

CSR-REPORT

Einhell Germany AG
2023



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Einhell

About This Report

Einhell is a leading company in the development and manufacturing of tools and garden equipment. As a company committed to sustainability, we are aware of our responsibility to society and the environment. In this regard, we have created a non-financial report that provides a comprehensive overview of the social, environmental, and governance-related aspects of our business operations.

The report provides insight into the company's strategy and actual impact on society and the environment and demonstrates how we take responsibility and integrate sustainability in all areas of our business operations.

Einhell's non-financial report is an important part of the company's reporting and serves as a tool for communication and improving its sustainability performance. The report makes it clear that Einhell not only focuses on financial results but also aims to make a positive contribution to society and the environment. The report shows how Einhell leverages its opportunities to make its business sustainable and successful.

In creating Einhell Germany AG's CSR report, we followed the European Sustainability Reporting Standards (ESRS).

Regarding personal designations and person-related nouns in this report, neutral formulations are used wherever possible.

Corresponding terms are generally applicable to all genders in the spirit of equal treatment. Any shortened language form used is for editorial reasons only and does not involve any evaluation.



Preface

Dear Reader,

We are delighted to provide you with insight into our efforts and progress in the realm of sustainability. In an era where the demands on businesses are becoming increasingly complex and the world is facing significant ecological and social challenges, it is of utmost importance for us at Einhell to acknowledge our responsibility towards society and the environment.

This report offers you a comprehensive overview of our sustainability strategy, actions, and results in the year 2023. Our aim is to embed sustainable practices throughout all areas of our company – from product development to supply chain management and daily operations. We rely on innovation, partnerships, and continuous improvement to effect real change.

We are aware that sustainability is an ongoing process that requires dedication, perseverance, and a willingness to collaborate. We also recognize that we still have a long way to go and that there is always room for improvement. However, we are firmly committed to making our contribution to ensure a livable future for generations to come.

This year, with its challenging market conditions, once again posed difficult circumstances for us. However, through the outstanding dedication and performance of our team, we were able to achieve positive results and maintain our position as a strong company in the market. We further diversified our procurement strategy and expanded our footprint through the acquisition of new subsidiaries.

Additionally, we continued to take significant steps to further develop our corporation, not only in economic aspects but also in CSR matters. The CO₂e emissions tracking initiated in 2021 was extended to include additional

products and regions. Measures were taken to enable future reductions and make business processes more sustainable.

We would like to express our gratitude to all our employees, customers, suppliers, and other stakeholders who support us on this journey. Your commitment and collaboration are essential to our success and progress in the realm of sustainability.

In conclusion, at Einhell, we firmly believe that economic growth and environmental protection can go hand in hand. By acting responsibly and advocating for sustainable solutions, we can strengthen not only our company but also make a positive contribution to addressing global challenges.

We hope that you will read this report with interest and that it provides you with insights into our achievements and strategies. We look forward to another year of successful collaboration with all of you.

Best regards,

The Board

Board Of Directors

The board of directors of Einhell Germany AG is made up by an experienced and competent team that directs the company's affairs and is responsible for implementing the corporate strategy.

The board is composed of different individuals with diverse competencies and experiences, to cover a broad spectrum of expertise and skills, including:

Mr. Andreas Kroiss (Chairman of the Board since 2003);

Mr. Jan Teichert (CFO since 2003),

Dr. Markus Thannhuber (CTO since 2007), and

Dr. Christoph Urban (Board member for IT and digitalization since 2019).

The Chairman of the Board is responsible for the areas of sales, purchasing, marketing, and corporate strategy.

The CFO is responsible for finance and accounting, taxes, legal affairs, controlling, investor relations, human resources and maintenance.

The Technical Director is responsible for technology, product management, product preparation, quality assurance, and logistics.

In the IT and Digitalization department, the responsibilities for the international IT infrastructure, digital development of all processes and organizations, as well as group-wide after-sales service are located.

The members of the board have extensive industry experience. They bring their expertise and experience to the company to ensure successful implementation of the corporate strategy.

As board members of Einhell Germany AG, they are aware of their responsibility to the company, its employees, and its shareholders and are committed to achieving corporate goals. They make strategic decisions and ensure that the company grows successfully and sustainably to ensure long-term success.



Abbildung 1: Mr. Urban, Mr. M. Thannhuber, Mr. Kroiss und Mr Teichert (left to right) in the Einhell World

Supervisory Board

The supervisory board of Einhell Germany AG has the important task of monitoring and advising the management of the company. The supervisory board consists of experienced individuals from different industries and areas of expertise who possess comprehensive knowledge and experience.

The chairman of the supervisory board presides over the meetings and is in close communication with the executive board to ensure that the strategic objectives of the company are being achieved. Since 2015, the chairman of the supervisory board has been Prof. Dr. Dr. Spath (member of the supervisory board since 2006).

The supervisory board is composed of representatives of the shareholders and employees, making it an important link between the interests of the company and its employees and shareholders. In 2015, Mr. Philipp Thannhuber, the successor of the company's founder, was appointed to the supervisory board. Mr. Maximilian Fritz was elected to the supervisory board by the employees.

The main tasks of the supervisory board include auditing the annual financial statements and advising the executive board. It is also responsible for identifying risks and taking appropriate measures to minimize them. In addition, the supervisory board decides on important business decisions such as mergers, acquisitions, or restructurings.

Through its monitoring function, the supervisory board ensures that the company operates in compliance with applicable laws and standards and that the interests of shareholders and employees are protected. Additionally, the supervisory board provides valuable support and advice to the executive board to ensure the long-term success of the company.



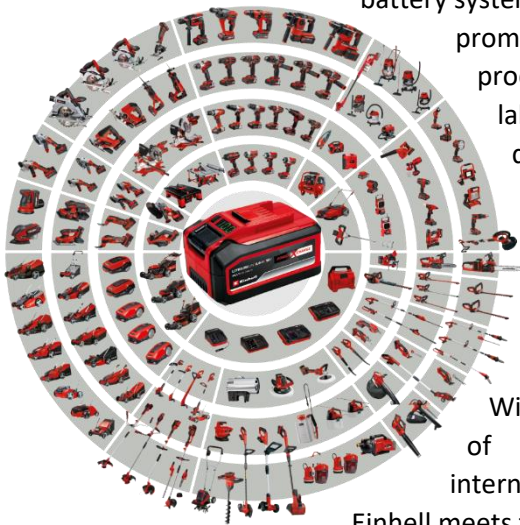
Abbildung 2: Mr. Fritz, Mr. Spath und Mr. P. Thannhuber (left to right)

Philosophy: Cordless Freedom For Everyone

Einhell develops and distributes products for DIY enthusiasts and professionals, for home, garden, and leisure. With the values of cordless freedom, power & endurance, quality, and expertise, Einhell has made it its mission to create a new dimension of DIY with the claim "*Cordless freedom for everyone*" and to support every DIYer in implementing their ideas, projects, and tasks.

With powerful, functional, and modernly designed quality products, Einhell enables its customers to make all work in and around the workshop and garden more efficient, easier, and therefore more self-determined and independent. As a long-standing expert in the field of DIY and gardening, with the ambition of becoming the world's most competent

battery system, Einhell promises high-quality products with the label "brand quality at the best price." Customer satisfaction is the top priority here. With a high degree of internationalization, Einhell meets the global orientation of its customers, building and DIY store chains, mail-order companies, garden centers, and discount store chains. With subsidiaries and associated partners worldwide, Einhell offers a comprehensive global service like no other company. The more than 40 subsidiaries ensure proximity to Einhell Germany AG's globally active customers. Associated partners worldwide sell Einhell products under license in their own name.



Corporate Structure And Shareholdings

The Einhell Germany AG, based in Landau an der Isar (Germany), is the parent company of the internationally positioned Einhell Group. Einhell develops and distributes products for DIY enthusiasts, home and garden, and craftsmen. The principles of product policy are to respond faster, more flexibly and more innovatively than others.

Especially with our Power X-Change battery platform, we connect the product promise of high flexibility with wireless freedom and continuously expand our brand awareness.

Einhell accompanies the global orientation of its customers with a high degree of internationalization. Subsidiaries and associated partners worldwide ensure proximity to our globally active customers. The subsidiaries consist mainly of distribution and trading companies located in Europe, as well as in South America, Australia, and Asia.

The Asian subsidiaries are responsible, among other things, for product development, product preparation, and procurement. Since production takes place in Asia, quality assurance has also been located there.

Einhell employs 2693 people worldwide (compared to 2069). The group's turnover was approximately €971 million in the fiscal year 2023 (compared to €1.030 billion in the previous year).

The report content relates to the global functions of Einhell Germany AG as well as the locations of the Einhell Group in Germany. Four different types of companies within the Einhell Group are generally considered, which, due to their structure and function, have different challenges regarding sustainability and compliance with guidelines.

1.) Group headquarters: Einhell Germany AG, with central functions such as strategy, group control, product development, assortment strategy,

sales and commercial group management, aftersales services, information technology.

2.) Sales-oriented group subsidiaries: Group-owned sales companies that assume local sales responsibility and are connected to the supply chain within the Group.

3.) Sourcing companies: Companies within the Group whose main task is to identify, control and support component and product suppliers.

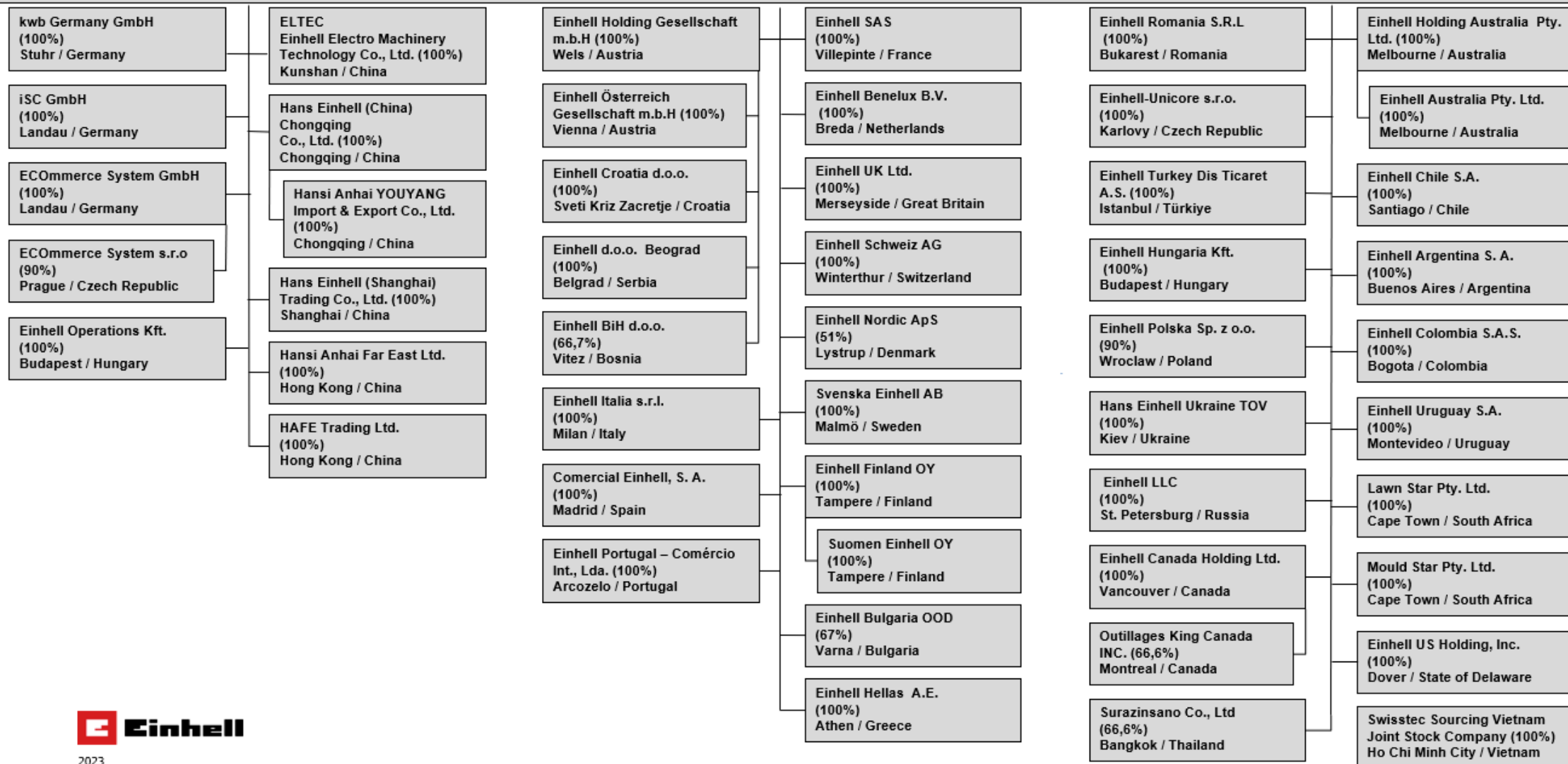
4.) Semi-autonomous companies with other Group brands: Companies that, due to their size, but especially because of their product portfolios deviating from the Group standard, cannot be assigned to the categories mentioned above, as they combine functional areas of different groups.

The requirements in terms of Corporate Social Responsibility differ within the Group structure, depending on the respective function of the company, especially with regard to prioritization. This results in particularly extensive responsibilities for the semi-autonomous companies with their own product portfolio, Ozito (Australia) and kwb Germany GmbH.

With their close connection to our manufacturing partner companies in Asia, the focus of CSR issues for our sourcing entities is to be situated within the entire supply chain in this area. Most companies within the corporate group are distribution subsidiaries that concentrate on local assortments and compliance with relevant national and international standards, as well as integrating all local stakeholders into CSR issues.

Einhell group structure

Einhell Germany AG (Share in brackets)



Differentiation Of Group Companies

Beyond the legal requirements of § 289C HGB and the CSR reporting implementation law, we have thought about the non-financial aspects that are essential for our understanding of our business model during our business activities and explained them using the accompanying illustrations. We have consistently maintained our orientation towards different topics and the differentiation between different types of companies within the corporate group.

The differentiation required by the legal reporting obligation regarding materiality does not represent a fundamental statement by Einhell Germany AG about the social significance for our business development. Rather, it indicates where we see our responsibility and where we can set accents with corresponding concepts. This perspective presented here is, of course, dependent on the corporate structures and their underlying history in its expression.

Building on our principles of trust, cooperation, loyalty, and a corporate policy focused on long-term shared success, we practice a balanced approach to coordinating the extensive international tasks. This approach involves maintaining a high level of independence and accountability for our subsidiary companies, while providing helpful guidance and oversight from the central departments of our corporate headquarters. Einhell is known as an especially efficient company - therefore, we leverage our experience in efficient, customer-oriented sales, service, logistics, and administrative processes to support all companies in the group.

Core Values

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 developed the adjacent value statement.

This value statement is primarily directed outward, as we firmly believe that the satisfaction of our customers, both B2B and B2C, is the foundation of sustainable business success.

Furthermore, we believe that this fundamental objective can only be achieved in the long term if all stakeholders are equally involved, and their individual needs are also

<p>Einhell Germany AG Group HQ functions</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 environment protection • Respecting relevant work safety standards • Clear policies and management in all Compliance issues • Promoting equal rights and respecting human rights 	<p>Semi-autonomous companies with own product portfolio (currently Ozito and kwb)</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 environment protection • Respecting relevant work safety standards • Promoting equal rights and respecting human rights
<p>Sourcing Companies overarching SCM functions</p> <ul style="list-style-type: none"> • Sustainable choice of product 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 environment protection for partner companies • Clear policies and management in all Compliance issues for partners and suppliers • Respecting relevant work safety standards 	<p>Sales Companies local distribution functions</p> <ul style="list-style-type: none"> • Sustainable local product range management • Sustainable choice of local customers and partners • Respecting relevant work safety standards • Promoting equal rights and respecting human rights • Adherence to the specified Compliance guidelines

considered.

Based on our defined values, we have developed the following guidelines for our corporate culture in a bottom-up approach. In a second cooperative step, we derived and formulated corresponding leadership principles from these guidelines.

Open and productive collaboration is the basis of our success. The guidelines for our corporate culture, developed by our employees, serve as a benchmark for our actions.

Being in a leadership position is not always easy, as it is the position where the inevitable interest conflicts between the company and its employees manifest, and the relationship between the leader and their employees is seen as a direct indicator of the perceived corporate culture.

Therefore, the guidelines for our corporate culture were reviewed for specific leadership aspects and recommendations were formulated in the new leadership principles.

Together with the value statement of the board, this creates a framework called "Our Guidelines", which is intended to help all employees, regardless of their position, to find the right framework for collaboration in all situations.

CORE VALUES



Strategy

Our understanding of a good strategy is not only a one-time definition of the desired targets, but rather a process that continuously and as objectively as possible combines opportunities and risks with capabilities and possibilities. Therefore, some time ago, we began developing and introducing a structured, rolling strategy development process. This process combines our tradition as a family-owned medium-sized company with the requirements of the markets.

Building on our many years of experience in battery technology, Power X-Change is the backbone of our growth strategy. Expanding the battery platform, in combination with a multitude of devices additionally adapted to it, is the strategic main direction.

Of course, we are aware that there are still a whole range of customer requirements beyond the purely technical tasks that can be covered within the battery platform. Therefore, our "strategy battery" includes a total of 15 individual main projects that contribute to the realization of our vision in the medium and long term.

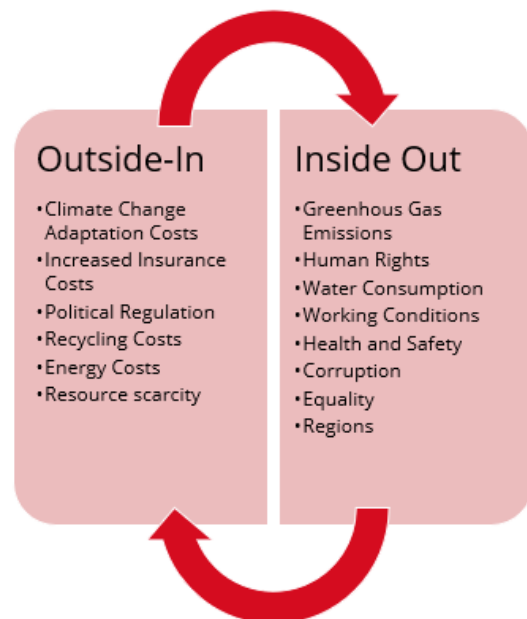
These contain our sustainably strategic approaches, formulated, and factually supported with project plans. The 15 points include our strategic approaches to product and brand policy, employer branding, and knowledge management, as well as questions about digitization and active service management. In addition, topics such as distribution policy, sustainability, and procurement/production are also addressed.

Outside- in and Inside-out

Two approaches relevant in the context of the ESG principles are the outside-in and inside-out approach. The ESG principles refer to the consideration of environmental, social and governance aspects in corporate decisions and strategies.

The outside-in perspective in the ESG context means that companies take into account the needs and expectations of various stakeholders, especially those who are affected by the company's business activities. These include customers, suppliers, employees, local communities, and society at large.

Companies should analyze the impact of their activities on these stakeholders and take measures to minimize negative impacts and maximize positive impacts.



The inside-out perspective in the ESG context refers to the internal practices and processes of the company in relation to ESG. Companies should evaluate and improve their internal structures and processes in order to promote responsible corporate governance and sustainable business practices. This can include measures such as a clear separation of ownership and control, the introduction of

ESG policies and training, and the establishment of internal monitoring systems.

It is important that, when implementing ESG principles, companies consider both the outside-in as well as the inside-out perspective. A successful ESG strategy should be developed based on internal strengths and capabilities while also keeping in mind the needs and requirements of various stakeholders. A balance between the two perspectives can help a company to be successful, sustainable and fulfill its social and environmental responsibilities.

It requires a comprehensive understanding of the impact of business activities on the environment and society, as well as a willingness to take measures to reduce negative impacts.

Double Materiality

Based on the above-mentioned outside-in and inside-out approaches, dual materiality emerges as a concept that is becoming

increasingly important in the sustainability debate. It describes the fact that companies are not only dependent on their direct economic value creation, but also on the natural and social resources on which their business activities are based. In other words, companies are not only economic actors, but also part of society and the natural environment.

The idea of dual materiality further assumes that companies are responsible not only for their financial results, but also for their impact on the environment and society. These impacts can take the form of environmental pollution social injustices or other negative consequences. Companies must therefore not only measure and report their financial performance but also their impact on the environment and society.

This presents companies with new challenges, as they cannot only focus on their financial results, but also must pay attention to the achievement of sustainability goals.

Environment

Environmental protection is a central issue in today's world, as the effects of climate change, pollution, and of species extinction are becoming increasingly apparent. Environmental protection encompasses all efforts to preserve, protect and restore the environment.

That concept is not new, but in recent decades the urgency of the issue has become increasingly clear. There are many reasons for this:

Population growth and increasing consumption mean that more and more resources are needed. At the same time, many of these resources are becoming scarcer and more expensive, with implications for the economy and for social inequalities. However, there are also positive developments: More and more people are recognizing the importance of environmental protection and are committed to it. Governments and companies are adopting environmental laws and standards to minimize harm and promote the transition to a more sustainable economy.

Climate change and the accompanying international but also local environmental and climate policies are developments with which Einhell is also intensively concerned.

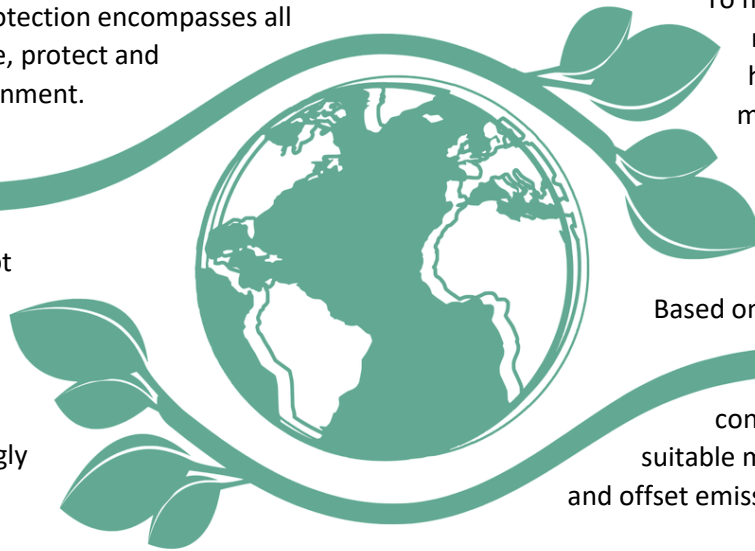
For example, we already pay attention to the recyclability of product components when developing our product ranges.

Not least because we have made it our mission to assist our customers with our products in designing their individual environment, we also feel a commitment to

environmental protection and the preservation of natural resources. We aim to have a positive impact on the preservation of natural resources and active environmental protection both within our value chain and with our products for our customers.

To make these efforts measurable, we have been measuring our company's CO₂e footprint since 2021 with a reputable partner. Based on this, we

continuously develop suitable measures to reduce and offset emissions.



Sustainability Concept

"1 BATTERY. 1,000 POSSIBILITIES." is not only a sales argument indicating the usability of our Power X-Change batteries for the entire product range in the tool and garden sectors, but also a simple ecological advantage.

While the recyclability of battery systems has increased in the past, batteries still pose a disposal problem. With just one battery from the Power X-Change platform, more than 250 devices can be used. Thus, only a fraction of batteries compared to conventional single-battery compatibility are in use and need to be disposed of at the end of their lifespan. The Twin-Pack technology also eliminates the need for an additional 36-volt battery series: for 36-volt devices, two 18-volt batteries are simply combined in the Power X-Change system. Thanks to the intelligent battery electronics of the Power X-Change batteries, Einhell has been able to make these advantages accessible to other companies as well: by opening the battery platform to

products from selected manufacturers that can also be operated with Power X-Change batteries, the aforementioned battery-saving effect has been further expanded.

Furthermore, we are in contact with leading companies in the industry to develop innovative recycling concepts, in order to utilize the best possible options in this area as well. To establish a basis for objectives and approaches, we began tracking our greenhouse gas emissions in 2021.

In 2023, we revamped and set up our sustainability strategy in accordance with the current requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting

<p><u>That's why Power X-Change stands for more sustainability:</u></p> <p>Fewer batteries and chargers</p> <p>Less raw material and energy consumption, reduced environmental impact.</p> <p>Longer lifespan</p> <p>Fewer repurchases needed, thus resource-efficient.</p> <p>Environmentally friendlier than gasoline</p> <p>Zero emissions during use.</p> <p>Efficient energy utilization</p> <p>Smart battery management and Li-Ion technology reduce energy consumption.</p> <p>Brushless motors</p> <p>Longer runtimes, longer lifespan, maintenance-free.</p> <p>1 system for all devices</p> <p>1 battery type for all devices.</p> <p>1 battery type for workshop and garden.</p> <p>1 18-volt battery system for all applications – including 36-volt needs.</p>

Standards (ESRS). We will provide detailed

reporting on this in the 2025 sustainability report for the reporting year 2024 as part of our reporting obligations.

We have once again collected data on our greenhouse gas emissions for our company headquarters in Landau/Isar and our three entities in China. Additionally, we have expanded the accounting to include locations in Italy, France, UK, Spain, Portugal, Austria, and Switzerland.

On the product side, we have assessed the carbon dioxide emissions for our four 3rd generation batteries (3Ah Plus, 4Ah Plus, 4-6Ah Plus, and 5-8Ah Plus) and our Power X-Fastcharger. From the tool and garden sectors, we have calculated the CO2 emissions for several fast-moving products, such as cordless drills, grass trimmers, hedge trimmers, grass shears, and leaf blowers.

For our four batteries, we offset the unavoidable CO2 emissions by supporting various climate protection projects through ClimatePartner, with a focus on renewable energy, to compensate for the CO2 emissions generated during production and transportation.

Further active measures to avoid CO2 emissions include:

Supply Chain Management:

Since the fourth quarter of 2023, we have been using an E-truck for daily transportation between Landau and Straubing through one of our logistics partners.

Location-specific activities:

Our current new construction will meet at least the Silver standard of the German Sustainable Building Council.

Product-related engagement:

- For our products, we prioritize durable and energy-efficient components, such as brushless motors, to increase lifespan and thereby avoid CO2 emissions.

- We offer our customers a take-back option for Einhell Power X-Change batteries in partnership with Redux. This allows us to achieve a recycling rate of up to 95% for metals per returned Power X-Change battery.

Renewable Energy

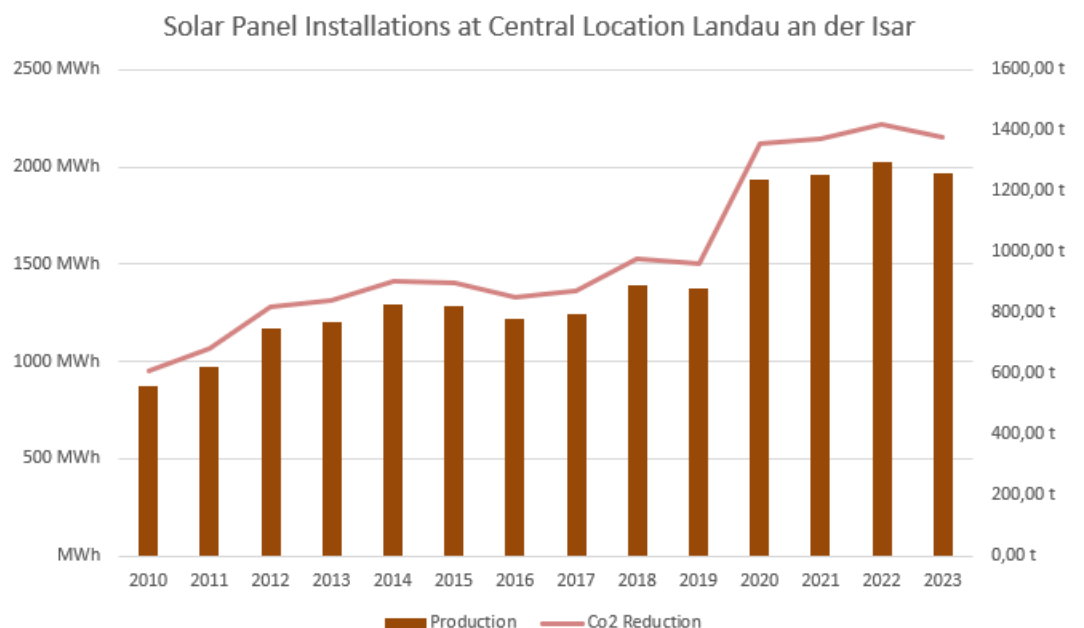
Renewable energy sources are an increasingly important part of global energy supply. They refer to natural resources such as sunlight, wind, Water and biomass, which are continuously and sustainably renewable. The use of renewable energy sources is therefore crucial in combating climate change and creating a clean energy future.

In this context, governments, companies, and individuals worldwide have begun to increasingly rely on renewable energy sources and develop innovative technologies for energy generation and storage.

We too have sought ways to reduce the combustion of fossil fuels and have utilized the roof surfaces of our warehouses to generate environmentally friendly solar energy through photovoltaic systems to meet our energy needs.

To further optimize the use of this energy, we have begun the transition of our vehicle fleet to electric vehicles and are gradually increasing the number of available car charging stations.

We have also converted our forklifts to electric operation wherever possible.



EU-Taxonomy

The EU Taxonomy is a framework developed by the European Union to help businesses and investors redirect their investments towards sustainable activities. It defines criteria and requirements for economic activities that are deemed "environmentally sustainable," creating a unified language and standards for sustainable investments in Europe.

It was developed to ensure that investments in sustainable economic activities align with the EU's environmental objectives. The taxonomy includes six environmental objectives identified as key areas for achieving a climate-neutral and sustainable economy.

Only economic activities that positively impact or can impact one of these objectives are further considered. For this, a distinction is made between "taxonomy-capable" and "taxonomy-compliant."

In the first step, taxonomy capability is checked.

Taxonomy-capable means that an activity, product, or investment can meet the criteria and requirements of the EU Taxonomy by taking steps to improve its sustainability.

If this condition is met, taxonomy compliance

is further checked.

Taxonomy-compliant means that an activity, product, or investment complies with the criteria and requirements of the EU Taxonomy. This means that it makes a significant contribution to achieving one of the six environmental objectives and has no negative impact on other objectives. An activity that is classified as "taxonomy-compliant" is considered sustainable.

Starting from January 2022, reporting companies are required to disclose the taxonomy-eligible and taxonomy-compliant share of revenue, investment, and operating expenses for environmental objectives 1 (climate protection) and 2 (adaptation to climate change). To meet this reporting obligation, we have assembled an interdisciplinary team of employees from various business areas and, in the first step, analyzed taxonomy-eligible activities based on the EU's technical assessment criteria (Annex I of Delegated Regulation (EU) 2021/2139).

In regards of revenue, Einhell only considers manufacturing activities that are associated with a significant transformation process as taxonomy-eligible. Other activities do not qualify as taxonomy-eligible under our interpretation of the EU Taxonomy Regulation. Under these considerations, it has



emerged that for our core business; the development and trade of products manufactured on our behalf; there are no technical assessment criteria of the EU.

For investments and operating expenses, business activities that are carried out only for internal purposes and do not generate external revenue are also considered taxonomy-eligible. In the case of Einhell, these include:

4.1 Electricity generation using photovoltaic technology.

6.5 Transportation by motorcycles, cars, and light commercial vehicles

7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and on parking lots belonging to buildings)

7.7 Acquisition and ownership of buildings

In the case of point 7.4, installation, maintenance, and repair of charging stations for electric vehicles in buildings (and on parking lots belonging to buildings), it is an enabling activity.

The low proportion of taxonomy-eligible revenue, investment, and operating expenses related to the environmental objective of climate protection is mainly due to the very limited overlap between Einhell's business activities and the economic activities mentioned in the EU Taxonomy Regulation. The small proportion of taxonomy-eligible operating and investment expenses is mainly attributable to the area of e-mobility.

No additional taxonomy-eligible revenue, investment, or operating expenses were identified for the environmental objective "adaptation to climate change."

Pollution

Environmental pollution is a pressing issue of our time that affects the lives of all living beings on our planet. The main causes of environmental pollution are industrial production, the burning of fossil fuels, agriculture, waste management and transportation.

These activities lead to an increased burden on the environment through pollutants such as carbon dioxide, nitrogen oxides, particulate matter, chemicals, plastic, and many others.

The consequences of this pollution are diverse and range from changes in climate, loss of biodiversity, diseases in humans and animals to the destruction of ecosystems and resources. Therefore, it is crucial that measures be taken to reduce environmental pollution and ensure the protection of our environment.

Compliance with relevant international and/or regional legal regulations is an integral part of our actions within the Einhell Group. In addition, 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 special emphasis on BSCI certification.

In the structured audit code of conduct according to BSCI, compliance with international and national environmental standards is also checked and used as a selection criterion under point 5.9. This ensures that the responsibility we hold in high regard is also shared by our partners.

In a globally operating company like the Einhell Group, logistic processes regarding environmental responsibility play a crucial role. Therefore, the 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 carried out with partners who understand and implement sustainable

ecological concepts as part of their services. Together with our globally operating partners, we are searching for solutions to constantly improve distribution processes in terms of sustainability and to continuously increase the share of green logistics.

As part of our current business model, it is generally necessary to have production carried out in Asia while adhering to our own high standards. This is the only way to implement the principle of "brand quality at the best price" at present. In addition, we are constantly searching for sourcing partners in closer regions to reduce transport burdens on the environment.

Furthermore, we are making significant efforts to optimize transports. The introduction of a software for dispatch optimization across the Group enables needs to be forecasted much more accurately and orders to be triggered more precisely. In combination with the software for optimizing individual transport carriers and a consignment warehouse in China, especially transports to smaller distribution locations can be optimized and the number of transports minimized.

Circular Economy

Even in the field of point-of-sale marketing, we have been integrating environmental considerations for several years. Sustainability aspects already play a significant role in the selection process of our suppliers: Many of our POS suppliers operate with 100% renewable energy, and their printing machines are predominantly equipped with energy-efficient LED drying lamps. Regarding recycling, through in-house disposal concepts, cutting and production waste are separated and reintegrated into the material cycle.

In addition to selecting our suppliers, we also pay attention to environmentally conscious alternatives for the materials we use. For

example, our cardboard displays are made from recycled wastepaper material with a low proportion of virgin fiber; the recycling content is approximately 80-99%. Furthermore, the displays are directly printed using digital printing technology. This has the advantage of eliminating the energy-intensive manufacturing step of lamination.

To avoid unnecessary transportation routes and emissions when delivering displays, we consolidate orders and bundle logistics processes with our partners. The disposal of sales and transport packaging is contractually regulated with licensed disposal service providers to fulfill our legal obligations under the Packaging Ordinance.

At Einhell in Landau, we can contribute further to the value chain by internally manufacturing special cushioning pouches from incoming cardboard boxes and paper waste generated in operations. These pouches ensure that our items arrive undamaged and in perfect condition during package transport.

Currently, we achieve a very good rate of >76% for PPK (paper, paperboard, cardboard) in securing our shipping items. We aim to actively expand this rate further.

The availability of technical resources, i.e., raw materials, semi-finished products, and components, will continue to be crucial for our success in the dynamic global economy. Even as new sources are being developed, it is our responsibility as a conscientious company to consider the environmental risks associated with them.



For Einhell, this means identifying and pursuing sustainable paths in the selection of components and raw materials for product ranges in new development. Through our unique Power X-Change platform, we drastically reduce the number of batteries and chargers required. This is a step in the right direction, but certainly not our only one.

Being frugal and sustainable with natural resources is not only ecologically sensible, as industrially required raw materials have become scarcer and more expensive due to globalization.

Therefore, from conception to development and manufacturing, we focus on reducing the use of raw materials and returning materials to the cycle whenever possible.

From the conception phase onwards for new products in development and procurement, ecological considerations are integrated into our automated project processes to ensure they receive the necessary attention at all times. Specifically, for plastic parts, we ensure that they meet all requirements for recyclability.

Of course, we also comply with all requirements for the return of electronic waste (ElektroG), sales and transport packaging (VerpackV), as well as entire devices. At Einhell, end consumers have the option to return their batteries directly, and the necessary shipping materials are provided. Additionally, batteries can be returned locally.

Our goal is to achieve the highest possible recycling rate through collaboration with certified recycling and disposal companies.

With a product policy based on the Power X-Change battery system, Einhell sets a significant example of responsible resource use. The core element of the platform is a battery that can be used in all devices in the series – currently over 250. Customers only need one battery and one charger for their various power tools and garden equipment. This not only represents cost savings for customers but also reduces the need for various batteries and chargers, resulting in less waste once the lifespan of the batteries or chargers expires.

To make these benefits even more lucrative for customers, the expansion of the Power X-Change platform to over 450 standalone devices is planned. Continuous innovations and quality improvements have resulted in the Power X-Change series batteries having an above-average lifespan. The special cell technology and control electronics of the Power X-Change batteries ensure optimal thermal management and charging behavior, as well as high safety during operation. This prevents damage to both the batteries and the devices, ensuring high performance with a long lifespan.

Furthermore, Einhell is transitioning more and more devices to brushless motors, which are wear-free. Brushless motors operate without the friction of carbon brushes. Less friction means lower operating temperatures, minimal wear, and thus a significantly extended lifespan of the entire device. In this way, Einhell supports sustainability through durability.

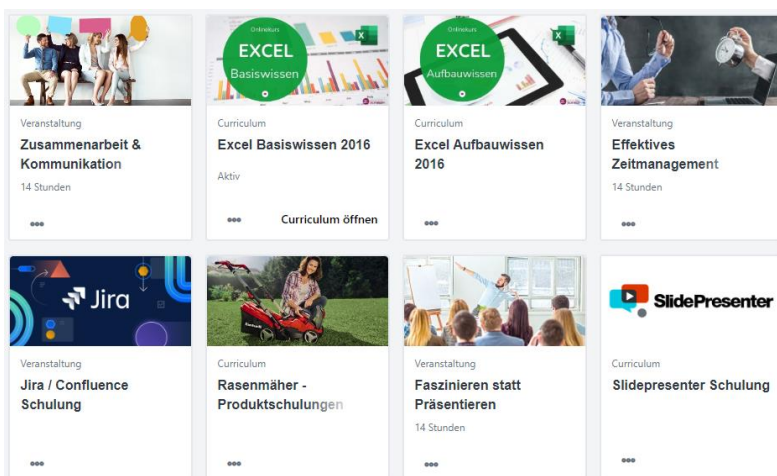
The production of combustion engine-driven devices is also gradually being phased out.

Social Workforce

The second pillar of the ESG approach, Social, refers to the social aspect of a company. It encompasses issues of social responsibility such as human rights, workers' rights, diversity and inclusion, public welfare, and social justice.

Einhell is a company that takes its social responsibility seriously. We are committed to complying with international labor standards, reducing emissions, protecting natural resources, and treating our customers, employees, and business partners fairly.

Our strategy aims to promote engagement in social and environmental issues in all areas of the company. Supporting charitable organizations and initiatives in this area is a given for us.



Furthermore, Einhell has launched a series of initiatives to ensure that employees are treated fairly and have a safe working environment. These include measures for occupational safety, promoting diversity and inclusion in the workplace, and training and development for employees.

In addition to achieving economic success, we also consider it important to have a positive impact on society and the environment.

One of these measures is our Einhell Academy. The Einhell Academy is the central

training center of Einhell, offering a wide range of training and development opportunities for employees.

Our academy provides a variety of courses and training programs that cater to employees from different areas of the company. These include training on products and technology, marketing and sales, quality management, leadership and management, as well as soft skills such as teamwork and communication. The training is conducted by experienced professionals and tailored to the specific needs of the employees and teams.

Furthermore, Einhell also offers external training opportunities, such as participating in external conferences and trainings, to keep employees up to date on the latest technology and trends. We also support our employees in their professional development by supporting certifications and degrees in relevant fields.

Overall, Einhell offers its employees a variety of training opportunities to enhance their skills, knowledge, and competencies and thus promote their career opportunities within the company.

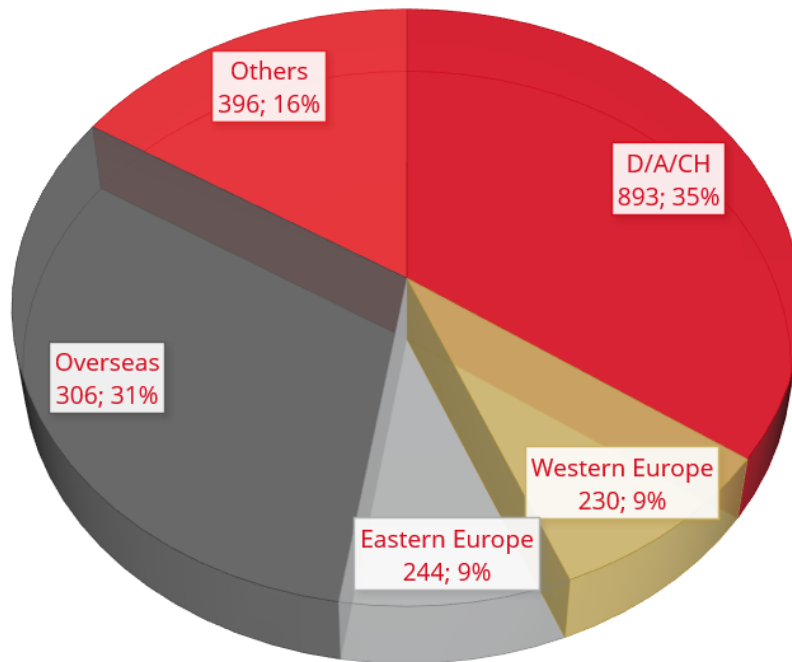
The distribution of employees among the individual companies reflects the local conditions in the markets and the established synergies within the corporate group.

The special Einhell know-how of our employees in the various functions represents a very special asset for us. The sustainable growth strategy of the Einhell Group is based on this asset and must therefore be preserved.

This also means that personnel expansion is always planned based on the sustainable and sufficiently probable positive business development.

With the internationally positive business performance, the personnel capacities were also adjusted to the requirements.

HEADCOUNT ON REGIONAL BASE 2023



In the fiscal year 2023, the acquisitions of SuraZinsano in Thailand and Swisstec in Vietnam had a significant impact on personnel statistics.

By the end of 2023, there were 2,693 colleagues within the Einhell Group.

The gender distribution changed slightly from 58.40% male, 41.50% female, and 0.10% diverse to 67.75% male, 38.95% female, and 0.3% diverse.

At the end of 2022, 2,069 colleagues were part of the Einhell Group. The gender distribution remained constant compared to the previous year with 59.5% male, 40.4% female, and 0.1% diverse.

Gender is not used as a criterion for selecting and promoting our employees. This is based on our core values, which hold that gender does not have a decisive influence on performance, integration, and development potential.

In this context, performance, identification, and personal commitment are generally the decisive criteria for filling positions.

The guiding principle of our diversity management is to understand the appreciation of the diversity of employees as a valuable part of our company, but also of our society.

This is not achieved through uniformity, but only through actively and benevolently responding to differences.

Sexual self-determination is one of the fundamental human rights. Generally, job vacancies are advertised in a gender-neutral manner (m/f/d) to indicate that gender is not a criterion for evaluation for us.

Our goal at Einhell is to

provide each person with an individual professional home regardless of gender, origin, ethnic affiliation, or other discrimination criteria. For this reason, we do not want to establish quotas for minorities, as this often leads to discrimination against individual members of the majority or runs counter to the development of the organization or the people involved.

This approach also means that questions of compensation and individual development at our company will not be influenced by consideration of the above-mentioned discrimination criteria. Rather, we understand violations of equal rights and basic equal opportunities as a violation of our compliance understanding and will act accordingly.

The Supervisory Board of Einhell Germany AG has set a target of 0 percent for the proportion of women on the Supervisory Board on June 19, 2020. For the proportion of women in the Management Board of the company, a target of 0 percent has been set, which maintains the current state of affairs regarding the Management Board. The Management Board of Einhell Germany AG has set a target of 0 persons for the first of the

two management levels below the Management Board and a target of 0 percent for the second of the two management levels below the Management Board.

This does not preclude an increase in the proportion of underrepresented genders in these two management levels.

Additionally, the historically determined location of our company in rural areas generally has a negative impact on the number of possible candidates for leadership positions.

At Einhell, we thoroughly examine the changing framework conditions to ensure a good long-term position in the job market. From this, three key themes emerge:

- **Shift from an employer to an employee market**
Current and potential employees have the ability to choose a qualified workplace, and thus, the individual and collective perception of an employer's positioning is crucial in the decision-making process. The structures and processes must be aligned with the life plans of employees.
- **Succession planning**
Essential knowledge is stored with departing employees and should be passed on as much as possible. Therefore, Einhell places great importance on maintaining a close and trusting relationship with its employees to be informed early on about upcoming changes in their life plans. Based on this, potential successors must be identified and carefully developed. This also requires early, clear decisions about internal or external appointment strategies for key positions.
- **Future generations and their values**

It appears that the upcoming generations (Generation Y, Z, Alpha) have significant differences in values compared to the previous generations. As these generations will shape our workforce in the future, we are already actively engaging with these value issues. The resulting company cultural and leadership questions will be addressed in a cross-generational discourse to achieve identification and a connection to the company

WISSEN ERHALTEN

Relevantes Wissen darf nicht nur in den Köpfen einzelner abrufbar sein, sondern muss möglichst universell allen beteiligten Stellen verfügbar gemacht werden. Dabei kommt es, auch im Sinne unserer mittelständischen Struktur, darauf an, die Auswahl tatsächlich über die Relevanz zu steuern, um nicht unüberschaubare und damit nicht nutzbare Datenfriedhöfe zu schaffen.

Dabei ist der fruchtbare Dialog der Generationen ein wichtiger Mosaikstein. Diesen zu gestalten ist eine wichtige Führungsaufgabe, der wir uns auch innerhalb der Führungskräfteweiterbildungen aktiv widmen.

In diesem Zug haben wir einen standardisierten Prozess eingeführt, der frühzeitig auch die individuelle Vorstellung zum Übergang in den Ruhestand in den Fokus rückt. Dies zielt darauf, dass speziell in Schlüsselpositionen frühzeitig Maßnahmen zum Wissenstransfer eingeleitet werden können. Dies beinhaltet neben gezielten Nachfolgeplanungen auch aktive Dokumentations- und Transformationsmaßnahmen

PRESERVING KNOWLEDGE

Relevant knowledge should not only be retrievable in the minds of individuals but should be made available as universally as possible to all involved parties. In this regard, it is important, in line with our medium-sized structure, to steer the selection based on relevance to avoid creating unmanageable and therefore unusable data graveyards.

In this context, the fruitful dialogue between generations is an important building block. This is an important leadership task that we actively address within our leadership training programs.

As part of this effort, we have introduced a standardized process that also focuses early on the individual's retirement transition plan. The aim is to initiate measures for knowledge transfer early, particularly in key positions. This includes targeted succession planning as well as active documentation and transformation measures.

Knowledge retention

The basis of knowledge retention is the designed and controlled knowledge transfer. For us, the possibilities of digitization are important tools in the active management of knowledge. However, direct communication must not be neglected. In this balancing act, we have initiated, expanded, and improved a whole range of measures that help us to convey relevant information to our employees.

In particular, the Einhell Academy, which is not only home to a wide range of technical training courses, further education and instructions, but also to systematic leadership training, brings this principle to life. Product training is just as much a part of the portfolio as personality-building training courses such as rhetoric and presentation seminars, time management, and workplace organization.

Communication

To preserve and manage knowledge, we believe that knowledge transfer is key, which involves the use of digital tools in addition to direct communication. We have implemented and improved a variety of measures to effectively communicate relevant information to our employees, including through the Einhell Academy, which offers various training and development programs such as product training, personality-building seminars, and time management and workplace organization courses.

However, we believe that regular, open, and timely communication is especially important in ensuring that our employees align their actions with the overall goals of the company. We have therefore introduced and continuously improved several communication instruments, and have also created platforms for exchanging opinions, ideas, and values.

We are convinced that our communication platforms, including digital ones, sustainably promote cohesion within our company and provide the basis for achieving our strategic and operational goals together. In our comprehensive leadership development program, we place a high emphasis on the importance of motivating and goal-oriented communication, as it is crucial for ensuring that all employees work towards the same goals. Even junior employees are included in these fundamental trainings to focus not only on their technical aptitude, but also on their qualifications as leaders.

Health

Health is a valuable asset that rightfully receives individual as well as political attention worldwide. Health is no longer just the absence of illness; it is an expression of overall well-being, influenced significantly by

the work environment and the balance between work and personal life.

For Einhell, this means on the product side, only bringing products to international markets that are at the highest technical level regarding their safety features and that prevent injuries due to improper handling through clear and understandable operating instructions.

The COVID-19 pandemic has highlighted that health and responsibility for it are not merely individual matters but also possess societal, political, and social dimensions. As an employer, we wanted and could not evade the resulting responsibility and therefore took appropriate measures early on.

Our duty of care as an employer of around 2,600 employees entails a high level of responsibility in workplace design, occupational safety, and value-oriented leadership, which we fully embrace through our Occupational Health Management.

The safety and health of our employees are of utmost importance at Einhell. This includes both the crucial occupational safety in the industrial sector and health protection in all areas.

Consistent prevention of safety risks through training measures, effective occupational safety management in all company areas, continuous improvement measures, analysis of work accidents, and not least, occupational health management at the Landau site, are components in creating safe and health-promoting work environments. Our success in this regard is evident in the low number of work accidents.

In a fundamental declaration on Einhell's health management adopted in 2014, the Executive Board set corresponding framework conditions.

The sustainable objective of our corporate health management is aligned with the definition of the World Health Organization. This entails a holistic approach that focuses

not only on preventing or treating diseases but also on the responsibility of all stakeholders, including employees themselves, colleagues, and the company as an institution, in shaping the well-being of individuals.

From our perspective, corporate health management is an integral part of every leadership task regardless of the hierarchical level. Leadership is recognized as one of the essential health resources and serves as a lever for achieving the well-being of employees. In conjunction with the necessary level of performance to ensure economic objectives, this creates a framework for actively demanding and promoting employees. An ongoing workshop series provides leaders at all levels with the opportunity to engage with this topic in their role and to exchange ideas with each other. Renowned experts in the fields of organizational psychology, as well as leadership and communication behavior, serve as speakers and contacts for sustainable development of leadership competence.

In 2023, the provision of internal support opportunities, which had been limited due to the COVID-19 pandemic, was reintroduced. In addition to lectures by prominent personalities, for example, on the topic of mental health, practical health courses were again offered, in which employees could participate free of charge.

Occupational Safety

Structured hazard assessments, with clear definitions of the hazard, probability of occurrence, and the resulting measures to be taken, are the basis of our occupational safety. It is self-evident for us that hazards that could endanger the lives of our employees, even if they have never occurred in our company, must be technically or organizationally structurally excluded.

Every new process is proactively evaluated for potential hazards to be able to take corresponding risk-minimizing measures before its introduction. The fundamental objective of national and international occupational safety laws and regulations is to keep the risk of harm to employees in the workplace as low as possible.

This dynamic approach, which is oriented towards the tasks and technical possibilities of prevention, is fully supported by us, and filled with life. We believe that every work accident is one too many!

As a result, prevention is the top priority in all actions in this context and is understood as a significant leadership task at all levels of management.

Every accident is viewed as the basis for an improvement process and automatically triggers corresponding measures. This approach is self-evident for the companies in the corporate group. As part of maintaining and expanding our supply chain, we explicitly focus on compliance with occupational safety standards in supplier audits.

Workers along the supply chain

Despite our economic focus, which of course underlies our actions, we are aware that there are regions on our planet where our standards regarding occupational safety, minimum age for employment, minimum wages, and working hours, etc. are not commonplace.

For this reason, we not only verify potential production partners and service providers on a technical basis, but also regarding compliance with ILO conventions. In high-risk countries, independent BSCI certification is the standard.

In general, we are committed to the United Nations' Human Rights Convention and therefore, within the scope of our possibilities, we pay attention to compliance with these standards in our corporate structures as well as in the upstream processes to avoid violations. Among other things, we are committed to protecting the weakest members of the respective societies, the children. Therefore, child labor is an absolute taboo at Einhell. All subsidiaries, partners, and

suppliers are audited on this point. In 2022, there were no deviations from this requirement.

In general, all partners in our supply chain are obligated to comply with the ILO conventions and the UN Convention on the Rights of the Child.

	6	5	4	3	2	1		
A							Ereignisursachenanalyse	risikomindernde Maßnahmen treffen
B							Einfache Ursachenanalyse	risikomindernde Maßnahmen treffen
C							Keine Ursachenanalyse notwendig	prüfen, ob Maßnahmen notwendig
D								
E								
F								
	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	seltener	1x im Jahr	schon davon gehört					
6	sehr selten	1x alle 10 Jahre	noch nie davon gehört					

Excerpt from the contract 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 these standards is regularly monitored during initial certification for the Einhell Group as well as during announced and unannounced factory audits. As a basis for our argumentation, we are a member of the BSCI and involve our partners in this framework.

Through the audits conducted by independent BSCI specialists, which are an integral part of our contracts, compliance with the 11 main principles is ensured not only by internal bodies but also by external experts.

BSCI-Code of Conduct

1. The right to freedom of association and the right to collective bargaining
Our company respects the rights of workers to form unions or other forms of worker associations.
2. Fair remuneration
Our company respects workers' right to receive fair remuneration.
3. Occupational health and safety
Our company ensures a healthy and safe working environment by assessing risks and taking all

necessary measures to eliminate or mitigate them.

4. Special protection for young workers
Our company provides special protection to all workers who are not yet adults.
5. No forced labor
Our company is not involved in any form of slavery, human trafficking, or involuntary labor.
6. Ethical business practices
Our company does not tolerate any corruption, extortion, embezzlement, or bribery.
7. No discrimination
Our company provides equal opportunities and does not discriminate against workers.
8. Reasonable working hours
Our company complies with the law regarding working hours.
9. No child labor
Our company does not employ workers below the legal minimum age.
10. No precarious employment
Our company employs workers based on documented employment relationships in accordance with the law.
11. Environmental protection
Our company takes necessary measures to avoid environmental damage.

End user

The safety and functionality of our products are essential responsibilities that we assume and must always keep in mind as a non-financial aspect. It is not in anyone's interest if companies position themselves in a way that is potentially press-worthy but neglect important safety aspects for social concerns.

We face these challenges daily, and therefore, product responsibility is part of our social responsibility. We generally consider product responsibility from two different perspectives:

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

Both perspectives are of outstanding importance for the company's development, even though there are different objectives, with the safety aspect always taking priority!

Regarding product safety, our goal is to exclude any hazards for the user during proper use of our products. This claim has starting points in the entire value chain.

Fulfilling the product's purpose and thus meeting the end customer's expectations is a prerequisite for the long-term customer trust we strive for.

Therefore, the end customer's expectations are identified from all sales areas and reflected in the development process through product management.

To ensure both objectives, a quality assurance concept is established along the value chain. This concept is constantly reviewed for potential improvements and adjusted according to the state of the art if necessary.

Product safety

Technical product safety is of course the top priority in our development and production process. It goes without saying that we strive to be up to date with the latest legal requirements. Established processes are continuously adjusted to comply with the harmonized standards issued by the European Commission, ensuring the highest possible level of safety. In addition to these basic

certification tests, local and regional standards are also considered and considered in case of differing requirements.

In our quality assurance facilities, especially in our well-equipped testing laboratory at Einhell China, as well as in the development departments at the Landau location, ongoing tests are carried out on test samples, prototypes, and especially on products from the current series production in order to maintain high quality standards throughout the entire product life cycle. These internal tests are naturally complemented by tests carried out by independent testing institutes.

Any identification of potential safety risks is immediately reported back into the process and triggers corresponding avoidance or corrective measures depending on the position in the project life cycle. In addition, firmly institutionalized processes for crisis intervention exist to be able to act quickly and competently in the event of product defects. This can sustainably minimize risks for end users of our products and potentially minimize financial or reputational damages. Especially from environmental protection considerations, it was decided to phase out the air conditioning product line by the end of the 2019 fiscal year. Although the refrigerant R 410 A currently used here meets current legal requirements, it is now considered a greenhouse gas based on the latest findings. In anticipation of a restriction or ban on its use, we have decided to discontinue the product line, which is strategically subordinate for us. Even though we expect that the gasoline-powered garden tools will be gradually replaced by battery-powered tools, especially Power X-Change, the demand is still significant at present. Therefore, we have converted all our gasoline-powered tools to the new Stage 5 emission standards, thereby meeting all international and local requirements in our markets.

Affected Communities

In principle, we see ourselves as a group of people who are dedicated to the task of economic and sustainable development of our company.

From this perspective, it is natural that adequate space is given to social aspects as well. This applies primarily to social concerns within our company, but also with regard to the integration of our individual companies and their workforce into the respective local communities.

Specifically, we see the integration of our headquarters in Landau an der Isar into the structures of the city and the region as a commitment. In addition to donations to regional and supra-regional social institutions and organizations, several honorary functions are filled by members of our workforce and brought to life.

Our company is successful! This success enables us to look beyond our own interests and engage in social activities. During the period under review, we have supported numerous projects. This support ranges from supplying power generators to Ukraine and fire departments, to fundraising campaigns for a regional children's hospice, to large-scale projects such as the RTL Donation Marathon "Wir helfen Kindern" (We Help Children) or Austria's largest charitable initiative "Licht ins Dunkel" (Light in the Darkness).

Overall, we achieved a donation amount of about €466.000 per year.

Governance

The Einhell Germany AG has committed itself to ensuring a responsible and sustainable leadership and control of the corporation through the voluntary submission of the Corporate Governance Statement.

The Corporate Governance Code developed by a German government commission aims to make the rules for corporate management and supervision in Germany transparent for national and international investors.

Through the statement, Einhell Germany AG creates transparency about the legal and company-specific framework and promotes the trust of its national and international investors, business partners, employees, and the public.

In this sense, these principles of the Einhell Group regulate the relationship with its shareholders and the social and political environment of the company, the efficient collaboration between the management board and the supervisory board, and the requirements for transparency and accounting.

Einhell Germany AG regularly reviews its Corporate Governance Statement in light of new experiences and legal requirements, as well as evolving national and international standards, and adjusts it as necessary.

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

Our group-wide compliance guidelines clearly communicate the guidelines for our actions as a prudent merchant. The adherence to these



2. VERBINDLICHKEITSERKLÄRUNG DES VORSTANDES

Der Einhell Konzern ist eine global agierende, mittelständische Unternehmensgruppe, die sich den Werten der Gründerfamilie und den Traditionen der Deutschen Wirtschaftshistorie verpflichtet.

Um die Marke Einhell weiter auszubauen und damit den Bestand des Unternehmens national und international zu sichern, ist eine ständige, innere Unternehmenserneuerung und -weiterentwicklung erforderlich.

Dies betrifft den Konzern als Ganzes, die Einhell Germany AG als Unternehmenszentrale sowie alle Tochtergesellschaften und Partner.

Die hier niedergeschriebenen Leitsätze sind in unserem beruflichen Alltag die Richtlinie für alle und müssen von Vorstand, Führungskräften und Mitarbeitern gleichermaßen gelebt und gegenseitig eingefordert werden. Die daraus abgeleiteten Führungsgrundsätze konkretisieren diesen Anspruch in den Führungsaufgaben.

Die Leitsätze zur Unternehmenskultur sowie die Führungsgrundsätze begleiten die Umsetzung der Inhalte der Unternehmensstrategie im Markenaufbau und der Internationalisierung.

Der Vorstand der Einhell Germany AG erklärt diese Richtlinien verbindlich für sich selbst und alle Mitarbeiter des Unternehmens.

Landau, im April 2020 Einhell Germany AG

Der Vorstand

Andreas Kroiss; Jan Teichert; Dr. Markus Thannhuber; Dr. Christoph Urban

guidelines is transparently and regularly reviewed through established processes and standardized reports. In our compliance guidelines, the responsibility for adhering to the established rules of conduct at the group level is directly assigned to the board members for their respective departments. We do this with full awareness and as a signal that we want to conduct our business fairly and transparently from the highest level of the group.

This transparency requirement is reflected by the established compliance structures.

Objective:

It is fundamental to us that our international business activities fully comply with both international and local legislation.

We are committed to the principle of "acting as a prudent merchant." Within the framework of our Internal Control System (ICS) and Compliance System, responsibilities and reporting channels are defined. In principle, we rely on each responsible functionary to be initially responsible for compliance with the relevant regulations.

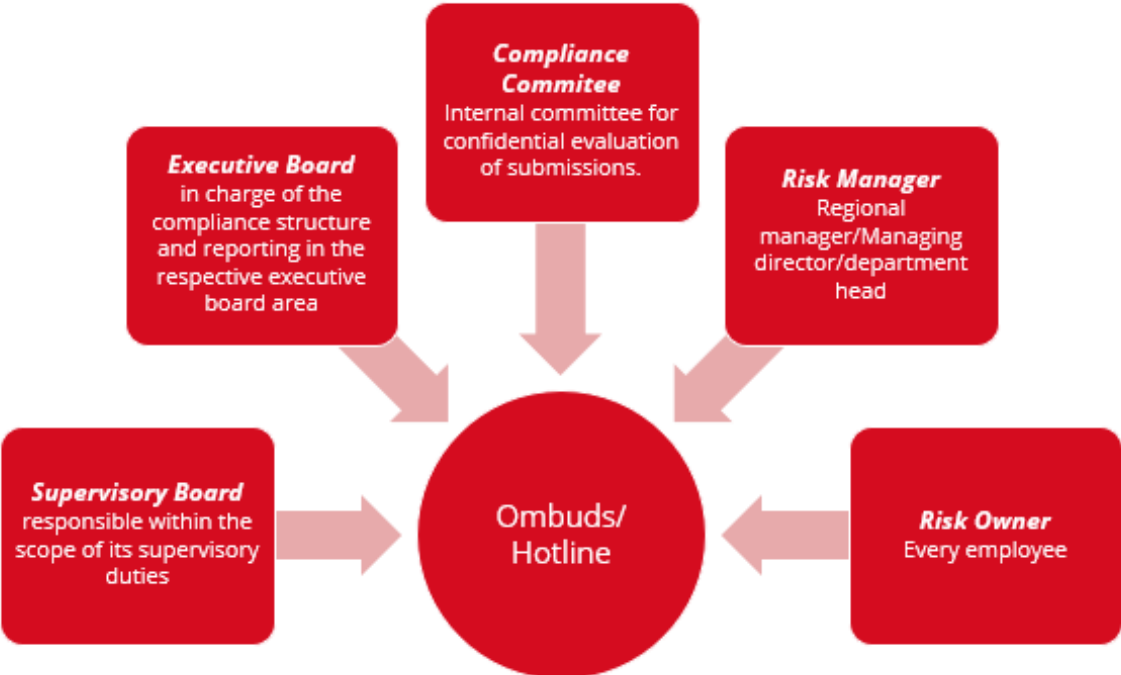
Our internal guidelines provide assistance and enable the involvement of third parties (Ombudsman + Compliance Committee) in case of open questions.

Our control system aims primarily at preventing compliance violations. Secondly, it also provides processes for how to correctly and timely act in case of suspicion to prevent harm to the company as well as to individuals. We ensure that suspicions are treated with the utmost confidentiality to enable an objective investigation without the risk of unjustified damage to the reputation of those affected.

Integrity is essential!

Essential to our customer relationships is, not least, the integrity of our market presence. At Einhell, it goes without saying that we comply with all applicable laws and regulations in all countries where we operate.

All employees are required to comply with our code of conduct and act with integrity in dealing with customers, suppliers, and government agencies. We win our contracts fairly based on the quality and prices of our products and services, not by offering undue advantages to others.



The code of conduct also prohibits any employee from holding a stake in suppliers, customers, or companies that compete with the Einhell Group. This avoids conflicts of interest in advance and creates clear relationships.

Through our group-wide compliance management system, we achieve clarity and transparency regarding expected behaviors, provide assistance and guidelines in border areas, and provide our employees with security and support in all issues of integrity. It is a matter of course for us that the executives personally assume responsibility for communicating, complying with, and continuously improving compliance management in their board areas. As part of regular reporting, the supervisory board is informed about the status quo of this lived system.

Our internal group audit examines the company units based on risks. Processes and areas with a higher risk of corruption or violations of legal requirements are examined more frequently.

Guidelines

For us, guidelines are indispensable "guardrails" for the actions of our employees. In line with our leadership culture, we try to delegate freedom in terms of scope of action and decision-making authority. This only works if all levels of our company are clear about the limiting factors of these freedoms and can orient themselves accordingly. For this reason, guidelines have been created in all essential areas that clearly and transparently provide the framework conditions.

- Balance sheet handbook
- Sales handbook IFRS guidelines
- Antitrust guidelines
- Internal control system guidelines

- Risk management system guidelines
- Mandatory guidelines for the preparation of offers in promotional business
- Mandatory procedure for purchasing goods in foreign currencies
- Compliance guidelines
- Assignment guidelines
- Currency hedging guideline accounts receivable management (hedging Euler Hermes)
- BSCI guideline
- Guideline for the use of electronic media and data protection
- Technical project management guideline
 - At the level of product categories
 - At the regional level
- Technical quality assurance Implementation
- Guideline for European safety standards

Risk Management

59 years of corporate history have taught us as an organization that it is not the unconditional pursuit of profit maximization, but rather the long-term development of customer-supplier relationships that enables healthy and sustainable growth.

As will be discussed in more detail in the following points on risk management, it is certainly an inheritance of our tradition as a family-owned company that we actively seize opportunities while also carefully considering the risks. From our perspective, this means

not pursuing business ventures if the risk is incalculable and disproportionately high. Only in this way can we maintain a sustainable business for our customers, shareholders, employees, and supply chain partners.

The goal of our economic activities is the long-term preservation of the company in connection with well-calculated and balanced growth on an international level. For more information on this, please refer to the management report of Einhell Germany AG and the Einhell Group.

We are aware that every economic action is associated with opportunities and risks. Sustainable management for us means identifying them early, evaluating them, and making clear decisions based on them. We are guided by our experience and responsibility as a medium-sized family-owned company. Opportunities whose risks endanger the existence of the company will not be pursued, even if they offer significant potential profits. To ensure this, these far-reaching strategic questions are extensively discussed and analyzed by the executive board, the supervisory board, as well as internal and external experts. A structured risk management system is necessary to consciously take on identified risks.

Structurally, we have established a transparent risk management system for this purpose and for the consideration of ongoing operational risks, in which risks from all functional areas are listed comprehensively (risk identification), evaluated (risk analysis and assessment), and subjected to regular review (risk monitoring).

This enables us to sensitize and involve all employees in the functional departments on the one hand, and on the other hand to maintain a constantly updated view of our risk factors. From our point of view, only on this basis is sustainable risk management possible. The structured examination of risk areas is thus part of the regular status determination at both corporate and functional department levels.

The risk management system as part of the internal control system is also focused on the risk of misstatement in the consolidated financial statements and external reporting and serves in particular for the early detection of possible risks.

With the introduction of an IT-based risk management information system, we want to provide the necessary information collected, compact, and timely to the company management and those responsible for steering the company. This simplifies data collection in the individual companies and minimizes the effort of the risk manager in the group.

The process of risk management in the Einhell Group is divided into two stages. In the first step, the risks in the subsidiary companies and the departments of Einhell Germany AG are recorded decentral by the risk managers appointed by the management board. They are responsible for risk identification and evaluation.

For the Einhell Group, identification is initially important because risks that are not identified cannot be included in planning. The evaluation of existing risks is based on the product of the probability of occurrence of the damage and the maximum damage amount. The net risk is assessed, i.e. the risk that remains after various measures have been taken.

The second stage includes the consolidation, analysis, and control of risks by the risk manager and the company management.

To manage risks, the company has various methods at its disposal. With risk avoidance, the risk and thus the associated opportunities are not pursued. Another method of risk management is risk reduction, which minimizes the risk through organizational measures.

This is also known as risk mitigation. A further method is risk transfer through insurance, contracts with suppliers, etc. The remaining risks are consciously borne by the Einhell Group. It is necessary to weigh whether the

risk is in an appropriate proportion to the opportunities.

In general, the risks have been identified and evaluated in the categories listed alongside, although this is not an exhaustive list and is continuously reviewed for relevance.

The risk management system's methodologies are also applied to potential non-financial risks, which, in accordance with § 289c of the German Commercial Code (HGB) and the Non-Financial Reporting Implementation Act derived from it, must be addressed in the non-financial statement.

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 projectse <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

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