

Einhell Group ESG Code of Conduct

For us, "compliance" is more than just a buzzword. The Management Board of the Einhell Group is committed to ensuring that all employees and business partners act in accordance with the law. To support this aim, a robust compliance organisation has been put in place.

What do we mean by compliance?

Compliance means following internal rules as well as national and international laws. This is what we expect from every Einhell employee and business partner. Short-term goals must never be prioritised at the expense of compliance.

By "internal rules", we mean all guidelines documented and practised within the company.

Why is compliance important?

Compliance with the law and internal regulations is a fundamental responsibility, not least because, as a family-run medium-sized enterprise, we are committed to the ethical and moral expectations of our shareholders.

In addition, breaches of compliance can result in significant costs. Compliance is therefore also important from an economic point of view, both for the individual employee as well as the entire company as a whole.

How do we ensure compliance?

Our compliance regulations must be observed at all levels – by the organisation as a whole and by each individual employee. To support this, the Management Board delegates compliance-related responsibilities to selected specialists.

Compliance is nevertheless a management task, the responsibility for which cannot be delegated.

The supporting compliance process has been designed in such a way that compliance with the relevant rules can be implemented for each and every employee and manager and can be checked on a random basis.

The Management Board and all managing directors of the Einhell Group expect every employee to act in accordance with the law. The present Code of Conduct provides a framework for this, but cannot cover all laws and will therefore never be exhaustive. In case of uncertainty, follow your conscience and speak to your supervisor or compliance officer.

PREAMBLE

Our aim is to improve people's quality of life and to safeguard the livelihoods of present and future generations by acting in an economically, ecologically and socially responsible manner. This responsibility is enshrined as a core value in our mission statement. Our economic and responsible actions serve the interests of both society and the environment.

Einhell is committed to compliance with internationally recognised human rights and social standards along the entire value chain. Our business partners play an important role in achieving these goals. We see a shared appreciation of ethical values and sustainable practices as a fundamental pillar of these relationships.

The social and environmental principles and practices described herein are based on the ten principles of the United Nations Global Compact, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the due diligence obligations set out in the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtgesetz*).

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The requirements and principles of this Code of Conduct form an integral part of the contractual obligations and cooperation of our business partners with Einhell. Our business partners therefore undertake to uphold and promote the following principles of this Code of Conduct, and to provide their employees with regular and appropriate training. The content of this Code of Conduct also applies in full to suppliers and other third parties used by our business partners to fulfil any contracts with Einhell. Therefore, our business partners must incorporate requirements reflecting the contents of this Code of Conduct into their own contracts. We expect them to make every effort to engage their suppliers and other third parties accordingly.

This following Code of Conduct is binding, but not exhaustive, for all employees of Einhell and all employees of its business partners. We expect all applicable laws to be followed, even if they are not explicitly listed here. In case of doubt, the relevant laws and valid contracts take precedence over internal regulations, including this Code of Conduct.

Acting in accordance with the law requires that our employees are aware of our internal rules and the legal framework. For this purpose, the compliance process uses sets of rules, which are made available in a clear and up-to-date format for employees to consult at any time. (Compliance Management Manual)

PRINCIPLE OF LEGALITY

Einhell respects the principle of strict legality in all operations, initiatives, contracts and other business practices of the Einhell Group, and expects the same from its business partners. This includes:

- ▣ the payment of taxes and duties,
- ▣ compliance with fair competition and
- ▣ antitrust laws,
- ▣ the prohibition of corruption and money laundering,
- ▣ adherence to the state of the art,
- ▣ the procurement of all necessary official approvals,
- ▣ compliance with export control regulations and
- ▣ the avoidance of violation of third-party legal rights and of laws protecting social and environmental standards.

SOCIAL STANDARDS

Human rights

We consider the human rights as defined by the UN to be a fundamental cornerstone of all economic activity. We align our business activities in our markets with these criteria. We therefore also expect our business partners to steadfastly respect and actively protect internationally recognised human rights. The United Nations Guiding Principles on Business and Human Rights form the basis for this. These principles include, among other things, the protection of local communities, Indigenous peoples, and human rights defenders.

Child labour

Einhell and all our business partners undertake to only employ persons who have reached the legal age to work in the country where they are employed, and not to tolerate any form of child labour. The ILO Conventions No. 138 on the Minimum Age for Employment and No. 182 on the Elimination of the Worst Forms of Child Labour must be observed. In addition, our business partners commit to respecting and upholding the dignity and rights of children.

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Forced labour

We expect our employees, as well as all business partners, to strictly oppose any form of forced labour, including but not limited to human trafficking, torture and slavery, or forced labour of any kind. The principle of freely chosen employment must be respected and observed.

Freedom of association

We regard dialogue with our employees as a constructive influence on our business practices. Therefore, we uphold the fundamental right of employees, trade unions and employee representatives to form and join organisations of their own free will, across the entire Einhell Group. Trade union membership is recognised in accordance with the applicable legislation and ILO Convention No. 98. No employee may be subject to unjustified discrimination as a result of their role in employee representation.

Equal opportunities and fair treatment

We expect our employees and business partners alike to oppose discrimination of any kind, whether based on skin colour, ethnic origin, gender, age, nationality, social origin, disability, sexual orientation, religious affiliation, ideological beliefs, political activity or trade union involvement. The same applies to all forms of harassment. For roles with comparable requirements and responsibilities, the principle of equal pay for equal value of work applies regardless of gender. The ILO conventions must be observed.

Fair working conditions

We, along with our business partners, undertake to uphold the right to fair working conditions in accordance with the applicable ILO conventions. This includes fair pay and social security benefits that meet or exceed the rates prescribed by national or regional authorities, statutory requirements or other applicable employment agreements. The statutory provisions on the minimum wage in the relevant country must be observed as well as the applicable regulations on working hours, breaks and holiday entitlements.

Workplace health and safety

Our business partners must comply, as a minimum, with national workplace safety and hygiene standards and implement appropriate measures to ensure safe and healthy working conditions. In addition, business partners who are also manufacturers are encouraged to introduce and further develop a workplace health and safety management system, and to take appropriate actions to achieve its objectives.

Protection against displacement and land dispossession

Our business partners undertake to refrain from unlawful evictions. They must also avoid any unlawful dispossession of land, forests and waters through acquisition, development or other forms of use.

Use of private or public security forces

Our business partners undertake to refrain from hiring or using private or public security personnel where there is a risk – due to a lack of proper instruction or oversight by the company – of violating the prohibition of torture or cruel, inhuman or degrading treatment, endangering life or physical safety, or infringing on the freedom of association.

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ENVIRONMENTAL STANDARDS

Environmental protection

In line with the precautionary principle, we and our business partners undertake to make every effort to minimise risks to people and the environment, and to protect the natural resources that underpin food production. All processes, facilities and means of production used by us or our business partners must comply with the applicable environmental laws and standards.

Climate protection

We expect our business partners, like us, to demonstrate an active and sustainable commitment to climate protection – for example by improving energy efficiency and using energy from renewable sources, whether self-generated or purchased.

Water consumption and quality

We are committed to using water responsibly and expect the same of our business partners. In regions facing water scarcity, water extraction should be minimised and access to safe drinking water and sanitation must be ensured. Water quality standards must be defined and monitored in accordance with applicable legal and regulatory requirements.

Air and soil quality

We and our business partners must comply, as a minimum, with the relevant statutory provisions and any requirements set out by local authorities.

Material and waste disposal

We expect our business partners and all our employees to minimise the impact of their actions on the environment and to conserve resources. Materials should be reused whenever possible. In handling waste, our business partners should follow the principle of first avoiding waste, then recycling it and finally – as a last resort – disposing of it properly. Our business partners will comply, as a minimum, with all relevant legal and regulatory requirements.

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Substances of concern

We comply with the applicable material conformity regulations and expect the same from our business partners. This includes adherence to legal bans, restrictions, and disclosure requirements concerning specific substances, as well as applicable standards for substance reporting. In particular, this means respecting the ban on the manufacture of mercury-containing products, the prohibition of the use of mercury and mercury compounds in manufacturing processes, the treatment of mercury waste under the Minamata Convention, the ban on the manufacture and use of certain chemicals under the Stockholm Convention on Persistent Organic Pollutants, and the ban on the export of hazardous waste under the Basel Convention.

BUSINESS RELATIONSHIPS

Avoiding of conflicts of interest

We expect all our decision-makers, as well as our business partners, to make decisions based on objective considerations and not to be guided by personal interests. If a business partner becomes aware of a potential conflict of interest, they must take internal measures to resolve these conflicts and notify Einhell immediately.

Free competition

We undertake to respect the rules of fair competition and to comply with all applicable legal provisions. We expect our business partners to do the same. Furthermore, they must not form cartels or engage in practices that intentionally or negligently circumvent, restrict or distort competition under antitrust law, nor may they abuse a dominant market position.

Corruption

We undertake to comply with all applicable anti-corruption legislation and to ensure that our business partners also assume this obligation and do not allow any intentional or negligent violations.

In particular, our business partners must ensure that their employees, subcontractors and representatives do not offer or grant any benefits to Einhell employees in order to win a contract or gain any other advantage in the course of business. The same applies to contracts with third parties concluded in connection with a contract with Einhell.

Money laundering

We and our business partners are obliged to comply with anti-money laundering legislation and to comply with requirements for reporting.

Conflict minerals

We expect our business partners to refrain from any activity that directly or indirectly contributes to the financing of armed groups.

Data protection and data security

We comply with the relevant laws and regulations on data protection and data security and expect the same from our business partners. Our partners undertake to uphold the right to data privacy, and to ensure the protection and security of all business and personal data in all business processes, in accordance with applicable data protection and information security laws.

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Customs and export control regulations

Our business partners undertake to comply with international customs and export control regulations and to proactively share all relevant foreign trade information in the interest of a secure supply chain.

WHISTLEBLOWING SYSTEM

All our employees, business partners, employees of business partners, and any other concerned parties are requested to report both suspected and confirmed breaches of this Code of Conduct. This will allow us to mitigate the consequences of such violations, and to help prevent similar misconduct in the future. To support effective reporting, business partners are expected to set up their own whistleblowing systems or participate in an industry-wide scheme. Einhell can be notified by e-mail (compliance@einhell.com), by telephone (+49 9951 942 176), or via the Einhell Compliance Management System (<https://www.einhell.com/einhell-germany-ag/compliance/>). Our business partners must inform their employees about the available whistleblowing channels.

Corrective actions

Breaches must be addressed without delay, especially when they involve violations of human rights or environmental obligations. If immediate resolution is not possible, a corrective action plan to halt or minimise the violation must be drawn up and implemented without delay. This plan must include a clear timeline. The measures taken must be documented and assessed for effectiveness. In the event of a suspected breach, the business partner must promptly investigate the matter and inform Einhell of the steps being taken to resolve it.

Consequences of breaches

Any breach of the obligations set out in this Code of Conduct constitutes a breach of contract with Einhell. At the individual employee level, such breaches will be assessed under employment law and may result in termination of the employment relationship without notice. In the case of our business partners, a breach constitutes a significant impairment of the business relationship between Einhell and the business partner. The business partner must inform Einhell within a reasonable period of time of the measures taken within the company to prevent future misconduct. If a business partner fails to comply with these obligations, does not take appropriate corrective action within a reasonable time frame, or if the breach of the Code of Conduct is so serious that Einhell cannot reasonably be expected to continue the business relationship, Einhell reserves the right – without prejudice to any other legal remedies – to terminate the business relationship without notice and to cancel any associated contracts or agreements.

COMPLIANCE WITH THE CODE OF CONDUCT

Compliance audits

Einhell reserves the right to verify compliance with this Code of Conduct through appropriate means. Business partners are expected to actively support the necessary compliance audits. Einhell will contact the business partner beforehand to agree on the scope, timing and location of such audits. The partner must respond to all reasonable inquiries and requests for information.