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Guideline for the environment, workers' rights and sustainable business management

We regard the people employed in our company as the most valuable potential for securing the future of our company.

Excerpt from our corporate principles

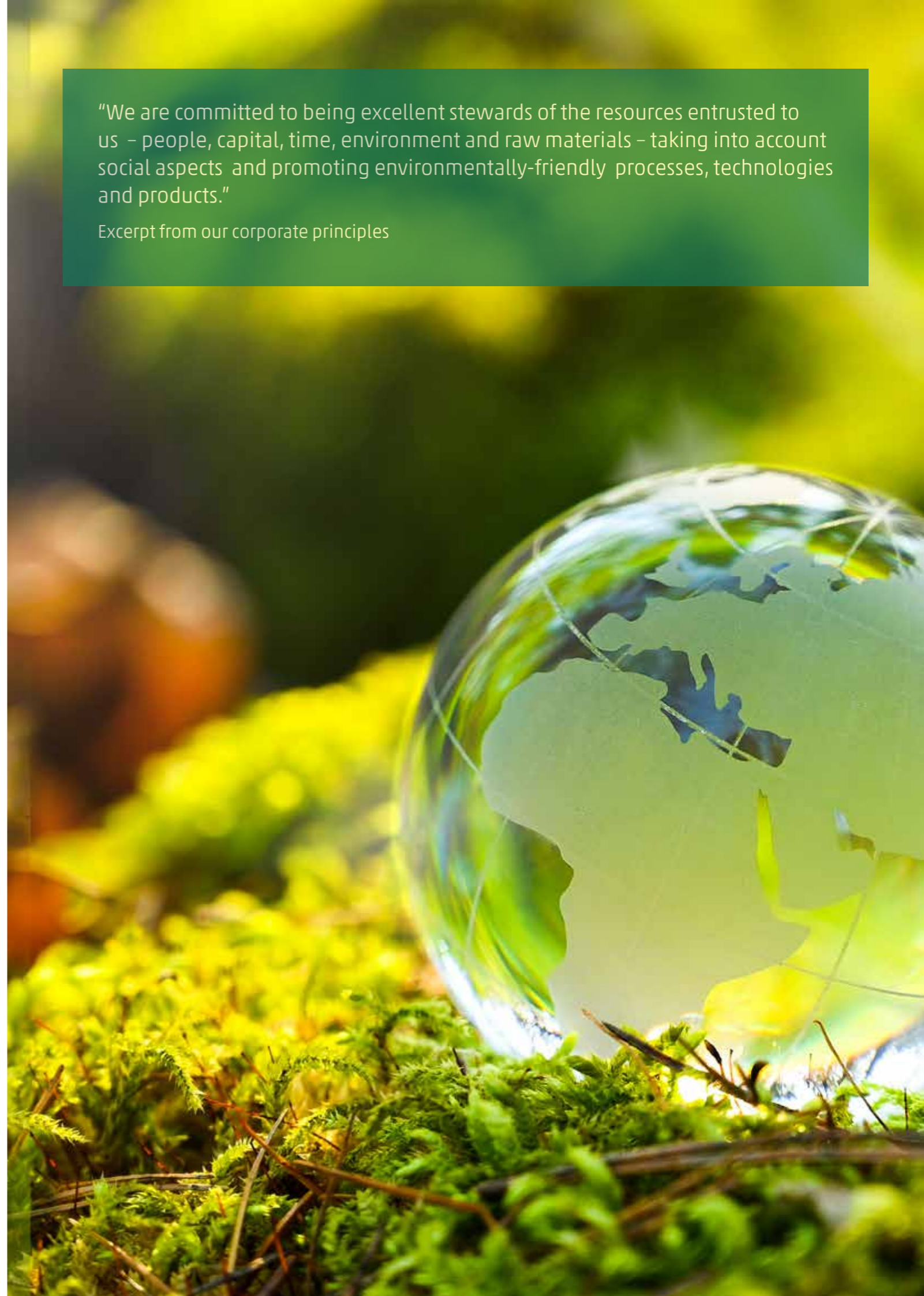


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"We are committed to being excellent stewards of the resources entrusted to us – people, capital, time, environment and raw materials – taking into account social aspects and promoting environmentally-friendly processes, technologies and products."

Excerpt from our corporate principles





1.1 Introduction

Accumulatorenwerke HOPPECKE Carl Zoellner & Sohn GmbH, with all its affiliated companies inside and outside Germany (henceforth referred to as “HOPPECKE”), is a family business that has deep roots in our local region, but is also active on the international stage. Our fundamental commitment to responsible corporate conduct has been part of our identity since our founding days.

As an expression of this responsibility, HOPPECKE is committed to sustainable and transparent management in harmony with our corporate values and the concerns of our stakeholders. In 2012, HOPPECKE undertook to comply with and advance the principles of the UN Global Compact initiative⁽¹⁾. We have integrated these principles into our corporate strategy, corporate culture, and day-to-day operations. Our corporate activities are thus underpinned by the principles enshrined in the UN Global Compact.

HOPPECKE’s sustainability strategy is oriented towards the 2030 Agenda of the UN⁽²⁾, so as to be able to contribute to achieving the development objectives defined in it. At HOPPECKE, we are currently working on updating our sustainability strategy. Starting from the 2025 financial year, it will also include validation of our environmental and climate objectives (by the Science Based Targets Initiative, SBTi⁽³⁾).

The present Guideline for the environment, workers’ rights and sustainable business management (henceforth referred to as “the Guideline”) sets out the basic values, principles and practices that form the foundation for our action, and thereby fosters the advancement of sustainability in our corporation. All employees and management personnel at HOPPECKE are obliged to adhere to the specifications of this Guideline.

⁽¹⁾ www.unglobalcompact.org

⁽²⁾ <https://sdgs.un.org/2030agenda>

⁽³⁾ www.sciencebasedtargets.org

1.2 Environment

Energy consumption and greenhouse gases

We are mindful of our responsibility for the environment and constantly strive to fulfil that responsibility. As part of our certified energy management, we endeavour to use energy-saving processes which minimise emissions of greenhouse gases, thus reducing our impact on the environment. To achieve this, we comply with the environmental regulations in force in all countries in which we operate; we treat these as minimum standards in our environmental protection management. We have also adopted the goal of carbon neutrality by 2045, and will take every action required to reach that goal.

To further reduce our future energy consumption, we are taking a variety of measures. These include replacing conventional lighting systems with energy-

efficient LED lighting, installing motion sensors and giving our employees training on energy topics, in order to increase our energy efficiency and to conserve resources. In all areas of our business, we opt for energy-efficient procedures and equipment (through process design and purchasing) and continuously work on reducing our specific energy consumption. Additional measures have resulted from analysis of energy consumers (SEUs) and the improvements derived from that (e.g. insulation, optimisation of control systems, and replacement of machines, transformers and heating systems with more energy-efficient models). For heating energy, we make use of heat recovery from exhaust air and other heat sources, and also greater use of heat pumps. On top of that, we are actively boosting the share of renewables in our energy supply by expanding our

own renewable energy generation (solar and wind power) and increasing the proportion of renewable energy we purchase from our energy suppliers (as green electricity).

In implementing these measures, we are guided by the established principle of prioritising avoidance before reduction, and reduction before offsetting. Consequently, we focus first of all on avoiding emissions, and have made a conscious decision not to offset our CO₂ emissions at this time.

Each year, we determine the extent to which we have achieved our specified energy goals, adapt our internal measures accordingly if necessary, and specify new measures if required. HOPPECKE's CO₂ footprint is calculated annually

production of new lead-acid batteries directly on the site of our main plant in Brilon.

Our waste strategy aims to use virtually all the waste in our main plant in Brilon as much as possible, through material recovery and reuse. To ensure success in this objective, waste separation and disposal is carried out carefully at all our sites, in accordance with strict rules. Not only that, we also label and handle hazardous materials separately, in order to reduce any risk to people or the environment to an absolute minimum.

Product use and end-of-life

Preservation of the environment is one of our greatest concerns. HOPPECKE is committed to the goal of developing products that set new standards, and is an innovator in sustainable and environmentally friendly technological development. Consequently, we carefully assess the environmental impacts of our products, particularly in regard to product use and lifetime (by carrying out lifecycle analyses, for example), and we give due regard to the findings in our daily work.

In addition to the efficient and ecologically friendly development of our products, we continuously strive to extend the lifecycle of our products by means of a closed recycling loop for lead batteries. We at HOPPECKE are at the forefront of this in Germany, and have developed innovative methods of recycling and reusing our products. By doing so, we minimise the environmental impacts of our products. In this takeback program, used batteries and chargers are reconditioned to an assured level of quality, which extends their product lifecycle. At the same time, it is also our responsibility to inform our customers about the relevant instructions for commissioning and use and also about recycling. To do so, we provide detailed informative documents.

Raw materials, chemicals and waste

To reduce the amount of waste that HOPPECKE generates and thereby also keep the associated environmental impact as low as possible, we at HOPPECKE are sparing in the use of natural resources (water, raw materials, energy) in our production processes, and take a variety of measures for waste minimisation.

For example, we aim to have a 100% closed recycling loop for lead. Most of the lead in our main plant in Brilon comes from our smelter, meeting more than two thirds of our needs. In operating our own secondary smelter on the site of our main plant in Brilon, we not only recycle the lead from our own batteries and those of other manufacturers: we also collect any lead waste material from our production processes and feed it into the smelter, where it is turned back into usable lead. In this way, we ensure a 100% closed recycling loop for our companies that are located at that site. The recycled lead is reused in the



To avoid and reduce the environmental impact of batteries, and to ensure a sustainable and safe value chain for all batteries, HOPPECKE is actively implementing the European Union's Battery Regulation. The aim of this Regulation is to optimise the environmental performance of batteries and the activities of all stakeholders involved in the lifecycle of batteries, such as producers, distributors and end users and, in particular, those operators directly involved in the treatment and recycling of waste batteries. As part of our CE conformity assessment, we make sure that HOPPECKE fulfils the requirements of the Battery Regulation.

Water and air pollution

At HOPPECKE, we are committed to minimising the environmental impacts of our company's activities in regard to air pollution and water. We strive to prevent as much as possible any pollution of the environment as a result of our business activities.

To reduce our water consumption, we already collect rainwater from all surfaces and main roof areas of our main plant in Brilon and utilise it as industrial water for our production processes.

We have our own wastewater treatment plant, which enables us to deal with the pollutants that are typical of our specific type of production. One important aspect is the lead content. For this, we operate a physicochemical wastewater treatment system which is specially designed for the treatment of heavy metals in acidic wastewater. Using techniques such as gravel filters, selective ion exchangers and activated carbon filters, we achieve a water quality that has allowed us to retain a permit to discharge water directly into the Hoppecke brook ever since the founding of the company.

Our production wastewater is not only cleaned in our central wastewater treatment plant, but also beforehand in decentralised treatment stations that we operate at certain sources in our main plant in Brilon. These stations enable specialised cleaning of various pollutants directly at their point of origin.

The production wastewater from all parts of the main plant in Brilon is analysed and monitored by our in-house laboratory. This provides us with up-to-date daily information about the quality of the wastewater coming from each of the sources in the plant. Thus, our wastewater treatment plant, specialised water treatment stations and regular analyses all contribute to our responsible handling of our water resources.

In regard to air pollution, various measures have been taken to keep it to a minimum. The installation of the latest filter technology has already ensured the reduction of emissions of dust and aerosols to below the legally prescribed limits. Moreover, sources of air pollution that are subject to mandatory measurement are analysed and monitored by an accredited measuring institute, and all workplaces with possible exposure to lead dust are checked annually by our own control measurements. Actions are specified and implemented according to the exposure values recorded. These and other measures are intended to ensure that any possible sources of diffuse emissions are reduced in future, wherever possible.

Customer health and safety

Our utmost priority is the safety and health of our customers. At HOPPECKE, we are committed to ensuring that our products and services always meet the highest standards of quality and safety. Our aim is to continuously make sure that neither our products nor our services pose any health or safety risks for our customers, and that they satisfy the highest expectations

of quality. For this purpose, we provide our customers with comprehensive operating instructions. In these instructions, we call attention to relevant health and safety factors, especially in relation to the commissioning, maintenance, care and storage of our batteries.



1.3 Workers' rights and human rights

Employee health and safety

We regard the people employed in our company as our most valuable asset and actively work to ensure their safety, to safeguard the future of our company. Our primary objective is the continuous reduction of workplace accidents. To this end, we regularly check working conditions, analyse potential weak points, stipulate preventive measures and train our employees every year in the area of occupational safety. In addition, we make sure that suitable protective equipment for all employees is available at our workplaces. We also translate our occupational health and safety procedures into the most important languages to ensure that all employees can understand and obey the relevant information.

Additionally, as part of our occupational health management programme and in cooperation with a health insurance company, we give our employees the opportunity to take part in various programme offerings focusing on different aspects of health each financial year. The programme includes health checks, talks by specialists, online programmes and other health and fitness initiatives. Through our cooperation with EGYM Wellpass, our employees have the chance to actively improve their health in various sporting facilities, including gyms and swimming pools.

A central goal is to maintain a blood lead level of ≤ 15 $\mu\text{g}/\text{dL}$ for all employees in production and maintenance and in production-adjacent divisions in our main plant in Brilon. A specific blood lead program has been established for this purpose, with employees being given regular updates on their own blood lead level, to encourage them to be mindful of their behaviour in regard to hygiene and the handling of lead.

We have established a joint occupational health and safety committee to ensure the ongoing health of our

employees. This committee is comprised of representatives from various departments, and meets quarterly to discuss and advise on occupational health and safety matters and accident prevention

Working conditions

We rely on teams of highly motivated and highly skilled people who stay loyal to us over many years and are dedicated to our company. To make sure that our employees are continuously satisfied, we strive to create an optimal working environment and have set the goal of achieving 100% employee satisfaction.

To gauge working conditions and the resulting satisfaction of our employees, we invite them to participate in an employee questionnaire at least once every three months.

With the aim of fostering leadership development and promoting a culture of continuous feedback, HOPPECKE integrates the 360-degree feedback as an integral part of our leadership development programme. This is done with the goal of creating an established feedback culture in the long term and optimising the HOPPECKE competency model.

As part of our employee benefits, we offer our workers a company-funded pension scheme. To increase staff mobility, we offer flexible working hours, and have signed a company agreement with employee representatives regarding remote working. Our aim is to offer every employee working arrangements and conditions that are adapted to their specific life situation, as far as their particular jobs permit.

It is important to us that our employees feel respected and valued. That is why we offer a profit-sharing model whereby employees can acquire HOPPECKE dividend rights, allowing them to invest financially in the company and share in its success.



HOPPECKE actively tackles the challenges facing society, and welcomes the personal involvement of its staff in charitable projects. HOPPECKE's social fund, the Carl Zoellner Fund, supports the volunteer work of HOPPECKE employees across the globe. It fosters projects for the benefit of society and the environment, as well as initiatives in the areas of education and culture.

Workplace dialogue

We uphold our workers' right to collective bargaining, recognise the core labour standards of the International Labour Organization (ILO) and treat the labour regulations that apply in each country as minimum requirements. To ensure this, we regularly meet with employee representatives to work together with them to continuously improve working conditions. Through this dialogue, which takes place at least once a month, we aim to develop effective measures for the continuous advancement of working conditions.

In addition to the company agreements and internal guidelines in force, which are drawn up jointly with the Works Council, HOPPECKE also complies with any other stipulations regarding working conditions and career management, thereby securing fair and equitable treatment of employees. Any modifications or updates of these rules and guidelines are communicated to employees in a timely manner (e.g. via the intranet) and in accordance with the requirements of the law.

Career management and training

The people employed at HOPPECKE are the most valuable potential for our business activities, now and in the future. We therefore endeavour to continually develop the technical skills of our staff, and to systematically develop their skills in all other dimensions too, to give them the qualifications for further tasks within the company. Through our own HOPPECKE Academy, we offer every employee the chance to constantly enhance their training and add to their skill set,

both for their current role and for future tasks. Our goal is for every employee to take part in at least one professional development course per year.

Personalised development and career planning is carried out on the basis of a skills matrix covering the central tasks and processes of a particular department. In the matrix, there is a description of each role and what that role involves in each process. If the matrix reveals the need for certain skills, managers and employees come together for an employee development interview. Specific training and development measures can be registered during that interview, which the HR development team can schedule for the employee.

In order to ascertain the causes of an employee's periods of incapacity for work and look for ways to prevent or at least reduce sick leave, reintegration meetings can be held with the employee's consent. For this purpose, HOPPECKE has set up a permanent team for company integration management (BEM) which acts as a point of contact for staff who have been off sick for a long period of time and supports them in their reintegration. This can assist in overcoming incapacity to work and help employees to maintain their health, so they can keep their job at the company.

Human rights

Our objective is to establish a corporate culture that does not tolerate any forms of child labour or forced labour, or any kind of modern slavery or human trafficking, in our business practices or supply chains. This objective is intended to ensure that our company and our business partners actively contribute to combating child labour, forced labour and human trafficking, and that our business practices are in accord with the highest ethical standards.

A variety of measures have already been implemented for the attainment of this objective. For our trainees and apprentices who are not yet legal adults, the approval and signature of their legal guardian is required on their training contract. Break times are modified in line with the Jugendarbeitsschutzgesetz (Youth Employment Protection Act) and are adhered to accordingly. Additionally, our younger employees are trained and informed regarding their rights and obligations with the aid of training courses provided by the HOPPECKE Academy. The company also has a „youth and trainee representative council“ which actively supports our trainees and apprentices.

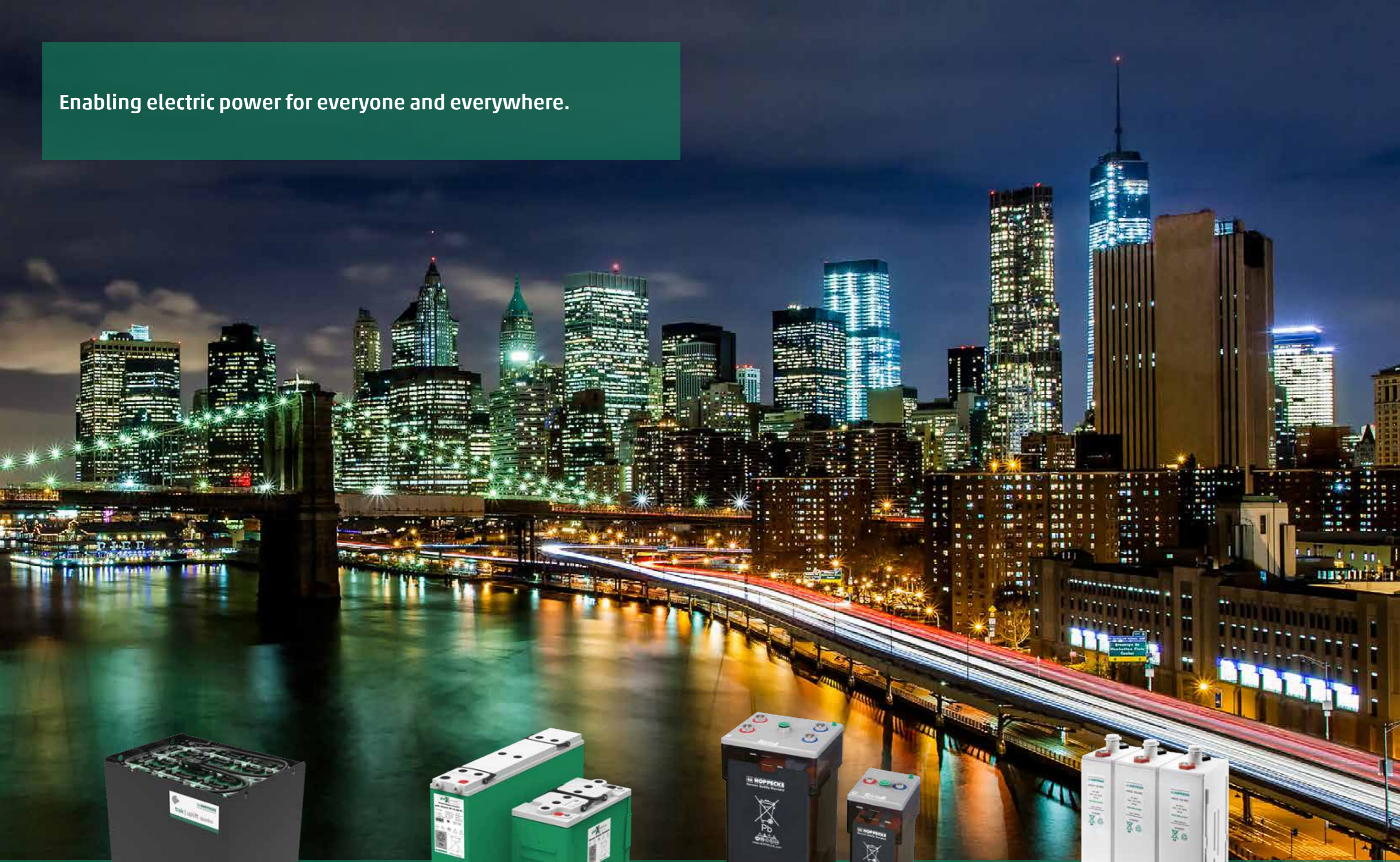
Diversity, equal opportunity and inclusion

It is our goal to create a working environment characterised by respect, diversity and inclusion. We strive to create a work atmosphere in which all staff feel valued and safe, regardless of gender, ethnic origin, religion, sexual orientation or other personal attributes. To promote the inclusion of employees with disabilities, HOPPECKE has a support officer for severely disabled employees and an inclusion officer. Additionally, we have established a permanent complaint mechanism through which employees can complain if they feel disadvantaged or harassed by employers, managers, other employees or third parties due to their race, ethnic origin, gender, religion, beliefs, disability, age or sexual identity, in the context of their employment or training.

As a fundamental rule, we reject any kind of discrimination, violence or harassment in our company or at our partner companies. HOPPECKE workplaces are consequently free of violence, harassment and discrimination on the basis of gender, skin colour, religion, age, ethnic origin, disability or other factors. All employees of our company are paid fairly and merit mutual respect.



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1.4 Corporate governance

Corruption protection and competition law

Our corporate business dealings must always be conducted by the book, and in accordance with the values of society. HOPPECKE does not permit the market to be influenced or distorted, especially by bribery, corruption, fraud, industrial espionage, money-laundering, theft, embezzlement or extortion. Employees of HOPPECKE must not offer, pay, demand or accept any bribes or other illegal payments. Potential conflicts of interest must be avoided and if a lack of transparency could give rise to them, that transparency must be created.

Participation in anti-competitive agreements is strictly prohibited. The employees of HOPPECKE are strictly forbidden to engage in any dealings aimed at such participation and any other dealings that could lead to distortion of competition. In particular, all activities are prohibited that could lead to agreements or exchanges of information with competitors regarding prices, price components, market or customer sharing, production capacities or other competition-relevant parameters.

A central element in compliance with competition law and corruption prevention at HOPPECKE is our guideline on dealing with business partners and authorities and on handling conflicts of interest, which addresses topics such as fair competition, benefits to/from third parties, consultant and agent agreements, and conflicts of interest. We further contribute to corruption prevention through the principle of countersigning which is enshrined in our signature rules, and also through the comprehensive regulation of invoice approval and payment actions, which is documented in our workflow descriptions.

Furthermore, employees working in sensitive areas are required to complete training on corruption prevention and competition law. This training is repeated

at regular intervals in the form of an e-learning course, and is offered in both German and English. This training ensures that our employees are always up-to-date with the latest developments in these compliance-relevant areas. In addition, HOPPECKE requires written confirmation from all employees that they have read and comply with the code of conduct of the HOPPECKE Group.

Responsible information management

At HOPPECKE, we aim to ensure that all personal data and confidential information from our business partners and employees is duly protected.

HOPPECKE makes sure that there is no unauthorised access to such data and information and that appropriate security measures have been implemented to prevent breaches of data protection. HOPPECKE is committed to complying with all applicable privacy and data protection laws and regulations and to ensuring that the information practices we use meet the highest standards.

HOPPECKE provides its employees with training on the topics of data protection and information security. All staff who have computer access at their workstations and are thus regularly in contact with personal and/or confidential data must complete this training and must repeat it at regular intervals. This training is offered in the form of interactive e-learning in both German and English, and is updated as needed.

At regular intervals, HOPPECKE identifies and assesses potential IT risks for the company, including risks to information security. The aim of this is to work out and implement measures to counter the identified risks, for the purpose of risk minimisation.

HOPPECKE also operates an integrated IT security management system ("ISMS") for our sites in Brilon and



Zwickau. The ISMS is certified in accordance with the ISO/IEC 27001:2013 standard and undergoes regular audits.

To respond to IT threats such as cyberattacks as proactively and promptly as possible, HOPPECKE has in place a comprehensive incident response process. The aim of this is to prevent cyberattacks before they occur, whenever possible. The priority is to protect productive and critical business processes and to minimise potential expense that could result from a cyberattack.

Whistleblower system

Ensuring open and trust-based interaction is essential for HOPPECKE. This is why HOPPECKE, several years ago, set up its whistleblower system with a trusted, independent lawyer acting as ombudsman. We actively encourage persons and stakeholders – both inside and outside the company – to contact HOPPECKE's ombudsman confidentially, and also anonymously if they wish, about any breaches of legal regulations

and/or our own internal rules and guidelines, and any other irregularities observed in dealings with our company. For more information on the HOPPECKE whistleblower system and the contact details of the HOPPECKE ombudsman, see the HOPPECKE website.

1.5 Sustainable procurement

Ethical practices of suppliers

HOPPECKE strives to maintain ethical standards for all employees in our supply chain too. We therefore do our utmost to ensure that all suppliers respect fundamental principles of ethics and workers' rights, including human rights and fair working conditions, and integrate them into their business practices. Our aim is to ensure that our supply partners share our values and ethical standards and implement them throughout their own supply chains.

Environmental practices of suppliers

We aim to ensure that HOPPECKE's suppliers use environmentally friendly business practices, and are actively committed to sustainability in their own supply chains.

We work closely with our suppliers to monitor compliance with environmental regulations and standards, and to promote waste minimisation and the use of ecofriendly materials. This partnership approach fosters environmental sustainability in our entire supply chain and makes a considerable contribution to reducing our ecological footprint. This objective is designed to ensure that our suppliers not only meet

our business requirements, but also share our environmental goals and take an active role in minimising environmental impacts.

Conflict resources

At HOPPECKE, the ethical procurement of resources is very important for us, especially in regard to what are known as "conflict resources". To ensure that our suppliers comply with the requirements of ethical business, we apply the measures that are described in the purchasing policy of the HOPPECKE Group.

For example, suppliers for conflict resources for all plants are specified exclusively by the central purchasing department of the HOPPECKE Group. Only suppliers that can provide suitable proof of origin (e.g. the reporting template from the Conflict-Free Sourcing Initiative) may be approved for the supply of these resources.

1.6 Information

This Guideline is reviewed at regular intervals. If changes occur during that period of time, adjustments are made independently of the usual review cycle. If you have any questions about this Guideline, please contact:

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Brilon, 30 October 2023



Dr. Marc Zoellner
CEO of the HOPPECKE Group



HOPPECKE Outdoor charging station

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