

Risk reporting

Q4/2021

CSR

Environment

Impact:

1: insignificant 0-300 k€
2: small 300-600 k€
3: large 70-40%
4: significant 1,2-2,4m€
5: critical 2,4-4,7m€

Likelihood:

1: unimaginable, 0-3%
2: unlikely, 4-10%
3: rare, 20-40%
4: sometimes, 50-69%
5: likely, 70-84%
6: frequent, 85%

| Risk Identification | | | | | |
|---------------------|-----|---|--------|--|--|
| Risk-Category | Org | Risk-Owner | No. | Risk-Name | Risk-Description |
| 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. |
| 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 | Technical 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 |
| 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 |

| 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 | 3 | not at all | frequent | 2 | 6 |
| 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 |



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 | ↓ | |
| Reduce | Supplier selection taking into account compliance with local environmental legislation, non-compliance is a definitive exclusion point Part of the BCSI 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 | | ↑ | |

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| Risk Identification | | | | | |
|---------------------|-----|---|--------|--|--|
| Risk-Category | Org | Risk-Owner | No. | Risk-Name | Risk-Description |
| 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 | 2 | unimaginable | frequent | 1 | 2 |

ad-hoc risk

| Risk Management | | | | |
|-----------------|--|-------------------|----------|--|
| Strategy | action/explanation | Risk prev. period | Progress | |
| 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 ECOLOGY, ACCORDING TO THE DEFINITION OF §289C HGB AND CSR REPORT IMPLEMENTATION LAW,