

CSR-REPORT

Einhell Germany AG
2021



einhell.com



Corporate Social Responsibility Report Einhell Germany AG

1 ABOUT THE REPORT	3
2 2021 simply extraordinary	6
3 SUMMARY OF KEY INFLUENCING FACTORS AND RISKS FOR STRATEGY	8
4 ABOUT THE COMPANY	10
4.1 GROUP STRUCTURE WITH PARTICIPATIONS	11
4.2 ESSENTIAL CLEAR DIFFERENTIATION BETWEEN THE GROUP COMPANIES	11
4.3 EXECUTIVE BOARD AND SUPERVISORY BOARD	13
4.4 OUR PHILOSOPHY: FREEDOM OF CORDLESS OPERATION FOR ALL	14
4.5 DISTRIBUTION OF THE GROUP HEADCOUNT	15
4.6 DEMOGRAPHY	17
4.6.1 Transformation from an employer's market to an employee's market	17
4.6.2 Succession issues	17
4.6.3 Subsequent generations and their values	17
4.6.4 Derived points	17
5 VALUES AND SUSTAINABILITY STRATEGY	18
5.1 CORE VALUES OF THE EINHELL GROUP	19
5.2 SUSTAINABILITY STRATEGY	21
5.2.1 Key challenges – Megatrends	21
5.2.1.1 Health	22
5.2.1.2 Demographic trends	22
5.2.1.4 Globalisation	23
5.2.1.5 Scarcity of resources	23
5.2.1.8 Mobility	24
5.2.1.9 Security	25
5.2.1.10 Neo-ecology	25
5.2.1.11 Political Instability	25
5.2.2 Megatrends and their relevance at Einhell	26
5.3 ECONOMY	29
5.3.1 Objective	29
5.3.2 Active risk management	29
5.3.3 Financial, interest and currency risks	32
5.3.4 Cyber Security	32
5.4 COMPLIANCE UND CORPORATE GOVERNANCE KODEX	33
5.4.1 Compliance – Anti-corruption	34
5.4.2 Policies	35
5.4.3 Internal audit	36
5.4.4 Risk assessment pursuant to section 289C HGB and the CSR report implementation act	37
5.5 ECOLOGY	38
5.5.1 Objective	38

5.5.2	Choice of materials, capacity for recycling.....	38
5.5.3	Photovoltaics.....	40
5.5.4	Conserving resources / Product longevity	40
5.5.5	POWER X-CHANGE	41
5.5.6	Responsibility in global supply chain.....	45
5.5.7	Investments in environment-focused and process-driven LOGISTICS at the company headquarters in Landau an der Isar.....	46
5.5.8	Environmental issues also part of the supplier assessment under BSCI	46
5.5.9	Risk assessment pursuant to section 289C HGB and the CSR report implementation act.....	47
5.6	WORK ENVIRONMENT AND WORKING CONDITIONS	48
5.6.1	Health management.....	48
5.6.2	Risk assessment of mental stress.....	49
5.6.3	Occupational safety.....	50
5.6.4	Knowledge Management.....	51
5.6.5	Risk assessment pursuant to section 289C HGB and the CSR report implementation act.....	54
5.7	DIVERSITY.....	55
5.7.1	Gender quota statement	56
5.7.2	Risk assessment pursuant to section 289C HGB and the CSR report implementation act.....	57
5.8	HUMAN RIGHTS.....	58
5.8.1	Approach.....	58
5.8.2	Risk assessment pursuant to section 289C HGB and the CSR report implementation act.....	60
5.9	SOCIAL ISSUES	61
5.9.1	Social commitment.....	61
5.9.2	Product responsibility	62
5.9.3	Product safety.....	63
5.9.4	Risk assessment pursuant to section 289C HGB and the CSR report implementation act.....	65
6	CONTACT AND IMPRINT	66
6.1	CONTACT.....	66
6.2	IMPRINT	66

1 ABOUT THE REPORT

In the CSR Report 2021, the Einhell Germany AG as the head office of the Einhell Group, is reporting on its corporate responsibility in relation to CSR and sustainability.

The company describes the influence of its activity on the environment and society, documents key performance ratios and targets and measures via which it controls its activities.

In compliance with the statutory obligation to prepare a non-financial statement pursuant to section 289c of the German Commercial Code (Handelsgesetzbuch, HGB) and the CSR Report Implementation Act deriving from it, the key risks in relation to aspects of the law are addressed separately in the respective sections.

The central focus of reporting is the essential nature of the information.

Essential nature of the information:

- Important for an understanding of the business performance, the business results, and the company's situation and
- Necessary for an understanding of the effects of the business activity on the non-financial aspects

Risks along the value-added chain

- Key risks and how these risks are managed
- Risks associated with the business relations of the corporation, its products and services

Essential nature of the risks and ancillary conditions

- Risks have a high probability and have serious negative effects on the non-financial aspects
- Information is important and reporting on these risks is proportionate

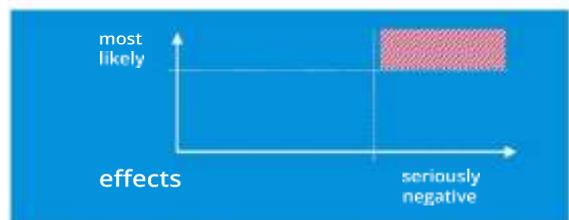
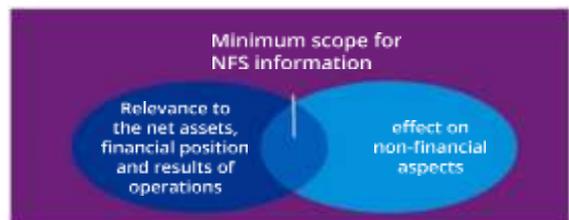


Illustration based on Kajüter (2017): Non-financial statement according to the CSR Directive Implementation Act, Der Betrieb No. 12 / 24.03.2017

Fundamentally, here, net risks are to be the starting point.

Definition:

Gross risks are identified risks which to date are not mitigated by the company using measures to minimize the risks.

Net risks are all risks, taking into account all risk-reduction measures implemented.

In drawing up the Einhell Germany AG CSR Report, the following five universal principles were taken as the basis for the Einhell standard:



The contents of the report relate to the global functions of Einhell Germany AG and to the Einhell Group sites. In principle, four different types of company were considered within the Einhell Group, which by reason of their structure and function face differing challenges with regard to sustainability and CSR.

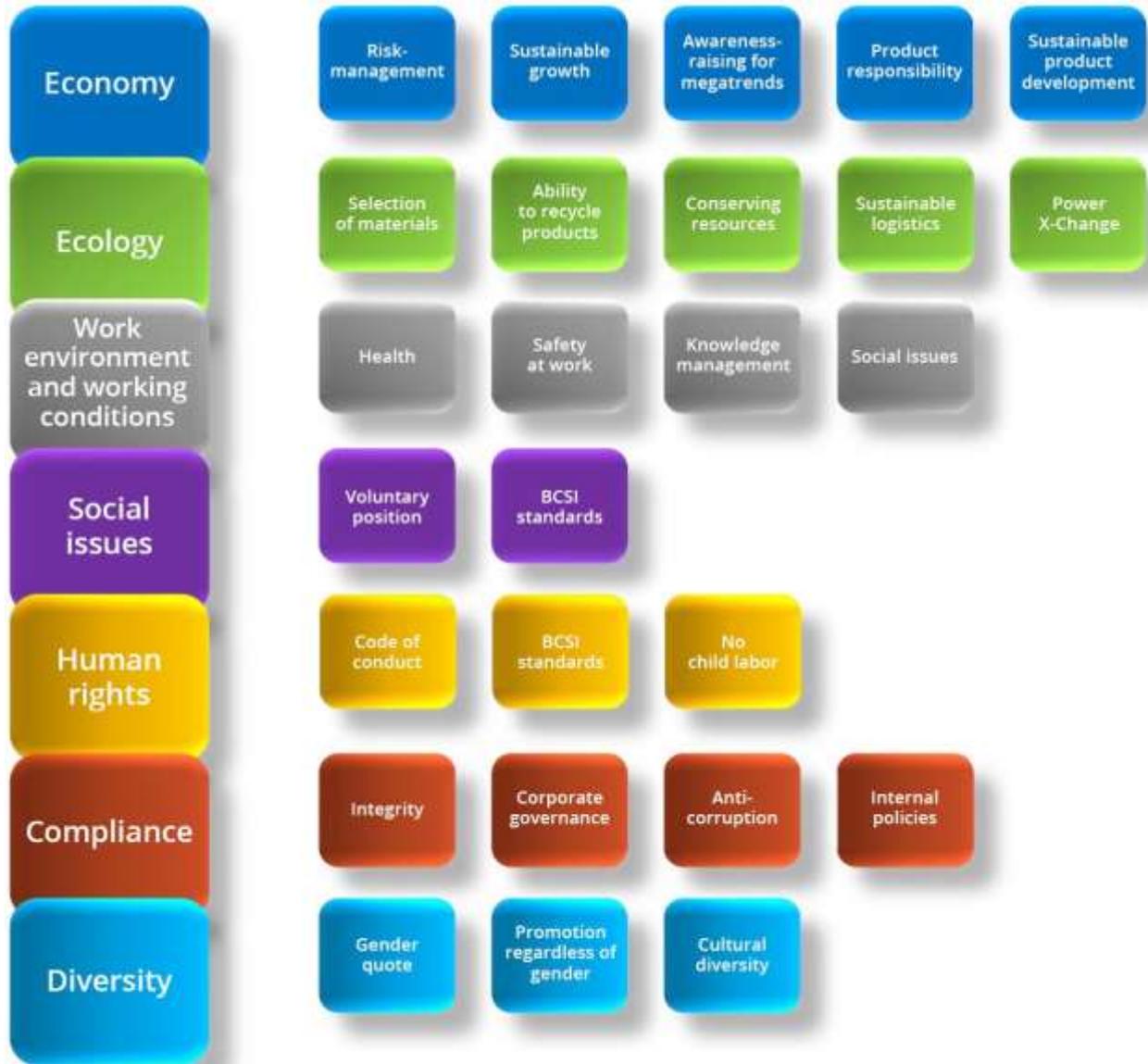
1.) Corporate headquarters: Einhell Germany AG, with the central functions: Strategy, Group management, Product development, Product range strategy, Group HR, Group accounting, sales and commercial Group management, After-sales services; Information technology, Einhell Digital.

2.) Sales-oriented Group subsidiaries: Group-owned distribution companies that are responsible for distribution locally and are connected to the supply chain as members of the group.

3.) Sourcing companies: Companies within the Group whose main task consists of identifying, managing and supporting supplier enterprises for components and products.

4.) Semi-autonomous companies with other Group brands: Companies which, because of their size, but primarily because of a product portfolio that deviates from the Group standard, cannot be assigned to the above categories, since they combine functional areas from different groups.

In this report, we are geared to the thematic differentiation that underpins section 289c HGB:



The reporting period is the 2020 financial year (1 January to 31 December).

Editorial note: The use of the pronoun „he“ throughout in this report is purely for ease of readability and is not intended in any way to denigrate other genders. The editorial deadline was December 31, 2021. The CSR Report is available in German and English. All versions can also be downloaded from the internet at www.einhell.com.

2 2021 Simply Extraordinary

Dear Reader,

Like the previous year 2020, the past fiscal year 2021 will go down as a very special one in our eventful company history. At first glance, of course, the record figures in the key economic indicators are striking here. With consolidated sales of around 920 million and EBT of 81 million, the positive trend from 2020 was not only continued, but also even strengthened. That alone would be remarkable.

However, if one considers the difficult underlying conditions, the outstanding performance of our organization becomes apparent.

In addition to the global logistics crisis, with rapidly rising transport prices and significant bottlenecks in the availability of transport capacities, a globally rising inflation had to be dealt with. The ongoing CORONA pandemic made planning difficult in terms of available personnel capacities and placed a strain on both strategic and operational management processes. Despite this, we have done a great deal to further develop our Group not only in economic areas but also in CSR issues.

In 2020, for example, we reported that we had increased our resilience to threats to our IT infrastructure through extensive technical measures and by investing in human resources in cyber security. We have consistently continued along this path in 2021 and have implemented a comprehensive training concept for IT security on a global basis in order to minimize the risk generated by the "human gateway".

We have also not stood still with regard to the ecological considerations of our Group. In conjunction with a recognized external partner, we have started a major project to determine our carbon footprint in order to derive measures for reduction and compensation. As a first step, a comprehensive concept for the conversion to e-mobility of company vehicles was developed, initially for the central location Landau a.d.Isar, which is now ready for implementation. The new logistics center described in last year's CSR Report has now gone into operation. Despite the considerable increase in sales and thus in the movement of goods, it has been possible to ensure rapid availability of goods from Landau on the one hand and to dispense with additional external warehouses on the other. This means a considerable saving in delivery trips in contrast to the old logistics system.

For us, it is understood that we would like to share our success with the socially underprivileged. 43 projects with a social background were supported financially and in some cases also with personnel. Donations in the mid six-digit range were paid out to needy people and aid organizations. The two major events "RTL Spendenmarathon 2021"(Donation Marathon 2021) in Germany and "Licht ins Dunkel" (Light into Darkness) with ORF in Austria deserve special mention.

Overall, the past fiscal year 2021 has shown that our strategy, but above all the integration and commitment of our now almost 2,000 colleagues worldwide, has enabled us to make our mark in our markets and establish ourselves as a recognized top brand.

On the one hand, this is due to the very good positioning of our company on the market, above all, on the product side. On the other hand, the crisis scenarios described before have shown

that it is above all the cooperative cohesion of our workforce that gives us exceptional crisis resistance.

Although this naturally also has an impact on the financial position of our company, this is certainly the key non-financial finding of this eventful fiscal year and, as we see it, "an excellent basis for continued positive development".

The Executive Board



From left to right: Dr Christoph Urban (CIO); Dr Markus Thannhuber (CTO); Andreas Kroiß CEO; Jan Teichert (CFO)

3 SUMMARY OF KEY INFLUENCING FACTORS AND RISKS FOR STRATEGY

As already described in the foreword, 2021 was not a normal business year, so that trends to be derived here must be subject to even closer scrutiny in terms of probability and sustainability.

Contrary to all forecasts, the CORONA pandemic continued to have a firm grip on us in 2021, which had a considerable impact on the provision of services at many levels of our company.

In addition, the local and global impact on the behaviour and views of the people involved and thus on market activity in the procurement and sales markets is considerable.

The restrictive measures of the CORONA pandemic have affected stationary retail structures much more intensively than online retail. As outlined in previous reports, the trend towards online platforms, with the seemingly simple and transparent comparability of products there, is a major trend of the times. Forced by the temporary closure of sales areas in stationary retail, even sceptical customers have become much more quickly and intensively involved with the processes in online retail and many have acquired a taste for it. Fast, uncomplicated ordering processes, with extensive return options, make shopping easier. It can therefore be assumed that the strong increase in online business is not just a CORONA flash in the pan, but that the general trend has intensified and will continue to grow.

Even before CORONA and geared to growth, we have continued to expand our online capacities and see ourselves as being on the cutting edge here. With the logistics centre for the Central European markets now in operation, we will be in an even better and faster position to handle increased DROP shipment orders (direct delivery to the end customer).

Of course, this will result in new processes and corresponding process risks, which we are examining intensively in advance and reducing through suitable technical and organizational measures.

Technical innovation in the context of battery technology has opened the way to the location-independent pursuit of creative goals. With our Power X-Change concept, we are leading the way when it comes to combining the possible applications in DIY, but also in gardening.

In order to be and remain at the cutting edge of technology in this area, we have launched a large-scale cooperative venture with the "Modern Mobility" research centre. Here we are actively involved in research, particularly in the field of energy storage systems.

The confidence of end customers in cordless power packs has grown steadily in recent times, not least because of our innovative and high-quality Power X-Change platform, so that our forecast of the medium-term replacement of gasoline and corded power packs by ACCU technology continues to form the basis of our strategy.

On this basis, we will again more than double the range of our products in the Power X-Change platform by 2025 in order to be able to offer all customers exactly the right PXC device for their applications in all areas of use in the home and garden.

In the future, even greater attention will have to be paid to logistical processes, both locally and, above all, internationally. The aim is to obtain even more reliable lead-time and transport cost forecasts in order to align the processes even better with the wishes of the trade, but also of the end customer. The currently smouldering trade conflicts are not helpful here and must be monitored. In this context, we have launched a project to define alternative procurement strategies in order to avoid dependencies in the supply chain.

We are also focusing on optimizing supply chain management to counter the increased risks in the global flow of goods from an organizational perspective. To this end, top priority is being given to centralized demand forecasting and planning as well as central scheduling management, the introduction of shipment consolidation management, the introduction of central capacity management, the introduction of a new transport management system in China, the expansion and introduction of inbound freight management for all transcontinental goods movements, and the development and introduction of international warehouse management.

The dependency on digital systems is extremely high and will continue to increase in the future. For this reason, it is also essential to invest in the field of cyber security, which we are doing at all appropriate levels.

Digital development and increased measures to strengthen resilience against cyber attacks

by Dr. Christoph Urban

Director of IT and Digitalization

Digitalization is playing an increasingly important role in all areas of our lives. It is also firmly anchored in the corporate strategy of the Einhell Group.

Thus, one of our primary goals is to provide resilient, IT-based working environments for our employees, companies, and business partners that can serve as a stable and reliable backbone for our business operations even in times of growing cyber threats.

The effectiveness and efficiency of our operational business processes also play an increasingly important role in the further development and growth of the Einhell Group. In the coming years, it will be important to consolidate existing system landscapes in the Group, harmonize processes, and standardize the underlying master data in order to achieve higher quality, a higher degree of automation, and better scalability in business processes, especially with regard to our international supply and service chains. The clear focus is on expanding our operational excellence to put our Group growth on a solid operational footing.

Of course, our digitization efforts also focus on our retail partners. Here, a very strong digitization trend has set in over the past few years in particular, which was additionally fueled by the Corona pandemic. In addition to traditional retail space-oriented approaches, our customers are increasingly turning to hybrid business models based on the interplay of stationary and digital offerings. Here, too, with our goal of being one of the best digital providers in the industry, we attach great importance to supporting our retail customers with compelling service offerings, high-quality content, and innovative solutions at the digital POS, and to accompanying them on their own digitization journey as a competent contact partner.

Customer service is a key component of our brand strategy. Based on our Power X-Change platform coupled with outstanding service, we want to turn our consumers and end users into long-term loyal fans of our brand. In addition to the services provided personally by our employees in the areas of customer interaction, service parts, and claims and repair management, digital self-services are also playing an increasingly important role here. Through our spare parts stores, online repair registrations, service videos, FAQs and chatbots, we are creating more freedom for our customers and want to give them the opportunity to resolve their concerns outside the opening hours of our service centers. A consistent multi-channel service experience is the focus of our efforts here.

And finally, the ongoing digitization also requires a change in our own digital organization. The traditional boundaries between business units and the IT organization must be replaced by a closely inter-linked collaboration culture, and IT must grow much closer to the requirements of the business, contribute to the establishment of tailored, digital solutions for our business issues, and thus grow out of the traditional role of a pure service provider. This is the only way that IT solutions can create added

value for the company at high speed and quality in the future. And we are continuously pursuing this path of transformation.

4 ABOUT THE COMPANY

Einhell Germany AG of Landau an der Isar (Germany) is the parent company of the international Einhell Group. Einhell develops and sells products for DIY enthusiasts and craftsmen for use at home, in the garden and for leisure activities. The principles underpinning our product policy are to react faster, more flexibly and more innovatively than others. In our Power X-Change battery platform especially, we combine the product promise of high flexibility with the freedom that comes from being cable-free, and we are continuously further expanding our brand awareness. Einhell supports the global operations of its customers through its highly internationalized structure. Subsidiaries and affiliated partner companies throughout the world ensure that Einhell Germany AG is always ready and available to support its customers' businesses all over the world. The subsidiaries comprise sales companies primarily located in Europe, but also in South America and Australia, and retail companies in Asia. We are delighted to welcome LawnStar Ltd from South Africa as a new company to the Einhell Group. LawnStar will be our basis for establishing Einhell products on the continent of Africa.

The Asian subsidiaries are also responsible, amongst other things, for product sourcing, product preparation and procurement. Since Production is in Asia, it is also where Quality Assurance is based. Worldwide, Einhell employs around 2.000,- employees (around 1,783 FTE based on our capacity analysis). Group sales in FY 2021 were EUR 927 million (previous year: EUR 724,638 million).



4.1 GROUP STRUCTURE WITH PARTICIPATIONS



The requirements concerning corporate social responsibility differ within the Group network, having regard to the respective function of the company, particularly in relation to prioritization.

Fundamentally, we have been similarly guided in this by the thematic differentiation in section 289c HGB, but we have emphasized the focus for the individual types of company. Given the overall responsibility of Einhell Germany AG as the parent company of the Group, this is naturally also more comprehensive in scope. Under this umbrella, the semi-autonomous companies with their own product portfolio, Ozito (Australia) and kwb Germany GmbH exhibit particularly extensive responsibilities.

With their close contact to our producer partner companies in Asia, the focus of the CSR issues for our sourcing companies is naturally also located here, with a view to the entire supply chain.

Most companies within the Group are sales subsidiaries, which focus on CSR issues in relation to the local product ranges and compliance with the relevant national and international standards and integration of all local stakeholders.

4.2 ESSENTIAL CLEAR DIFFERENTIATION BETWEEN THE GROUP COMPANIES

Regarding the legal specifications of section 289c HGB and the SCR Report Implementation Act, we have reflected on the non-financial aspects in the course of our business that are essential to our understanding of our business model, and we outline these as set out below. In doing so, we have consistently maintained the orientation to the thematic differentiation and to differentiation by types of company within the Group.

The differentiation necessary under the structure of the statutory obligation for reporting in respect of materiality does not constitute a fundamental statement by Einhell Germany AG regarding the value placed by the company on themes considered as not material for our course of business. Rather, it is to be taken to indicate those areas where we see ourselves as having a very particular responsibility and are able to set accents through corresponding concepts.

<p align="center">Einhell Germany AG Group HQ functions</p>	<p align="center">Semi-autonomous companies with own product portfolio (currently Ozito and kwb)</p>
<p>Requirements for sustainability</p> <ul style="list-style-type: none"> ▪ Sustainable product and product range development ▪ Sustainable management of the global supply chain ▪ Instructions and support on all HR issues ▪ Managing a sustainable quality policy ▪ Instructions and support on questions relating to protecting the environment ▪ Respecting the relevant work safety standards ▪ Clear policies and management in all Compliance issues ▪ Promoting equal rights and respecting human rights 	<p>Requirements for sustainability</p> <ul style="list-style-type: none"> ▪ Sustainable product and product range development ▪ Sustainable management of the global supply chain ▪ Managing a sustainable quality policy ▪ Instructions and support on questions relating to protecting the environment ▪ Respecting the relevant work safety standards ▪ Promoting equal rights and respecting human rights
<p align="center">Sourcing companies Overarching SCM functions</p>	<p align="center">Sales companies Local distribution functions</p>
<p>Requirements for sustainability</p> <ul style="list-style-type: none"> ▪ Sustainable choice of production partners ▪ Sustainable management of the global supply chain ▪ Respect for human rights by suppliers ▪ Managing a sustainable quality policy ▪ Instructions and support on questions relating to protecting the environment for partner companies ▪ Clear policies and management in all Compliance issues for partners and suppliers ▪ Respecting the relevant work safety standards 	<p>Requirements for sustainability</p> <ul style="list-style-type: none"> ▪ Sustainable local product range management ▪ Sustainable choice of local customers and partners ▪ Respecting the relevant work safety standards ▪ Promoting equal rights and respecting human rights ▪ Adherence to the specified Compliance guidelines

The approach set out here is, naturally, dependent in its expression on the Group structures and on the underlying history.

Despite all its international activities, the company has always remained true to its principles. These include working together on a basis of trust, loyalty, and a company policy geared to long-term, mutual success.

Building on these values, a refined balance between high levels of autonomy and own responsibility for the subsidiaries on the one hand and helping, advisory management by the central departments in the Group head office on the other is practiced in coordinating the extensive international tasks. Einhell is known as a particularly efficiently-operating business – and therefore we help all companies in the company group with our experience in efficient, customer-oriented sales, service, logistics and administrative processes.

4.3 EXECUTIVE BOARD AND SUPERVISORY BOARD

Coordination of the Group sits with Einhell Germany AG, which is managed by four Managing Directors, Mr. Andreas Kroiß (CEO since 2003); Mr. Jan Teichert (Chief Financial Officer since 2003); Dr. Markus Thannhuber (Chief Technology Officer since 2007) and Dr. Christoph Urban (Director of IT and Digitalisation since 2019). The Sales, Procurement, Marketing and Corporate Strategy areas come under the responsibility of the CEO. The Finance and Accounting, Taxation, Legal, Controlling, Investor Relations, HR and Maintenance areas come under the responsibility of the CFO. The Technology, Product Management, Product Preparation, Quality Assurance and Logistics areas come under the responsibility of the CTO.



From left to right: Dr Christoph Urban (CIO); Dr Markus Thannhuber (CTO); Andreas Kroiß (CEO); Jan Teichert (CFO)

The board role for IT and Digitalization encompasses responsibilities for the International IT infrastructure, digital forward development of all processes and organizations, and the Group-wide After-Sales Service.

A three-person Supervisory Board serves as a supervisory committee. Since 2015, the Chairman of the Supervisory Board has been Prof. Spath (a member of the Supervisory Board since 2006). In 2015, Mr. Philipp Thannhuber was appointed to the Supervisory Board as successor to the company founder. On the staff side, the Chairman of the Works Council, Mr. Maximilian Fritz, was elected to the Supervisory Board.



The 3,774,400 shares in Einhell Germany AG are structured as 2,094,400 common shares with voting rights and 1,680,000 preferred bearer shares. Since a large part of the common shares with voting rights continue to be held by the Thannhuber family (the founder's family), even in the strategic decision-taking it is possible to maintain the sustainable structures of an SME, family-run enterprise with a tradition stretching back over 55 years.

4.4 OUR PHILOSOPHY: FREEDOM OF CORDLESS OPERATION FOR ALL.

Einhell develops and sells products for DIY enthusiasts and craftsmen for use at home, in the garden and for leisure activities. With its values of freedom of cordless operation, performance & endurance, quality and competence, Einhell has made it its mission to create a new dimension in DIY through its claim of "cordless operation for all" and thereby to support every DIY enthusiast in realizing his or her ideas, projects and tasks.

With high-performance, quality products in modern designs with a focus on function, Einhell is enabling its customers to plan all work in and around the workshop and garden more efficiently, more easily and thus with greater independence and freedom from constraints. As a longstanding expert in the area of DIY and Garden, with the claim of aspiring to be the world's most capable battery system, Einhell promises high-quality products with the attribute: "Brand-name quality for the best price". Customer satisfaction is, as ever, the number one objective.

The scope of Einhell's international operations caters to the needs of its customers, namely DIY and building chains, mail order companies, garden centers and discount chains. Its subsidiaries and associated partners throughout the world enable Einhell to offer an unrivaled comprehensive global service. Over 40 subsidiaries ensure that we maintain close ties to the global customers of Einhell Germany AG. Associated partners worldwide market Einhell products under license in their own name.

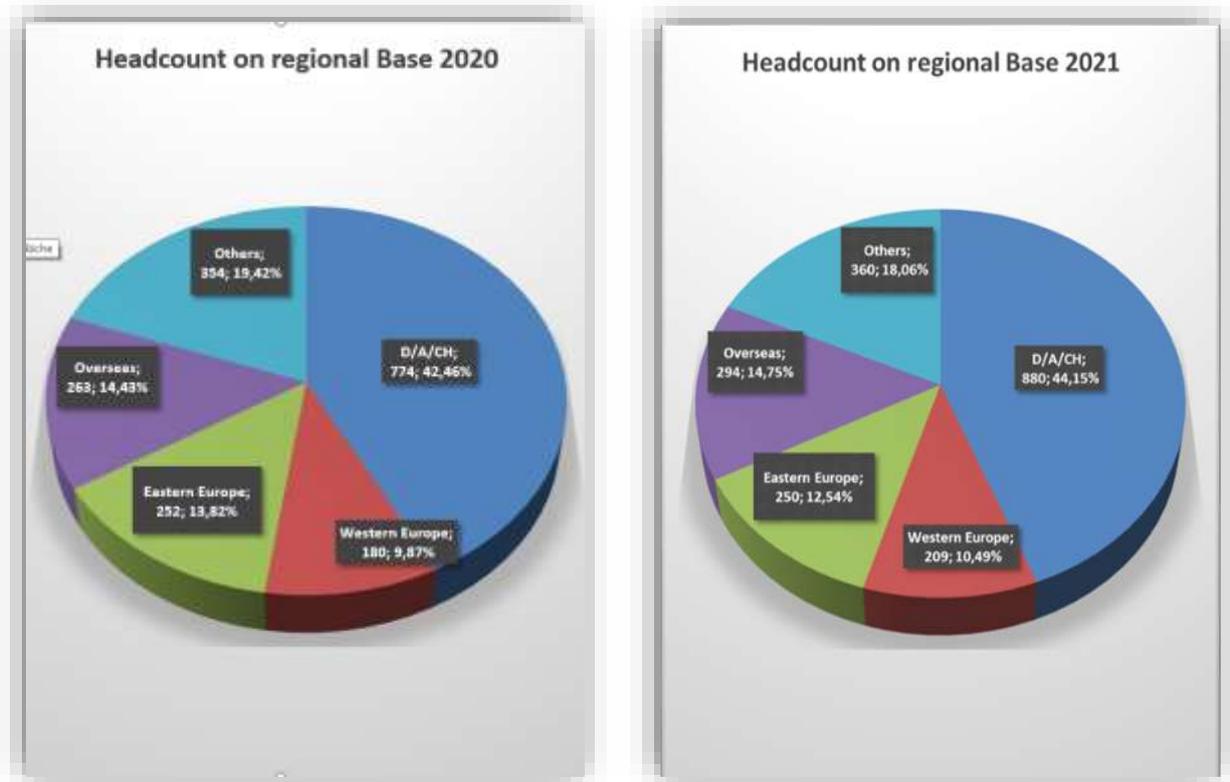
The guiding thought here is: "We don't simply want to be good – we want to be a unique brand." The company will continue to pursue this aspiration.

4.5 DISTRIBUTION OF THE GROUP HEADCOUNT

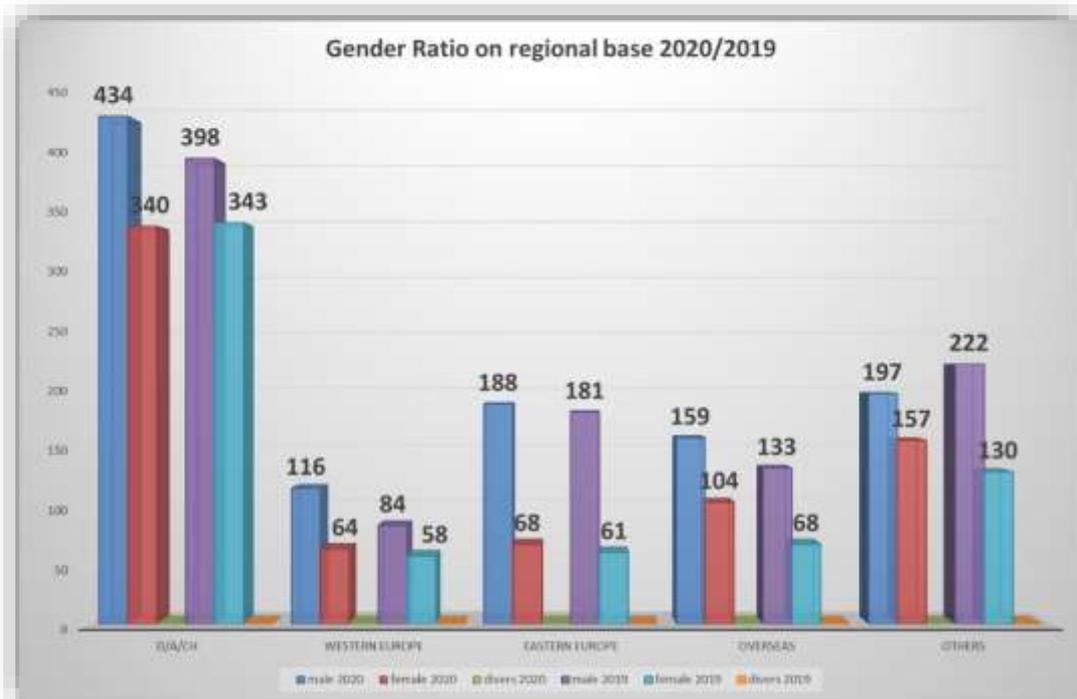
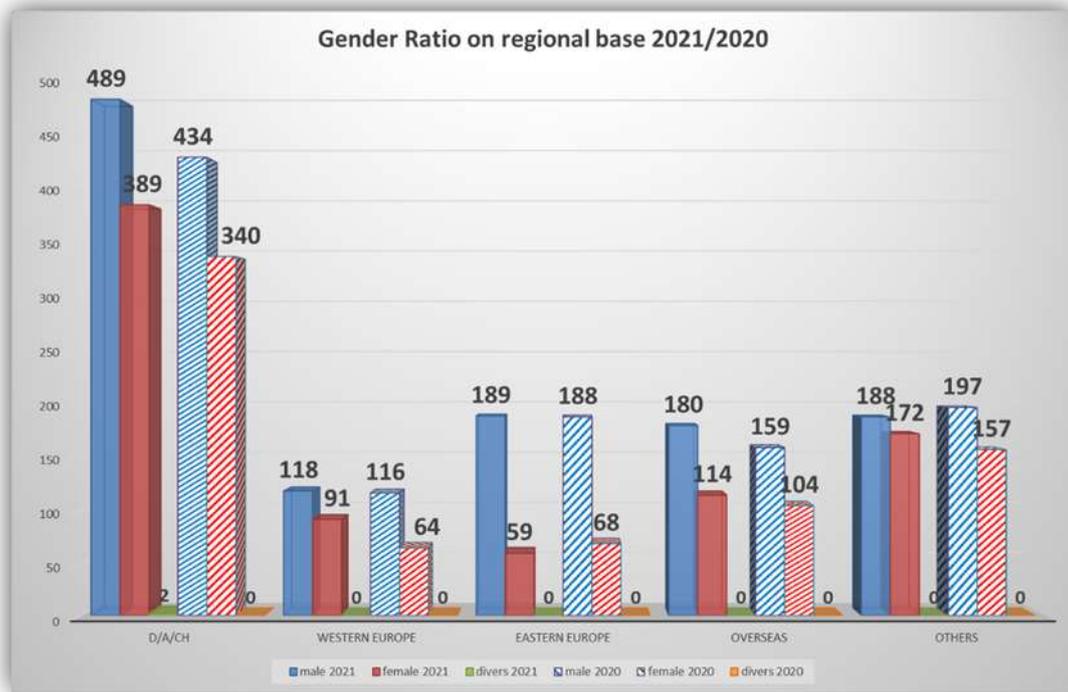
The distribution of staff among the individual companies reflects the local circumstances in the markets and the established synergies within the Group.

Fundamentally, we seek to balance out economic fluctuations by using flexible HR policy measures, in order to be able to offer the core workforce secure, long-term employment. The highly specialized Einhell know-how of our employees in the different roles represents an extremely important asset to us. The long-term growth strategy of the Einhell Group builds on this asset and must therefore also be preserved. This also means that staff increases are always planned on the basis of sustainable, sufficiently probable positive trends in the business.

Given the internationally positive trend in the business, staffing capacities have also been adjusted to meet requirements. At the end of 2021, 1.993 colleagues were part of the Einhell Group. The gender ratio changed slightly from 57.39% : 42.61% : 0,00%(male : female: divers) to 58,40% : 41,50% : 0,10% (male : female: divers). These statistics shows the 3rd gender for the first time.



Gender is in principle not used as a criterion when selecting and promoting our employees. This is due to a firmly-rooted value concept that gender does not exercise a decisive influence on a person's ability to perform, integration and capacity for development.



Gender self-determination is one of the key basic human rights: Fundamentally, job advertisements placed for vacant posts are gender-neutral (m/f/o), in order to show that gender is not a criterion applied in our assessment processes.

4.6 DEMOGRAPHY

Demographic assessments are often carried out at an economic level and investigate the development of populations and their structures both **statistically and theoretically**.

As part of a long-term and sustainable human resources policy, it is also advisable to analyze the impact of the trends that emerge from these demographic assessments at company level so that any necessary action recommendations can be derived.

For Einhell, 3 main topics arise from the general demographic considerations:

- 1.) The transformation in many countries from an employer's market to an employee's market
- 2.) Early and targeted consideration of succession issues
- 3.) Differences in the values of subsequent generations

4.6.1 Transformation from an employer's market to an employee's market

Existing and potential employees are free to look for a qualified job. For this reason, individual and collective perceptions of the employer play a key role in the choice of where to work. Structures and processes must fit in with the life planning of current and future employees.

4.6.2 Succession issues

Departing employees hold significant know-how, and where possible this must be passed on. To do this, we first need to learn about the individual life planning of the colleagues as early as possible so that the company can plan accordingly.

On this basis we need to identify and cautiously build up potential successors.

This also requires early and clear decisions about internal or external recruitment strategies for key positions.

4.6.3 Subsequent generations and their values

It is a fact that the values of younger generations (generations Y, Z, Alpha) differ greatly from those of previous generations. As these generations are now increasingly shaping the workforce of our companies, it is advisable to actively engage with these values as they result in different assessments of corporate culture and leadership issues. It is, therefore, necessary to conduct a discourse across the generations in order to create bonds and achieve identification with the company.

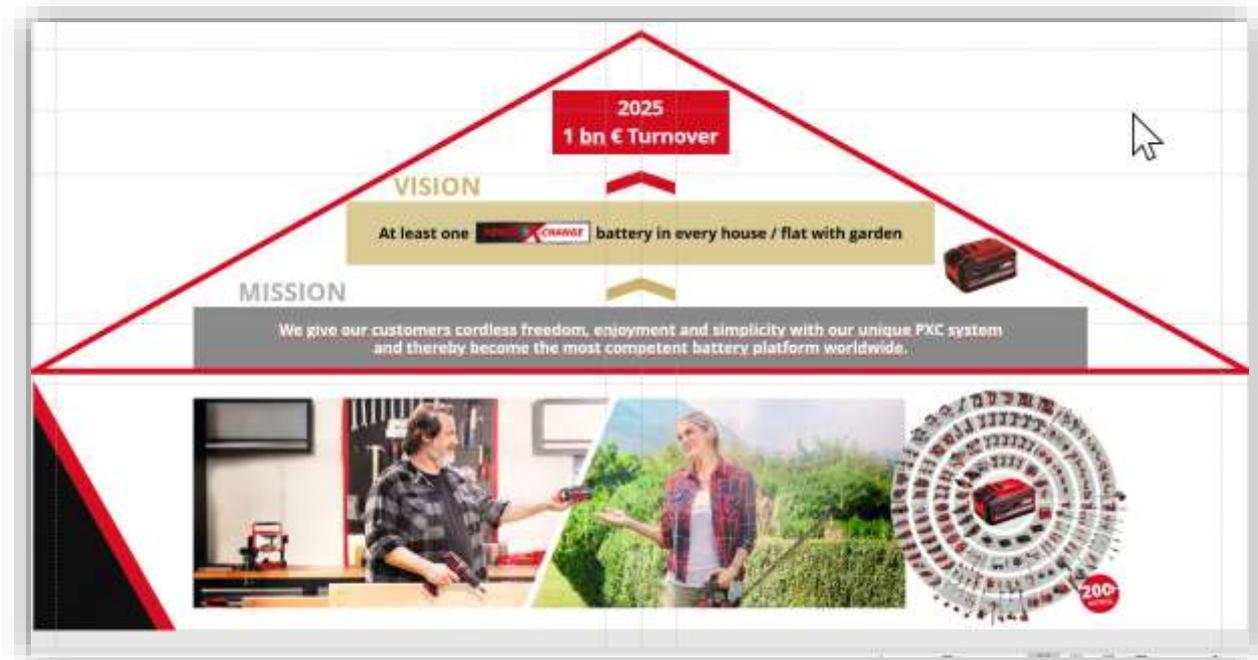
4.6.4 Derived points

For our sustainably designed corporate strategy, these conditions lead to the following key areas of action:

- ❑ Further expansion of a cooperative corporate culture
- ❑ Creation of working worlds that are seen to motivate as spaces to work in
- ❑ Open and cooperative communication not only of business-related issues, but also of personally relevant ones
- ❑ Communication of the purpose of individual commitment. Simply setting business objectives is not enough here.
- ❑ Selection of new management staff with high prioritization of leadership skills
- ❑ Further training of management staff
- ❑ Avoidance of unnecessary conflict through early, integrated organizational development.
- ❑ Further expansion of the working world to an actively promoted atmosphere of team spirit and cohesion.
- ❑ Introduction of internal decision-making rules within teams
- ❑ Offer of personnel development measures, including ones that go beyond the purely technical
- ❑ Active coaching as a support method

5 VALUES AND SUSTAINABILITY STRATEGY

Since, in our understanding, strategy is not just a one-off determination of the target ratios to be pursued, but a process that continuously combines opportunities and risks with abilities and opportunities as objectively as possible, we have already started to develop and introduce a structured, rolling strategy development process some time ago. This process combines our tradition as a family-run SME with the demands from the markets.



Building on our extensive experience in battery technology, Power X-Change is the backbone of our growth strategy, which is geared to customer requirements. In that regard, expanding the battery platform, in combination with a large number of devices additionally adapted for it, constitutes the main strategic thrust.

Naturally, we are aware that there is still a whole raft of customer requirements beyond the sets of tasks that can be wholly covered within the battery platform. Accordingly, our “strategy house” includes a total of 15 main projects to be considered individually which in the mid- to long-term will contribute to realizing our vision.

It is where our sustainably strategic approaches are fleshed out and underpinned with effective project plans. The 15 points set out our strategic approaches to product and brand policy, to employer branding and knowledge management and on questions relating to digitalisation and to active service management.

5.1 CORE VALUES OF THE EINHELL GROUP

Every action by the Executive Board members, managers and all employees is based on the dignity of the individual, mutual respect and a service approach to all employees. As part of our structured strategic development process, we have drawn up the following value statement.

Einhell's Value Statement



This value statement is primarily aimed at an outside audience, since we are firmly convinced that the satisfaction of our customers, B2B or B2C, represents the basis for sustainable entrepreneurial success.

Drawing on this, we believe that the fundamental objectives being set can only be achieved in the long term if all stakeholders are similarly also included and if consideration is likewise given to their individual objectives.

Accordingly, we have drawn up the following guidelines on our corporate culture using a bottom-up approach. In a second cooperative step, we have derived and formulated corresponding management principles from them.

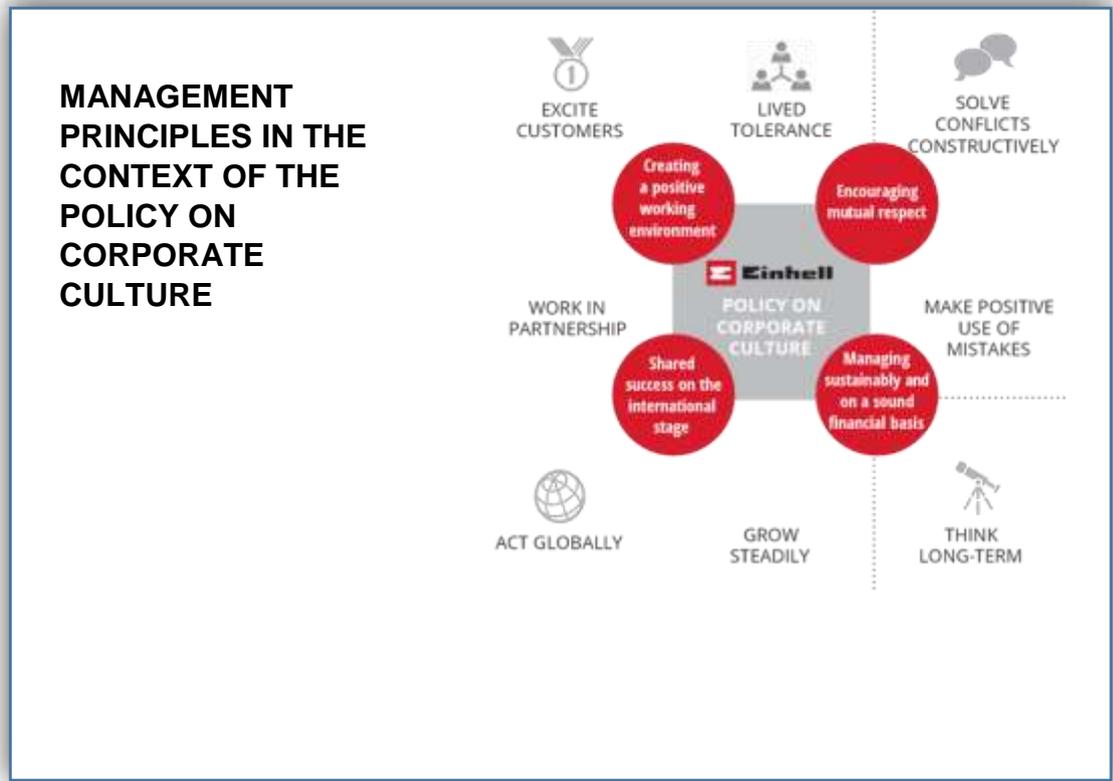
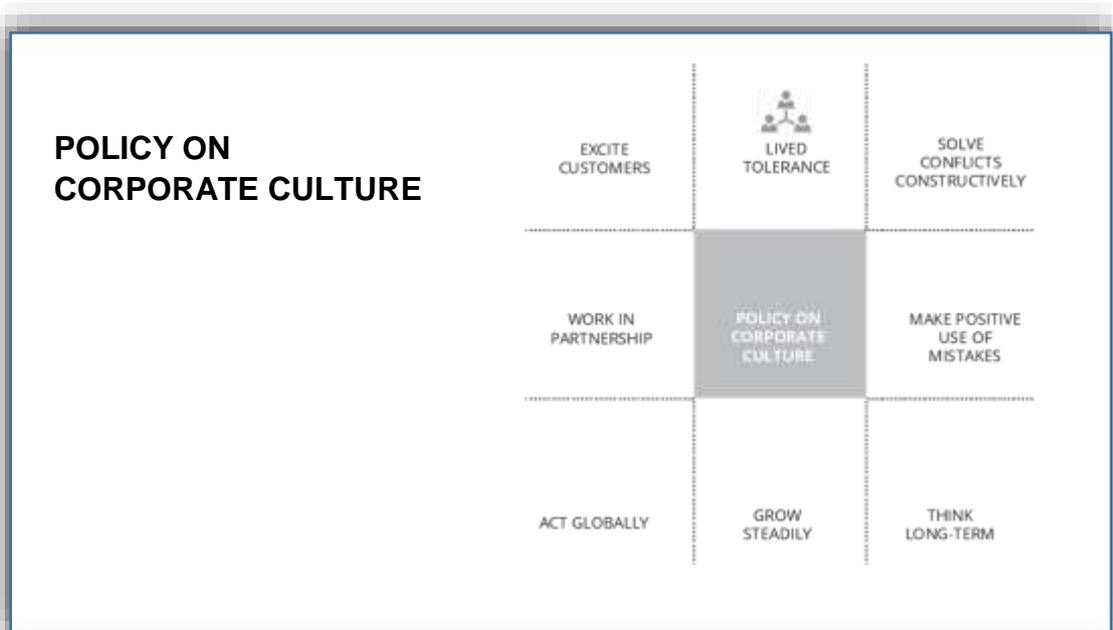
Open and fruitful working with one another is the basis of our success.

The guidelines on corporate culture drawn up by our employees are the touchstone of our commercial activity. The role of manager is not always easy, since on the one hand it involves a role where the inevitably present goal conflicts between company and employee become manifest, while on the other the relationship between the manager and their employees is taken directly as an indicator for the corporate culture as it is experienced.

Accordingly, and building on the guidelines on corporate culture, their contents have been examined for aspects relating specially to management, and recommendations for actions have been formulated in the new management principles.

Together with the Value Statements of the Executive Board, this results in a framing work, „Our Guidelines“, which is intended to help all employees, regardless of their respective role, in finding the right collaborative context in all situations as they arise.

Extracts from ‘Our Guidelines’ are given below:



The full presentation of 'Our Guidelines' can be viewed on our website, www.einhell.com (available only in German).

5.2 SUSTAINABILITY STRATEGY

As part of devising our strategy, we identify significant future trends and derive concrete, sustainable areas of action and goals from this. These overarching trends often have a direct and indirect effect on our business activity and therefore need to be taken into consideration.

5.2.1 Key Challenges – Megatrends

Nowadays, considerations regarding sustainability strategy can only be considerations looking beyond the horizon of local or regional impacts and focusing on the global stage. Accordingly, it is important to identify global trends, to evaluate them and, based on this, to determine one's own areas of action and the external influences on one's own capacities for action.

In doing so, the viewpoints of all stakeholders need to be suitably included in this deliberation. While preparing the 2021 CSR Report, we have examined the assessment of mega-trends from 2017 and 2019 in our managerial groups. Alongside what are certainly interesting shifts, from our perspective it is particularly significant that the managers have also included "political instability" as a new and noteworthy mega-trend in their assessment.

As already explained, for many reasons 2021 was anything but a "normal" year – in particular the global COVID-19 pandemic, which still presents a major challenge even now and has had a major impact on our social and economic life. Only when the pandemic has largely died down and all the restrictions and measures imposed in order to combat it have been eased again will we be able to see what exactly the long-term and sustained impacts will be.

However, one thing is clear from our perspective – when we look at before and after, there will be significant differences. One development is already clear to see: The digitalization of communication and commercial dealings has been dramatically accelerated. Online markets, which were already growing disproportionately before the pandemic, are increasingly asserting themselves and displacing conventional approaches.

Nonetheless, we believe that the trends determined in 2019 will continue to have substance and that they must therefore continue to be included in our strategic deliberations.

In addition, the global logistics crisis and the ongoing raw material and component shortages have shown how sensitively the global economic system reacts to changes and restrictions. For us, this means identifying dependencies and developing economically viable strategies as early as possible to minimize them.

The global trends identified were assessed in terms of their importance for the company's strategic decisions and rated using a 12-point scale (1 = unimportant to 12 = very high relevance).

5.2.1.1 Health



Health is a great asset, and one which is rightly becoming an area of focus all around the world, both individually and also at the policy level. Health is no longer the absence of illness but the expression of an overarching sense of well-being, over which the work environment and the ability to maintain a sound work-life balance (amongst other things) exercise a significant influence. For Einhell, this means on the product side only launching products on international markets where they are at the highest technical level in terms of their safety engineering design, and preventing injury due to incorrect handling by having readily-understood, clear operating instructions.

The CORONA pandemic also demonstrated that health and responsibility for it are not just an individual matter, but also have social, political and societal dimensions. As an employer, we did not want to and could not avoid the resulting responsibility and took appropriate measures at an early stage.



In our duty of care as an employer of around 2,000 employees, it is associated with significant responsibility in workplace design, work safety and in value-oriented management, which we live up to fully, including via our occupational health management program.

The CORONA pandemic also demonstrated that health and responsibility for it are not just an individual matter, but also have social, political and societal dimensions. As an employer, we did not want to and could not avoid the resulting responsibility and took appropriate measures at an early stage.

5.2.1.2 Demographic trends

The consequences of population growth in various parts of the world and of the decline in population in the old industrialized countries, combined with aging societies, urbanization and the persistent trend towards smaller families and single households are not yet fully on the radar for many stakeholders. From Einhell's perspective, these trends are set to influence the procurement markets and sales markets, along with products, and they are therefore studied closely.

The effects on the staffing structure, employer branding and, with it, the underlying positioning of the company on the employment market are being addressed via comprehensive strategic HR management.

From the product policy viewpoint, we also derive from this megatrend a changed and far more differentiated target group structure, which we want to exploit via targeted product innovations in order to position the company sustainably.

As expected, the trend is having an increasing impact on the labor market. The "battle" for good employees must be fought on various levels. On the one hand, it is the modern and promising positioning of the company and the corresponding presentation in employer branding. On the other hand, it is the creation of positive working environments that make it possible to retain good employees and motivate them to commit themselves. However, the trend toward individual liberalism (5.2.1.7.) runs counter to these efforts and must be intensively taken into account.

5.2.1.3 Digitalisation and Industry 4.0



There is barely any trend with such profound influence on practically all aspects of our lives as progressive digitalization, and barely any that encounters such minimal structured preparation for those changes.

The way in which we, Einhell, customers, suppliers and employees communicate with one another is undergoing rapid change, the speed of which is disturbing for many, since the scale of the technical aspects involved is no longer fully grasped by most people. For Einhell, it means on the one hand framing this change within the Einhell structures transparently, so that all employees are taken along on this important transformation process, and on the other hand identifying and exploiting the opportunities from digitalization through intensive scrutiny of both these and of the associated risks.

(See also the statement by the Member of Board for IT and Digitization, Dr. Christoph Urban, point 3 of this report).

5.2.1.4 Globalisation



In its early stages, globalization was considered primarily in relation to flows of goods and supply chain issues. This megatrend has long moved beyond that point. For Einhell, this trend masks a range of opportunities and threats. We constantly analyze the regional and local changes in our procurement and distribution regions, and examine the opportunities arising together with a clearly-structured appraisal of the associated risks.

Alongside the purely commercial criteria, we also include issues relating to protection of the environment, cultural awareness and social responsibility. That's because we are aware that the values which we fundamentally endorse are not standard everywhere in the world.

5.2.1.5 Scarcity of resources



The availability of technical resources – raw materials, semi-finished goods and components – will continue to be decisive for our success in a dynamic global economy. Even if new sources are always being developed from a technical perspective (the raw materials paradox), it is down to us as a responsible company to include in our own deliberations the environmental risks that are sometimes run in that regard.

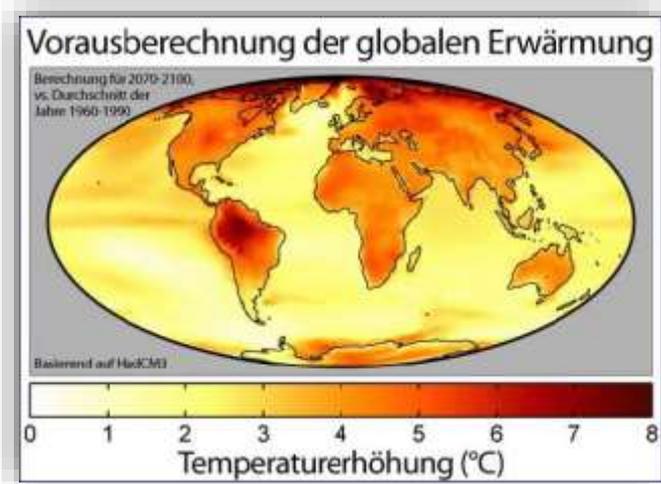
For Einhell, this means – amongst other things – identifying and pursuing sustainable paths in

the choice of components and raw materials for our product ranges in all new development.

Through our unique Power X-Change platform, the necessary number of batteries and chargers is being drastically reduced. It's a step in the right direction!

This Megatrend, in relation with the previous point 5.1.2.4 Globalization, has clearly demonstrated its topicality and explosive nature during the period under review. The global logistics crisis and the continuing shortages of raw materials and components have shown how sensitively the global economic system reacts to changes and restrictions. For us, this means identifying dependencies and developing economically sensible strategies as early as possible to minimize these risks.

5.2.1.6 Climate change and climate policy



Climate change and the associated international and also local environmental and climate policy are trends that Einhell also engages with intensively. For example, when developing product ranges we give consideration to the ability to recycle the product components.

5.2.1.7 Customization

Customization influences our actions at a number of different levels. On the customer side, we are aware that our products need to satisfy the demands of the individual customer precisely.

But on the employee side, too, given the growing proportion of Generation Y and Z employees, individual and personal self-realization will have a decisive impact on the structures in our company.



5.2.1.8 Mobility



There is barely anything that impacts how we live in our globalized society as much as mobility. It forms the basis of our lives and our livelihoods. Today, we stand at the start of a multi-mobile era, with multifaceted opportunities for implementing the new mobile demands and preferences economically, easily and sustainably. In this context, however, a distinction needs to be drawn between different mobilities.

A) The growing trend, including internationally, towards more frequent and fast relocation of food outlets and B) the trend towards high levels of communication not constrained by geography, thanks to digital devices.

5.2.1.9 Security

Society feels insecure, and the state is over-challenged: We are moving towards a new culture of security that is characterized by two factors – all-encompassing global networking, and a shift in responsibility away from overarching state institutions towards companies and individuals.



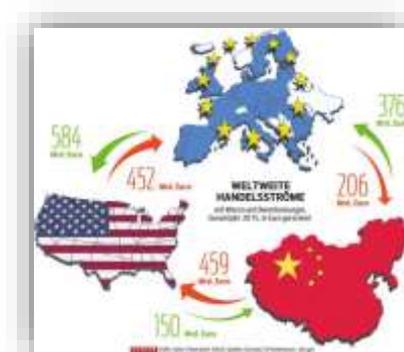
5.2.1.10 Neo-ecology



Environmental protection, conserving resources, corporate social responsibility. The megatrend of neo-ecology is moving the axes of economic systems towards a new business morality that is radically transforming markets and consumer behavior. In future, growth will be understood as a new mix of economy, ecology and social engagement

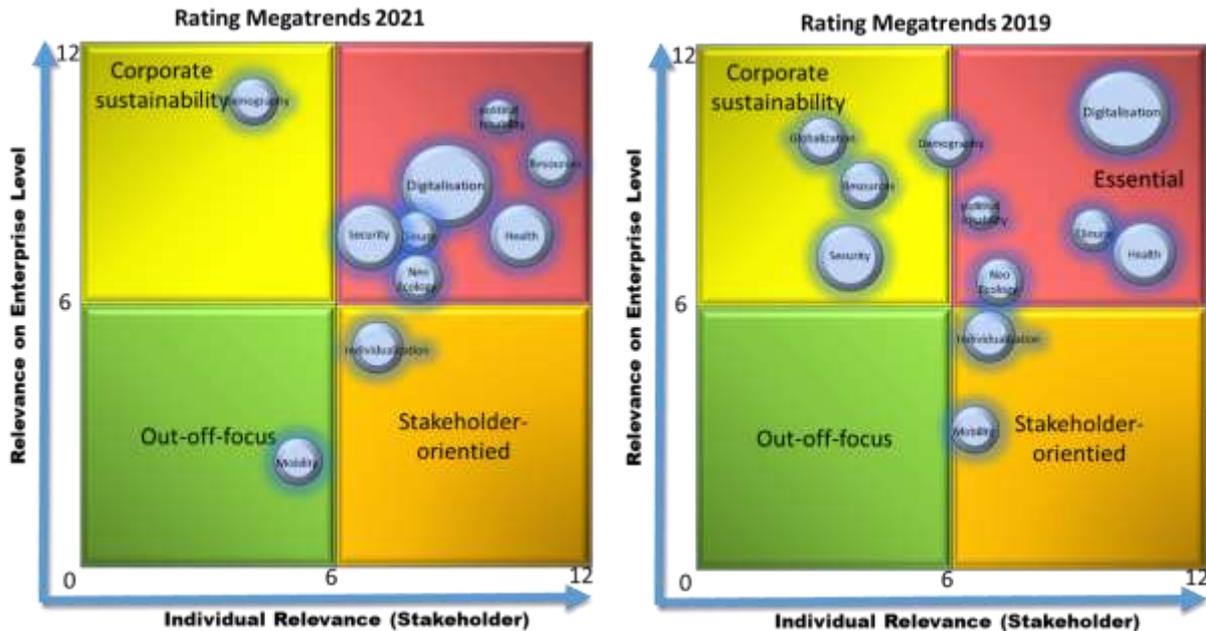
5.2.1.11 Political Instability

Increasingly, unlike the trends in recent decades, isolationist and market-limiting tendencies can be identified. Debates – often conducted to reflect populist views – on the rights and obligations of individual states, and the “necessary” defensive measures derived from them as a result, have put up barriers to free trade and thus to the reliability of international structures. Brexit and the recent trade disputes between the USA and China, but also increasingly markedly with the EU, are the clear signs of this trend.



5.2.2 Megatrends and their relevance at Einhell

All the megatrends described here have considerable influence on the development of our company, our markets and thus on the future strategic alignment of our company. However, a distinction needs to be made as to whether these developments find expression directly at the corporate level (relevance on enterprise level) or in the orientation of stakeholders (individual relevance).



As a third aspect, consideration needs to be given to the fact that the capacity for influence – the ability to generate genuine options for action within the megatrends – is very different.

Accordingly, the approaches to sustainable integration of these megatrends into strategic decisions need to differ too.

Megatrends		Relevance on Enterprise Level	Relevance on individual level	Suggestibility
1	health	7,375	10,88	8,63
2	demographic trend	11,125	5,13	6,88
3	Industry 4.0 and digitalization	9,75	9,13	10,00
4	globalization	8,375	4,50	6,38
5	shortage of resources	10,75	9,25	4,75
6	climate change and climate politics	9,125	8,63	5,75
7	individualization	5,75	6,75	5,00
8	mobility	3,25	5,75	5,88
9	security	7,25	8,50	6,38
10	neo ecology	6,625	7,25	5,50
11	political instability	10,625	9,25	1,75

	0	12
Relevance on Enterprise Level	no relevance	essential relevance
Relevance on individual level	no relevance	essential relevance
Suggestibility	no suggestibility	high suggestibility

In assessing the mega-trends, a number of important shifts can be identified from our evaluation.

1.) As already mentioned in the foreword, the our managers had newly included the MEGA trend "political instability" in 2019, since from our point of view this trend will have far-reaching effects on us as companies, but also as individuals. The far-reaching and reliable international structures built up over the past decades, in terms of transfers of goods, money and people, are increasingly under pressure from national considerations. Not least the economic tensions between the USA and China and the European Community and the partly resulting logistics crisis show here the effects of political world views and economic reality. This can also be deduced from the BREXIT. For us as a company, this means that our long-term decisions must also increasingly take this risk factor into account, even if our alternative courses of action are to be regarded as very limited. For this reason, we have also launched an internal project to examine the possibilities of economically viable sourcing measures in the European region.

The increasing trend of resource scarcity, to which we as a company must adapt in our supply chain strategy, aims in the same direction.

2.) Digitization is increasingly perceived as a normality and no longer as a separate trend. Although the importance continues to be high on the corporate side and in terms of individual relevance, a clear decline can be seen. As can also be seen from the statement by the Board of Management for IT and Digitization in section 3 of this report, we are very aware of the dependencies on digital structures as a company and are pushing ahead with considerable efforts to minimize the resulting risks.

3.) The "security" trend was already quite relevant on the company side in the 2019 survey. It is noteworthy that in the 2021 survey, the relevance at the individual level has also increased considerably. This is certainly due, among other things, to the CORONA pandemic, which continues to be relevant and has made it clear to many that our political, economic and social structures are not as stable as was previously always assumed.

4.) It is also interesting to note that the relevance of the mega-trend demographics for the company is rated as more serious, but at the individual level there is a weakening. This shows that the advantages still outweigh the disadvantages for our employees. Issues such as the security of pension systems etc. are not in focus.

Taking account of these overarching trends, we have identified the following 6 strategic areas of action for sustainability, which we address below.

- **ECONOMY**
- **ECOLOGY**
- **WORK ENVIRONMENT AND WORKING CONDITIONS**
- **PRODUCT RESPONSIBILITY**
- **MENSCHENRECHTE**
- **COMPLIANCE UND CORPORATE GOVERNANCE KODEX**

HUMAN RIGHTS COMPLIANCE AND CORPORATE GOVERNANCE CODE

Apart from the statements relating to economic sustainability issues, these also correspond to the aspects of the Non-Financial Statement required under section 289c HGB.



5.3 ECONOMY



5.3.1 Objective

More than 57 years of our company's history have taught us as an organization that it is not necessarily the unqualified ambition to maximize profits, but the long-term framing of customer-supplier relations that enables healthy, and thus sustainable, growth. As is illuminated with greater precision in the following points on risk management, it is certainly a legacy of our tradition as a family enterprise that we vigorously seize opportunities as they present themselves, whilst also subjecting the risks to close examination. From our perspective, that also means actively not pursuing business if the risk is incalculable and disproportionately high. Only in that way can we maintain an enterprise operating on a sustainable footing for our customers, shareholders and staff, but also for our suppliers in the supply chain.

The objective of our economic action is the long-term maintenance of the enterprise, combined with well-calculated and balanced growth on the international level. For more information on this, please refer to the Einhell Germany AG and Einhell Group annual report.

5.3.2 Active risk management

We are aware that any commercial activity is associated with opportunities and risks. Accordingly, for us sustainable management means identifying these at an early stage, evaluating them and deriving clear decisions based on this. In doing so, we are guided by our experience and responsibility as a family-run SME enterprise. Opportunities whose risks jeopardize the company's existence are not taken up, even where there are prospects of major earnings. To ensure this, these far-reaching strategic issues are discussed and analyzed extensively in the Executive Board, with the Supervisory Board, and also with internal and external specialists. A structured risk management system is necessary in order to take on identified risks with full awareness.



Structurally, we have introduced a transparent risk management system for this and for the assessment of ongoing operational risks, in which the risks from every specialist department are listed comprehensively (risk identification), evaluated (risk analysis and evaluation) and subjected to regular checking (risk monitoring). This makes it possible for us on the one hand to raise awareness and engagement in all

employees in the specialist departments, and on the other hand to obtain a constantly updated view of our risk factors. In our view, it is only on this basis that sustainable risk management is possible.

The structured assessment of risk areas is therefore part of the regular site appraisal at enterprise and also at the specialist department levels.

The risk management system, as part of the internal control system, is also geared to the risk of incorrect statements in the Group bookkeeping and in the external reporting when it comes to Group accounting, and serves in particular to enable early identification of possible risks.

With the introduction of an IT-based risk management information system, we are seeking to provide the company management and officers with the necessary information to manage the company, in an assimilated, compact form provided in near-time. This simplifies data collection in the individual companies and minimizes the effort for risk manager in the Group. The risk management process within the Einhell Group is structured in two stages. In the first step, risks are recorded on a decentralized basis in the subsidiaries and departments of Einhell Germany AG, by the Risk Officers designated by the Executive Board. They are tasked with risk identification and evaluation.

Here the important aspect for the Einhell Group is firstly identification, since unidentified risks cannot be included further in planning. The evaluation of existing risks is achieved by calculating the product from the probability of the loss occurring and the maximum amount of the loss.

Risk = probability of occurrence x effect

The net risk is evaluated, i.e. the residual risk after taking various measures. The second stage involves bringing together, analyzing and managing risks by the risk manager and the company management.



Various methods are available to the enterprise to manage the risks. With risk avoidance, the risks and thus also the associated opportunities are not taken on. Another option for management minimizes the risk, including through organizational measures, and is therefore also referred to as risk reduction. A further method is risk hedging via insurance policies, contracts with suppliers, etc. The residual risks are knowingly taken on by the Einhell Group. The consideration here is whether the risk is suitably proportionate to the opportunities.

Fundamentally, the risks are identified and evaluated in the following categories, with these not representing an exhaustive listing, but being constantly checked to ensure they are up to date.

EXTERNAL RISKS		INTERNAL RISKS	
<p>Customers</p> <ul style="list-style-type: none"> · Creditworthiness · Price risk · Loss of / Reduction in business relations <p>Environment / Nature</p> <ul style="list-style-type: none"> · Environmental pollution (emissions; immissions) · Environmental protection (laws; organizations) · Harm to image from environmental harms · Losses from natural disasters <p>Competition</p> <ul style="list-style-type: none"> · New product technology · Price dumping · Potential new competition <p>Logistics</p> <ul style="list-style-type: none"> · Delay in supply · Transport costs · Loss of goods 	<p>Economic position</p> <ul style="list-style-type: none"> · Framing economic conditions · State of and trends in the economy · Interest rates and trends · Labor market situation · Inflation · Exchange rate trends <p>Miscellaneous</p> <ul style="list-style-type: none"> · Replacement / Substitute products · Public fiscal policy · Legal requirements · Political relations · Ability to pursue claims 	<p>Staff</p> <ul style="list-style-type: none"> · Motivation · Qualification · Churn · Loss of high performers · ‚Bottleneck‘ positions · Corruption · Work safety · Employer branding <p>Sites</p> <ul style="list-style-type: none"> · Rights of entry · Respecting safety rules · Commitment of capital · Contracts (term; liability) · Construction projects <p>Finance</p> <ul style="list-style-type: none"> · Liquidity requirements · Financing · Investments · Disputed receivables · Too little equity 	<p>Product risks</p> <ul style="list-style-type: none"> · Products not addressing needs · Technical changes by suppliers · Shortening the product lifecycle · Defective products · Materials bottlenecks <p>Internal processes</p> <ul style="list-style-type: none"> · Dependency on a few major customers · Dependency on key suppliers · Problems with procurement processes · Problems with sales processes · Loss of hardware or software

The classifications used in the risk management system are also applied to the possible risks from the Non-Financial Area, on which an opinion must be given in accordance with section 289c HGB and the derived CSR Report Implementation Act in the Non-Financial Statement.

They are shown and explained after the outlining of each aspect of section 289c HGB, as an evaluation matrix.

5.3.3 Financial, interest and currency risks

CURRENCY HEDGES AND HEDGING

Our international business model is in principle characterized by time differences between order placement, production, delivery and equipping the sales areas of our customers with our products and the factual settlement of the resulting receivables. The financial, interest and currency risks are therefore not inconsiderable and need to be processed in a sustainably structured manner.

In the financial area, there are long-term loans with banks with bilateral agreements. Likewise, the Einhell Group has conventional lines of credit at its disposal. The availability of both liquid assets and equity has always been excellent over recent years. The Einhell Group is also further expanding its netting system and cash pool, which is jointly formed by the parent company and the subsidiaries collectively. The financing of the subsidiaries is provided almost exclusively through internal loans. This reduced the risk of a non-transparent and inefficient loan structure in the Group. To that end, the parent company has set up internal lines of credit for the subsidiaries, the level of which is geared to the planning and the anticipated volume of business for the respective subsidiaries. Risks in connection with interest changes and fluctuations are managed as necessary through the use of derivative financial instruments such as long-term interest swap and interest cap agreements.

Risks in connection with currency fluctuations are mainly managed through the use of conventional forward exchange transactions. The risk of currency fluctuations in procurement is protected as far as possible via hedging transactions in the form of forward exchange transactions and option contracts. Currency hedging is undertaken in accordance with the IAS/IFRS regulations on hedge accounting for the individual hedging periods. Regarding interest, financial and currency risks, we further refer to the information provided in the Consolidated Notes under Point 6. „Risk reporting and financial instruments“.

In this regard, please also refer to the annual report for the Einhell Group, where we address the current issues and the strategic considerations and determinations in relation to the economy in detail.

To further reduce the risk in relation to financial transfers, Group-wide master data management was introduced in relation to debtor management. The processes thus institutionalized enable us to verify liabilities and to generate synergies in the Group federation. In times of digital or partly digital fraud attacks, internal transparency is the only way of reducing risks and, as far as possible, avoiding them completely in this area.

5.3.4 Cyber Security

As already reported, at the end of FY 2019 we were confronted with a targeted cyber-attack. Here, an international group of hackers managed to infiltrate ransomware into our corporate infrastructure – corporate data was stolen, and the company was blackmailed by cyber criminals.

Even though we got out of this predicament quickly and well, without losing revenue or even customers, thanks to our modern setup and exceptionally good IT team, this attack nevertheless made the vulnerability of the digital infrastructure clearly visible to us. Our declared goal is therefore to further expand the resilience of our IT environments in the coming years and adapt them to the ever more complex threats.

In order to achieve this, we are centrally combining all the necessary activities in the organizational role of the Information Security Officer with direct connection to the Management Board Division IT and Digitalization, and we will be developing our extensive strategy program in the field of information security following a well-structured and demand-based approach.

Even though we are forced to acknowledge that, due to the highly dynamic nature of this particular sphere, we can never completely eliminate cyber risks, we will do everything we can in the short and long term to further broaden our safety precautions in line with the state of the art and therefore safeguard our critical infrastructures, which form the backbone of our operational business activities, and thus ensure their continued availability.

Even if cyber security is not among the explicit aspects of the CSR implementation act, from our point of view it is a significant non-financial part of our business activities.

For this reason, and for issues relating to self-protection, the corresponding risk assessments and the explicit measures put in place do not form part of this report. However, as explained, we have recognized the signs of the times and deployed significant resources to expand and improve the resilience of our company against these risks.

(See also the statement by the Member of Board for IT and Digitization, Dr. Christoph Urban, point 3 of this report).

5.4 COMPLIANCE UND CORPORATE GOVERNANCE KODEX



Einhell Germany AG has committed itself, through the voluntary submission of the Corporate Governance statement, to ensuring management and control of the Group that is aware of its responsibilities and aligned to sustainable value-added. The Corporate Governance Code developed in Germany by a government commission is intended to contribute to making the rules applicable in Germany for company management and monitoring transparent for national and international investors.

By this statement, Einhell Germany AG is creating transparency over the legal and enterprise-specific framing conditions and promoting the trust of its national and international investors, business partners, employees and the public. In this spirit, these principles for the Einhell Group govern relations with its shareholders and with the social and policy environment for the enterprise, the efficient collaboration between Executive Board and Supervisory Board, and the requirements for transparency and accounting.

Einhell Germany AG regularly reviews its Corporate Governance statement regarding new experiences and legal specifications and further developments in national and international standards, and adapts it as necessary.

(See <https://www.einhell.com/de/investor-relations/corporate-governance/> for the full corporate governance statement)

Through our Compliance policy, applicable Group-wide, the guidelines for acting as a prudent businessman are clearly communicated. Respect for the Compliance policy is transparently and regularly checked by processes introduced and standardized reports.

Fundamentally, in our Compliance policy the responsibility for respecting the rules at Group level is imposed directly on the management boards for its portfolios. We do this with full awareness and as a

signal that we want to frame our business fairly and transparently from the highest tier in the Group down.

This requirement for transparency is reflected in the established Compliance structures.

Objective:

It is fundamentally important to us that our international business activity is 100 % compliant with international and also local legislation. We see ourselves as bound by the principle of ‘acting as a prudent businessman’. Responsibilities and the associated reporting pathways are defined as part of our ICS system (Internal Control System) and in the Compliance system.

Fundamentally, we rely here on the fact that each responsible post-holder is initially himself responsible for respecting the relevant regulations. Our internal policies provide assistance in this and enable the involvement of third parties (Ombudsman + Compliance Committee) on open questions.



Our control system is aimed primarily at avoiding breaches of Compliance. Secondly, however, it also sets out the processes on how to act correctly and time-appropriately if suspicious circumstances arise in order to guard against harm to the enterprise and/or to individuals. In doing so, we pay attention to handling suspicious circumstances with the greatest confidentiality, in order to enable objective appraisal, without the risk of unjustified harm to the reputation of those involved.

5.4.1 Compliance – Anti-corruption

Integrity is vital

It is essential for our customer relations that our market presence has integrity. For Einhell, it goes without saying that we observe the applicable laws and statutory regulations in all countries where we operate.

All employees are obliged to respect our Code of Conduct and to act with integrity in their dealings with customers, suppliers and state authorities. We win our orders fairly through the quality and prices of our products and services, and not by offering others non-permitted benefits.

The Code of Conduct also sets out that no employee may hold a participation in suppliers, customers and enterprises which are in competition with the Einhell Group. We thereby avoid conflicts of interest from the outset, and establish clear relations.

Through our Group-wide compliance management system, we achieve clarity and transparency regarding the expected ways of acting, we provide assistance and policies for marginal instances, and give our employees certainty and support in all questions relating to acting with integrity. It goes without saying for us that Executive Board members personally carry responsibility for communicating, respecting and continuously improving compliance management in their particular portfolios. As part of regular reporting, the Supervisory Board is informed about the status of this lived system.

Our internal Group audit examines the business units from a risk perspective. In doing so, those processes and areas exhibiting greater risk of corruption or infringements of statutory rules are subjected to more frequent audit.

5.4.2 Policies

For us, policies are the vital 'guiding rails' directing the action of our employees. In the spirit of our management culture, we endeavor to delegate room for maneuver in the scope for action and in decision-making competence. That only works if all levels in our enterprise are clear about the limiting factors to this room for maneuver and are able to orient themselves to them. For that reason, policies are established in all key areas setting out the respective framing conditions clearly and transparently.

List of key policies (in relation to CSR criteria):

- Accounting Manual
- Sales Manual
- IFRS Policy
- Anti-trust Policy
- Internal Control System Policy
- Risk Management System Policy
- Binding Policy for Preparing Offers for Promotional Business
- Binding Procedure for Purchases of Goods in Foreign Currencies
- Compliance Policy
- Staff Posting Policy
- Currency Hedging Policy
- Receivables Management (Euler Hermes protection)
- BSCI Policy
- Policy on Use of Electronic Media and Data Protection
- Technical Project Management Guideline
 - At product type level
 - At regional level
- Technical Quality Assurance
- Implementation Guideline for European Safety Standards

Insofar as our policies do not have a direct basis in law and are therefore fundamentally binding in character, we regard our policies as 'living' elements in our collective value-added. They are only valid for as long as they fulfill their purpose, i.e. the legally-compliant, effective and efficient management of our business processes. In order to keep up to date in that regard, there is a need for regular, open and constructive discussion regarding potential for improvements, including in this area. As part of the annual budget discussions, this question is also addressed in a structured manner at international level.

5.4.3 Internal audit

Guidelines are all well and good, but compliance with them, and also their meaningfulness at a local level, having regard to regional legislation and sets of rules, need to be constantly monitored and, where necessary, they need to be adapted.

To that end, Internal Audit was set up as a central department within the Einhell Group. Here the primary focus is not on monitoring our post-holders, but on minimizing risk for them and thus for the whole Group. We are aware that post-holders may not be able to focus on every current legislative or internal arrangement. Accordingly, Internal Audit is seen as a department to provide assistance in evaluating risks. In addition to questions concerning the correct application of IFRS guidelines, it looks above all at the effectiveness of the Internal Control System (ICS) and at how compliance issues are implemented.

This also includes evaluating the CSR aspects and, in the context of the supply chain, compliance with BCSI rules.

5.4.4 Risk assessment pursuant to section 289C HGB and the CSR report implementation act

Risk reporting Q4/2021 Einhell Group Legal & Compliance

Impact: 1: insignificant 0-50 k€ 2: small 50-100 k€ 3: moderate 100-200 k€ 4: significant 200-400 k€ 5: critical 400-700 k€ 6: significant 700-1000 k€

Likelihood: 1: unlikely 0-3% 2: unlikely 4-10% 3: rare 10-20% 4: sometimes 20-60% 5: likely 70-90% 6: frequent 90-100%

ad hoc risk

Compliance

Risk Identification					Risk Assessment							Risk Management				
Risk Category	Org	Risk Owner	No.	Risk-Name	Risk-Description	Impact (low)=1	Impact (high)=5	Impact	Likelihood (low)=1	Likelihood (high)=5	Likelihood	Risk exposure	Strategy	action/explanation	Risk exposure previous	Progress
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C1	active Corruption	Risiko der aktiven Bestechlichkeit durch Mitarbeiter. Gefährdung des Vertrauens in die Zufriedenheit und ggf. Reputationsschaden.	loss insignificant	loss catastrophic	4	unimaginable	frequent	2	8	Reduce	Group Policy against Corruption; Roll out CMS system with simple guidelines and training of employees. An extra pair of eyes is needed to double check relevant documents.	8	in progress
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C2	passive Corruption	Risk that corruption committed by employees leads to criminal proceedings, penalties and reputational damage.	loss insignificant	loss catastrophic	3	unimaginable	frequent	3	9	Reduce	Group Policy against Corruption; Roll out CMS system with simple guidelines and training of employees. An extra pair of eyes is needed to double check relevant documents.	9	in progress
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C3	Misappropriation and theft	Risk that staff or external service provider is stealing significant assets.	no or low penalties in case of product law violations	high penalties and fines in case of product law violations	2	scenario very unlikely; no cases of misappropriation in history, strong control environment	likely several cases of misappropriation in history, no control environment	2	4	Transfer	Insurance for relevant material assets; An extra pair of eyes is needed to double check relevant documents.	4	Verstärkung der wesentlichen Vermögenswerte; Risikoreduktion durch Mehrpersonensicht
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C4	Legal disputes	Risk that ongoing legal disputes cause compensation payments or reputational damage.	ongoing legal cases with insignificant amounts in dispute	ongoing legal cases with significant amounts in dispute	1	low probability to lose in ongoing legal cases	high probability to lose in ongoing legal cases	3	3	Accept	The risk of litigation is latent; Reduction through pre-avoidance of the legal department and involvement of external service providers.	3	Das Risiko von Rechtsstreitigkeiten ist latent vorhanden; Reduktion durch Vorbeinziehung Rechtsabteilung und Einbeziehung externer Dienstleister
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C5	Legal risks resulting from product liability	Risk that complex product regulations leads to violation of laws, legal disputes and reputational damages.	no or low penalties in case of product law violations	high penalties and fines in case of product law violations	2	non-complex or weak product law	complex or strong product law	2	4	Transfer	Combination of passing on the risk of product liability to users and avoidance by QA and technical departments	4	Kombination aus Überwälzung des Risikos auf Endverbraucher und Vermeidung durch QS und Technik
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C6	Breach of essential guidelines in the Group	Risk that, despite appropriate provisions, the internal regulations are not complied with, resulting in financial or reputational damage.	loss insignificant	loss catastrophic	4	unimaginable	frequent	1	4	Avoid	ongoing training regarding the guidelines; four-eyes principle for relevant documents to avoid the effect of errors.	4	internal Audit
Compliance	EAG	all Companies of the Einhell Group local General Manager	CSR C7	antitrust law; price rigging	Risk of criminal proceedings and/or damages due to illegal price agreements or antitrust violations. Risk of reputational damage.	loss insignificant	loss catastrophic	5			1	5	Avoid	Group Policy against illegal price agreements or antitrust violations; Roll out CMS system with simple guidelines and training of employees.	5	CMS system im Roll out

AFTER CAREFUL INCLUSION AND EVALUATING OF THE AVAILABLE INFORMATION, THERE ARE NO MAINNETIC RISKS KNOWN, IN RELATION TO THE CSR ASPECT COMPLIANCE ACCORDING TO THE DEFINITION OF §289C HGB AND CSR REPORT IMPLEMENTATION LAW.

UNDER A CAREFUL INCLUSION AND EVALUATION OF ALL DATA AVAILABLE TO US, WE ARE NOT CURRENTLY AWARE OF ANY ESSENTIAL NET RISKS IN RELATION TO THE CSR ASPECT OF BRIBERY AND CORRUPTION, IN ACCORDANCE WITH THE DEFINITION SET OUT IN SECTION 289C HGB AND THE CSR REPORT IMPLEMENTATION ACT.

For ease of reading, this risk assessment matrix is available as a separate file in the CSR and Sustainability Report tab on the website!

5.5 ECOLOGY



5.5.1 Objective

We similarly consider ourselves committed to protecting the environment and to conserving natural resources, not least through the fact that we have committed ourselves publicly to supporting our customers in shaping their individual environment with our products. Our aim is to set accents in the context of our value-added chain, but also – through our products – with customers in terms of conserving natural resources and active protection of the environment.

In order to make these efforts measurable, we have launched a project, starting in 2021, in which we will determine our carbon footprint as a company together with a renowned partner in order to be able to orient suitable measures for reducing and offsetting emissions.

5.5.2 Choice of materials, capacity for recycling

Being economical and sustainable in use of natural resources is not only sensible from the ecological perspective, but also acknowledged that the raw materials needed for industry have become scarcer during globalization and thus also more expensive. For that reason, Einhell pays attention to reducing the use of raw materials and to recycling materials, if possible, right from the design phase and through to development and manufacturing. Even in the design phase for new products in development and procurement, ecological issues are integral to our automated project flow to give them the necessary attention at all times. Particularly for plastic parts, we ensure that these demonstrate all the requirements for recycling capacity.

Naturally, in doing so we also satisfy all requirements for taking back electrical waste (ElektroG – the German Electrical Equipment Act) and packaging (VerpackV – the German Packaging Ordinance), but also whole devices. The aim in this is to achieve the highest possible rate of recycling, through collaboration with certified recycling and disposal enterprises.



In the field of point of sale marketing, too, we have been addressing environmental issues for several years.

Aspects of sustainability already play a key role in the selection process for our suppliers: A large proportion of our POS suppliers work with 100% green electricity and their printing machines are predominantly equipped with energy-saving LED drying lamps. In terms of recycling, the company's own disposal concepts separate cutting and production waste and return it to the material cycle.



In addition to the selection of our suppliers, we also pay attention to environmentally conscious alternatives selecting the used materials. Our cardboard displays, for example, are made from recycled waste paper material with a low proportion of virgin fiber; the recycled content is approx. 80 - 99 %. In addition, the displays are printed directly using the digital printing process. This has the advantage that the energy-intensive production step of laminating is completely eliminated.

In order to avoid unnecessary delivery routes and thus emissions when delivering the displays, collective orders are placed and logistics processes are bundled with our partners.



Taking back packaging materials and, above all, cardboard boxes is not only a legal obligation, but at Einhell in Landau fulfills a further step in the value-added chain. In order for our devices to survive transport by road or rail undamaged and in perfect condition, filler materials are vital. As far as possible, we avoid using plastic bubble-wrap for this, but instead favor specially-made packing bags made from the returned cardboard and paper waste generated by our operations.

Currently we have a very good percentage of >70 % paper, card and board in our product packaging and liners protecting our shipped items. We aim to actively raise this percentage further.

5.5.3 Photovoltaics

In this area, we have already sought ways at an early stage to reduce combustion of fossil fuels and to cover our energy requirements by using the roof surfaces of our warehouses to source environmentally-friendly solar energy from PV units.

Maximum coverage with PV modules at the Landau an der Isar plant and also on the roofs of the new logistics centre.

Yield data PV systems Einhell central site Landau											
Year	BV 2009		BV 2012 BA-1		BV2012 BA-2		BV2019		BV2019 Lager		
	Generation in kWh	Co2 Einsparung	Generation in kWh	Co2 Einsparung	Generation in kWh	Co2 Einsparung	Generation in kWh	Co2 Einsparung	Generation in kWh	Co2 Einsparung	
2010	869560 kWh	608,69 t									
2011	975022 kWh	682,52 t									
2012	844034 kWh	590,82 t	134291 kWh	94,00 t	189697 kWh	132,79 t					
2013	881507 kWh	617,05 t	132436 kWh	92,71 t	188534 kWh	131,97 t					
2014	950937 kWh	665,66 t	142061 kWh	99,44 t	200920 kWh	140,64 t					
2015	933183 kWh	653,23 t	144334 kWh	101,03 t	203899 kWh	142,73 t					
2016	879355 kWh	615,55 t	141032 kWh	98,72 t	199141 kWh	139,40 t					
2017	900583 kWh	630,41 t	142953 kWh	100,07 t	199878 kWh	139,91 t					
2018	1034697 kWh	724,29 t	149142 kWh	104,40 t	209703 kWh	146,79 t					
2019	1027847 kWh	719,49 t	145540 kWh	101,88 t	204528 kWh	143,17 t					
2020	1028395 kWh	719,88 t	144352 kWh	101,05 t	199938 kWh	139,96 t	488926 kWh	342,25 t	73850 kWh	51,70 t	
2021*	88145 kWh	61,70 t	13576 kWh	9,50 t	20067 kWh	14,05 t	57262 kWh	40,08 t	9030 kWh	6,32 t	
2021	901542 kWh	631,10 t	139657 kWh	97,76 t	199399 kWh	139,57 t	639678 kWh	447,77 t	98246 kWh	68,77 t	
Year	Summe aller Anlagen										
	Generation in kWh	Co2 Einsparung									
2010	869560 kWh	608,69 t									
2011	975022 kWh	682,52 t									
2012	1168022 kWh	817,62 t									
2013	1202477 kWh	841,73 t									
2014	1293918 kWh	905,74 t									
2015	1281416 kWh	896,99 t									
2016	1219528 kWh	853,67 t									
2017	1243414 kWh	870,39 t									
2018	1393542 kWh	975,48 t									
2019	1377915 kWh	964,54 t									
2020	1935461 kWh	1354,82 t									
2021*	188080 kWh	131,66 t									
2021	1978522 kWh	1384,97 t									
Gesamt-leistung	16126878 kWh	11288,82 t									
Remark:											
Inverter failures, data transmission errors, module replacement, measurement inaccuracies of the inverter not taken into account.											
CO2 factor for the calculation 700g/kWh (Exact information about this value can be obtained from your energy supplier).											
*January - March!											
Data outage 09.03. until 21.04.2021											

5.5.4 Conserving resources / Product longevity

With a product policy based on the Power X-Change rechargeable battery system as its main pillar, Einhell is setting a clear signal for responsible use of resources. The core element of the platform is a rechargeable battery pack that can be used in all devices in the range – currently over 150. As a result, customers only need one battery pack and one charger for their various electrical tools and garden equipment. On the one hand, this represents a cost saving for the customer, but it also means that fewer resources are required for different batteries and chargers. Accordingly, it also means that less waste is generated once the battery or charger reaches the end of its service life. In order to make these advantages an even more attractive proposition for the customer, we plan to widen the Power X-Change platform to over 350 solo devices.

The longevity already mentioned is another way that Einhell is promoting sustainability – here by supplying products with a long service life. Through continuous innovation and further development in terms of quality, the rechargeable batteries in the Power X-Change series offer above-average lifetime. The special cell technology and control electronics of the Power X-Change batteries ensure optimum thermal management and charging behaviour and offer great safety during operation. This prevents damage both to the batteries and to the devices, thereby guaranteeing high performance with long lifetimes.

As a further aspect, Einhell is switching to wear-free motors on increasing numbers of devices. These brushless motors work without any friction from carbon brushes. Less friction means in this instance a lower operating temperature, practically no wear, and thus a significantly-extended lifetime for the whole device. In this way, Einhell is again supporting sustainability through longevity.

Because the company is so convinced about the longevity of its own devices, the two-year guarantee specified in law for RED devices has been voluntarily extended to three years. This comprises: Einhell Red, Einhell Classic, Einhell Car Classic, Einhell Home, Einhell Expert, Einhell Expert Plus, Einhell Professional.

5.5.5 POWER X-CHANGE



"1 BATTERY. 1,000 POSSIBILITIES" is not just a sales argument demonstrating the ability to use our Power X-Change batteries for the entire product range of power tools and gardening equipment, but is also a simple environmental benefit.

While it is true that the ability to recycle battery systems has improved in the past, batteries nevertheless still represent a problem for disposal. With just one battery from the Power X-Change platform, it is possible to use many different items of equipment. Only a small volume of batteries is in use, compared to conventional individual battery compatibility, and needing to be disposed of at end-of-life. Thanks to twin-pack technology, we are foregoing the need for a supplementary 36 V battery range: for 36 V equipment, in the Power X-Change system two 18

V batteries are simply combined.

Moreover, in developing innovative recycling concepts we are linked in with leading enterprises in this sector, so that here too we can use the best possible alternatives.

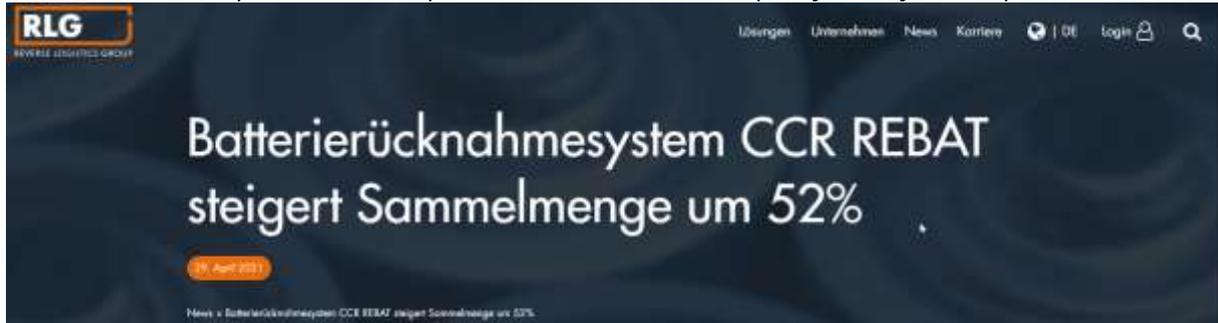
Why Power X-Change stands for greater sustainability:

- **Fewer batteries and chargers**
Reduced raw material and energy demands, less strain on the environment
- **Longer lifetimes**
Fewer repurchases needed, thus saving on resources
- **More environmentally friendly than petrol**
Zero emissions during use
- **Efficient use of energy**
Smart battery management and Li-ion technology reduce energy consumption
- **Brushless motors**
Longer service life, longer lifetimes, maintenance-free
- **1 system for all devices**
1 battery type for all devices
1 battery type for the workshop and garden
1 18 V battery system for all applications – including 36 V requirements

With regard to taking back batteries, we view compliance with the legal provisions as a mandatory obligation.

Of course, the "Act on the marketing, return and environmentally sound disposal of batteries and accumulators" (hereinafter referred to as BattG), which came into force on November 3, 2020, is an obligation for us that we fulfill completely within the scope of our business activities.

Accordingly, in this area we are working with the leading company in the sector, in order to achieve above-average results. Beyond that, we are in active contact with research institutes and universities, to drive forward both performance improvements and also the capacity to recycle components.



See: <https://rev-log.com/de/batterierucknahmesystem-ccr-rebat-steigert-sammelmenge-um-52/>

Over 10,100 tons of spent batteries were collected and recycled by the CCR REBAT system in 2020. This represents an increase of almost 3,500 tons or 52 percent compared to 2019. At the same time, the volume placed on the market was also increased by 20 percent.

In a turbulent year in the spent portable battery market, CCR once again surpassed the impressive success numbers of previous years. Due to the voluntary withdrawal of the Joint Take-Back System as a solidarity system at the beginning of the year, countless collection points had decided to restructure the collection of used portable batteries. As a result, approximately 15,000 collection points willing to switch registered with CCR REBAT in the first few months of 2020 alone.

In addition, the years-long discussion about a renewal of the battery law, as well as the pandemic situation that came as a surprise to everyone, has kept the market in suspense throughout.

Despite these considerable challenges, the figures of the CCR REBAT take-back system speak for themselves: the system now organizes collection at more than 50,000 active collection points in Germany. These include so-called voluntary collection points, such as businesses, offices and authorities, as well as an increasing number of collection points mandated by law to collect batteries, such as public waste management authorities. The main focus, however, is on the trade sector.

By adding numerous new collection points, CCR REBAT was once again able to increase its collection volume far beyond the legally required level and made a decisive contribution to ensuring that spent batteries continue to be taken back close to the consumer.

The collection and recycling of the batteries, which end up in the more than 200,000 collection containers provided by CCR REBAT each year, is financed by a total of more than 1,100 manufacturers or distributors of portable batteries. They thus fulfill their essential obligations of the so-called extended product responsibility. In total, they had sold around 27,700 tons of batteries in 2020. According to the current EU Directive and the German Battery Act, 45 percent of these must be demonstrably taken back and recycled. This value was once again clearly exceeded in 2020 with a collection rate of 49.2% achieved. CCR REBAT considers itself well prepared for the new minimum collection rate of 50% from 2021.

The used batteries collected by CCR REBAT will be sorted 100% in Germany.

Über CCR REBAT

KURZBESCHREIBUNG



CCR REBAT ist zu einem der größten Rücknahmesysteme für Gerätebatterien in Europa herangewachsen. Seit seiner Genehmigung durch das Bayerische Staatsministerium für Umwelt und Verbraucherschutz im Jahre 2009 verzeichnet CCR REBAT ein kontinuierliches Wachstum bei durchgängiger Überfüllung der jeweiligen gesetzlichen Sammelziele. Mit einem Sammelvolumen von insgesamt 10.129 Tonnen in 2020 konnte CCR REBAT die Sammelmenge um mehr als 50 Prozent gegenüber 2019 steigern und ist damit für viele Inverkehrbringer von Gerätebatterien in Deutschland ein starker Partner bei der Erfüllung ihrer erweiterten Herstellerverantwortung.

Betreiber des Systems ist die CCR Logistics Systems AG, eine Tochtergesellschaft der Reverse Logistics Group (RLG) mit Sitz in Dachau bei München. Die RLG entwickelt weltweit innovative und maßgeschneiderte Rückführungs-, Wiederverwendungs-, Verwertungs- und Entsorgungslösungen, um Rohstoffkreisläufe zu schließen. Gleichzeitig wird es dadurch Unternehmen ermöglicht Produkte, Komponenten und Materialien wiederzuverwenden und damit natürliche Ressourcen zu wahren und die Umwelt zu schützen.

Dabei agiert die RLG in 80 Ländern auf vier Kontinenten. Mit über 550 Mitarbeitern, 20 lokalen Standorten und einem auf die jeweilige Region angepassten Netzwerk kann die RLG sowohl auf die globalen sowie lokalen Bedürfnisse seiner Kunden eingehen.



See: https://rebat.de/wp-content/uploads/rebat_erfolgskontrolle_2021_0.pdf

Sammelnetzwerk

DAS STARKE REBAT NETZWERK



50.000+ Sammelstellen in Deutschland

Wir sind stolz auf unsere vielen Sammelstellen, die für CCR REBAT in rund 200.000 bereits gestellten Sammelbehältern im vergangenen Jahr Altbatterien gesammelt haben.

Nach einem sprunghaften Wachstum im Jahr 2020, wird unser Sammelnetzwerk auch in Zukunft erneut wachsen. Der Abschluss von über 4.000 weiteren Sammelstellen ab 2021 ist bereits abgeschlossen worden.



1.100+ angeschlossene Hersteller

Es hat uns, das sich immer mehr Hersteller entscheiden, ihren Herstellerpflichten mit Hilfe von CCR REBAT nachzukommen. Für die kommenden Jahre können wir weitere große Inverkehrbringer hinzugewinnen, welche für weiteres Wachstum und Stärke des Systems sorgen.



100% Recycling in Europa

Wir arbeiten ausschließlich mit zertifizierten Sortieranlagen in Deutschland sowie benachbarten EU-Ländern zusammen, welche die Altbatterien in modernen Verfahren verwerten und recyceln. Durch regional optimierte Verwertungswege kann eine übermäßige Umweltbelastung vermieden werden, CO₂-Ausstoß verringert und regionale Wertschutzstrukturen gestärkt werden.



Effiziente Prozesse und Kostenstrukturen

Es ist unser Anspruch, unsere Systemteilnehmer eine effiziente Lösung für das Sammeln von Altbatterien zu bieten, mit denen sie verlässlich ihre erweiterten Herstellerpflicht nachkommen können.



Zertifiziertes Qualitäts- und Umweltmanagement

QUALITÄT UND SICHERHEIT AN ERSTER STELLE

CCR befolgt und lebt seit jeher ein prozessorientiertes Qualitäts- und Umweltmanagementsystem, welches regelmäßig durch eine externe und unabhängige Zertifizierungsgesellschaft nach den Normen DIN EN ISO 9001 und DIN EN ISO 14001 auditiert und zertifiziert wird.

Seit 2003 gehört CCR zu den europaweit wenigen Unternehmensgruppen, welche international zertifiziert sind. Unsere sogenannte Matrixzertifizierung schließt auch all unsere internationalen Tochtergesellschaften mit ein. So gewährleisten wir einen einheitlich hohen Qualitätsstandard unserer Arbeit über all unsere Unternehmensbereiche und -standorte hinweg.

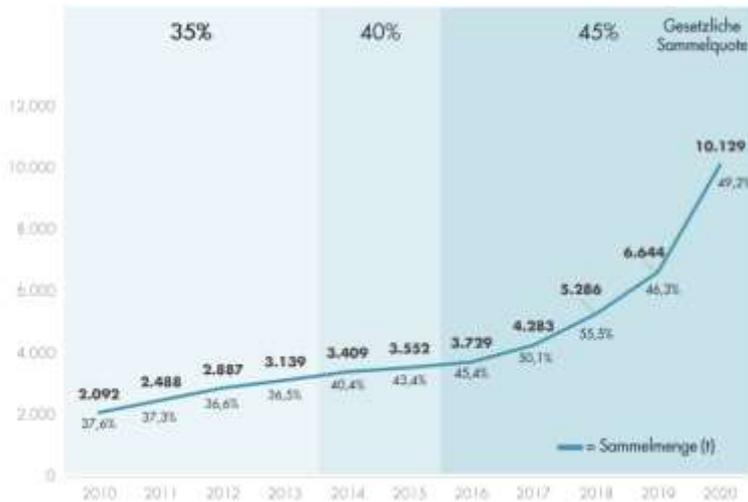
Im Rahmen von Sachverständigenprüfungen durch eine Wirtschaftsprüfungsgesellschaft sowie einen öffentlich bestellten Sachverständigen wurden die Angaben in dieser Erfolgskontrolle 2020 auf Übereinstimmung mit den Anforderungen aus § 15 Abs. 1 des Batteriegesetzes untersucht.

„Nach system- und stichprobenartiger Prüfung der uns vorgelegten Dokumentation und Statistiken sowie vor Ort Prüfungen bei Batteriebehandlungsanlagen können die gemachten Angaben als wahrhaftig und plausibel erachtet werden und ihre Erfüllung mit den gesetzlichen Anforderungen als gegeben.“



REBAT in Zahlen

ENTWICKLUNG VON SAMMELMENGE UND -QUOTE



REBAT übertrifft seit Inkrafttreten des Batteriegesetzes im 2009 durchgängig die jeweils vorgeschriebenen Sammelquoten. 2020 konnte REBAT bereits für die ab dem 01.01. 2021 geltende **Sammelquote von 50 Prozent** erreichen.

5.5.6 Responsibility in global supply chain

In a company operating on a global footing like the Einhell Group, particular importance attached to the logistics processes, in terms of environmental responsibility.

Accordingly, acceptance of environmental responsibility is also a selection criterion for our partners in the supply chain. Currently, over 80 % of our global transports are already handled with partners who understand sustainable environmental concepts as part of their service and who are also implementing them. As a pioneer in logistics, we proactively address the carbon footprint of our ocean freight services. We offer a range of environmentally friendly and innovative supply chain solutions that reduce carbon emissions.



Together with our globally-operating partners, we search for solutions that constantly improve distribution processes with regard to environmental sustainability, and we are constantly looking to increase the share assigned to 'green logistics'.

It is a fundamental part of our current business model to have products manufactured in Asia in strict compliance with our own high standards, as this is at present the

only way to deliver the principle of "Brand-name quality for the best price". We are also constantly on the look-out for sourcing partners in regions closer at hand in order to reduce the transport impact on the environment. We also make every effort to optimize our transport operations. The group-wide introduction of software for schedule optimization enables us to predict demand much more accurately and issue more precise purchase orders.

In combination with the software for optimizing the individual transport carriers and a consignment warehouse in China, we can in particular optimize shipments to the smaller sales outlets, thereby minimizing the number of shipments.

5.5.7 Investments in environment-focused and process-driven LOGISTICS at the company headquarters in Landau an der Isar

Not only the global issues relating to supply chains, but also the internal processes in our storage areas and logistics centres deserve to be evaluated from an environmental perspective. This is why we always try to minimize the necessary transport distances and to save time and energy.



The best and biggest example is the new logistics centre at our headquarters in Landau an der Isar. Alongside major improvements at process level, this new development addresses issues relating to the surroundings and environment in particular. The huge growth of our business has long necessitated the use of external storage and logistics capacities in the wider area around our headquarters. In the past, we needed to integrate as many as 11 external warehouses in our logistics processes, and these were dis-

tributed as far away as Regensburg (75 km). Here, in addition to general organizational issues a number of significant redistribution processes to move goods between warehouses were also implemented in the old setup. In the future, the new logistics centre, which consists of a large outbound shipping hall and a high-bay warehouse, will avoid over 2,000 goods redistribution journeys by truck. These would otherwise incur over 100.000 km of environmentally harmful mileage, with every avoided kilometre meaning not only a reduction in fine dust emissions, nitrogen oxide and carbon monoxide, but also reduced noise pollution.

5.5.8 Environmental issues also part of the supplier assessment under BSCI

Compliance with the relevant international and/or regional legal provisions is a firm element in our actions in the Einhell Group.

Moreover, since we also produce in BSCI risk countries, notably in the People's Republic of China (PRC) and the Socialist Republic of Vietnam (SRV), we place particular value here on BSCI certification. As part of monitoring processes, the environmental aspects mentioned are also examined and evaluated. That way, we ensure that the responsibility we uphold is also jointly met by our partners. In the structured and audited Code of Conduct under BSCI, compliance with international and national environmental standards is checked under Point 5.9 and used as a selection criterion.

5.5.9 Risk assessment pursuant to section 289C HGB and the CSR report implementation act

Risk reporting

Q4/2021

CSR
Environment

Impact:

— insignificant
0-30%
— significant
31-50%
— very significant
51-70%
— catastrophic
71-100%

Likelihood:

— unimaginable
0-20%
— unlikely
21-40%
— possible
41-60%
— likely
61-80%
— very likely
81-100%

ad hoc risk

Risk Identification						Risk Analysis							Risk Management			
Risk Category	Org	Risk Owner	No.	Risk Name	Risk Description	Impact (low)-1	Impact (high)-4	Impact	Likelihood (low)-1	Likelihood (high)-4	Likelihood	Risk	Strategy	action/explanation	Risk prev. period	Progress
CSR	EAG	technical departments	CSR E1	not adequately disposable product components	Negative effects on the reputation of the company by using product components that are not adequately disposable.	Impact insignificant	Impact catastrophic	3	not at all	frequent	1	3	Avoid	continually checking of the used components regarding the disposability and environmental friendliness	3	h
CSR	EAG	all Companies of the Einhell Group Local General Manager	CSR E2	significant environmental damage due to improper disposal of waste	Negative reputation of the company due to significant environmental damage due to improper disposal of waste	Impact insignificant	Impact catastrophic	2	not at all	frequent	1	2	Avoid	Selection of certified disposal companies, if locally possible, otherwise disposal of the greatest possible caution in the commissioning of waste and scrap Part of the BCSI Monitoring	2	h
CSR	EAG	all Companies of the Einhell Group Local General Manager	CSR E3	significant environmental damage due to non-fulfillment of obligations as the responsible distributor of equipment	Negative reputation of the company due to significant environmental damage due to improper disposal of waste	Impact insignificant	Impact catastrophic	2	not at all	frequent	1	2	Avoid	Selection of certified disposal companies, if locally possible, otherwise disposal of the greatest possible caution in the commissioning of waste and scrap Part of the BCSI Monitoring	2	h
CSR	EAG	all Companies of the Einhell Group Local General Manager SCM	CSR E4	collaboration with logistics companies known as polluters	significant negative impact on the company's reputation through collaborations with logistics companies known as polluters	Impact insignificant	Impact catastrophic	3	not at all	frequent	1	3	Reduce	international cooperation with logistics providers who commit themselves to sustainable environmental protection and also demonstrate their efforts to reduce emissions	3	h
CSR	EAG	Technical departments	CSR E5	Use of harmful materials and components	Necessity recall actions as well as considerable damage to the reputation of the company due to the use of harmful raw materials and components	Impact insignificant	Impact catastrophic	3	not at all	frequent	2	6	Reduce	Clear definitions in the development process for the use of only tested and certified identified raw material and components Definition of new materials in the case of new scientific findings Part of the BCSI Monitoring	8	h
CSR	EAG	technical departments	CSR E6	Risk by co-operation in case of environmental pollution by subcontractors	Reputation damage to the company due to environmental pollution by subcontractors	Impact insignificant	Impact catastrophic	3	not at all	frequent	2	6	Reduce	Supplier selection taking into account compliance with local environmental legislation, environmental compliance is a definitive selection point Part of the BCSI Monitoring	6	h
CSR	EAG	technical departments	CSR E7	Non-imppliance of Product Condition	Significant negative impact on the company's reputation due to non-compliance with local legal requirements in the country of use of the products.	Impact insignificant	Impact catastrophic	3	not at all	frequent	2	6	Avoid	Constructive consideration of local legal regulations regarding environmental, physical and emission-related product characteristics and requirements for disposal (country of use)		h
CSR	EAG	all Companies of the Einhell Group Local General Manager	CSR E8	Dangerous Goods and Hazardous Substances Ordinance	Actual damage from insufficiently labeled products would be high due to an in complete market participation	Impact insignificant	Impact catastrophic	3	not at all	frequent	1	3	Avoid	Training of all involved, external consultants and subcontractors		h
CSR	EAG	all Companies of the Einhell Group Local General Manager	CSR E9	not complying with local legal regulations of the commissioning of risk prevention offices or monitoring of environmental aspects	Actual damage from insufficiently labeled products would be high due to an in complete market participation	Impact insignificant	Impact catastrophic	2	not at all	frequent	1	2	Avoid	In case of any effects of a non-compliance, appropriate insurance		h

AFTER CAREFULLY INCLUSION AND EVALUATING OF THE AVAILABLE INFORMATION, THERE ARE NO MAJOR RISKS KNOWN IN RELATION TO THE CSR ASPECT OF ECOLOGY, ACCORDING TO THE DEFINITION OF §289C HGB AND CSR REPORT IMPLEMENTATION LAWS.

UNDER A CAREFUL INCLUSION AND EVALUATION OF ALL DATA AVAILABLE TO US, WE ARE NOT CURRENTLY AWARE OF ANY ESSENTIAL NET RISKS IN RELATION TO THE CSR ASPECT OF ECOLOGY, IN ACCORDANCE WITH THE DEFINITION SET OUT IN SECTION 289C HGB AND THE CSR REPORT IMPLEMENTATION ACT.

For ease of reading, this risk assessment matrix is available as a separate file in the CSR and Sustainability Report tab on the website!

5.6 WORK ENVIRONMENT AND WORKING CONDITIONS



The objective: The aim is to orient the general HR policy and all HR processes within our Group in such a way that on the one hand the staff reflects the demographic diversity of the business environment and, on the other, all employees feel valued and are motivated to contribute their potential to the benefit of the organization.

Unconditional respect for the person we meet in the context of our business activity underpins all our deliberations in this regard. From this fundamental understanding, it follows that they are all stakeholders in our enterprise, regardless of position, place in life and degree of collaboration, and deserve the same respectful treatment.

5.6.1 Health Management

The health and safety of employees has high priority at Einhell. This relates both to work safety, which is primarily important in the commercial area, and health protection across all areas. Consistent prevention of safety risk through initial training and CPD measures, effective work safety management in all areas of the enterprise, continuous improvement measures, analysis of accidents at work and, not least, the newly established Occupational Health Management at the Landau site are elements in the framing of safe and health-promoting working environments. In a statement of principles agreed in 2014 for Einhell health management, relevant framing conditions were set out by the Executive Board.



Statement des Vorstandes

Gesundheitsmanagement mit System

Die Gesundheit und Leistungsfähigkeit unseres Unternehmens hängt stark von der individuellen Empfindung des Gesundheitszustandes jedes Einzelnen ab.

Das Wissen und die Erfahrung der Mitarbeiter/Innen bei Einhell sind die Grundlage der gesamten Wertschöpfung. Die Möglichkeit zum Einbringen dieser individuellen Faktoren basiert vor allem auf der Gesundheit des Einzelnen! Daher ist die Gesundheit und damit die Zufriedenheit der Mitarbeiter/Innen ein wesentlicher Bestandteil des zukünftigen Erfolgs unseres Unternehmens. Ihre Leistungsfähigkeit soll durch das betriebliche Gesundheitsmanagement langfristig erhalten und gefördert werden.

Wir, der Vorstand der Einhell Germany AG, haben daher das betriebliche Gesundheitsmanagement als wesentliche Zielsetzung für das Unternehmen festgelegt.

Das betriebliche Gesundheitsmanagement soll eine wichtige Komponente unserer Unternehmenskultur sein, welche nur durch das offene Miteinander aller Beteiligten zum Erfolg führen kann.

Der Vorstand der Einhell Germany AG legt besonderen Wert auf die aktive Beteiligung der Mitarbeiterinnen und Mitarbeiter am betrieblichen Gesundheitsmanagement sowie die Eigenverantwortlichkeit jedes Einzelnen für seine Gesundheit.

Andreas Kroiss
Vorstandsvorsitzender

Jan Teichert
Beisitzer

Dr. Markus Thannhuber
Vorstand Technik

Dr. Christoph Urban
Vorstand z.B. Digitalisierung



The sustainable objective of our Occupational Health Management is geared to the WHO definition: It relates to a holistic approach that not only places avoidance or treatment of illness as the focus, but also targets the responsibility of everyone involved, i.e. the employee himself, his colleagues and also the enterprise as institution, in shaping the well-being of the individual.

From our perspective, Occupational Health Management is therefore a primary part of every management task, regardless of the respective hierarchical level. Management is recognized as one of the key health resources and represents a relevant lever in achieving employee well-being. In conjunction with the necessary level of service provision to ensure the business objectives, the framework for active support and promotion of employees is accordingly established. An ongoing series of workshops gives managers at all levels the opportunity to engage with this issue in their role and to share ideas and experiences. Well-known experts in occupational psychology and in management and communications behaviors are available as speakers and contact persons, for sustainable development of management competence.

The COVID-19 pandemic has shown us in an unexpected and dramatic way that our health is perhaps our most important personal possession – but that we cannot necessarily plan for all aspects of health protection. For us, our overall assessments have always focused on two key aspects.

- 1) Keeping our colleagues safe and healthy, along with all third parties we have dealings with
- 2) Safeguarding all business critical processes to prevent loss of the positioning we have worked to achieve and the potential it represents

In this connection, we have undertaken great efforts to reconcile both of these objectives. High investments in our IT infrastructure were the prerequisite here for enabling a large proportion of our workforce to work from home and for creating virtual, digital communication channels. Infection risks at the different sites were minimized through the development and implementation of hygiene concepts.

After the end of the pandemic, we will once again offer the successful Einhell Health Management concept with personal offerings for the health and fitness of our workforce.

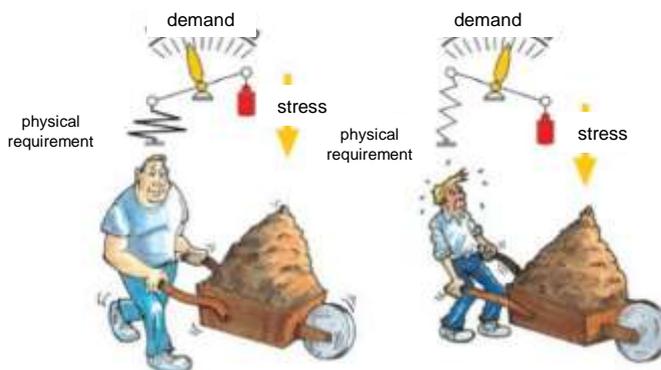
5.6.2 Risk assessment of mental stress

The correct thematic positioning of mental stress risk assessments, resulting from the amendment to section 5 of the German Occupational Safety Act (ArbSchG), is to seat them between occupational health management and the requirements for occupational health and safety. The legal requirement on this is set out in the Occupational Safety Act. That said, implementation – and the stakeholder requirements deriving from it – are clearly to be assigned to holistic occupational health management. As described above, the task is to remain focused on the wellbeing of employees and thus on their long-term performance capability, both physically and mentally.

The safety and wellbeing of all those involved in our company's value-added chain is one of the preconditions for high value-added in all functions. As part of implementing the requirements of the occupational health and safety act, we have therefore decided to prepare the risk assessments on mental stress in a project together with an external partner who specializes in this area.

In specific terms, what is involved in this project? The risks originating from machines, forklifts, electrical power etc. are relatively easy to record and to minimize with corresponding technical or organizational measures. The fact that every employee is also exposed to mental stresses in the workplace,

whilst understandable, is nevertheless very difficult to record. However, that was our challenge – and also the basis of the legislative changes in the occupational health and safety act. We have done so using a scientifically-based employee survey and expert evaluation.



In addition to purely mental stresses, as specified in the legislation, we were also concerned to pay attention to individual stresses. These terms, often used as synonyms, involve essential differences. While the objective stress is the same for all those affected, the individual stress can vary significantly. It follows from this that, in the interests of our definition of having a holistic, sustainable health management system, the situation in respect of stress should not be left out of account. For

reasons of data protection and in order to obtain generally valid results, the data collected must satisfy statistical requirements, such that despite the assessment of stresses it is not possible to trace the data back to any specific individual. That would also fundamentally not be sensible, since optimizing the general framing conditions to individual sensitivities would certainly not lead to improvement in the overall system.

In addition to workloads and stresses, this data collection also asked about resources. This approach starts from the assumption that a whole range of aspects support the individual employee in performing his or her tasks, and therefore counteract stresses.

Following evaluation of the risk and resource assessment carried out at team level, numerous workshops were held during the review period (initially in person, then virtually in compliance with the COVID-19 restrictions), which looked not only at a detailed analysis of stress factors in the individual areas and ways to reduce them, but also attempted to identify beneficial mental resources (supporting factors) and ways to boost them.

Depending on the focus of the stress profile, concepts were developed with the aid of internal and external experts. It was important to us here that a classic bottom-up approach was brought to bear. This was the only way to ensure that the interests and concerns of our employees could be fully taken into account in the discussions – right from the start.

5.6.3 Occupational safety

The fundamental objective of national and international laws on work safety and the associated regulations is to keep the risk to employees as they go about their work as low as possible.

This dynamic approach, geared to the tasks and technical possibilities for prevention, is fully supported by us and lived out in terms of its content. We insist on the view that any accident at work is one too many!

Based on that, prevention has the highest priority in all actions in this context, and is understood as a key management task at all levels of management. Every accident is viewed as the basis for an improvement process, and automatically triggers corresponding measures.

For the enterprises within the Group, this perspective and procedure are a matter of course. As part of maintaining and expanding our supply chain, during the corresponding supplier audits we explicitly pay close attention to compliance with work safety standards.

HAZARD ASSESSMENT

Structured hazard assessments, with a clear definition of the hazard, the probability of occurrence and the measures to be derived from this, are the basis of our work safety. It goes without saying for us that hazards capable of jeopardizing the life of employees – even if these hazards have never arisen in our enterprise – must be planned out through engineering or organizationally-structurally.

	6	5	4	3	2	1				
A	Red	Red	Red	Red	Red	Red	Red	Ereignisursachenanalyse	risikomindernde Maßnahmen treffen	
B	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Einfache Ursachenanalyse	risikomindernde Maßnahmen treffen	
C	Green	Green	Green	Green	Green	Green	Green	Keine Ursachenanalyse notwendig	prüfen, ob Maßnahmen notwendig	
D	Green	Green	Green	Green	Green	Green				
E	Green	Green	Green	Green	Green	Green				
F	Green	Green	Green	Green	Green	Green				
	6	5	4	3	2	1				
Auswirkungen										
	Personenschade		Verluste			Umweltschäden				
A	Unfall mit Todesfolge		> 500.000 €			schwere externe Umweltschäden				
B	Unfall mit schweren Folgen		>250.000 €			Auswirkungen über die Werkgrenzen				
C	Unfall mit schweren Verletzungen		>50.000 €			große Auswirkungen im Werk				
D	Unfall mit mittleren Verletzungen		>10.000 €			Umweltschäden Gebäude/Betrieb				
E	Unfall mit leichten Verletzungen		>5.000 €			auf Anlage beschränkt				
F	Unfall ohne Ausfallzeit		> 250 €			auf die Schadenstelle beschränkt				
Eintrittswahrscheinlichkeit										
1	ständig	täglich, auch mehrfach		bei uns öfter passiert						
2	häufig	>1x pro Woche		bei uns schon passiert						
3	oft	1x pro Woche		in der Gruppe schon passiert						
4	gelegentlich	1x im Monat		in der Branche schon passiert						
5	selten	1x im Jahr		schon davon gehört						
6	sehr selten	1x alle 10 Jahre		noch nie davon gehört						

Every new process is proactively evaluated with regard to possible hazards, in order to be able to adopt risk-minimizing measures ahead of introduction.

Internationally:

Internationally compliance with ILO conventions and local ratifications of these sets of rules are an automatic part of the criteria in selecting and certifying our production partners and service providers. In risk countries, independent BSCI certifications are standard. (See 5.8 Human rights).

5.6.4 Knowledge Management

We are convinced that sustainable value creation is only possible through active knowledge management. This means that the general or specific Einhell know-how required for our business and its future development is seen as a real asset and treated accordingly.

Our objective in this is to 'conserve' this knowledge, on the one hand, and to arrange for active knowledge transfer.

CREATING COMPETENCES

Abilities, skills and knowledge without clear goal orientation cannot be applied to add value. Accordingly, we offer a range of basic CPD training via the Einhell Academy.

The portfolio encompasses product training, along with personal skills training such as seminars on public speaking and presentations, time management and workplace organization.

In addition to the comprehensive management development program mentioned earlier, CPD in project and process management is also included in the program on offer. These also firmly integrate linking and support for personal development via our IT infrastructure, as part of digitalization.

MAINTAINING KNOWLEDGE

Relevant knowledge not only needs to be accessible in the heads of individual employees, but needs to be made as widely available as possible to all parties involved. The challenge here, particularly in view of our SME structure, is to effectively manage the selection via relevance, in order to avoid creating incomprehensible and thus unusable 'data graveyards'.

In this, fruitful dialog between the generations is a key piece of the mosaic. Shaping this is a key management task to which we are actively committed, including as part of management CPD.

In addition, we have introduced a standardized process which also focuses at an early stage on the individual's own ideas regarding the transition to retirement. This is aimed at enabling us to initiate measures for knowledge transfer early on, particularly in key positions. In addition to targeted succession planning, this also involves active documentation and transformation measures.

Our deliberations in relation to demographic issues have already been discussed in section 4.6. For us it is important not only to preserve know-how at Einhell and to share it with successors, but also to achieve an even greater level of identification with the company among colleagues through intensive analysis and discourse with our own evolution.

KNOWLEDGE TRANSFER

The basis of maintaining knowledge is structured and managed knowledge transfer. Here we see the possibilities of digitalization as offering key tools in the active framing of knowledge management. However, direct communication must not be sold short either. In striking this balance, we have introduced, expanded and improved a whole range of measures that help us get across relevant information to the right people.

Our fundamental focus is on the content at both relevant levels of transfer

- 1.) Factual level
- 2.) Relationship level

We are aware that all information is interpreted to a not inconsiderable degree by the sender and by the receiver. In other words, the information is never fully in place and redundancy-free. Goal-oriented communication is only possible through actively and positively framed relationship levels.

This principle is given lived expression particularly in the Einhell Academy, which alongside a whole range of specialist training, CPD and instruction is also organizationally the home to systematic management CPD.

COMMUNICATION

In addition to individual HR development tools, particular importance attaches above all to regular, open and near-time communication. Our view is that our employees can only orient their actions to the overarching objective if we provide them transparently and reliably with information regarding issues relating to business development, successes and problems, along with strategy and operational management decisions. To that end, we have introduced and are continuously improving a range of tools.

- Regular agreement rounds and information events with members of the Co-determination Committees
- Sales-oriented quarterly letters
- Regular HR announcements on key changes in personnel and other HR themes
- Regular preparation of the internal Einhell News
- Extensive internal company intranet

This communication is not intended as, and in our view should not be, a „one-way street“. To that end, a range of platforms have been introduced where the exchange of views, ideas and values is not just possible, but expressly wanted.

- Regular employee surveys
- Regular middle management meetings
- Management meetings
- Regular meetings for „job-starters“ (apprentices and Dual Students)
- Trainer meetings
- Summer festival and year-end celebration

Even though some of our cherished traditions like the summer festival and year-end celebrations have fallen victim to the SARS-CoV 2 virus, we have still tried to find other ways to communicate, particularly via digital means.

As we are aware that these new forms of communication also require us to make changes in some cases to our communication habits and management behaviours, we have attempted to provide guidance on this topic for our management staff through training courses on “Digital Closeness” and “Leadership at a Distance.”

We are convinced that our communication platforms, including the digital ones, will promote cohesion and team spirit in our company in the long term, and that they represent the basis for our joint fulfilment of strategic and operational objectives.

In our broadly configured management development program, high value is placed on the question of motivating, goal-oriented communication, since this determines whether we are successful in getting all employees pulling together for the company in the same direction.

The basic training is also given to next-generation managers, so that right from the start their focus is not only on subject skills, but also on their qualifications as a manager.

5.6.5 Risk assessment pursuant to section 289C HGB and the CSR report implementation act

Risk reporting		Q4/2021		CSR		Labour		Risk level		Risk level		Risk level		Risk level		Risk level	
Risk Category	Org	Risk-Owner	No.	Risk Name	Risk-Description	Impact Level	Impact Frequency	Probability									
CSR	EAG	all Companies of the Einhell Group local General Manager	CSRL1	relief accidents at work	Considerable damage to the life and limb of employees within the scope of their failure to comply with safety regulations.	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low
CSR	EAG	all Companies of the Einhell Group local General Manager	CSRL2	Child labour	Significantly negative impact on the reputation of the company when child labor within the supply chain becomes known.	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low
CSR	EAG	all Companies of the Einhell Group local General Manager	CSRL3	Discrimination against minorities	Significantly negative impact on the reputation of the company when discrimination against minorities within the supply chain becomes known.	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low
CSR	EAG	all Companies of the Einhell Group local General Manager	CSRL4	Suppression of the right Rights of freedom of Association and Collective Bargaining	Significantly negative impact on the reputation of the company when violations of rights of freedom of Association and collective bargaining within the supply chain becomes known.	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low
CSR	EAG	all Companies of the Einhell Group local General Manager	CSRL5	Tolerance of not decent working hours	Significantly negative impact on the reputation of the company when violations of not decent working hours within the supply chain becomes known.	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low	Impact category 1	once a year	Low

AFTER CAREFUL INCLUSION AND EVALUATING OF THE AVAILABLE INFORMATION, THERE ARE NO MATERIAL RISKS KNOWN IN RELATION TO THE CSR ASPECT LABOUR ACCORDING TO THE DEFINITION OF §289C HGB AND CSR REPORT IMPLEMENTATION LAW.

UNDER A CAREFUL INCLUSION AND EVALUATION OF ALL DATA AVAILABLE TO US, WE ARE NOT CURRENTLY AWARE OF ANY ESSENTIAL NET RISKS IN RELATION TO THE CSR ASPECT OF ECOLOGY, IN ACCORDANCE WITH THE DEFINITION SET OUT IN SECTION 289C HGB AND THE CSR REPORT IMPLEMENTATION ACT.

For ease of reading, this risk assessment matrix is available as a separate file in the CSR and Sustainability Report tab on the website!

5.7 DIVERSITY



Our guiding principle of diversity management is to understand appreciation of the diversity in our employees as a valuable part of our company, and also of our society. It supports the business success of the enterprise.

This is not achieved by leveling down, but solely by actively and willingly embracing differences.

Sexual self-determination is one of the key basic human rights: Fundamentally, job advertisements placed for vacant posts are gender-neutral (m/f/o), in order to show that gender is not a criterion applied in our assessment processes. The statistics below do not show third gender purely because no such assignments are known to us within the Group currently. As soon as this changes, the third gender will also be indicated here on an equal basis.





The objective is to give our employees an individual career home, regardless of gender, origin, ethnic background and other discrimination criteria.

For this reason, we do not want to set quotas for minorities, since in most cases these lead to discrimination against individual persons in the majority group, or operate contrary to the development of the organization or of the persons involved.

This viewpoint also means that questions of remuneration and of individual promotion should not be impaired by taking the above discrimination criteria into consideration. Rather, we understand infringements against equal rights and the fundamental equality of opportunity as an infringement of our understanding of Compliance, and will act accordingly.

5.7.1 Gender quota statement

As part of our diversity management, we want to encourage and support every employee, male or female, in accordance with his/her abilities. A rigid quota is not compatible with the development of the individual and of the enterprise, because integration 'forced' through quotas does not elicit acceptance. Rather, we want to give all employees the opportunity for individual further development. Our internal CPD programs on the one hand, and the transparent corporate structures on the other, both contribute here to setting a course for identifying and expanding individual potential.

Accordingly, it is consistent with sustainability that we are setting our women's quota under the legislation (FührposGleichberG – German Act to Promote Equal Participation of Women and Men in Management Positions in the Private and Public Sector) for our three-person Supervisory Board at 0 % This expressly does not indicate that we are closing the door to women in posts on the Supervisory Board, but that we give all possible candidates, regardless of gender, the same opportunities to qualify for and apply for this important function for our enterprise.

Resolution:

On June 19, 2020, the Supervisory Board of Einhell Germany AG resolved a target of 0 percent for the proportion of women on the Supervisory Board. It has set a target of 0 percent for the proportion of women on the company's Board of Management. Thus, the current status is maintained with regard to the Board of Management.

For the first of the two management levels below the Board of Directors, the Board of Directors of Einhell Germany AG has resolved a target of 0 persons and for the second of the two management levels below the Board of Directors a target of 0 percent. This does not preclude an increase in the gender shares of the underrepresented genders at these two management levels.

Gender is not used as a differentiating criterion in the selection and promotion of our employees. This is based on the firmly anchored value concept that gender has no decisive influence on performance, integration and development potential. In this context, performance, identification and personal commitment are generally the decisive recruitment criteria for us. In addition, the historical positioning of our company in rural areas generally has a negative impact on the number of potential candidates when staffing management positions.

5.7.2 Risk assessment pursuant to section 289C HGB and the CSR report implementation act

Risk reporting Q4/2021 CSR Diversity

Impact: 1: insignificant 0-300k€, 2: small 300k€-1M€, 3: moderate 1.0-6.1.2m€, 4: significant 1.2-2.4m€, 5: critical 2.4-4.2m€, 6: catastrophic >4.2m€

Likelihood: 1: unimaginable 0-3%, 2: unlikely 4-20%, 3: rare 20-40%, 4: sometimes 50-60%, 5: likely 70-84%, 6: frequent 85-100%

ad-hoc risk

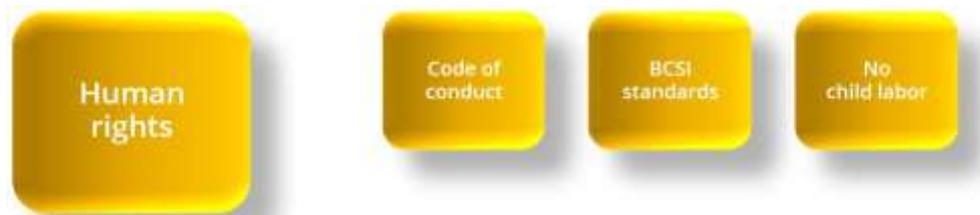
Risk Identification						Risk Analysis						Risk Management				
Risk-Category	Org	Risk-Owner	No.	Risk-Name	Risk-Description	Impact (low)=1	Impact (high)=6	Impact	Likelihood (low)=1	Likelihood (high)=6	Likelihood	Risk	Strategy	action/explanation	Risk prev. period	Progress
CSR	EAG	all Companies of the Einhell Group local General Manager	CSR D.1	Discrimination against minorities	Significantly negative impact on the reputation of the company when Discrimination against minorities becomes known within the supply chain	loss insignificant	loss catastrophic	2	unimaginable	frequent	1	2	Avoid	Clear stipulations within the company's corporate lines that discriminations within the Group will not be tolerated. Inclusion of this feature in compliance management to create reporting opportunities and rapid response, appropriate training of employees and managers	2	
CSR	EAG	all Companies of the Einhell Group local General Manager	CSR D.2	Discrimination Violation of Gender equality	Significantly negative impact on the reputation of the company when Violation of Gender equality becomes known within the supply chain	loss insignificant	loss catastrophic	2	unimaginable	frequent	2	4	Avoid	Clear stipulations within the company's corporate lines that Violation of Gender equality within the Group will not be tolerated. Inclusion of this feature in compliance management to create reporting opportunities and rapid response. Appropriate training of employees and managers	2	

AFTERCAREFULLY INCLUSION AND EVALUATING OF THE AVAILABLE INFORMATION, THERE ARE NO MAIN NETIC RISKS KNOWN IN RELATION TO THE CSR ASPECT Diversity ACCORDING TO THE DEFINITION OF §289C HGB AND CSR REPORT IMPLEMENTATION LAW.

UNDER A CAREFUL INCLUSION AND EVALUATION OF ALL DATA AVAILABLE TO US, WE ARE NOT CURRENTLY AWARE OF ANY ESSENTIAL NET RISKS IN RELATION TO THE CSR ASPECT OF ECOLOGY, IN ACCORDANCE WITH THE DEFINITION SET OUT IN SECTION 289C HGB AND THE CSR REPORT IMPLEMENTATION ACT.

For ease of reading, this risk assessment matrix is available as a separate file in the CSR and Sustainability Report tab on the website!

5.8 HUMAN RIGHTS



Although there is an orientation on business, which naturally underpins our activity, we know that there are regions on the planet where the standards that we take for granted regarding work safety, minimum age, minimum pay and working time etc. have not automatically become established as the basis for business development. For that reason, we assess potential production partners and service providers not just on a technical basis, but also regarding compliance with ILO conventions.

THE OBJECTIVE:

Fundamentally, we consider ourselves bound by the United Nations Convention on Human Rights, and therefore look to compliance with these standards as far as we are able. The aim is to avoid violations both within our Group structures and in the upstream processes.

Among other things, it is our concern to protect the weakest in the respective society, the children. Therefore, child labor is an absolute taboo at Einhell. All subsidiaries, partners and suppliers are checked for this point as part of our audits. In 2021, there were no identified deviations from this requirement.

5.8.1 Approach

Fundamentally, all partners in our supply chain are bound to comply with ILO conventions and the UN conventions on children's rights.

Extract from the contractual text for service providers and production partners:

„Code of Conduct“

The Supplier guarantees, on its own behalf and on behalf of its sub-suppliers, compliance with the Code of Conduct based on the conventions of the International Labour Organisation (ILO), the UN Declaration of Human Rights, the UN conventions on the rights of children and the elimination of any form of discrimination against women, the UN Global Compact and the OECD Guidelines for Multinational Enterprises (the latest version of the code can be retrieved on the website <http://www.bsci-intl.org> and is declared to be part of the Agreement).

Compliance with the standards is regularly checked during initial certification for the Einhell Group and during the announced and unannounced factory audits.

As the basis of our arguments, we are a BSCI member and similarly bind our partners to respect these rules. Through the audits by independent BSCI specialists that form an integral part of our practice, compliance with the 11 key principles is ensured not only by internal bodies, but also by external specialists.

BSCI CODE OF CONDUCT

1. Rights of freedom of association and collective bargaining

Our enterprise respects the right of employees, trade unions or other forms of employee associations

2. Fair remuneration

Our enterprise respects the right of employees to fair remuneration

3. Occupational health and safety

Our enterprise guarantees a healthy and safe work environment by assessing risks and adopting all necessary measures to eliminate or mitigate these risks

4. Special protection for young workers

Our enterprise grants special protection to all employees who are not adults

5. No bonded labor

Our enterprise is not involved in any way with slavery, human trafficking or involuntary labor

6. Ethical business behavior

Our enterprise does not tolerate any form of corruption, extortion, embezzlement or bribery

7. No discrimination

Our enterprise offers equality of opportunity and does not discriminate against any employee

8. Decent working hours

Our enterprise respects the law regarding working hours

9. No child labor

Our enterprise does not appoint any employee below the statutory minimum age

10. No precarious employment

Our enterprise appoints employees on the basis of documented terms of employment that comply with the law

11. Protection of the environment

Our enterprise adopts the necessary measures to avoid harming the environment. Since we also produce in BSCI risk countries, notably in the People's Republic of China (PRC) and the Socialist Republic of Vietnam (SRV), we place particular value here on BSCI certification, and we monitor the contractual assurance given above regarding compliance with ILO conventions and UN conventions on children's rights

As we also produce in BSCI risk countries - specifically in the People's Republic of China (PRC) and the Socialist Republic of Vietnam (SRV) - we place particular emphasis on BSCI certification here and monitor the above-mentioned contractual assurance of compliance with the ILO Conventions and UN Conventions on the Rights of the Child.



5.8.2 Risk assessment pursuant to section 289C HGB and the CSR report implementation act

Risk reporting Q4/2021 CSR **Human Rights** ▶ ad-hoc risk

Risk Identification						Risk Analysis						Risk Management				
Risk-Category	Org	Risk-Owner	No.	Risk-Name	Risk-Description	Impact (low)=1	Impact (high)=6	Impact	Likelihood (low)=1	Likelihood (high)=6	Likelihood	Risk	Strategy	action/explanation	Risk prev. period	Progress
CSR	EAG	all Companies of the Einhell Group local General Manager	CSR H1	Child Labour	Significantly negative impact on the reputation of the company when child labor becomes known within the supply chain	Risks insignificant	Risks catastrophic	2	not at all	Frequent	2	4	Avoid	Clear instructions and monitoring that the relevant regulations regarding the age of employees must be adhered to. (within the group companies). Compliance with ISO-conventions and the UN Convention on the Rights of the Child are part of the supplier audits and violations are a major exclusion criterion. Part of the ESG monitoring	4	
CSR	EAG	all Companies of the Einhell Group local General Manager	CSR H2	Forced labour	Significantly negative impact on the reputation of the company when forced labor becomes known within the supply chain	Risks insignificant	Risks catastrophic	2	unimaginable	Frequent	2	4	Avoid	Clear instructions and monitoring that the relevant regulations regarding the age of employees must be adhered to. (within the group companies). Compliance with ISO-conventions and the UN Convention on the Rights of the Child are part of the supplier audits and violations are a major exclusion criterion. Part of the ESG monitoring		

Impact: 1: insignificant 0-30k€, 2: small 300k-600k€, 3: moderate 0.6-1.2m€, 4: significant 1.2-2.4m€, 5: critical 2.4-4.2m€, 6: catastrophic >4.2m€
 Likelihood: 1: unimaginable 0-3%, 2: unlikely 4-10%, 3: rare 20-49%, 4: sometimes 50-69%, 5: likely 70-84%, 6: frequent 85-100%

AFTER CAREFUL INCLUSION AND EVALUATING OF THE AVAILABLE INFORMATION, THERE ARE NO MAINNETIC RISKS KNOWN. IN RELATION TO THE CSR ASPECT HUMAN RIGHTS ACCORDING TO THE DEFINITION OF § 289C HGB AND CSR REPORT IMPLEMENTATION LAW.

UNDER A CAREFUL INCLUSION AND EVALUATION OF ALL DATA AVAILABLE TO US, WE ARE NOT CURRENTLY AWARE OF ANY ESSENTIAL NET RISKS IN RELATION TO THE CSR ASPECT OF ECOLOGY, IN ACCORDANCE WITH THE DEFINITION SET OUT IN SECTION 289C HGB AND THE CSR REPORT IMPLEMENTATION ACT.

For ease of reading, this risk assessment matrix is available as a separate file in the CSR and Sustainability Report tab on the website!

5.9 SOCIAL ISSUES



5.9.1 Social commitment

Fundamentally, we see ourselves as a collection of people who are jointly committed to the task of economically and sustainably developing our enterprise. Given this perspective, it goes without saying that appropriate space is also given over to the social aspects. In the first instance, this relates to social issues within our enterprise, but also looks to the embedding of our individual companies and their staff in the respective local communities.

In particular, the inclusion of our head office in Landau a. d. Isar in the structures of the town and the region is something we consider to be an obligation on us. In addition to donations to regional and trans-regional social institutions and organizations, members of our staff hold a number of voluntary positions and demonstrate commitment to these causes.



Our company is a successful company! This success enables us to look even further to the outside world and to demonstrate social commitment. During the review period we have supported more than 50 projects. Here, our support ranges from supplying electricity generators to fire brigades and equipping social workshops with electric tools to major projects like the RTL telethon 'Wir helfen Kindern' or 'Licht ins Dunkel' Austria's largest charity organization



However, one of the general aims is to also raise social commitment among our employees. The majority of the support projects outlined above have arisen from voluntary work carried out by our employees, e.g. with counseling services, local support services for young people, and fire brigades, but also organizations like 'Technik für Kinder' (Technology for Children).

5.9.2 Product responsibility



In addition to this commitment, we also see the responsibility arising from our product promise as an essential criterion with regard to social concerns. At first glance, these seem to be two completely different aspects. However, we see it a little differently, as the safety and functionality of our products are essential responsibilities that we have to assume on an overarching basis and always keep in mind as a non-financial aspect. It does not really serve anyone's interest if companies position themselves in a way that is effective in the press, but disregard the safety aspects that are essential for social concerns.

Wir stellen uns täglich diesen Herausforderungen und daher ist die Produktverantwortung für uns Teil unserer sozialen Verantwortung.

In essence, we see product responsibility from two different perspectives.

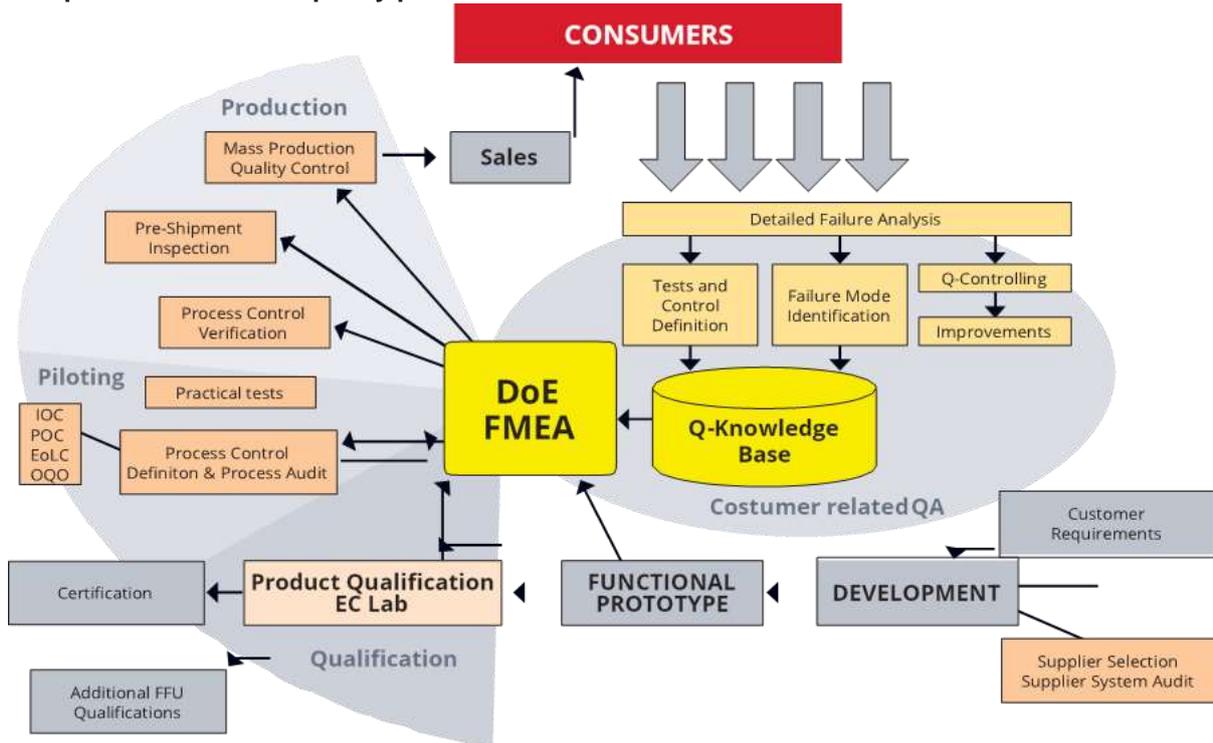
- A.) Responsibility for the safety of our product when used by the end-customer
- B.) Responsibility for fulfilling the functional purpose of the product

Both perspectives are highly important for the development of the enterprise, even if different objectives are in play here, with the safety aspect always having priority!

THE OBJECTIVE:

In relation to product safety, our aim is to exclude any hazard to the user when using our products correctly. This challenge impacts right across the value-added chain. Fulfilling the purpose of the product and this fulfilling the expectations of the end-customer is a basic requirement for the long-term customer trust we aspire to. Accordingly, the expectations of end-customers from all sales areas are identified and reflected in the development process via product management

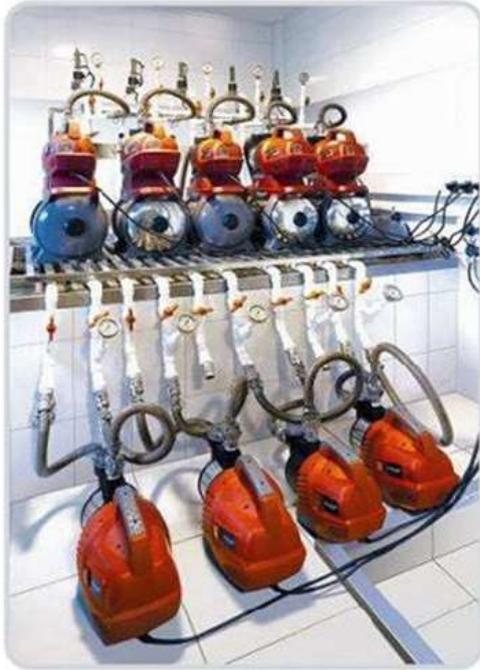
The path to the Einhell quality product



To ensure both objectives, a quality assurance concept has been established across the value-added chain. This is constantly reviewed for potential for improvement and adapted to the state-of-the-art as required.

5.9.3 Product safety

Technical product safety is naturally the highest priority in our development and production process. Being fully up-to-date in terms of the legislation is equally a highest priority. The established processes are continuously adapted to the harmonized standards respectively issued by the European Commission, meaning that the greatest possible safety is guaranteed. Alongside these fundamental certification audits, local and regional standards are naturally also considered and taken into account, in the event that the requirements are different. In our quality assurance facilities, particularly in our very well-equipped test laboratory at Einhell China, as in the development departments at our site in Landau, tests are constantly being conducted on experimental models, prototypes and, above all, on products from on-going series manufacturing in order to maintain the high quality standard over the entire product lifecycle. These internal checks are naturally also flanked by checks by independent testing establishments.



▲ Garden pumps / Domestic waterworks - endurance testing



▲ Engine brake - endurance testing



▲ Central management of test cycles using computer

Any finding of possible risks to safety is fed back directly to the process and triggers corresponding avoidance or corrective measures, depending on the positioning in the project lifecycle. Particularly for reasons relating to environmental protection, it was decided to allow the air conditioners product line to be phased out at the end of the financial year 2019. The refrigerant R 410 A which is currently in widespread use satisfies the current legal requirements, but according to the latest findings is now to be considered as a greenhouse gas. In anticipation of restrictions or a ban on use, we have taken the decision to phase out this product line, which for us is of less strategic importance. Although we assume that petrol-powered garden equipment is set to be replaced in the long term by battery devices, notably Power X-Change, demand is still significant at present. We have therefore upgraded all our petrol-powered equipment to the new emissions directive Level 5, thus satisfying all international and local requirements in our markets.

5.9.4 Risk assessment pursuant to section 289C HGB and the CSR report implementation act

Risk reporting Q4/2021 CSR Social

Impact: 1: insignificant (0-20%), 2: small (20-40%), 3: moderate (40-60%), 4: significant (60-80%), 5: critical (80-100%)
 Likelihood: 1: unimaginable (0-3%), 2: unlikely (3-10%), 3: rare (10-20%), 4: sometimes (20-50%), 5: likely (50-80%), 6: frequent (80-100%)

ad-hoc risk

Risk Identification						Risk Analysis						Risk Management				
Risk-Category	Org	Risk-Owner	No.	Risk-Name	Risk-Description	Impact (low)=1	Impact (high)=6	Impact	likelihood (low)=1	likelihood (high)=6	Likelihood	Risk	Strategy	action/explanation	Risk prev. period	Progress
CSR	EAG	Technical departments	CSR S.3	relevant accidents of customers regarding of technical issue of our products reputation	Significantly negative impact on the reputation of the company affects relevance of customers when using our products	1	6	4	1	6	2	8	Avoid	see Risk Assessment and Crisis Management	12	0%
CSR	EAG	Technical departments	CSR S.4	relevant accidents of customers regarding of technical issue of our products "legal"	Provision or significant fines for technical problems or process insecurity related to our products	1	6	4	1	6	1	4	Avoid	see Risk Assessment and Crisis Management	6	0%
CSR	EAG	Technical departments	CSR S.5	non-compliance with local regulations regarding product safety and labeling	Significantly negative impact on the reputation of the company when cases of non-compliance becomes known	1	6	2	1	6	1	2	Avoid	Intensive working over the whole life cycle of all products (in-house and by independent and accredited external). Market launch only after appropriate certification		0%
CSR	EAG	all Companies of the Einhell Group local General Manager	CSR S.6	unadvisable reaction to a shitstorm	Significantly negative impact on the reputation of the company	1	6	4	1	6	2	8	Avoid	Regular checking of all online channels, (social media, website, complaints) immediate reaction to criticism at the factual level		0%

AFTER CAREFULLY INCLUDING AND EVALUATING OF THE AVAILABLE INFORMATION, THERE ARE NO MAINNETIC RISKS KNOWN. IN RELATION TO THE CSR ASPECT SOCIAL ACCORDING TO THE DEFINITION OF §289C HGB AND CSR REPORT IMPLEMENTATION LAW.

UNDER A CAREFUL INCLUSION AND EVALUATION OF ALL DATA AVAILABLE TO US, WE ARE NOT CURRENTLY AWARE OF ANY ESSENTIAL NET RISKS IN RELATION TO THE CSR ASPECT OF ECOLOGY, IN ACCORDANCE WITH THE DEFINITION SET OUT IN SECTION 289C HGB AND THE CSR REPORT IMPLEMENTATION ACT.

For ease of reading, this risk assessment matrix is available as a separate file in the CSR and Sustainability Report tab on the website!

6. CONTACT AND IMPRINT

6.1. CONTACT

Einhell Germany AG
Wiesenweg 22
94405 Landau a. d. Isar
Germany

www.einhell.com

Hans-Peter Rostan
Authorized Officer

Hans-Peter.Rostan@einhell.com

Telefon: +49 (0) 9951 942 – 627
Telefax: +49 (0) 9951 942 – 410 627

6.2. IMPRINT

Einhell Germany AG

Wiesenweg 22
94405 Landau a. d. Isar
Germany

www.einhell.com