHICLE SALES

OVER 50%

NEW SNOW GROOMER SALES

3.0 Social Responsibility



Prinoth Social Responsibility

Our Commitment to People

At Prinoth, we focus on creating the conditions for our people to thrive. As a global industrial manufacturer operating in multiple countries, we recognize the importance of building a safe, fair, and inclusive working environment. Our workforce strategy is guided by our core values, our leadership guidelines, international frameworks, and the HTI Group’s overarching compliance standards. We aim to not only meet but exceed the expectations of our employees, partners, and communities by investing in our people, supporting equal opportunity, ensuring health and safety, and strengthening employee engagement.

Ethical Governance and Workforce Standards



Prinoth operates under the HTI Compliance Manual, which defines codes of conduct applicable to all subsidiaries, regardless of regional regulatory differences. This includes standards for business ethics, occupational health and safety, privacy, and employment. Local managing directors confirm compliance annually with documentation tracked and reviewed centrally. These efforts are supplemented by internal and external consultants to ensure ongoing adherence to legal and ethical requirements.

While all Prinoth sites are based in countries with strong labor protections, our internal codes explicitly prohibit any form of child labor, forced labor, or human rights violations. We further support workers’ rights through adherence to collective bargaining agreements in Italy and Austria, and through policies aligned with local law in all locations.

Health, Safety, and Well-being



Ensuring employee health and safety is fundamental to our operations. Across our production sites, we apply rigorous safety standards such as ISO 45001 — the international standard for occupational health and safety management — along with localized programs like Minnesota’s AWAIR, which focuses on proactive hazard prevention and employee involvement. Safety measures include continuous risk monitoring, incident reporting protocols, root cause analysis, and improvement actions.

To support work-life balance and psychological well-being, we provide family-friendly policies including flexible working hours, remote work options, and summer vacation plans that align with family holiday times. Additional health insurance is available at our major locations to enhance access to quality healthcare. Employee well-being will be regularly evaluated via upcoming engagement surveys that incorporate physical and psychological health topics.

Employee Engagement and Participation



Prinoth fosters a culture of open communication and participation. The company does not have

formal works councils and instead relies on direct engagement and structured internal dialogue. Employee feedback is encouraged through various channels, including physical town halls, department-level dialogue, and structured suggestion systems in Austria and Italy, as well as innovation programs in Canada.

Our leadership team, including local managing directors HR directors, and the CEO, is responsible for driving internal dialogue. New group-level tools are being rolled out to standardize engagement surveys and feedback systems across all locations.

Fair Pay and Social Protection



Prinoth complies with national wage regulations in all operating countries. Salaries are benchmarked annually to ensure alignment with local standards and fairly structured within the company, considering role, experience, and responsibility. In addition, employees benefit from positive company results through bonuses and performance incentives. A clear salary structure and yearly performance reviews support transparency and fairness, with specific attention to gender pay equity.

All employees are protected under national or company-based social security programs covering healthcare, unemployment, parental leave, disability, and retirement.

Equal Opportunity and Fair Treatment



Prinoth is committed to equal treatment and anti-discrimination. Our Code of Ethics mandates fair employment practices regardless of gender, nationality, religion, or ethnicity. While women remain underrepresented in the workforce, reflecting industry trends, we are taking steps to increase female representation in leadership roles.

We are working toward formal certification for gender equality by 2027, in line with national standards that recognize companies for measurable efforts to reduce gender gaps in areas such as pay, leadership, and career development. As part of our broader commitment to gender inclusion, our HR systems now also include a non-binary category to ensure accurate and respectful reporting in the future.

Training and Development



We support continuous learning through internal programs like the HTI College, talent development tracks, and succession planning. Training hours and participation in development programs are tracked. In Canada, regular performance and

career development reviews are currently limited to administrative and professional staff, but by 2025 this process will be extended to all employees.

Leadership and Culture



Prinoth’s leadership philosophy is built on shared values and the HTI Leadership Guidelines, which promote accountability, development, inclusion, and performance. We are working to further translate these values into daily practice through concrete actions and tools.

Our core values include: Teamwork, High Quality, Trustworthiness, Leadership, Creativity & Innovation, Efficiency, and Customer Focus. These guide our company culture and shape employee experience across all locations.

Attracting and Retaining Talent



A key challenge we face is recruiting skilled labor in certain markets. We address this through local hiring strategies, apprenticeships and trainee programs, school partnerships, and strong employer branding. While basic workplace benefits like cafeterias and transport support are in place, our focus remains on

long-term engagement through training, inclusion, and meaningful career development.

Data Protection



We are committed to protecting the personal data of our employees, customers, and partners. The HTI Privacy Code defines clear responsibilities across all Prinoth sites and ensures compliance with European data protection standards, including GDPR. All employees are informed of their rights and responsibilities as part of the onboarding process. Our goal is to handle data responsibly, securely, and transparently — ensuring trust and protecting individual privacy.

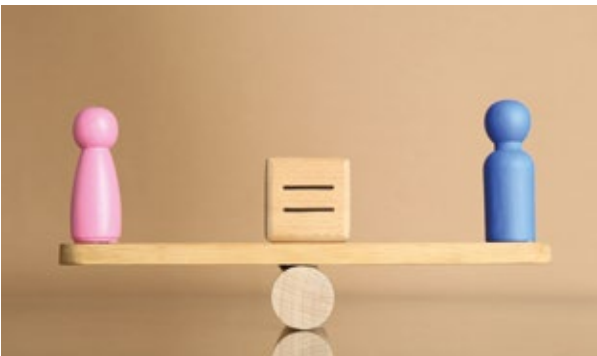
Open Channels and Whistleblower Protection



Employees can raise concerns through multiple channels, including their manager, HR, or structured suggestion programs. In addition, anonymous reporting is available through the HTI misconduct reporting system, which is hosted externally to ensure confidentiality and overseen by an independent legal authority. All reports are treated with discretion, and protection from retaliation is

guaranteed. These safeguards help foster a culture of openness, trust, and accountability across the organization.

Key Workforce Metrics



Prinoth employed about 1000 people in 2024, with a gender distribution of 82% male and 18% female. 15% of the workforce is under 30, and 26% is over 50. Temporary employment represents a small share (2%).

No work-related fatalities or major safety incidents were reported across locations. In addition to statutory entitlements, Prinoth offers enhanced parental leave and supplementary health coverage in several locations.

4.0 Governance Framework





Board Structure

At Prinoth, the board is composed of three members who provide strategic leadership and operational oversight across all business units. The President & CEO, Klaus Tonhäuser, also serves as CEO of the Vegetation Management and Crawler Carrier business units. Horst Haller leads the Snow Groomers business unit as its CEO, while Stefan Orgler, as CFO, is responsible for the financial management and Administration of the company. This lean governance structure enables agile decision-making and clear accountability across all key business areas.

The board meets monthly to review operational performance, align on strategic priorities, and address business risks. In addition, quarterly meetings with the extended leadership team—which is comprised of cross functional group management functions—facilitate coordinated planning, resource alignment, and knowledge sharing across departments. To ensure unified direction and operational excellence, the board also convenes quarterly with the full leadership teams of all Prinoth business units, fostering a culture of openness, collaboration, and shared responsibility.

Prinoth operates within a two-tier governance system. The company board is supervised by the HTI Advisory Board, which consists of non-executive members. This oversight body ensures independent review of major decisions, alignment with group-level strategy, and compliance with legal and ethical standards. The separation of management and oversight responsibilities supports robust corporate governance and safeguards long-term stakeholder interests.

Transparency and accountability are central to Prinoth's governance approach. Clear reporting lines, regular performance evaluations, and structured communication channels ensure that decisions are well-informed and measurable. By integrating oversight at both company and group level, Prinoth reinforces its commitment to responsible leadership, ethical conduct, and continuous improvement.

HTI Compliance Manual



The HTI Compliance Manual provides a uniform framework for legal and ethical conduct across all HTI Group companies worldwide. Developed in alignment with ISO 37301:2021, it defines standards for integrity, responsibility, and governance. Its purpose is to ensure that legal requirements, internal rules, and ethical expectations are consistently understood and applied throughout the organization.

The manual covers key areas such as anti-bribery, antitrust and competition law, data protection, occupational safety, environmental standards, intellectual property, product and process quality, and financial and tax compliance. Each topic is addressed through dedicated codes that form the foundation of HTI's compliance program, including the Code of Ethics and Business Conduct, the Anti-Bribery Code, and the Privacy and IT Codes, among others.

To promote awareness and accountability, all HTI employees—especially those working in compliance-relevant areas—have access to the Compliance Manual and related Codes to support understanding and adherence to the company's standards. Each HTI company is supported by a local compliance officer, while overall coordination lies with the HTI Group Compliance Officer. In the absence of a

designated officer, local compliance responsibilities are automatically assumed by the managing director or governing body of the respective entity.

Compliance is positioned not as a standalone function, but as an integrated element of responsible business practice and trust-building. It operates in close collaboration with internal audit, risk management, and the internal control system to support ethical conduct and legal certainty across the organization.

The manual and related materials are made available across all regions where HTI Group companies operate. They are written in a way that aligns with local regulations and are designed to avoid any contradictions — with stricter local laws always taking precedence. This ensures both accessibility and legal validity for all HTI employees, reinforcing a culture of ethical conduct, legal certainty, and transparent corporate governance.

Code of Ethics



The HTI Group Code of Ethics and Business Conduct serves as the foundational document for ethical decision-making and professional conduct across all HTI companies. Approved by the Board of HTI, it outlines the values and behavioral expectations that guide employees, management, business partners, and temporary staff in their daily work and strategic decisions.

The Code promotes core principles including honesty, transparency, fairness, loyalty, professionalism, environmental responsibility, and compliance with all applicable laws. These values underpin HTI's commitment to sustainable growth and responsible business conduct in all markets where the group operates.

The Code applies not only to HTI employees and management but also to consultants, contractors, agents, suppliers, and other external parties with whom HTI companies engage. All contractual relationships are subject to the principles of the Code, and non-compliance may result in termination or other consequences.

Compliance with the Code is a mandatory obligation for all recipients and forms an integral part of

employment and commercial relationships. The Code includes clear provisions for addressing conflicts of interest, improper gifts or hospitality, and integrity in dealings with customers, suppliers, and public institutions.

Oversight is ensured through designated Supervisory Bodies, which are responsible for promoting awareness of the Code, investigating potential breaches, and supporting the development of internal procedures to minimize ethical risks. Where violations occur, sanctions are applied in a manner that is consistent, impartial, and proportionate.

The HTI Group is committed to broad communication of the Code across all companies and locations. It is made available to all employees and relevant third parties through internal channels and company websites. Updates are made as required to ensure continued relevance, including alignment with evolving regulations and societal expectations.

By embedding the Code of Ethics into its governance structure, HTI reinforces its dedication to fairness, mutual respect, and the long-term trust of its stakeholders.

HTI Leadership Guidelines



To support a unified and values-based leadership culture across the organization, the HTI Group introduced a new set of Leadership Guidelines in 2025. These guidelines provide clear orientation for managers at all levels, defining what effective leadership looks like in daily practice across all HTI companies.

The framework emphasizes five key principles:

- RESPONSIBILITY
- PERFORMANCE
- TEAM SPIRIT
- DEVELOPMENT
- SUSTAINABILITY

Each principle reflects the HTI Group’s commitment to leadership that is accountable, empowering, collaborative, and forward-looking.

At Prinoth, these guidelines serve as a shared standard for leadership behavior. Implementation is being actively supported through internal workshops and dialogue, aiming to bring the principles to life and strengthen a common leadership culture across all business units and regions.

By embedding these principles into leadership practice, Prinoth reinforces its commitment to transparency, mutual respect, and sustainable organizational development.

Whistleblowing and Ethical Reporting



At Prinoth, we promote ethical conduct, transparency, and accountability throughout our organization and value chain. To support this, we provide a secure, third-party whistleblowing platform that allows individuals to report serious concerns either confidentially or 100% anonymously.

The online HTI misconduct reporting tool is accessible to all employees, suppliers, partners, and external stakeholders. Reports can be submitted regarding unethical, illegal, or policy-violating behavior—particularly where such issues might not otherwise come to light. This includes, but is not limited to:

- Corruption or fraud
- Serious breaches of internal policies
- Human rights violations
- Environmental or legal non-compliance

All reports are reviewed by an independent third party, ensuring objectivity and secure handling. If required, cases are escalated to appropriate internal channels in accordance with defined governance procedures.

The system also allows whistleblowers to follow up on reports—even anonymously—to provide additional information, check the status, or respond to clarification requests.

Prinoth enforces a strict non-retaliation policy. Individuals reporting in good faith are fully protected against any form of reprisal, in line with EU whistleblowing legislation and internal standards.

By maintaining this secure and independent channel, Prinoth reinforces its commitment to responsible business conduct and strengthens trust across its internal and external stakeholder network.