

Risk reporting

Q4/2018 CSR

Environment

Risk Identification					
Risk-Category	Org	Risk-Owner	No.	Risk-Name	Risk-Description
CSR	EAG	Technikal departments	CSR E1	not adequately disposable product componets	Negative effects on the reputation of the company by using product components that are not adequately disposable.
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
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
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 collaboration with logistics companies known as polluters.
CSR	EAG	Technikal departments	CSR E5	Use of harmful raw materials and components	Necessary recall actions as well as considerable damage to the reputation of the company due to the use of harmful raw materials and components

Risk Analysis						
Impact (low)=1	Impact (high)=6	Impact	Likelihood (low)=1	Likelihood (high)=6	Likelihood	Risk
impact insignificant	impact catastrophic	3	not at all	frequent	1	3
impact insignificant	impact catastrophic	2	not at all	frequent	1	2
impact insignificant	impact catastrophic	2	not at all	frequent	1	2
impact insignificant	impact catastrophic	3	not at all	frequent	1	3
impact insignificant	impact catastrophic	4	not at all	frequent	2	8

Impact:
 1: insignificant < 300 k€
 2: small 300-600 k€
 3: significant 1,2-2,4m€
 4: critical 2,4-4,2m€
 5: significant 1,2-2,4m€
 6: critical 2,4-4,2m€

Likelihood:
 1: unimaginable, 0-3%
 2: unlikely, 4-10%
 3: possible, 10-20%
 4: sometimes, 20-60%
 5: likely, 70-84%
 6: frequent, 85-100%

ad-hoc risk

Risk Management			
Strategy	action/explanation	Risk prev. period	Progress
Avoid	continuously checking of the used components regarding the disposability and environmental soundness	3	→
Avoid	Selection of certified disposal companies, if locally possible, otherwise dispose of the greatest possible caution in the commissioning of waste and scrap Part of the BCSI Monitoring	2	→
Avoid	Selection of certified disposal companies, if locally possible, otherwise dispose of the greatest possible caution in the commissioning of waste and scrap Part of the BCSI Monitoring	2	→
Reduce	International cooperation with logistics providers who commit themselves to sustainable environmental protection and also demonstrate their efforts to reduce emissions	3	→
Reduce	Clear definitions in the development process for the use of only tested and harmless identified raw material and components. Definition of reaction scenarios in the case of new scientific findings. Part of the BCSI monitoring	8	→

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Environment

Impact:
 1: insignificant < 300 k€
 2: small 300-600 k€
 3: medium 600-1.2M€
 4: significant 1,2-2,4M€
 5: critical 2,4-4,2M€
Likelihood:
 1: unimaginable, 0-3%
 2: unlikely, 4-10%
 3: possible, 10-40%
 4: sometimes, 50-69%
 5: likely, 70-84%
 6: frequent, 85-100%

Risk Identification					
Risk-Category	Org	Risk-Owner	No.	Risk-Name	Risk-Description
CSR	EAG	Technical departments	CSR E6	Risk by co-operation in case of environmental pollution by subcontractors	Reputationsschaden in zweifacher Hinsicht 1. moralische Mitverantwortung by Zusammenarbeit mit Umweltverschmutzern und ggf. Nicht Verfügbarkeit von Ware wegen Umweltsanktionen gegen Zulieferer
CSR	EAG	Technical departments	CSR E7	Non-compliance 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
CSR	EAG	all Companies of the Einhell Group local General Manager	CSR E8	Dangerous Goods and Hazardous Substances Ordinance	Actual damage from insufficient or mislabeled products would show Einhell as an incompetent market participant
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 officers or monitoring of environmental aspects	Actual damage from insufficient or mislabeled products would show Einhell as an incompetent market participant

Risk Analysis						
Impact (low)=1	Impact (high)=6	Impact	Likelihood (low)=1	Likelihood (high)=6	Likelihood	Risk
impact insignificant	impact catastrophic	3	unimaginable	frequent	2	6
impact insignificant	impact catastrophic	3	unimaginable	frequent	2	6
impact insignificant	impact catastrophic	3	unimaginable	frequent	1	3
impact insignificant	impact catastrophic	2	unimaginable	frequent	1	2

ad-hoc risk

Risk Management				
Strategy	action/explanation	Risk prev. period	Progress	
Reduce	Supplier selection taking into account compliance with local environmental legislation, non-compliance is a definitive exclusion point Part of the BCS Monitoring	6	→	
Avoid	Constructive consideration of local legal regulations regarding chemical, physical and emission related product characteristics and requirements for disposal (country of use)		↑	
Avoid	Training of all involved, external consultants and assortment monitoring		↑	
Avoid	In case of any effects of a temporary business interruption, appropriate insurance		↑	

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