

VARTA AG Sustainability Report 2024



Sustainability Statement

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49. General disclosures

49.1. General information ESRS 2

Disclosure Requirement BP-1 – General basis for preparation of sustainability statements

This report has been prepared in accordance with Section 315c (3) in conjunction with Section 289d of the German Commercial Code (HGB) using the framework of the European Sustainability Reporting Standards (ESRS) and we have aligned the contents of this report to these requirement. We have used the ESRS as a framework for the first time due to its importance as prescribed sustainability reporting standards by the European Commission. This also fulfils the requirements for non-financial reporting obligations in accordance with Sections 315b to 315c of the German Commercial Code (HGB) (non-financial group statement). This sustainability statement covers the period from 1 January to 31 December 2024, which aligns with the reporting period for the undertaking's annual financial statements. This sustainability statement has been prepared on a consolidated basis, in line with the scope of the consolidated financial statements. This includes all companies that are directly or indirectly controlled by VARTA AG. Details of the companies included can be found in the Annual Report (please refer to section 46 Investment companies).

The Sustainability Statement is also available in German. In the event of any discrepancies, the German version of the document takes precedence over the English translation. The Sustainability Statement contains key information on the companies of VARTA AG Group as well as the upstream and downstream value chain. The upstream and downstream value chain was included as part of the materiality assessment and to fulfil the due diligence and reporting requirements. No use was made of the option to omit certain information relating to intellectual property, expertise or the results of innovations. No use was made of the exemptions under Directive 2013/34/EU from disclosing forthcoming developments or matters under negotiation. Data points that are subject to voluntary reporting or staggered transitional provisions are not taken into account by VARTA AG Group in the 2024 reporting year.

General note on the presentation of figures

In individual cases, rounding may result in discrepancies in final values in this report and percentages may result in discrepancies in final values.

Disclosure Requirement BP-2 - Disclosures in relation to specific circumstances

The time horizons are defined as follows, unless otherwise described in the respective chapter:

- short-term time horizon: the period used by the company as the reporting period in its financial statements (1 year),
- medium-term time horizon: from short-term reporting period up to three years (budget planning period at VARTA AG Group aligned with the risk management system) and
- long-term time horizon: more than three years.

Sources of estimates and earnings uncertainties

Overall, the following key figures include sources of estimates and earnings uncertainties that arise for various reasons. These include, for example, the availability of reliable data along the upstream and downstream value chain and/or the accuracy of

measurement techniques. The estimation methods used are outlined in the following table. For a description of these uncertainties in the results, please refer to the relevant pages in the sustainability statement. Consequently, the key figures listed in the following table include estimates based on indirect sources such as sector average data or other approximate values. The basis for the preparation of the key figures, their accuracy and any planned measures to improve accuracy are described in more detail in the sustainability statement.

Estimates and result uncertainties

ESRS disclosure requirement	Key figure	Material estimates and earnings uncertainties	Reference
Article 8 of Regulation 2020/852 (Taxonomy Regulation)	СарЕх, ОрЕх	Breakdown of CapEx and OpEx amounts by turnover of economic activities	50.1.1. Metrics and targets
E1-5	Energy consumption and energy mix	Calculation of fossil and nuclear energy Estimation of the energy consumption of the international sales locations based on average, country-specific per capita consumption of households	50.2.2. Energy consumption and energy mix
E1-6	Greenhouse gas emissions (GHG emissions)	Scope 1 categories: Mobile combustion of the vehicle fleet of the international sales locations Scope 1 categories: Energy purchased by the international sales locations Scope 3 category: 1 Purchased materials, 2 Purchased services and capital goods, 4 Upstream transport, 5 Waste from production, 7 Employee commuting, 9 Downstream transport, 11 Use phase of products sold, 12 Endof-life treatment	50.2.2. Gross Scopes 1, 2, 3 and Total GHG emissions
E5-5	Resource outflows	Estimation of parts of the disposal types Parts of the total waste generation from distribution sites based on average, country-specific per capita consumption of households	50.3.2. Resource outflows
S1-14	Key figures for health and safety	Hours worked, Lost Time Injury Rate (LTIR), occupational accidents ≥ 1 day lost and fatalities due to work-related injuries at the international sales locations based on ILO (International Labour Organisation) key figures	51.1.3. Safety in the workplace

This sustainability statement contains statements on the future business development of VARTA AG Group. These statements are based on assumptions about the development of the economic, political and legal landscape in individual countries, economic regions and markets, using the available information which the company considered to be realistic at the time of publication. The estimates given involve certain risks and actual developments may differ from those forecasted. Any changes in key parameters relating to VARTA AG Group's most important sales markets or any significant shifts in exchange rates, energy and other raw materials or the supply of parts relevant to the company will have a corresponding impact on the business development of VARTA AG Group.

In addition, there may be deviations from the expected business development. If either the estimates presented in this sustainability statement regarding the factors influencing the sustainable value appreciate or if opportunities and risks develop differently than expected at the time of publication.

Disclosures based on other legal provisions or generally recognised sustainability reporting pronouncements

This non-financial Group statement partially complies with ESRS and was prepared in accordance with Sections 315b to 315c HGB. The first-time, albeit partial, use of the ESRS

as a framework is due to the importance of the ESRS as reporting standards for sustainability reporting adopted by the European Commission.

The sustainability statement fulfils the mandatory disclosures of the non-financial statement in accordance with Section 289 c-e HGB. Environmental pollution, marine and water resources and biodiversity as part of the mandatory disclosures on "Environmental matters" and "Anti-corruption and bribery" are not material matters to VARTA AG Group according to the double materiality analysis. For this reason the company does not disclose any concepts on these matters in this report. We monitor these on an ongoing basis and will introduce a concept if materiality becomes apparent. Further information on immaterial impacts can be found in the chapter "Special disclosures on environmental pollution, water and marine resources and biodiversity". There are no or only very limited business activities in high-risk countries.

In accordance with Section 289c HGB, there are no significant risks from our own business activities, business relationships, products or services that are very likely to have a serious negative impact on non-financial aspects. No key performance indicators relevant to management were identified, i.e. no significant non-financial performance indicators were identified within the meaning of Section 289c(3) HGB.

As part of the environmental information in this non-financial Group statement, the disclosures pursuant to Article 8 of Regulation 2020/852 (EU Taxonomy Regulation) for VARTA AG are included in the section Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation).

Inclusion of information by means of references

The following information has been incorporated by reference into this statement. This information can be found in the management report.

Inclusion of information by means of references

		fination by means of references	Potencia.
ESI	S disclosure requiremen RS 2 BP-1, ragraph 5e)	Scope of consolidation of the VARTA AG Group Overview of the business model including the relevant products as well as important markets and customer groups	Reference Consolidated Management Report, Group structure
	RS 2 GOV-5, ragraph 34	Risk management and internal control system	Consolidated Management Report, Opportunity and risk report
Pa	RS 2 SBM-1, ragraph 40 a) i., iii., b) c)	a) a description i. of the significant groups of products and/or services offered, including changes during the reporting period (new products and/or services withdrawn from the market), ii. The significant markets and/or customer groups served, including changes during the reporting period (new/defunct markets and/or customer groups), iii. The number of employees by geographic area	a) Consolidated Management Report, Group structure, Business model
		Income statement b) a breakdown of total revenue as recognised in the financial statements by the relevant ESRS sectors. If the company's financial statements include segment reporting in accordance with IFRS 8 Operating Segments, this information on the sector's revenue is reconciled as far as possible with the disclosures in accordance with IFRS 8,	
		c) a list of additional relevant ESRS sectors beyond those referred to in paragraph 40(b), for example, activities that give rise to intragroup revenue, in which the entity has significant operations or in which it has or may have significant involvement. The identification of these additional ESRS sectors shall be consistent with the manner in which they were considered by the entity in the materiality analysis and the manner in which it discloses material sectorspecific information	
	RS 2 SBM-3, ragraph 50	Risk management and internal control system a) the process to identify material impacts, risks and opportunities; and b) the information that, as a result of its materiality assessment, the undertaking has included in its sustainability statement.	Consolidated Management Report, Opportunity and risk report
E1-	5, Paragraph 43	Reconciliation of net revenue account from activities in climate-intensive sectors	
E1- 55	6, Paragraph 53-	Reconciliation of the net revenue amounts (the denominator in the calculation of the GHG emissions intensity required by paragraph 53	
S1-	6, Paragraph 50a	The total number of employees by head count, and breakdowns by gender and by country for countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees	Consolidated Management Report, Employees
S2	-3, Paragraph 27a)	Export control of the downstream value chain	Consolidated Management Report, Opportunity and risk report

49.2.Governance

Disclosure requirements GOV-1 - The role of the administrative, management and supervisory bodies

VARTA AG is the parent company of the Group and is based on a dual system. In accordance with the German Stock Corporation Act (AktG), it consists of the Supervisory Board and the Executive Board. They observe the principles of the German Corporate

Governance Code and issue an annual declaration on corporate governance. The document is published on the VARTA AG Group's website:https://www.varta-ag.com/en/investoren/corporate-governance.

Under the supervision of the Supervisory Board, the Executive Board is responsible for the overall strategic direction of the company and ultimately decides on the approach to sustainability, including the procedures and allocation of resources for the implementation of measures. It monitors the concepts with regard to the design of processes, the definition and achievement of targets and the allocation of resources for their implementation. The task of monitoring the impacts, risks and opportunities is therefore the responsibility of the Executive Board of VARTA AG. Thanks to their experience in different professional fields and many years of international experience, both bodies have specialised knowledge and skills with regard to sustainability aspects. Details can be found in the corporate governance declaration.

As of the 31st December 2024, the Executive Board consists of four members. The Chairman of the Executive Board is responsible for the following departments:

- · Consumer Batteries Division,
- · Micro Batteries,
- Lithium Large Cells,
- Investor Releases & Corporate Communications,
- Human Resources, Legal & Compliance,
- Lithium-Ion Small Cells,
- ESS & Li-Ion Battery Packs,
- · Operations,
- Marketing,
- Strategy& Business Development,

the Chief Financial Officer

- Finance & Controlling,
- Information Technology,
- Purchasing,
- Risk Management,
- Taxes,
- Treasury & Insurance Management,

the Chief Technology Officer

- · Cell Development,
- Funded Projects Commercial,
- · Technics,
- Material Research & Pre-Development,
- Quality,
- · System Development,
- Sustainability,

and the Chief Restructuring Officer has no departments allocated to him. The proportion of executive members is 100 %.

The members of the Executive Board have diverse and complementary experience relevant to the various sectors and products of the company. One of the four Executive Board members has worked for the VARTA AG Group for almost 25 years, while two others have extensive work experience in the battery industry and in-depth knowledge of

markets and products. The Chief Financial Officer, on the other hand, has extensive experience as a board member in various sectors. In 2024, all four members of the Executive Board of VARTA AG Group were male. The Supervisory Board comprises twelve people, two of whom are women (just under 17 %). The company also considers other aspects of diversity, such as age distribution. Two people are aged between 30 and 40, two between 40 and 50, and eight over 50. Six of the committee members are either company employees and part of the works council or part of the industry union. This corresponds to a share of 50 %. Members of the Board have extensive relevant experience in the company's sectors, products and geographical markets. This includes knowledge of the manufacturing industry, expertise in the battery sector, and experience in various regions around the world. In accordance with recommendation C.13 of the German Corporate Governance Code, the Supervisory Board has assessed that 50 % of its members are independent. Local monitoring of the implementation of the sustainability strategy is the responsibility of directors at respective locations. The relevant departments, particularly Sustainability, Human Resources and Quality, are responsible for implementing and continuously developing measures as part of the defined sustainability strategy. The Sustainability department is responsible for monitoring risk management focusing on human rights due diligence obligations. Responsibilities are derived from the Human Rights Policy Statement and the assigned mandates.

The VARTA AG Group's Supervisory Board has a competence profile which stipulates that its members must collectively possess the necessary knowledge, skills and experience to fulfil their duties. Based on the recommendations of the German Corporate Governance Code, the Supervisory Board has therefore defined specific composition targets. Particular attention is paid to ensuring that the Board has sufficient expertise in sustainability, environmental issues and social matters. According to its own assessment, the Supervisory Board of the VARTA AG Group is adequately staffed. This includes both directly available and indirectly available expertise and skills required to monitor significant sustainability-related impacts, risks and opportunities. According to the Board's self-assessment, more than 40 % of Supervisory Board members have expertise in ESRS aspects, 25 % have specific ESG expertise and more than 40 % have expertise in the areas of compliance and human resources. The ESRS aspects are allocated to the areas of expertise as follows.

- Climate change, environmental pollution, water and marine resources, biodiversity, resource use and circular economy, workers in the value chain, affected communities and consumers and end users are assigned to the "ESG" competence field.
- The ESRS aspect "Own workforce" is assigned to the "Human resources" competence.
- The ESRS aspect "Business conduct" is assigned to both the "Compliance / Legal" and "ESG" expertise.

The Sustainability and Compliance departments report directly to the Executive Board on their collaboration with the relevant departments regarding material impacts, opportunities, and risks, as well as the effectiveness of adopted concepts, measures, parameters, and targets. The reports particularly focus on processes for mitigating climate change and the implementation of due diligence relating sustainability and compliance issues.



Disclosure requirement GOV-2- Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

During the reporting period, the Sustainability Ddepartment collaborated with the Executive Board and the first management level in the planning and implementation of the double materiality analysis in accordance with the ESRS and informed them of the results. This included a description of the impacts, risks and opportunities identified as material and presented in section Material impacts, risks and opportunities and their interaction with strategy and business model. The heads of the respective locations are responsible for monitoring the implementation of the due diligence concepts regarding sustainability. At departmental level, managers are responsible for implementing appropriate measures within their remit. Sustainability, particularly the Human Rights Policy Statement, alongside quality, forms the framework of the VARTA AG Group's management system and thereby shapes the strategy and decision-making of the entire company (please refer to chapter Management system). Particular focus is on sub-topics such as occupational safety, energy, climate, due diligence and the environment. The Human Rights Policy Statement and the VARTA AG Group Code of Conduct provide guidelines for decision-making and actions for all VARTA AG Group employees. For details on the Code of Conduct and how to deal with violations please refer to chapter Code of Conduct.

The undertaking's dedicated Sustainability department is responsible for managing sustainability activities and their implementation throughout the company. The Sustainability and Compliance departments report directly to the Executive Board on their collaboration with the relevant departments regarding material impacts, opportunities, risks, and the effectiveness of adopted strategies, actions, metrics, and

targets. The reports particularly cover processes for mitigating climate change and information on the implementation of due diligence in relation to sustainability and compliance issues. Reports are submitted to the entire Executive Board of the VARTA AG Group on a monthly basis, as well as on an ad hoc basis. These are supplemented by annual management reviews, during which Executive Board members are informed about substantive issues, progress, compliance with requirements and target achievement. At an operational level, cross-departmental representatives regularly coordinate ongoing projects and initiate new ones. Employees at all locations also play a key role in promoting sustainability by proposing ideas or initiatives to the Sustainability department.

The Sustainability department has its own budget for implementing projects, such as reducing greenhouse gas emissions and improving sustainability performance in the social sphere. The Executive and Supervisory Boards are primarily responsible for integrating ESG into the corporate strategy.

Disclosure Requirement GOV-3 - Integration of sustainability-related performance in incentive schemes

In the 2024 financial year, no sustainability-related incentives were included in incentive systems.

Disclosure Requirement GOV-4 - Statement on due diligence

For further information on fulfilling due diligence obligations and details of the VARTA AG Group's management system please refer to Chapter **Compliance with due diligence obligations** and chapter Management system.

Core elements of due diligence

Core elements of due diligence

- a) Integration of due diligence into governance, strategy and business model
- b) Involvement of affected stakeholders in all key steps of due diligence
- c) Identification and assessment of negative impacts
- d) Measures to counter these negative impacts
- e) Tracking and communicating the effectiveness of these efforts

Paragraphs in the sustainability statement

ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3

ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2, IRO-1, E1 MDR-P, E2-

MDR-P, E5-MDR-P, S1-MDR-P, S2-MDR-P

ESRS-2 IRO-1, ESRS 2 SBM-3

E1-MDR-A, E5-MDR-A, S1-MDR-A, S2-MDR-A

E1-MDR-M, E5-MDR-M, S1-MDR-M, S2-MDR-M, E1-MDR-T, E2-

MDR-T, E5-MDR-T, S1-MDR-T, S2-MDR-T

Disclosure Requirement GOV-5 - Risk management and internal controls over sustainability reporting

For information on the internal control system and the risk management system please refer to chapter 41 Risk management. The Sustainability and Compliance departments, along with other departments, act as risk owners in the Group-wide risk management system and report to the risk manager (please refer to chapter 41 Risk management).

During the reporting period, the sustainability reporting process comprised several distinct data processes, each organised by designated individuals at the group level. The Sustainability department coordinated and managed the entire process. This is based on a centralised management system that defines the relevant processes and methods, including accounting concepts and key internal controls. These internal controls have been prioritised using a risk-oriented approach. The most significant reporting risks include incorrect or incomplete data deliveries. To minimise these risks, specific controls have been introduced for the individual processes, including photo documentation and plausibility checks, such as completeness checks and deviation analyses.

49.3.Strategy

Disclosure Requirement SBM-1 - Strategy, business model and value chain

We overcome challenges by providing solutions that promote independent living and support the transition to clean energy and sustainable mobility. Our household batteries provide a reliable energy source for everyday appliances and are easy to use. Energy storage solutions allow households and businesses to store energy independently and reduce costs. While, hearing aid batteries offer consistent performance – making users' lives easier. Hearing aid batteries offer continuous market potential in a stable segment due to the ageing population. More detailed information on markets and customer groups can be found in the AR in the chapter 49.3.

Energy storage systems and hearing aid batteries demonstrate social responsibility and offer innovative solutions for a variety of stakeholders. The VARTA AG Group operates within a complex network of stakeholders, which are described in detail in the Stakeholder analysis section of this chapter. For information on employees please refer to Disclosure Requirement S1-6.

The VARTA AG Group's upstream value chain encompasses all the processes and stakeholders involved in procuring and processing the raw materials necessary for manufacturing batteries. It includes the mining and refining of materials that are essential components of battery cells. Intermediaries are responsible for selling the raw materials and handling logistics. A key part of the chain involves producing primary products, such as cathode and anode materials. These materials are manufactured in specialised facilities and then supplied to the Group. In addition, artificial materials such as artificial graphite are sourced directly from the supplier. During production, these components are assembled into battery cells, and into battery modules and packs if necessary.

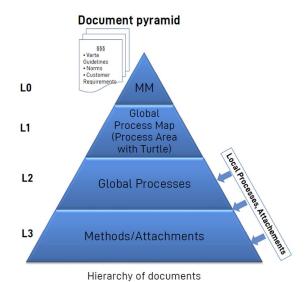
VARTA AG Group's business division encompasses production, assembly, packaging and dispatch to business customers. The production process requires a wide range of materials, equipment and machines. To ensure the highest product quality and innovation, we rely on a qualified workforce and work closely with our suppliers, many of whom have been business partners for many years. Depending on the product, we supply our batteries to retailers or other manufacturing companies for further processing. To complement our product portfolio, we source additional technologies from other companies, providing our customers with a comprehensive range of products. For a complete overview of our business, products and locations please refer to the Annual Report, in the chapter 1 Group structure. Our business customers sell our products to end users. Our batteries are used to provide and/or store energy, making it available as required for a wide range of applications — including powering households and electronic devices. Once a battery has reached the end of its life cycle, it is collected and recycled or disposed of in accordance with the relevant country's regulations.

Management system

The high quality of products available on the global market is the result of a comprehensive quality and sustainability policy. Robust, controlled processes and compliance with legal and statutory requirements are prerequisites for the effective implementation of this policy. Sustainability, particularly the fundamental declaration on human rights, alongside quality, forms the framework of the VARTA AG Group's management system and thereby shapes the strategy and decision-making of the entire company (please refer to chapter Compliance with due diligence obligations). The sustainability policy covers occupational safety, energy, climate and due diligence.

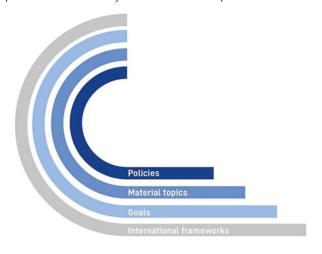
Existing local management systems of the individual companies of the VARTA AG Group are currently being merged under the global management system. The management manual and global processes are being introduced gradually. Until the global system is fully implemented, local processes and regulations will remain in place. The system considers opportunities and risks, and ensures that the requirements of all interested parties are taken into account. The management system has a hierarchical structure. The management manual (Level 0), process map (Level 1), global processes (Level 2) and methods (Level 3) are mandatory for all sites where applicable. The VARTA AG Group's management system is centrally controlled. Control comprises the following activities:

- Structuring, implementation and monitoring of the management system
- Review of the global management system, including input from internal stakeholders
- Management and monitoring of the global internal audit programme



Sustainability Framework

As a pioneering and innovative company that acts in harmony with social, ecological and economic values, we are committed to fair and equitable business practices. Conserving resources by using materials economically and continuously improving product performance and safety are of the utmost importance to VARTA AG Group. We align our



actions with international frameworks that provide a global context for our sustainability efforts, guiding our corporate goals and practices. We work in accordance with the guidelines of the UN, OECD and ILO, and we support the guiding principles of the UN Global Compact, the amfori Business Social Compliance Initiative (BSCI), the Carbon Disclosure Project (CDP), the Science Based Targets Initiative (SBTi) and the UN Sustainable Development Goals (SDGs). We collaborate directly with interest groups on specific projects and engage with industry and sector associations to address various projects. This network provides us with opportunities, but also makes us aware of risks that we need to identify and mitigate, as well as potential impacts that we would like to improve, reduce or avoid.

At company level, the VARTA AG Group endeavours to implement the sustainability strategy in the following four facets.

- Shaping the future: Everything at VARTA is driven by the pursuit of a better quality of life for future generations.
- Sincere responsibility for people: An essential part of the VARTA AG Group's success is
 its employees and all players in the supply chain.
- Sincere responsibility for the planet: VARTA is committed to the planet. Therefore, the company wants to increase the competences within its supply chain to align them with VARTA's environmental ambitions.
- Striving for energy efficiency: VARTA is constantly striving to optimise the use of resources in its production processes and to increase the energy efficiency of its products.

They act as a guide for assessing current and future performance. Identifying material topics provides orientation for prioritising measures and shaping the company's sustainability strategy. Policies serve as guidelines and work instructions, aligning the behaviour of our employees with the achievement of our goals. The concepts apply to the company's own activities, the upstream and/or downstream value chain, all geographical areas, and particularly the identified stakeholder groups (please refer to Interests and views of stakeholders for more information). Responsibilities for implementation are defined in Chapter Management of impacts, risks and opportunities. Due to the close link between the concepts and the materiality analysis, the latter should always be considered in the context of the former (please refer to chapter Material impacts, risks and opportunities and their interaction with strategy and business model). For detailed concepts and a list of measures, targets and parameters relating to individual material topics please refer to relevant chapters.

Shaping the future

Since its foundation, the pioneering spirit of the VARTA AG Group has driven the development of tomorrow's energy solutions. The three core brand values of VARTA AG — Explorer, Performance and Tomorrow — are paving the way to the future. We aspire to be recognised as an innovator that actively shapes tomorrow's world, enabling the development of technologies and offerings that address social challenges. The storage of low-carbon electricity and the electrification of mobility are crucial for the energy transition. VARTA Storage GmbH's energy storage systems allow homeowners to become energy independent and support the energy transition. Our activities are driven by the pursuit of a better quality of life. All business units and products contribute to the realisation of our vision: 'Empower Independence'. The Micro Batteries division's products, which are specially designed for hearing aids, enable people to lead independent and fulfilling lives in an inclusive society. The Lithium-Ion Small Cells division supplies true wireless Bluetooth headsets, wearable technologies, medical devices, and much more. Additionally, our Lithium-Ion Battery Packs offer standardised products with the

flexibility required to meet our customers' complex needs. The Consumer Batteries segment includes household batteries, rechargeable batteries, chargers, portable storage options (power banks) and lights. VARTA AG Group is one of the European market leaders for household appliance batteries with production facilities in Germany. The Consumer Batteries segment primarily targets end customers. The innovative, high-quality products in this segment are developed and manufactured using state-of-the-art technology and the expertise of internationally qualified specialists.

The VARTA AG Group collects input on various topics directly from interest groups and industry and sector organisations, as well as on specific projects. The Group continuously strives to research and develop new technologies. In 2024, our research and development efforts resulted in 11 initial applications for property rights. Many of these originated from the Lithium-Ion Large Cells division. By developing innovative cell chemistry in combination with new materials and consistent optimisation of internal resistance, we have succeeded in offering a high-performance cell that is unparalleled in the market. Additionally, the Li-ion Large Cell division is researching ways to expand the existing cell in future generations, with the aim of achieving higher energy density while maintaining the highest power density on the market. This technology will enable our customers to electrify previously inaccessible areas and reduce their dependence on fossil fuels. Another focus was on the further development of energy storage systems. We collaborate with various organisations and institutions to maintain our innovative edge. In 2024, expenditure on research and development activities increased to €37.9 million. Our efforts range from short-term optimisations of existing products, to medium-term improvements such as continuously reducing the amount of cobalt in lithium-ion batteries, to long-term innovations such as establishing innovative, sustainable process technologies. At VARTA Innovation GmbH, we conduct fundamental electrochemical research in cooperation with Graz University of Technology to extend our technological lead. Research capacities at the Graz site are currently being expanded to strengthen Europe's position as an industrial and research centre. We are also involved in 38 publicly funded research projects. These projects cover topics such as researching new materials and technologies, digitalising processes, and achieving sustainable production and recycling. As an established battery manufacturer, we recognise our responsibility. We recognise the opportunities within the challenges, and are committed to complying with future regulations, taking responsibility for our complex supply chain, and optimising production processes. We continuously monitor our sustainability performance to identify improvement opportunities and implement effective measures. In addition, we are constantly improving energy efficiency through the use of modern, sustainable technologies. Proactively addressing the fundamental challenges of our time strengthens our innovative power and enables us to help shape the future.

Overview of selected research projects

PROJECT	BRIEF DESCRIPTION

ZIB 2.0 Sustainable zinc-ion batteries for the energy transition

ÖkoMatBatt Development of ecologically and economically sustainable materials

for lithium-ion batteries

NoVOC Environmentally compatible processing techniques for the large-scale

production of electrodes and cell components for lithium-ion batteries

ReLiBat Recycling of next-generation automotive lithium-ion batteries for reuse

in electromobile and stationary applications

ReUpDirekt, Pro Direkt Recyclate upcycling through hydrogalvanic processing of NMC from

direct recycling of traction batteries

At the VARTA AG Group, we strive to meet the expectations of our stakeholders, viewing cooperation with them as a valuable opportunity for the company's continued growth. As part of cross-departmental discussions, all stakeholders who could potentially impact the company were identified for the purpose of stakeholder identification.

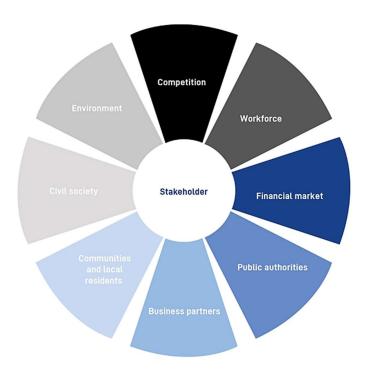
Depending on their relevance to the sustainability strategy and the business model, our various specialist departments engage with stakeholders at both topic-specific and overarching levels. The aim is to obtain information on the potential and actual effects on stakeholders, as well as on opportunities and risks, and to develop suitable concepts. The results of stakeholder engagement are communicated to the Executive Board and Supervisory Board via the internal reporting processes, depending on their strategic relevance.

The stakeholder analysis forms the foundation for carrying out the materiality analysis. As part of this process, both external sources from recognised organisations and internal employee perspectives are obtained to assess the impact, opportunities and risks in the context of incorporating stakeholder perspectives. The findings of the grievance mechanism, which is accessible to all groups of people, are also incorporated into the materiality analysis and thereby into the further development of the sustainability and corporate strategy (please refer to section Material impacts, risks and opportunities and their interaction with strategy and business model and section Management of impacts, risks and opportunities. The interests of the majority of employees are protected by collective labour agreements and are represented by elected representatives of the entire workforce as well as individual groups. The works councils are involved in various company processes and decisions in order to represent the interests of the workforce. Interviews conducted as part of social audits and employee surveys are used to obtain additional information on working conditions and the well-being of employees at selected locations. Training courses on sustainability and compliance issues also offer our employees the opportunity to ask questions and, conversely, provide input for the further development of content and measures. Employees are informed about current developments at the company via various internal channels, including the intranet, email, newsletters and notices.

As a company listed on the stock exchange in 2024, VARTA AG informs its shareholders and interested members of the public about company-relevant events as part of its communication and reporting activities, particularly during the Annual General Meeting. Our sustainability performance is regularly evaluated as part of various ESG ratings and the results are made public. We collaborate closely with local offices, authorities, auditing institutes and consultancies to continuously enhance our measures and concepts. We also hold cross-departmental workshops and are involved in local and international associations and organisations. We take part in trade and consumer fairs, and implement joint projects with external stakeholders. Furthermore, we support external research projects, regularly answer customer enquiries on various topics, and work closely with suppliers. This gives us clear insight into the interests and viewpoints of our key stakeholders with regard to our concepts and business model. The administrative, management and supervisory bodies are informed of the results of the materiality analysis, which considers the relevant stakeholders' views and interests with regard to the company's impact.

These stakeholder engagement efforts enable the VARTA AG Group to gain insight into the challenges faced by the parties involved in our value chain. This allows us to assess the impact, opportunities and risks of our business activities on these groups more transparently.

Stakeholders	Definition
Competition	Competition manifests itself through the constant striving of similarly aligned companies and industry leaders to outperform each other in aspects such as quality, innovation and market presence. This dynamic results in continuous improvement and excellence within the sector.
Workforce	The workforce of a company includes people of all ages and genders. The term includes both those who are in an employment relationship with VARTA AG-Group ("employees") and non-employees such as temporary workers and the self-employed who make their labor available. Institutions such as works councils and trade unions represent the interests of the workforce and stand up for the creation of good working conditions.
Financial market	The financial market refers to the interconnected system of institutions, platforms, shareholders and mechanisms where various financial instruments are bought, sold, and traded. The financial market plays a crucial role by providing companies with access to capital and facilitating investments.
Public authorities	Authorities are government agencies, regulatory bodies and institutions at local, regional, national and international level that are responsible for creating and enforcing laws, regulations and guidelines. The decisions of public authorities therefore have an impact on various aspects of a company's business activities and behavior.
Business partners	"Business partners" incorporate suppliers, customers (B2B & B2C), dealers, end users and disposal service providers who form a collaborative network. Employees in the value chain, i.e. people in the various stages of a company's supply and distribution process who are directly or potentially affected by VARTA AG Group's activities, are taken into account. The network of business partners is the basis for operational efficiency, customer satisfaction and sustainability throughout a company's ecosystem.
Communities and local residents	Communities and local residents refer to a varied group of people of all ages and genders living in a specific area. They contribute to the region's culture and social dynamics and might be affected directly or indirectly by VARTA AG Group's business activities.
Civil society	"Civil society" includes the collective of non-governmental organizations (NGOs), community groups, activists, social movements, and individuals who actively engage in advocating for social, environmental, and ethical concerns beyond their personal or commercial interests. Civil society plays a crucial role in promoting transparency, advocating responsible business practices and influencing social change.
Environment	The term "environment" describes the natural surroundings, ecosystems, resources and ecological balance that are influenced by a company's activities, operations and decisions. The environment is an important stakeholder because it includes the comprehensive context in which a company operates. The direct impact of environmental health on the actions and long-term success of the company emphasizes its central role in this context.



Disclosure Requirement SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The main impacts, risks and opportunities relate to short-, medium- and long-term time horizons. For most of the impacts, no geographical area, facility or type of asset, input, output or distribution channel was identified as being particularly affected in the company's own business or the upstream and downstream value chain. However, the impacts relating to the upstream value chain regarding human rights are closely linked to country and industry risks, and therefore focus on specific regions. For further details please refer to chapter Mineral Due Diligence. The identified issues are incorporated into corporate risk management processes and the management system, influencing sustainability, corporate strategy and company-related decisions (please refer to chapter Strategy). For further details on the aforementioned impacts, opportunities, and risks, as well as their connection to the concepts, business model, and measures for addressing the identified issues, please refer to relevant chapters. The Sustainability department presented the impacts, risks and opportunities identified as part of the double materiality analysis, along with the respective current management approaches, to the entire Executive Board for detailed discussion. The resulting need for action was then agreed by the entire Executive Board. In summary, based on current assessments, the company concluded that its business model and strategy are sufficiently resilient to cope with the listed impacts and risks. This qualitative assessment by the Executive Board has no specific time horizon. No changes were made to the business model during the reporting period, nor are there any plans to do so.

Currently, there are no measurable financial effects of material sustainability-related risks. To provide precise and comprehensive information on the expected short-, medium- and long-term financial effects of its material risks and opportunities on its financial position, performance and cash flows, the VARTA AG Group is reorganising its processes for determining this data. During the reporting year, the company utilised the ESRS simplification rules and will provide the corresponding information in future reports.

Significant impacts Affected

Sub-Sub-Topic	Affected Stakeholder Group	Actual/ potential impacts	Cause of impact	Locating the impact	Time horizon
Corporate culture incl. compliance with internal rules and procedures (other than anti-corruption and anti competitive behaviour)	All -	VARTA AG-Group has potential positive impacts on 'Business integrity', as there are processes and policies in place such as VARTA AG-Group's Management Manual and Code of Conduct. Within these policies, values and requirements are communicated to different stakeholder groups. This might lead to securing societal welfare and positive environmental impacts.	impacts to which the undertaking contributes	company's own business activities	medium term
Accessibility for all affected groups	All	VARTA AG-Group has potential positive impacts on 'Grievance Mechanisms' by having processes and systems in line with international standards in place and communicating them to external and internal stakeholders. This might lead to building trust, protection and enforcement of human rights and therefore secures welfare for communities.	impacts to which the undertaking contributes	company's own business activities	medium term
Protection of whistleblowers	All	VARTA AG-Group has potentially negative impact with regard to "Grievance Mechanisms". Although such protection is enshrined in German law via the Whistleblower Protection Act and the LkSG, potentially inadequate protection of whistleblowers might have negative consequences for both whistleblowers and other employees violating human rights.	impacts to which the undertaking contributes	company's own business activities	medium term
Customer satisfaction	Business partners	VARTA AG-Group has a potential positive impact on "Product stewardship", as risk assessments of products are conducted regularly and products are certified in accordance with applicable standards. VARTA AG-Group offers a wide range of safe products for different customer expectations helping them to empower their own independence by providing flexible, mobile power sources, enabling self-sufficiency in energy use, mobility, and resilience against power outages.	t impacts directly caused by the undertaking	company's own business activities	medium term
Customer safety and wellbeing	Business partners	VARTA AG-Group has potential positive impact on "Product stewardship", as information is provided and high safety standards are maintained. VARTA AG-Group offers a wide range of safe products for different customer expectations helping them to empower their own independence by providing flexible, mobile power sources, enabling self-sufficiency in energy use, mobility, and resilience against power outages.	impacts directly caused by the undertaking	company's own business activities	medium term
Quality	Business partners	VARTA AG-Group has potential positive impact on "Product stewardship", as the management system at the company is certified in line with applicable standards. VARTA AG-Group offers a wide range of safe products for different customer expectations helping them to empower their own independence by providing flexible, mobile power sources, enabling self-sufficiency in energy use, mobility, and resilience against power outages.	impacts directly caused by the undertaking	company's own business activities	medium term
New Technologies	Business partners, Financial	VARTA AG-Group has potential positive impacts on "New Technologies", as innovative products support energy transition (e.g. large Li-ion cells	the undertaking	company's own business activities	medium term

	Market, Environmen t	ESS VARTA.wall).This might lead to the acceleration of energy transition and therefore can contribute to the reduction of emissions.			
Waste	Environmen t, communiti es and local residents	VARTA AG-Group has potential negative impact on "Waste" as, within VARTA AG-Group's operations, hazardous and non-hazardous waste is generated. This might lead to impairments of ecosystem functions.	impacts to which the undertaking contributes	company's own business activities	medium term
Safe and healthy working environment Business partners VARTA AG-Group has potential negative impacts on "Respecting human rights of workers in the value chain", as business partners our supply chains can underly various sustainability-related country and industry-related risks. This might contribute to the violation of human rights and labour rights.		impacts to which the undertaking contributes	upstream/do wnstream business activities	medium term	
Forced labour& Human Trafficking	Business partners	VARTA AG-Group has potential negative impacts on "Respecting human rights of workers in the value chain", as business partners our supply chains can underly various sustainability-related country and industry-related risks. This might contribute to the violation of human rights and labour rights.	impacts to which the undertaking contributes	upstream/do wnstream business activities	medium term
Child labour	Business partners	VARTA AG-Group has potential negative impacts on "Respecting human rights of workers in the value chain", as business partners our supply chains can underly various sustainability-related country and industry-related risks. This might contribute to the violation of human rights and labour rights.	impacts to which the undertaking contributes	upstream/do wnstream business activities	medium term
	Communiti es and local residents	VARTA AG-Group has potential positive impact on "Taking actions with stakeholders" as the company is member of various initiatives. This might lead to a healthier and happier society and might empower human rights along supply chains.	impacts to which the undertaking contributes	company's own business activities	long term
Human Rights (incl. freedom of association/collective bargaining + social dialogue, child and forced labour)	Workforce	VARTA AG-Group has potential positive impact on "Human Rights" as various processes and CLAs at many sites are in place and actions are monitored by external audits. This might lead to higher employee satisfaction, better health and supports equal opportunities.	impacts to which the undertaking contributes	company's own business activities	medium term
Human Rights (incl. freedom of association/collective bargaining + social dialogue, child and forced labour)	Workforce	VARTA AG-Group has potential positive impact on "Human Rights", in particulat "Freedom of association" as CLAs are covering large parts of our workforce. Therefore, it might contribute to and support people to stand up for their rights and provides further benefits regarding wages and working time.	impacts to which the undertaking contributes	company's own business activities	medium term
Medical treatment / First aid	Workforce	VARTA AG-Group has potential positive impact on "Medical treatment/First aid" as processes are in place for medical first aid at production sites. This contibutes to better health.	impacts to which the undertaking contributes	company's own business activities	medium term
Occupational safety incl. accidents, noise exposure	Workforce	VARTA AG-Group has potential positive impacts on "Occupational safety" as processes and measures contribute to a safe workplace. This might have positive effects on employee health and safety.	impacts to which the undertaking contributes	company's own business activities	medium term

	Workforce, environmen t	VARTA AG-Group has a potential positive impact on Climate Change Adaptation, as measures and risk management strategies have been implemented to address climate-related risks. By proactively adapting to climate change, VARTA AG-Group contributes to environmental resilience. By fostering a resilient work environment, VARTA AG-Group indirectly supports the well-being of the workforce.	impacts to which the undertaking contributes	company's own business activities	medium term
Energy Consumption/Usage	Environmen t	VARTA AG-Group has actual positive impact on "Energy consumption/usage". By investing in and utilizing renewable energy sources, VARTA AG-Group contributes to the growth of the clean energy sector. Using renewable energy sources can lead to lower greenhouse gas emissions, contributing to climate change mitigation.	impacts to which the undertaking contributes	company's own business activities	medium term
GHG Emissions	Environmen t	VARTA AG-Group has actual negative impact on "GHG emissions" as the company causes GHG emissions due to its manufacturing activities. This leads to the acceleration of climate change and its associated impacts.	impacts to which the undertaking contributes	company's own business activities	long term

Topic Sub topic Sub-sub topic	Risk	Opportunity	Time horizon
Compliance and business ethics Compliance with laws and regulations Due Diligence Act	Violations of laws can lead to reputational damage and fines, business partners could terminate business relationships. For LkSG, fines are particulary high.		medium term
Compliance and business ethics Compliance with laws and regulations Due Diligence Act		In principle, we see the law as a basis and opportunity for the development of a comprehensive system that goes beyond the legal requirements. By establishing this legal standard for Germany throughout the company at our locations worldwide, we are contributing to standardised regulations that in some cases go beyond national legislation. Sound processes regarding business integrity can help to keep good reputation and increases credibility (e.g. concerning business partners)	
Climate change mitigation and environmental challenges Climate change adaptation	Physical risks: Increased production costs: Costs associated with climate-related damages, repairs, and resilience measures can strain the company's budget. Disruptions of supply chain and production: Climate-related disruptions can affect the availability of raw materials, components, and energy sources, impacting manufacturing processes. Increased extreme weather events and changing weather patterns can lead to disruptions in production, supply chain, and infrastructure. Transitional risks: Technological Challenges: Adopting new technologies and processes to reduce emissions may require significant adaptation and technical expertise. Market situation: Rapid shifts towards		long term

decarbonisation could lead to stranded assets or business models if not properly planned and executed.

Reputation Damage: Failing to demonstrate genuine commitment to decarbonisation could harm the company's reputation among environmentally conscious stakeholders.

Regulatory Uncertainty: Changes in carbonrelated regulations or policies could impact business operations and compliance efforts. medium term

long term

Climate change mitigation and environmental challenges Climate change adaptation

Employee Well-Being: Implementing climateresilient policies can lead to a safer and more secure work environment, reducing stress and anxiety among employees.

Productivity: Enhanced climate resilience can prevent disruptions to operations due to extreme weather, ensuring stable production schedules and maintaining employee productivity.

Regulatory Compliance: Climate adaptation measures can align with and exceed regulatory requirements, fostering positive relationships with public authorities and demonstrating a commitment to environmental responsibilities. Stakeholder Trust: Climate-resilient practices can enhance the company's reputation, building trust among stakeholders, including investors, customers, and partners.

Access to Capital: Companies with robust climate adaptation plans may have improved access to capital, as lenders and investors recognize lower risks associated with climaterelated challenges.

Long-Term Viability: Climate-resilient companies are better positioned to navigate future challenges, demonstrating a commitment to longevity and sustainable growth.

Climate change and environmental challenges Mitigating climate change Corporate

decarbonisation

Physical risks:

Increased production costs: Costs associated with climate-related damages, repairs, and resilience measures can strain the company's budget.

Disruptions of supply chain and production: Climate-related disruptions can affect the availability of raw materials, components, and energy sources, impacting manufacturing processes. Increased extreme weather events and changing weather patterns can lead to disruptions in production, supply chain, and infrastructure..

Transitional risks:

Technological Challenges: Adopting new technologies and processes to reduce emissions may require significant adaptation and technical expertise.

Regulatory Uncertainty: Changes in carbonrelated regulations or policies could impact business operations and compliance efforts. Market situation: Rapid shifts towards decarbonisation could lead to stranded assets or business models if not properly planned and executed.

Reputation Damage: Failing to demonstrate genuine commitment to decarbonisation could long term

medium term

harm the company's reputation among environmentally conscious stakeholders. Climate change and Climate Resilience: Decarbonisation efforts environmental enhance climate resilience by minimizing the challenges company's contribution to climate-related Mitigating climate events and their associated risks. Resource Conservation: Transitioning to cleaner energy change Corporate and sustainable practices conserves natural decarbonisation resources and reduces environmental impact. Market Demand: Business partners seeking environmentally friendly solutions are more likely to be interested in products and collaborations with lower carbon footprints, expanding market opportunities. Regulatory Compliance: Collaborating with a decarbonised battery manufacturer helps business partners meet sustainability and emissions regulations, long term avoiding legal and reputational risks. Enhanced Reputation: Partnering with a decarbonised company enhances the reputation of both the battery manufacturer and its business partners, showing a commitment to sustainability. Competitive Advantage: Engaging with a decarbonised company gives business partners a competitive edge, aligning with the growing demand for eco-friendly products and services. Access to Green Finance: Implementing decarbonisation measures can make the battery manufacturer eligible for green finance options, such as green bonds or sustainable loans, enhancing access to capital. Climate change and Transitional risks: environmental Technological Challenges: Adopting new challenges technologies and processes to reduce Mitigating climate emissions may require significant adaptation and technical expertise. change Greenhouse gas Market situation: Rapid shifts towards emissions decarbonisation could lead to stranded assets long term or business models if not properly planned and executed. Reputation Damage: Failing to demonstrate genuine commitment to decarbonisation could harm the company's reputation among environmentally conscious stakeholders. Regulatory Uncertainty: Changes in carbonmedium related regulations or policies could impact term business operations and compliance efforts. Climate change and Market Demand: Business partners seeking environmental environmentally friendly solutions are more challenges likely to be interested in products and Mitigating climate collaborations with lower carbon footprints, expanding market opportunities. change Greenhouse gas Regulatory Compliance: Collaborating with a emissions decarbonised battery manufacturer helps business partners meet sustainability and long term emissions regulations, avoiding legal and reputational risks. Enhanced Reputation: Partnering with a decarbonised company enhances the reputation of both the battery manufacturer and its business partners, showing a commitment to sustainability.

Climate change and

environmental

challenges

Transitional risks:

Technological Challenges: Adopting new

technologies and processes to reduce

long term

Climate change mitigation Product decarbonisation emissions may require significant adaptation and technical expertise.

Market situation: Rapid shifts towards decarbonisation could lead to stranded assets or business models if not properly planned and executed.

Reputation Damage: Failing to demonstrate genuine commitment to decarbonisation could harm the company's reputation among environmentally conscious stakeholders.

Regulatory Uncertainty: Changes in carbonrelated regulations or policies could impact business operations and compliance efforts. medium term

Climate change and environmental challenges Climate change mitigation Product decarbonisation Reduced Greenhouse Gas Emissions:
Decarbonising products can lead to lower carbon emissions throughout the product's lifecycle, contributing to global efforts to combat climate change.

Market Demand: Business partners seeking environmentally friendly solutions are more likely to be interested in products with lower carbon footprints, expanding market nonortunities

Regulatory Compliance: Producing decarbonised products helps business partners meet sustainability and emissions regulations, avoiding legal and reputational risks.

Enhanced Reputation: Collaborating on decarbonisation demonstrates a commitment to sustainability, enhancing the reputation of both the battery manufacturer and its business partners

Competitive Advantage: Offering decarbonised products can give business partners a competitive edge by meeting the growing demand for eco-friendly solutions.

medium

1.4. Management of impacts, risks and opportunities Disclosure Requirement IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

The VARTA AG Group's approach to conducting the materiality analysis is based on the principle of double materiality, encompassing financial and impact materiality perspectives. The analysis was executed in accordance with the European Sustainability Reporting Standards (ESRS) guidelines.

Compared to the previous reporting period, the procedure was further detailed and underwent an external audit for the first time. As a result, a comparison with previous analysis results is not possible. The process of conducting the double materiality analysis has been integrated into the VARTA AG Group's management system as a controlled document. The preliminary results have been validated by financial and sustainability experts, and reviewed, validated and approved by senior management, including the Executive Board of the VARTA AG Group.

An environmental analysis was first carried out to prepare the materiality analysis. This involved analysing the company's business activities, business model and value chains. The relevant legal and regulatory framework conditions were also taken into account. Internal and external sources were collated and reviewed to identify local and global trends, opportunities and risks relating to the VARTA AG Group and its impact on stakeholders. Topic-related risk analyses were also included in this context, taking into

account the business model and various geographical circumstances. For further information please refer to the risk analysis regarding Compliance with due diligence obligations (please refer to chapter Compliance with due diligence obligations). For details on the inclusion of various stakeholder groups please refer to chapter Interests and views of stakeholders analysis. The collected sustainability aspects were compiled in list form and then structured as a 'short list' in three levels (topic, sub-topic, and subsub-topic) using a top-down approach. Topics for which there was no valid justification for their applicability to the VARTA AG Group were excluded from the shortlist after a corresponding note was made.

The potential and actual positive and negative impacts on stakeholder groups resulting from the business activities of the VARTA AG Group were assigned to each sustainability aspect ('materiality of impacts'). This approach considers the impacts of the company's own activities, as well as those in which the company is involved through its business relationships. Sustainability experts identified the impacts, taking into account the results and materials of the environmental analysis. As part of determining financial materiality, identified information is considered important for the main users of general financial reports when deciding whether to provide a company with resources. Analysing financial materiality is aimed to identify aspects significantly influencing the company's development, financial position, performance, access to funds, and other key performance indicators. This process involved analysing opportunities and risks that could arise from dependencies on resources, particularly, and have a short-, medium- or long-term impact on the company's success. The results and materials of the environmental analysis were also considered when identifying opportunities and risks. Depending on the stakeholder group, the perspective is reviewed using suitable communication concepts and supplemented where necessary.

The impacts, as well as the associated opportunities and risks, were assessed based on the criteria specified in the ESRS. This assessment was carried out separately for each identified impact, opportunity, and risk. If a predefined threshold is exceeded, the respective aspect is considered material. The assessment is carried out for each impact. Subsequently, all severity categories are totalled and multiplied by the probability of occurrence multiplication factor.

Assessment of impact materiality						
Magnitude	Scale	Scope	Irremediable Character			
5	Extreme: The negative impact leads to death or health impairments that can lead to a significant reduction in the quality of life and/or longevity of those affected. The positive impact leads to a significant improvement in the quality of life and longevity of those affected.	Global/Total: Global impact	Irreversible, no compensation possible			
4	High: The negative impact leads to health impairments that can lead to a significant reduction in the quality of life and/or longevity of those affected. The positive impact leads to a significant improvement in the quality of life and longevity of those affected.	Widespread: >20% of the total population in the impact area or >50% of the identifiable group, but not globally.	Difficult and/or can only be remedied in the long term: - Complex technical requirements; - Low acceptance of refurbishment measures by the identified group; - Low capacity of the implementation partner, no viable replacement for losses caused by the impact			
3	Medium: The occurrence of the negative impact leads to: - A concrete human rights violation of access to basic necessities of life (including education, livelihood, etc.) - Impacts on cultural, economic, natural and socia infrastructure/assets assessed as high by specific		Difficult and/or can only be remedied in the medium term: - Semi-complex technical requirements; - Restrictions in the acceptance of refurbishment measures by the identified group; - Limitations in the capacity of the			

groups or experts in the impact assessment process

- Impacts on ecosystem services identified in the impact assessment process as a priority for livelihoods, health, safety or culture The positive impact has a concrete and clearly visible effect on the promotion of human rights or environmental concerns.

implementation partner, no viable replacement for losses caused by the impact

Low: All other impacts that have a tangible and/or Concentrated: >5% of the total To be remedied with effort (use of time + 2 visible positive or negative impact on the environment and human rights.

or >10% of the identifiable group, but less than above criteria for "medium".

population in the impact area costs) and/or at short notice

Minimal: All other positive and negative impacts that are not rated between 2-5.

Limited: <5% of the total population in the impact area - Simple technical requirements; or <10% of the identifiable group.

Easy to fix:

- Acceptance by the identified group;
- The implementation partner has the ability

0 No effect

No scope

Very easy to fix

Assessment of the probability of occurrence

Probability of occurrence

- Probable: The impact has already occurred once or several times per year or is reasonably likely to occur.
- Possible: The impact may occur over a period of 2-10 years.
- Unlikely: The impact is rare but may occur (possibly over a period of 10-50 years). The impact has occurred several times in the industry. However, it is unlikely to occur.
- Very unlikely: The impact could occur in a period of 50-100 years.

Assessment of significance (financial materiality)

Degree of extent

Critical: The occurrence of the opportunity/risk can have a short-term impact on the business model (critical impact on the company's development, financial position,

- 5 financial performance, cash flows, access to funding or cost of capital) and significantly change or jeopardize the company's existence. There is a critical dependency on natural, human and/or social resources.
- Significant: The occurrence of the opportunity/risk may have a medium-term impact on the business model (significant influence on the company's development, financial position, financial performance, cash flows, access to funds or cost of capital). There is a significant dependency on natural, human and/or social resources.
- Important: The occurrence of the opportunity/risk can have a long-term impact on the Probable: The impact has already occurred 3 business model (important influence on the company's development, financial position, financial performance, cash flows, access to funds or cost of capital). There to occur. is an important dependency on natural, human and/or social resources.
- Significant: The occurrence of the opportunity/risk may have a long-term impact on individual areas of the company (significant influence on the company's development, period of 2-10 years financial position, financial performance, cash flows, access to funds or cost of capital). There is a significant dependency on natural, human and/or social resources.
- Minimal: The realisation of the opportunity/risk may contribute to a long-term change Unlikely: The impact is rare but may occur in individual areas of the company (minor impact on the company's development, financial position, financial performance, cash flows, access to funds or cost of capital). There is no or only minimal dependence on natural, human and/or social resources.
- Λ no extent

Probability of occurence

several times a year or is reasonably likely

Possible: The impact may occur over a

(possibly over a period of 10-50 years). The impact has occurred several times in the industry. However, it is unlikely to occur.

Very unlikely: The impact could occur in a period of 50-100 years.

When assessing financial materiality, all opportunities and risks that could significantly impact the financial performance of the VARTA AG Group are considered at topic level. These can result from effects and dependencies, and relate to factors that contribute to the company's value. The time horizon of the financial impact (short-term, medium-term or long-term) is determined for each opportunity and risk. The opportunities and risks are assessed in terms of their potential financial impact and probability of occurrence at the lowest level. Information is considered material to relevant stakeholders if it directly influences their decisions, which may be based on the information contained in the sustainability statement. Relevant company-related risks are reported to the Group-wide risk management system by the relevant departmental risk owners (please refer to section 41).

Disclosure requirement related to ESRS 2 IRO-1 - Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The VARTA AG Group contributes to climate change by generating greenhouse gas emissions through its production activities, which accelerates climate change and its associated effects.

We have developed a structured process to systematically assess the climate-related impacts, risks and opportunities of our own operations and of the upstream and downstream value chains. This process incorporates climate scenarios to evaluate the resilience of our business model and provide a well-informed assessment of transition risks and opportunities. The process is regularly reviewed and updated with the latest scientific findings, market developments and regulatory changes to ensure robust, future-proof concepts. We analyse and link the RCP5-8.5 (pessimistic) scenario in order to assess the potential physical risks posed by climate change to key economic activities and facilities. Considering short, medium and long-term time horizons as part of the analysis of climate-related risks and opportunities provides a comprehensive view. As part of its application to the SBTi, the VARTA AG Group has committed to aligning its business activities with the low-emission scenario of the Paris Climate Agreement. Our long-term corporate planning is consistently geared towards this goal. The following scenarios were used to assess climate-related transition risks:

- SSP3-6.0 scenario: This scenario describes a world with regional fragmentation, limited global cooperation and moderate emission reductions. It reflects the effects of delayed or inefficient climate change mitigation measures.
- SSP1-2.6 Baseline scenario: This scenario represents a low-carbon future in which
 global warming is limited to 1.5 °C. It is based on intensive international climate
 change mitigation measures and a rapid transformation towards a sustainable
 economy.

The VARTA AG Group is proactively responding to future regulations, such as the CO₂ tax, CO₂ tarriffs and the EU Battery Regulation, to manage regulatory and political risks. Using modern technologies to carry out life cycle assessments for less emission-intensive batteries, strengthens our competitiveness and creates opportunities for sustainable product development. Technology risks relate to the possibility that low-carbon alternatives will replace existing products. The VARTA AG Group invests in research and development to produce more sustainable products and strengthen its technological competitiveness. Market risks arising from customer behaviour are considered to be low, given the expected growth in demand for battery-powered products. The structural, medium- and long-term drivers for the VARTA AG Group, its segments and business units must be distinguished from economic, short-term influencing factors. The VARTA AG Group benefits from a number of structural growth drivers. These include demographic change, technological progress — particularly in relation to increasing electrification digitalisation and connectivity, the pursuit of a higher degree of energy independence, and the growing importance of e-mobility. As a manufacturing company, the Group pays special attention to external factors, such as the prices of raw materials, which could impact its financial results and climate change mitigation concepts. Higher operating costs are expected as a consequence of climate change, affecting not only energy requirements but also cost increases. To meet our own demand and reduce our greenhouse gas emissions, the VARTA AG Group is expanding its PV systems and already procures electricity from renewable sources at all its German production sites. During the reporting period, we further expanded the electrification of our fleet. As a result, we achieved a reduction of over 24 tonnes of CO₂ equivalents in the reporting year. At the same time, we are continuously optimising our internal processes. Overall, the risk situation is considered manageable and therefore low. Other important components of the system include strategic planning, quarterly reviews and regular communication about risks and opportunities. This risk management system is supported by an annual

workshop involving all relevant stakeholders, where the opportunities and risks for business development are analysed and discussed in detail.

The VARTA AG Group monitors and reports on the implementation of the climate risk management plan. This approach involves carrying out ongoing risk assessments and scenario analyses to ensure that the organisation is prepared for emerging climate-related risks. The organisation also provides transparent reporting on its climate-related risks and management strategies to stakeholders, including investors, customers and regulators. The status and progress of the implemented measures are currently evaluated through regular internal and external audits, in accordance with ISO 14001 and ISO 50001 guidelines. 77.5 % of the total energy consumption of the production sites is certified in accordance with ISO 50001 guidelines, underlining our commitment to energy-efficient production.

In addition to minimising risks, the VARTA AG Group's climate management concepts focus on maximising opportunities. Identifying climate-related opportunities involves evaluating various factors to determine potentials for investment, innovation and positive impact. This iterative process is adaptive and responsive to policy changes, technological advances and trends. The VARTA AG Group identifies potential climate-related impacts on the business model, as well as the associated profit potential and cost reductions. 87.5 % of investment expenditure is already recognised as EU taxonomy-elegible. This emphasises our strategic focus on sustainable business practices. Understanding the risks is crucial to identifying opportunities aimed at overcoming them. Once the impact of these risks has been identified, we create an overview of the potential opportunities that could arise from climate-related challenges. The VARTA AG Group strives to develop innovative solutions, technologies and business models that contribute to climate resilience, emissions reduction and sustainability. Particular attention is paid to renewable energies, energy efficiency, low-emission transport, waste management and efficient buildings. Additionally, the company identifies opportunities in low carbon practices to open new markets or transform existing ones. The VARTA AG Group conducts a detailed analysis, taking into account factors such as market demand, regulatory support, technological readiness, financial viability, and scalability. Any risks and barriers associated with implementation are also considered. Political uncertainties, market competition and the availability of resources are all part of this consideration. This assessment helps prioritise the most promising opportunities. We engage with relevant stakeholders to gain diverse perspectives and expertise. In particular, these include industry experts, community representatives and academic sources. We set clear goals, objectives and targets that align with our vision and mission.

The VARTA AG Group pursues concepts that aim to manage or utilise significant impacts, risks and opportunities relating to climate change mitigation and adaptation to climate change. The process for identifying material impacts, risks and opportunities is explained in chapter Material impacts, risks and opportunities and their interaction with strategy and business model and can also be applied with the climate change mitigation concepts. The undertaking identifies potential climate-related physical risks based on the location of its operations and the potential impact of climate change on these areas and of the supply chain. This includes analysing climate models and scientific studies to assess risks such as an increased frequency of extreme weather events.

Significant potential climate-related hazards for VARTA AG-Group based on TCFD-classification

Temperature Change
Heat stress
Temperature variability

Acute

Heat wave
Cold snap/frost

Cold snap/frost

Floods (river floods, pluvial flood

Transitory climate-related risks relate to financial and strategic effects. These risks arise from changes in policy, technology, and market conditions during the transition to a lower-carbon economy.

base floods)

Climate-related transition events for VARTA AG-Group based on TCFD-classification

Politics and law Higher pricing of greenhouse gas emissions	Technology Replacing existing products and services with lower-emission options	Market Change in consumer behaviour	Reputation Changes in consumer preferences
Increased emissions reporting obligations	Unsuccessful investments in new technologies	Uncertainty with regard to market signals	Stigmatisation of the sector
Mandates and regulation in relation to existing products, services and production processes	Costs of the transition to lower- emission technologies	Increased raw material costs	Increasing concern among stakeholders
Risk of legal disputes			Negative feedback from stakeholders

Applied time horizons for climate risks and opportunities Time horizon Length [years]

Short term	<1
Medium-term	1-3
Long term	>3

Based on the climate hazards, significant physical climate-related risks are identified as part of a risk analysis:

- Increased production costs (long-term)
- Disruption of supply chains (long-term)
- Interruption of production (long-term)

Significant transitory risks are identified as part of a risk analysis based on the climaterelated transitional events:

- Technological challenges (long-term)
- Regulatory uncertainty (medium term)
- Market situation (long-term)
- Damage to reputation (long-term)

The resilience of our business strategy and operating model in the face of climate change represents a fundamental element of our sustainable business approach. To ensure we are prepared for future climate-related risks and opportunities, we conducted a comprehensive resilience analysis. This assessment covers all business areas and examines the impacts of climate change on both our internal operations and our supply chain. The resilience analysis not only identifies the potential effects of climate change on our business model but also takes into account uncertainties and their possible risks to our assets and business activities. While certain risks can be clearly quantified and appropriate mitigation measures identified, some uncertainties remain, particularly with regard to long-term climatic changes and their implications for global supply chains. We have deliberately incorporated these uncertainties into the definition of our corporate strategy, investment decisions, and planned mitigation measures. In particular, we take potential fluctuations and planning uncertainties into account in areas such as raw material sourcing, the decarbonisation of our production processes, and adaptation to evolving regulatory frameworks, in order to remain agile and responsive to future developments.

The resilience analysis was conducted in 2024 and includes the use of climate scenarios simulating an intensification of global warming (RCP8.5). We applied this pessimistic scenario to identify potential physical and transitional risks for our production sites, while also assessing the opportunities arising from the transition to a low-carbon economy. In addition, current climate risks affecting the supply chain were evaluated, based on the assumption that supplier structures may evolve over extended future timeframes (please refer to section: Management of Impacts, Risks and Opportunities).

The results of the resilience analysis indicate that our business model is, overall, robust, as our product portfolio contributes to the transition towards a low-carbon economy. Furthermore, no significant climate-related risks were identified at our production sites or within our supply chain. Taking a 1.5°C pathway into account, we have already taken measures to address future climatic and regulatory changes. Our procurement of electricity from renewable sources and the ISO 50001 surveillance audit at our largest production sites demonstrate our commitment. The resilience analysis highlights our ability to adapt our strategy and business model to the challenges posed by climate change. In the short term, we are focusing on implementing efficiency measures and investing in climate-friendly technologies to minimise our carbon footprint. In the medium term, we plan to modernise existing facilities and transition to low-emission production methods. Over the long term, our strategic approach aims to continuously align our product and service portfolio with low-emission solutions, including the development of our supply chains and research activities (refer to table of decarbonisation levers in chapter Transition plan for climate change mitigation). We will continue to closely monitor the impact of various scenarios on our business and adapt our actions accordingly to ensure long-term stability and competitiveness. As all identified and assessed climate-related risks for the system elements of our production sites and supply chain fall within a low to medium range, they are currently considered manageable. Therefore, the development and implementation of a formal adaptation plan is not deemed necessary at this time. This assessment is supported by the classification of certain product groups under economic activities 3.4 and 3.6, with the objective of 'climate change mitigation' as defined by the EU Taxonomy. Further key performance indicators can be found in the EU Taxonomy section.

Disclosure requirements ESRS E5 IRO-1: Description of the processes used to identify and assess the significant impacts, risks and opportunities associated with resource use and the circular economy

The VARTA AG Group has conducted a thorough review of its assets and operations to identify the actual and potential impacts, risks, and opportunities relating to the use of resources and waste management. The review is based on the requirements and standards of management systems and the following legislation: Directive 2008/98/EC of the European Parliament and of the Council (Waste Framework Directive) and the Circular Economy Act of 2012.

The process for identifying and assessing the main impacts, risks and opportunities associated with waste comprises five steps.

1. Identification of the significant waste streams

The process begins with the systematic recording and classification of all waste generated during production and operational processes using a waste management software system in daily operations. This includes, for example:

- Hazardous waste: Residual battery cells, electrolytes, chemicals
- Non-hazardous waste: Packaging materials, scrap metal, residuals from production processes

The data is collected and analysed based on the waste management system and external requirements (e.g. waste regulations).:

2. Assessment of Environmental Impacts

For the identified waste streams, the potential environmental impacts are evaluated:

• Impairment of ecosystem functions due to resource depletion

Cell production is associated with significant raw material losses, as production processes generate scrap material. A large proportion of these materials are currently not directly recycled but are instead diverted into lower-value recycling streams or disposed of as production waste. The loss of valuable metals and minerals during cell production contributes to the scarcity of resources. Primary raw materials still need to be extracted in large quantities to meet demand. The availability of critical materials is limited, especially for those that are heavily reliant on imports.

Risk assessment

Risks are classified according to their likelihood of occurrence and potential severity:

· Scarcity of resources due to inefficient waste management

4. Identification of opportunities

The process also identifies opportunities that can result from optimised waste management:

Reduction of waste and costs through lower scrap rates

Monitoring and reporting

Regular monitoring of waste streams at production sites and their environmental impacts is carried out using key indicators, such as the volume of hazardous and non-hazardous waste and the method of disposal.

As part of this analysis, the types and quantities of waste generated – both hazardous and non-hazardous – were recorded and evaluated. Questionnaires were sent to all relevant waste disposal contractors to document the respective disposal methods and

compliance with legal requirements. All waste management service providers are required to sign the Supplier Code of Conduct and the Waste Management Policy to ensure that waste disposal is carried out responsibly and in accordance with the law.

VARTA has engaged in consultations, particularly with external waste contractors, to ensure transparency and sustainability in all waste handling practices. This was implemented by committing to VARTA's Waste Management Policy by each contractor and completing a detailed questionnaire on disposal practices for each of VARTA's waste streams. In addition, selected suppliers who received the Supply Chain Questionnaire were also asked about their waste management practices.

VARTA also participates in various research projects aimed at identifying and implementing innovative approaches to waste management and resource efficiency. VARTA records waste volumes regularly. This enables the company to measure and verify progress in waste reduction. The data collected forms the basis for continuous improvement in waste management and helps to minimise negative impacts on ecosystem functions.

Disclosure requirements ESRS E2 IRO-1, E3 IRO-1 and E4 IRO-1: Specific disclosures on environmental pollution, water and marine resources, and biodiversity

As part of the double materiality assessment, the impacts, risks and opportunities relating to water and marine resources, biodiversity, ecosystems and environmental pollution were examined. Physical, systemic and transition risks were particularly taken into account.

Information from environmental impact assessments and the environmental management systems of the production sites was used for the company's own operations. The 'Biodiversity Risk Filter' of the World Wildlife Fund (WWF) was used to determine whether the sites contributed to direct factors influencing the loss of biodiversity, or impacted the status of species, the expansion and preservation of ecosystems, and ecosystem services. As a result, no sites owned by the company were found to be located in or near areas with biodiversity in need of special protection, meaning that no specific remedial measures are required. The operational activities of the VARTA AG Group do not have any significant negative impact on biodiversity hotspots.

In addition, a water risk analysis was conducted for relevant production sites. According to the 'Water Risk Filter' tool developed by the World Wildlife Fund (WWF), none of the VARTA AG Group's sites are currently located in areas deemed to be at high risk in terms of water availability for production purposes.

Currently, there is no comprehensive information on the potential negative impacts on biodiversity, ecosystems, water and marine resources in the upstream value chain. An analysis of sustainability-related supplier monitoring by an external provider found no evidence of violations or significant incidents relating to environmental pollution, water, marine resources or biodiversity.

Information from existing product management and sales was also included for the downstream value chain. No significant impact on water resources or biodiversity was identified. Local communities have not yet been consulted.

As part of the extended analysis, potential environmental pollution risks along the value chain were also assessed. These include air, water and soil emissions that could be caused by operations or the supply chain. The VARTA AG Group has determined that its operational activities do not result in any significant releases of hazardous substances

into the environment that could directly or indirectly impact ecosystems in the long term. Furthermore, production processes generate only small quantities of substances that are critical for the environment, and these are efficiently monitored by existing environmental management systems. No relevant pollution risks from waste or wastewater have been identified at our own sites either. Finally, while there are supplier obligations to prevent environmental pollution, these do not yet guarantee complete transparency regarding potential environmental impacts in the upstream value chain.

Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The following table provides an overview of the reporting requirements set out in the sustainability statement in accordance with the ESRS. For references to the page numbers and/or paragraphs please refer to relevant disclosures.

The definition of the assessment criteria and thresholds resulted from an iterative process involving the relevant stakeholders as part of the materiality assessment. The basis for the determination was the implementation guidelines ("Data Point List") from EFRAG's document "EFRAG IG1 - Materiality Assessment Implementation Guidance", as well as internal references such as the risk management requirements. The company identified data point G1-1:10f) as not material.

List of disclosure requirements followed in preparing the sustainability statement based on the results of the materiality assessment:

Standard	Disclore requirement	Short despription	Section	
General				
ESRS 2	BP-1	General basis for preparation of sustainability statements	49.1 Basis for preparation	
ESRS 2	BP-2	Disclosures in relation to specific circumstances	49.1 Basis for preparation	
ESRS 2	G0V-1	The role of the administrative, management and supervisory bodies	49.2. Governance	
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	49.2. Governance	
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	49.2. Governance Integration of sustainability-related performance in incentive schemes	
ESRS 2	G0V-4	Statement on due diligence	49.2. Governance Statement on due diligence	
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	49.2. Governance Risk management and internal controls over sustainability reporting	
ESRS 2	SBM-1	Strategy, business model and value chain	49.3. Strategy	
ESRS 2	SBM-2	Interests and views of stakeholders	49.3. Strategy Stakeholder analysis	
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	49.3. Strategy Material impacts, risks and opportunities and their interaction with strategy and business mode	
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	49.4. Management of impacts, risks and opportunities	
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	49.4. Management of impacts, risks and opportunities	
Environmental Information				
EU taxonomy data	Article 8 of Regulation 2020/852 (Taxonomy	Article 8 of Regulation 2020/852 (Taxonomy Regulation)	50. Environmental information	

		Regulation)			
E1		E1-1	Transition plan for climate change mitigation	50.2.1. Strategy	
E1		related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	50.2.1. Strategy	
E1		related to ESRS 2 IRO-1	Description of processes for identifying and assessing significant climate-related impacts, risks and opportunities	50.2.1. Strategy	
E1		E1-2	Strategies related to climate change mitigation and adaptation	50.2.1. Strategy	
E1		E1-3	Actions and resources in relation to climate change policies	50.2.2. Metrics and targets	
E1		E1-4	Targets related to climate change mitigation and adaptation	50.2.2. Metrics and targets	
E1		E1-5	Energy consumption and mix	50.2.2. Metrics and targets	
E1		MDR-T	Targets related to climate change mitigation and adaptation	50.2.2. Metrics and targets	
E1		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	50.2.2. Metrics and targets	
E2, E3	, E4	related to ESRS 2 IRO-1	Specific information on environmental pollution, water and marine resources, and biodiversity	49.4. Management of impacts, risks and opportunities	
E5		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	49.3. Strategy	
E5		related to ESRS 2 IRO-1	Description of the procedures for identifying and assessing the significant impacts, risks and opportunities associated with resource use and recycling management	50.3.1. Management of impacts, risks and opportunities	
E5		E5-1	Policies related to resource use and circular economy	50.3.1. Management of impacts, risks and opportunities	
E5		E5-2	Actions and resources in relation to resource use and circular economy	50.3.2. Metrics and targets	
E5		E5-3	Targets related to resource use and circular economy	50.3.2. Metrics and targets	
E5		MDR-M	Key figures in relation to material sustainability aspects	50.3.2. Metrics and targets	
E5		E5-5	Resource outflows	50.3.2. Metrics and targets	
E5		E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	50.3.2. Metrics and targets	
S1		related to ESRS 2 SBM-2	Interests and views of stakeholders	51.1.1. Strategy	
S1		related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	51.1.1. Strategy	
S1		S1-1	Policies related to own workforce	51.1.2. Management of impacts, risks and opportunities	
S1		S1-2	Processes for engaging with own workforce and workers' representatives about impacts	51.1.2. Management of impacts, risks and opportunities	
S1		S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	51.1.2. Management of impacts, risks and opportunities	
S1		\$1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	51.1.2. Management of impacts, risks and opportunities	
S1		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	51.1.3. Metrics and targets	
S1		S1-6	Characteristics of the undertaking's employees	51.1.3. Metrics and targets	
S1		S1-8	Collective bargaining coverage and social dialogue		
S1		S1-14	Health and safety metrics	51.1.3. Metrics and targets	
S1		S1-17	Incidents, complaints and severe human rights	51.1.3. Metrics and targets	

		impacts	
S2	related to ESRS 2 SBM-2	Interests and views of stakeholders	51.2.1. Strategiy
S2	related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	51.2.1. Strategiy
S2	S2-1	Policies related to value chain workers	51.2.2. Management of impacts, risks and opportunities
S2	S2-2	Processes for engaging with value chain workers about impacts	51.2.2. Management of impacts, risks and opportunities
S2	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	51.2.2. Management of impacts, risks and opportunities
S2	S2-4	Taking Action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	
S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	51.2.3. Metrics and targets
\$4	related to ESRS 2 SBM-2	Interests and views of stakeholders	51.3.1. Strategy
S4	related to ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	51.3.1. Strategy
S4	S4-1	Policies related to consumers and end-users	51.3.2. Management of impacts, risks and opportunities
S4	S4-2	Processes for engaging with consumers and end- users about impacts	51.3.2. Management of impacts, risks and opportunities
S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	51.3.2. Management of impacts, risks and opportunities
S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	51.3.2. Management of impacts, risks and opportunities
S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	51.3.3. Metrics and targets
Governance			
G1	related to ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	52.1. Governance
G1	related to ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	52.2. Management of impacts, risks and opportunities
G1	G1-1	Business conduct policies and corporate culture	52.2. Management of impacts, risks and opportunities

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR (¹) reference	Pillar 3 (²) reference	Benchmark Regulation (³) reference	EU Climate Law (4) reference	Materiality
ESRS 2 GOV-1	Х		X		Significant
Board's gender diversity paragraph 21 (d)					
ESRS 2 GOV-1			Х		Significant
Percentage of board members who are independent paragraph 21 (e)					
ESRS 2 GOV-4	Х				Significant
Statement on due diligence paragraph 30					
ESRS 2 SBM-1	Х	X	Х		Not significant

Involvement in activities related to fossil fuel activities paragraph 40 (d) i					
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		Х		Not significant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Х		х		Not significant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			х		Not significant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				х	Significant
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		X	х		Not significant
ESRS E1-4 GHG emission reduction targets paragraph 34	X	Х	Х		Significant
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph	Х				Significant
38 ESRS E1-5 Energy consumption and mix paragraph 37	X				Significant
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Х				Significant
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Х	Х	Х		Significant
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	х	х		Significant
ESRS E1-7 GHG removals and carbon credits paragraph 56				Х	Significant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Х		Significant
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9		Х			Significant
Location of significant assets at material physical risk paragraph 66 (c).					
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		X			Significant
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			х		Significant
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	х				Not significant
ESRS E3-1 Water and marine resources paragraph 9	х				Not significant
ESRS E3-1 Dedicated policy paragraph 13	X				Not significant
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				Not significant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				Not significant
ESRS E3-4 Total water consumption in m³ per net revenue on own	X				Not significant
The second secon	ı		1	1	

operations paragraph 29			
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	X		Not significant
ESRS 2 – SBM-3 – E4 paragraph 16 (b) ESRS 2 – SBM-3 – E4 paragraph 16 (c)	X X		Not significant Not significant
ESRS E4-2	X		Not significant
Sustainable land / agriculture practices or policies paragraph 24 (b)			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	X		Not significant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Х		Not significant
ESRS E5-5	X		Significant
Non-recycled waste paragraph 37 (d) ESRS E5-5	X		Significant
Hazardous waste and radioactive waste paragraph 39	^		oigiiiiodiic
ESRS 2 - SBM-3 - S1 Risk of incidents of forced labour paragraph 14 (f)	X		Significant
ESRS 2 - SBM-3 - S1 Risk of incidents of child labour paragraph 14 (g)	X		Significant
ESRS S1-1 Human rights policy commitments paragraph 20	X		Significant
ESRS S1-1		X	Significant
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Î	o.gto
ESRS S1-1	X		Significant
processes and measures for preventing trafficking in human beings paragraph 22			
ESRS S1-1	Х		Significant
workplace accident prevention policy or management system paragraph 23			
ESRS S1-3 grievance/complaints handling mechanisms paragraph	X		Significant
32 (c)			Oleational
ESRS S1-14 Number of fatalities and number and rate of work-	X	X	Significant
related accidents paragraph 88 (b) and (c) ESRS S1-14	X		Significant
Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	^		
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X	Х	Significant
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	X		Significant
ESRS S1-17	X		Significant
Incidents of discrimination paragraph 103 (a)			Cinnificant
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	X	X	Significant
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Х		Significant
ESRS S2-1 Human rights policy commitments paragraph 17	Х		Significant
ESRS S2-1 Policies related to value chain workers paragraph 18	х		Significant
ESRS S2-1 Non-respect of UNGPs on Business and	X	X	Significant
Human Rights principles and OECD guidelines paragraph 19	-		3.3
ESRS S2-1 Due diligence policies on issues addressed by the		Х	Significant

fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			
ESRS S2-4 Human rights issues and incidents connected to its	Х		Significant
upstream and downstream value chain paragraph 36 FSRS S3-1	,		Not cignificant
Human rights policy commitments paragraph 16	X		Not significant
ESRS S3-1	Х	X	Not significant
non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17			
ESRS S3-4	X		Not significant
Human rights issues and incidents paragraph 36 ESRS S4-1 Policies related to consumers and end-users	X		Significant
paragraph 16	,		, in the second
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights	X	X	Significant
and OECD guidelines paragraph 17			
ESRS S4-4 Human rights issues and incidents paragraph 35	X		Significant
ESRS G1-1	X		Not significant
United Nations Convention against Corruption paragraph 10 (b)			
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Х		Significant
ESRS G1-4	X	χ	Not significant
Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	^	^	Not significant
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph	X		Not significant
24 (b)			

50. Environmental information

50.1. Information in accordance with Article 8 of Regulation 2020/852 (Taxonomy Regulation)

The EU Taxonomy is a key part of the European Union's (EU) "European Green Deal" and "Financing Sustainable Growth" action plans. These measures aim to achieve a net zero economy by 2050. The EU Taxonomy's main objectives are to improve transparency and enable objective comparisons, with the aim of channelling capital into environmentally sustainable economic activities. The EU Taxonomy is a classification system that categorises economic activities as environmentally sustainable based on predefined technical assessment criteria. To be classified as making a significant contribution to achieving one of the six environmental objectives, an economic activity must fulfil specific requirements. These objectives include: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and reduction; and the protection and restoration of biodiversity and ecosystems. It is essential that the economic activity does not significantly harm another environmental objective and that the undertaking has established minimum safeguards, which include compliance with human rights amongst others.

An economic activity is considered taxonomy-eligible if it is described in one of the six environmental objectives set out in the Delegated Acts 2020/852, the published Delegated Regulations 2021/2139, or the Environmental Delegated Act 2023/2486, irrespective of whether the technical assessment criteria set out in these acts are

fulfilled. As a result of an analysis of the VARTA Group's business activities, the following economic activities can be summarised under environmental objective I, 'Contribution to climate change mitigation':

- Economic activity 3.4 "Manufacture of batteries"
- Economic activity 3.6 "Manufacturing of other low-carbon technologies" (includes the production of technologies aimed at significantly reducing greenhouse gas emissions in other economic sectors)

According to the descriptions of the first two economic activities, much of the VARTA Group's business model falls within the scope of the EU Taxonomy. VARTA's business activities relating to criterion 3.4, 'Manufacture of batteries', which include rechargeable battery solutions for transport, energy storage, and other industrial applications, fulfil the EU taxonomy's elegibility requirements.

In addition, our research and development efforts enable us to continuously reduce the negative environmental impact of our products, which are designed to reduce greenhouse gas emissions in other economic sectors. For this reason, these activities are classified as taxonomy-eligible under criterion 3.6, 'Manufacturing of other low-carbon technologies'. This classification is based on the products' high cycle stability and energy density, which lead to a potentially significantly lower carbon footprint compared to alternative products.

Other parts of the business model can be best summarised as economic activities under environmental objective IV "Contribute to the transition to a circular economy":

• Economic activity 1.2 "Manufacture of electrical and electronic equipment"

Business activities relating to economic activity 1.2 essentially fulfil the requirements for EU taxonomy eligibility. These activities include the manufacture of rechargeable and non-rechargeable portable batteries. According to the economic activity criteria, further parts of the VARTA Group's business model fall within the scope of the EU Taxonomy.

VARTA's business activities were also reviewed with regard to economic activities in connection with the other environmental objectives. No activities from Annex 2 DelVO 2021/2139 and DelVO 2023/2486 were identified that are not already covered by the allocation to activities from Annex 1 DelVO 2021/2139.

In order to determine the taxonomy alignment of the above-mentioned economic activities in the reporting year, the technical evaluation criteria must be reviewed, including:

- Significant contribution to the fulfilment of the environmental objective based on the specific criteria
- Avoidance of significant harm to the other environmental objectives, in each case based on specific requirements for each relevant economic activity ("Do No Significant Harm" or "DNSH")

In addition, it must be ensured that the operating company has established minimum protection procedures that are specifically aimed at respecting human rights and at the same time take into account the issues of bribery and corruption, taxation and fair competition ("minimum safeguards").

Analysis of the technical evaluation criteria reveals that not all taxonomy-eligible activities meet the necessary technical evaluation standards due to the demanding

requirements. Therefore, a detailed analysis of the individual activities is carried out to determine their significant contribution. To ensure that products according to criterion 3.6 fulfil the requirements of the Delegated Regulations, proof of compliance according to the industry standard is required. Currently, however, there is a lack of transparency and available data to compare products and fulfil the necessary compliance criteria.

In addition to reviewing taxonomy alignment and significant contributions, experts from relevant fields also assessed specific "Do No Significant Harm" (DNSH) criteria at the level of economic activities. These criteria, set out in Annexes A, B, C and D in relation to Annex I of Delegated Regulation (EU) 2021/2139, as well as the "minimum protection" requirements, were evaluated at a company level. The comparatively significantly lower taxonomy compliance can be attributed to various causes. However, ongoing uncertainty surrounding the interpretation of the EU taxonomy could result in different assessments in the coming year. Additionally, the discrepancy between sales, investments, and operating costs recognised as taxonomy-eligible and taxonomy-aligned is due, in part, to the pollution prevention and control criteria in Annex C, which lack complete legal certainty. Regulation (EU) 2019/1021 establishes a framework to protect humans and the environment from the risks posed by persistent organic pollutants (POPs). The manufacture, placing on the market and use of the substances listed in Annexes I and II, either on their own or in mixtures or articles, are prohibited, subject to Article 4. However, Annexes I and II also list threshold values and cover use-specific exemptions up to the specified date. Furthermore, Article 4(2) contains a grandfathering clause covering substances in articles that were in use before or at the time the EU POP Regulation or Regulation (EC) No 850/2004 came into force for that substance. Currently, none of these three aspects; threshold values, application-specific exemptions and the grandfathering clause, are taken into account in the legal text of the taxonomy.

CapEx plan for taxonomy-aligned investments

According to the EU, a capital expenditure (CapEx) plan is defined as investments that lead to the expansion of taxonomy-compliant economic activities, or that enable non aligned taxonomy economic activities to become taxonomy-aligned. No such investments were made in the 2024 reporting year.

Calculation of the EU Taxonomy Performance indicators

An analysis was carried out by a project team to identify VARTA's business activities that meet the requirements of the EU Taxonomy. The team comprised experts from the Legal, Finance and Sustainability departments, who analysed all business activities and assigned them to the relevant categories. The level of taxonomy alignment of each activity was then reviewed in detail by experts from the relevant departments. Finally, VARTA categorised the activities according to revenue, capital expenditure (CapEx) and operating expenses (OpEx). VARTA's economic activities that meet the EU taxonomy requirements include Battery solutions from the Lithium-Ion Battery Packs, Energy Storage Systems and Lithium-Ion Large Cells business units, in accordance with criterion 3.4 of Environmental Target I, Lithium-Ion Small Cells and Lithium-Ion Accu, in accordance with criterion 3.6 of Environmental Target I, Micro Batteries (excluding Lithium-Ion Accu) and Consumer Batteries, in accordance with criterion 1.2 of Environmental Target IV.

Sales revenue

Revenue is determined in accordance with Article 2(5) of Directive 2013/34/EU. Revenue includes income and proceeds recognised in accordance with International Accounting

Standard (IAS) 1, Section 82(a), as set out in Commission Regulation (EC) No 1126/2008 (please refer to section 28 Sales revenue).

In order to report in accordance with the EU Taxonomy, the company has implemented measures to avoid double-counting when determining turnover KPIs (i.e. sales KPIs) across different economic activities. Each turnover amount has been allocated exclusively to either a taxonomy-eligible or taxonomy-aligned economic activity, to prevent multiple entries. Where product groups could be allocated to several taxonomyelegible activities, clear allocation was made based on type designation and application. Where a pro rata allocation was required, a consistent and documented calculation method was applied. The underlying sales data was reconciled with the financial statements and internal financial accounting to ensure complete recognition without double counting. Cross-divisional validation of the sales KPIs was performed to identify and eliminate potential multiple entries. The allocation criteria were documented in detail to ensure transparency and traceability of the calculations, and consistent reporting across different periods. The proportion of taxonomy-eligible sales revenue was 78.1 % in the 2024 financial year (down from 82.0 % in the previous year) and has therefore slightly decreased. These approximately equal shares are due to the constant development of the business model during the reporting period.

Capital expenditure

Investments in property, plant and equipment (capital expenditure, or CapEx) are calculated on a gross basis, excluding revaluations, depreciation and amortisation. This includes investments in non-current tangible or intangible assets acquired through asset or investment acquisitions, as presented in the consolidated financial status (please refer to section 5 Investments excluding M&A (CAPEX))

When determining the CapEx KPIs in accordance with EU Taxonomy, VARTA AG Group took measures to avoid double-counting when allocating investments to different economic activities. Each CapEx item has been allocated exclusively to either a taxonomy-eligible or taxonomy-aligned economic activity, to prevent multiple entries. Investments that could affect several economic activities were analysed in detail and allocated to the most relevant activity using a consistent allocation method. An internal validation process was used to check the calculations and ensure that no CapEx values were included more than once. This process was carried out in consultation with the relevant departments, including Finance & Sustainability. The methods used to avoid double counting were documented internally to ensure transparency and traceability of the calculations, and to guarantee standardised application across reporting periods. The proportion of taxonomy-eligible capital expenditure in the 2024 financial year was 87.5 % (compared to 49.7 % in the previous year), representing a sharp increase. This increase is due to higher capital expenditure that falls under economic activity 3.4.

Operating expenses

Ongoing operating expenses (OpEx) include non-capitalisable expenses reported in the consolidated income statement. These include items such as research and development, building refurbishment, short-term leases, maintenance and repairs, and all other direct costs associated with maintaining property, plant and equipment. This ensures that asset items meeting the taxonomy criteria remain operational.

In order to report in accordance with the EU Taxonomy, the company has taken measures to avoid double counting when determining OpEx KPIs across different economic activities. All operating expenses have been allocated to a specific eligible or aligned economic activity to prevent double counting. Where operating expenses could be

allocated to multiple economic activities, this has been done based on the cost centres of the related activity. Where splitting was necessary, a sound, documented allocation logic was applied. To ensure data integrity, the OpEx KPIs were checked internally using cross-divisional checks. In the 2024 financial year, the proportion of taxonomy-eligible operating expenses was 39.7 %, which is a decrease compared to the previous year (53.4 %).

50.1.1. Metrics

Reporting forms in accordance with Annex I of Delegated Regulation (EU) 2021/2178 Share of turnover from products or services associated with taxonomy-aligned economic activities

Financial year 2024	2024				Substantial contribution criteria					
Economic Activities (1)	Code (2)	Revenue (3)	Proportion of Revenue, 2024 (4)	CCM (5)	CCA (6)	WTR (7)	PPC (8)	CE (9)	BIO (10)	
		(in k €)	(in %)	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
Of which enabling										
Of which transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of electric and electronic equipment	CE 1.2	376,000	47.4 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL	
Manufacture of batteries	CCM 3.4	111,000	14,0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Manufacture of other low-carbon technologies	CCM 3.6	132,500	16.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL	
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		619,500	78.1%	32.0 %	0 %	0 %	0 %	49.3 %	0 %	
A. Revenue of Taxonomy-eligible activities (A.1+A.2)		619,500	78.1%	32.0 %	0 %	0 %	0 %	49.3 %	0 %	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Revenue of Taxonomy-non-eligible activities		173,700	21.9%							
Total		793.186	100.0 %							

Share of turnover from products or services associated with taxonomy-aligned economic activities (part 2)

activities (part 2)										
Financial year 2024	DNSH criteria (Do No Significant Harm)									
Economic Activities (1)	CCM (11)	CCA (12)	WTR (13)	PPC (14)	CE (15)	BIO (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) revenue, 2023	Category enabling activity (19)	Category transitiona activity (20
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(in %)	Е	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
Of which enabling									E	
Of which transitional										T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of electric and electronic equipment								42.2 %		
Manufacture of batteries								28.3 %		
Manufacture of other low carbon technologies								11.6 %		
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								82.0 %		
A. Revenue of Taxonomy-eligible activities (A.1+A.2)								82.0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Revenue of Taxonomy-non- eligible activities										
				I .	1	1	1			1

Total

Share of CapEx from products or services associated with taxonomy-aligned economic activities

Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2024 (4)	CCM (5)	CCA (6)	WTR (7)	PPC (8)	CE (9)	BIO (10)
		(IN k €)	(in %)	Y; N; N/EL					
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
Of which enabling									
Of which transitional									
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electric and electronic equipment	CE 1.2	11,476	30.6 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Manufacture of batteries	CCM 3.4	17,289	46.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low-carbon technologies	CCM 3.6	4,046	10.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		32,811	87.5 %	56.9 %				8.8 %	
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		32,811	87.5 %	56.9 %				8.8 %	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		4,689	12.5 %						
TOTAL		37,500	100.0 %						

Share of CapEx from products or services associated with taxonomy-aligned economic activities (part 2)

(part 2)										
Financial year 2024			DNSH crite	ria (Do No Signif	icant Harm)					
Economic Activities (1)	CCM (11)	CCA (12)	WTR (13)	PPC (14)	CE (15)	BIO (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2023	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(in %)	Е	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)								0 %		
Of which enabling								0 %	Е	
Of which transitional								0 %		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of electric and electronic equipment								8.8 %		
Manufacture of batteries								18.9 %		
Manufacture of other low- carbon technologies								22.0 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								49.7 %		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)								49.7 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
CapEx of Taxonomy-non-eligible activities										
TOTAL										

Share of OpEx from products or services associated with taxonomy-aligned economic activities

Financial year 2024		2024			Su	bstantial con	tribution crit	eria	
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2024 (4)	CCM (5)	CCA (6)	WTR (7)	PPC (8)	CE (9)	BIO (10)
		(in € k)	(in %)	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)									
Of which enabling									
Of which transitional									
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electric and electronic equipment	CE 1.2	13,538	18.6 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Manufacture of batteries	CCM 3.4	11,632	16.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of other low-carbon technologies	CCM 3.6	3,642	5.0 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		28,812	39.7 %	23.4 %	N/EL	N/EL	N/EL	18.6 %	N/EL
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		28,812	39.7 %	23.4 %	N/EL	N/EL	N/EL	18.6 %	N/EL
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		43,846	60.3 %						
TOTAL		72,658	100.0 %						

Share of OpEx from products or services associated with taxonomy-aligned economic activities (part 2)

Financial year 2024	DNSH criteria (Do No Significant Harm)									
Economic Activities (1)	CCM (11)	CCA (12)	WTR (13)	PPC (14)	CE (15)	BIO (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2023	Category enabling activity (19)	Category transitional activity (20)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	(in %)	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)								0 %		
Of which enabling								0 %	Е	
Of which transitional								0 %		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of electric and electronic equipment								17.1 %		
Manufacture of batteries								33.0 %		
Manufacture of other low- carbon technologies								3.3 %		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								53.4 %		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)								53.4 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OpEx of Taxonomy-non-eligible activities										
TOTAL										

Y - Yes, taxonomy-aligned activity that conforms to the relevant environmental objective

 \mbox{N} - \mbox{No} , taxonomy-elegible activity, but not taxonomy-aligned with the relevant environmental objective

N/EL - "not eligible", activity not eligible for taxonomy for the respective environmental objective

E/L - "eligible", taxonomy-eligible activity for the respective environmental objective

CCM - Climate change mitigation

CCA - Adaptation to climate change

 $\ensuremath{\mathsf{WTR}}$ - Sustainable use and protection of water and marine resources

PPC - Pollution prevention and control

CE - Transition to a circular economy

BIO - Protection and restoration of biodiversity and ecosystems

N.R. - Not relevant

Reporting Form 1: Activities in the areas of nuclear energy and fossil gas Activities in the field of nuclear energy

1	The company is active in the research, development, demonstration and deployment of innovative power generation plants that generate energy from nuclear processes with minimal waste from the fuel cycle, finances such activities or holds risk positions in connection with these activities.	no
2	The company is active in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat - including for district heating or industrial processes such as hydrogen production - as well as in their safety improvement using the best available technologies, finances such activities or holds risk positions in connection with these activities.	no
3	The company is active in the safe operation of existing nuclear facilities for the generation of electricity or process heat - including for district heating supply or industrial processes such as hydrogen production - as well as in their safety-related improvement, finances such activities or holds risk positions in connection with these activities.	no
	Activities in the fossil gas sector	
4	The company is active in the construction or operation of plants for the generation of electricity from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	no
5	The company is active in the construction, modernisation and operation of combined heat, power and cooling plants using fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	no
6	The company is active in the construction, modernisation and operation of plants for heat generation that produce heat/cooling from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	no

Reporting forms 2-5: not relevant

50.2.Climate change

The role of the administrative, management and supervisory bodies and their expertise regarding climate change mitigation aspects are detailed in section 49.1. General information.

50.2.1. Strategy

Disclosure Requirement E1-1 - Transition plan for climate change mitigation

The VARTA AG Group is committed to aligning its business practices and production processes with the global effort to limit the increase in global temperatures to 1.5°C. The corresponding transition plan provides insight into our past, current and future climate change mitigation efforts.

The timeline involves sourcing 100 % of the electricity demand at all global production sites from renewable energy sources by 2030, as well as reducing greenhouse gas (GHG) emissions in Scopes 1 and 2 by at least 42 %, starting from the 2020 baseline. Along the value chain, GHG intensity relating to purchased goods and services, end-of-life treatment, the product use phase, the energy upstream chain, waste from production and employee commuting is to be reduced by 51.6 % per unit of added value by 2030. These targets have been submitted to the Science Based Targets Initiative (SBTi) and fulfil the requirements for reducing greenhouse gas emissions in accordance with the 1.5°C target of the Paris Agreement.

The targets for reducing greenhouse gas emissions are an integral part of our commitment to the SBTi. As part of this commitment, we have created a transition plan and identified the following decarbonisation levers:

Decarbonisation lever

Decarbonisation lever

GHG emissions already saved in Scope 1&2 Use of electricity from renewable energies Electrification of vehicle fleet **Construction measures Electrification of production processes Supplier commitment Employee commuting** Increase in material efficiency Treatment at the end of the product life cycle Reduction of waste in production Efficiency in the product utilisation phase Energy upstream chain (excl. Scope 1&2)

*Base year for Scope 1&2: 2020; base year for Scope 3: 2021

Location in the value chain	Savings in the respective scopes by 2030 in
	relation to the base year* [%]

Own business operations	36.3 (Absolute)
Own business operations	4.1 (Absolute)
Own business operations	1.2 (Absolute)
Own business operations	0.3 (Absolute)
Own business operations	0.3 (Absolute)
Upstream value chain	33 (Intensity)
Upstream value chain	0.3 (Intensity)
Upstream value chain	15 (Intensity)
Downstream value chain	2 (Intensity)
Upstream value chain	0.1 (Intensity)
Downstream value chain	1.7 (intensity)
Upstream value chain	0.1 (intensity)

Chapter Actions and resources in relation to climate change policies provides a description of the measures and their relationship to the various decarbonisation levers. As part of our transition plan to achieve our climate targets, we have invested in the implementation of climate change mitigation measures. These investments focus on projects and technologies such as switching to renewable energy, increasing energy efficiency and decarbonising our production processes. To support the implementation of this plan, we have made the necessary financial resources available for climate-relevant capital expenditure (investments). The quantified investments and the associated financing are set out in detail in our reports on taxonomy-eligible capital expenditure (CapEx), as required by Regulation (EU) 2021/2178. These investments are regularly monitored and evaluated to ensure that they meet our long-term climate targets and contribute to reducing our GHG emissions. Corresponding key performance indicators to measure progress are part of our regular reporting system.

The future operation of our combined heat and power (CHP) plants and microturbines will not affect our climate targets. These technologies are highly efficient and make a significant contribution to our own supply of electricity and heat. The plants are planned for commissioning by 2026, using natural gas as fuel. Cumulatively, 93,582 tCO₂e of greenhouse gas emissions will occur once these are operating at full capacity with natural gas as fuel by 2030. However, we have already examined and evaluated the technical feasibility of switching to hydrogen technology in the future. We regularly review the availability and feasibility of a hydrogen supply via pipelines to ensure our plants can continue to contribute significantly to decarbonising our energy requirements in future. This approach helps us to minimise potential locked-in greenhouse gas emissions and actively manage potential transition risks. Over 87 % of capital expenditure in 2024 is recognised as eligible for EU taxonomy under Regulation 2021/2178 (please refer to Information in accordance with Article 8 of Regulation 2020/852 (Taxonomy Regulation) section).

Our transition plan for achieving the climate targets is firmly embedded in our broader business strategy and financial planning. By doing so, we are working towards securing the long-term environmental and economic sustainability of our company. Linking climate change mitigation measures to our corporate strategy ensures that climaterelated risks and opportunities are consistently considered, while also creating new growth potential. The transition plan has been fully reviewed and approved by the

Executive Board of the VARTA AG Group. This guarantees the allocation of the necessary resources and the highest priority for the implementation of the measures.

We are pleased to report that we have made significant progress in implementing our transition plan. Important milestones were reached by investing in energy-efficient technologies, reducting GHG emissions, and introducting renewable energies. By the 2024 reporting year, 65 % of direct market-based GHG have been saved since 2020. We regularly monitor target achievement and continuously adapt our strategies to ensure fulfilling our commitments and remain on a 1.5°C pathway. This positive development reflects our ongoing improvement, understanding and management of processes, impacts, risks and opportunities relating to GHG emissions, and our integration of sustainable practices into business operations. VARTA AG Group will report annually on progress in implementing the transition plan and communicate this to relevant stakeholders.

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

As a battery manufacturer, we have developed comprehensive strategies to address our key impacts, risks, and opportunities relating to climate change mitigation and adaptation. These concepts align with our commitments under the Paris Climate Agreement and the Science Based Targets Initiative (SBTi). Our main goal is to play an active role in shaping the transition to a low-carbon economy and to deliver innovative solutions for the energy transition. In order to achieve our emission reduction targets, the VARTA AG Group is committed to fulfilling the following aspects.

Climate change mitigation

As part of our climate change mitigation strategy, we are focusing on reducing our direct (Scope 1 and 2) and indirect (Scope 3) greenhouse gas emissions. Our goal is to reduce our absolute Scope 1 & 2 emissions by at least 42 % by 2030 compared to 2020. Additionally, we intend to decrease our greenhouse gas intensity throughout the value chain by 51.6 % by 2030 compared to 2021. We intend to minimise our carbon footprint throughout the value chain by implementing the decarbonisation strategies outlined in section Transition plan for climate change mitigation. We are further implementing advanced GHG management systems to continuously monitor and reduce our emissions.

Adapting to climate change

To adapt to changing climatic conditions, we have taken measures to increase the resilience of our production facilities and supply chains. They include risk assessments and resilience analyses in relation to extreme weather events, as well as stakeholder engagement to reduce climate-related risks collectively (please refer to the section on resilience analysis). We continuously evaluate climate change risks and integrate them into our strategic decision-making processes.

Energy efficiency

Energy efficiency is a key part of our production strategy. By optimising our production processes, we reduced the specific energy consumption of our production facilities by 35 MWh in the reporting year. In particular in battery cell production, we are striving for continuous improvement with the execution of action plans that should lead to energy savings of 500 MWh by 2026.

Use of renewable energies

The proportion of our electricity consumption deriving from renewable sources has grown steadily, rising from less than 1 % in 2020 to 95 % in the reporting year. Our goal is to increase the proportion of electricity from renewable sources at all production sites to 100 % by 2030. The reliable and verifiable transition to renewable energy supply using market instruments is proving particularly challenging in non-European countries. Furthermore, local energy markets are not necessarily liberalised. We are therefore focusing on photovoltaic systems at our production sites, while still consistently examining further options for the use of wind and solar energy. Our investments in renewable energies are making a significant contribution to the decarbonisation of our company while also supporting security of energy supply.

Through these concepts, we ensure that we contribute to climate change mitigation and organise our business activities in a sustainable manner. The concept covers VARTA AG Group, including all operations, subsidiaries and their respective value chains, while no business units, regions or stakeholders are excluded.

The Executive Board of the VARTA AG Group is responsible for overseeing the company's sustainability initiatives. The Sustainability department develops joint positions and submits them to the Executive Board for approval. These include new strategic priorities, external objectives, and the assessment of risks and opportunities relating to climate change. The Executive Board decides on specific climate change mitigation measures in collaboration with the Sustainability department and sets up topic-related project groups to manage the implementation of action plans, comply with common standards, share best practices and monitor results. The Executive Board also coordinates cross-divisional projects and continuously monitors progress in achieving climate change mitigation targets.

The VARTA AG Group supports the global goal of limiting global warming to 1.5°C, as set out in the IPCC's special report on global warming. This aligns with the company's commitment to the guidelines and goals of the Paris Climate Agreement. Through targeted measures, the company contributes to the Nationally Determined Contributions (NDCs) of the countries in which it operates. VARTA AG Group also recognises the United Nations' Sustainable Development Goals (SDGs) as central guidelines for climate change mitigation, particularly SDG 7 ('Affordable and clean energy'), SDG 12 ('Responsible consumption and production') and SDG 13 ('Climate action'). To calculate greenhouse gas emissions at a company level, VARTA AG Group adheres to the standards of the GHG Protocol, including the Corporate Accounting and Reporting Standard. The SBTi Corporate Standard is used to define, review and track corporate climate-related targets. This standard serves as a reference framework for aligning the achievement of near-term targets with climate-related sustainability goals within planetary boundaries. VARTA AG Group engages with key interest groups and considers their concerns. The most important internal and external stakeholders include retail and industrial customers, end consumers, employees, suppliers, and organisations committed to product responsibility. All employees and external interest groups can access this strategy via the Human Rights Policy Statement, Code of Conduct and Sustainability Reporting in the 'Sustainability' section on our website (varta-ag.com).

Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies

We have introduced a number of measures to promote climate change mitigation and adaptation to climate change. These include improvements in energy efficiency, increased use of renewable energies, electrification of our production processes, and switching to alternative fuels. The capital expenditure (CapEx) and operating expenditure (OpEx) allocated for the implementation of climate change mitigation measures align

with the key performance indicators of Delegated Regulation (EU) 2021/2178. If the figures presented here do not include significant OpEx and CapEx amounts in accordance with the Taxonomy Regulation, this is because these amounts are not included within the meaning of the disclosure requirement E1-3 4. c). To increase emission reductions, we implemented measures in the reporting year that led to cumulative savings of 26,458 tCO₂eq.

In accordance with the requirements of ESRS 2 MDR-A, we have compiled a list of the climate change mitigation and climate change adaptation measures that we have implemented in the reporting year and plan to implement in the future. These measures can be categorised under different decarbonisation levers:

Measures in connection with the climate strategies Measures

Savings in the area of cross-sectional technologies (elimination of compressed air leaks)
District heating from biogenic sources
Company agreement on mobile working
Purchase of electricity from renewable sources

Decarbonisation lever	Expected savings Sa by 2030 [tCO2eq] *	Expected savings Savings [tC02eq]* by 2030 [tC02eq] * 2024	
Energy efficiency	397	13	
Use of renewable energy	35,742	5,957	
Employee commuting	1,097	101	
Use of renewable energy	122,322	20,387	

To significantly increase the proportion of renewable energy consumed at our production sites that we generate ourselves, we are planning to invest more in renewable energy sources. At several German production sites PV systems to generate their own renewable electricity have already been installed. These systems provided 786 MWh of low-carbon electricity in the reporting year. Research and development activities focus on the development of energy-efficient battery technologies to create sustainable products (please refer to chapter Shaping the future).

Our measures aim to achieve the targets set out in our climate concept. We intend to utilise the various decarbonisation levers described in chapter Transition plan for climate change mitigation.

Furthermore, within the scope of funding projects, VARTA AG Group collaborates with a wide range of partners from industry and research to develop innovative technologies that reduce greenhouse gas emissions in the battery sector. In 2024, 38 research projects with a total value of over €37.9 million were implemented.

50.2.2. Metrics and targets Disclosure Requirement E1-4 - Targets related to climate change mitigation and adaptation

VARTA AG Group has set science-based GHG emission reduction targets that are consistent with the goal of limiting global warming to 1.5°C. The Science Based Targets Initiative (SBTi) was used as a framework to develop these targets, ensuring they align with the latest scientific evidence and the requirements of the Paris Climate Agreement. We plan to validate our submitted targets in 2025. VARTA AG Group quantifies, assesses and monitors greenhouse gas emissions from all relevant sources, including $\rm CO_{2}$, methane, nitrous oxide and other gases generated both internally and externally. Including Scope 3 emissions in the calculations enables us to rise to the challenge of mitigating the effects of climate change and taking appropriate action. The targets were set in line with the material impacts, risks and opportunities, which are described in chapter Management of impacts, risks and opportunities.

A target is based on an energy assessment of all relevant energy consumers, an estimate of future renewable energy use, and the substitution of materials, resources, and technical processes. By 2030, at least 42 % of absolute market-based GHG emissions in Scopes 1 and 2 are to be reduced compared to the 2020 base year. Additionally, GHG intensity in the value chain relating to purchased goods and services, end-of-life treatment, the product's use phase, the energy upstream chain, waste from production and employee commuting is to be reduced by 51.6 % by 2030, from 319 tonnes of CO_2 equivalent per value added in the base year of 2021 to 154 tonnes by 2030. Furthermore, 100 % of the electricity used at our production sites is to be sourced from renewable energy sources by 2030. This contributes to Germany's long-term goal of achieving net zero by 2045. The period for which the target applies is shown in the 'GHG emissions' table in this section.

When setting these targets, we were guided by the International Energy Agency's (IEA) and Intergovernmental Panel on Climate Change's (IPCC) guidelines and scenarios, which require a reduction in global emissions to keep global warming below 1.5 °C (please refer to the Managing impacts, risks and opportunities section). In 2025, the SBTi will validate the targets to ensure consistency with international standards and the credibility of our plans. We have also considered the impact of future developments. These include potential changes in sales volumes due to the growing demand for batteries, particularly in electromobility and renewable energy storage. We have also considered regulatory factors, such as increasing GHG emission reduction regulations, as well as technological advances that should enable us to make our processes more efficient and less carbonintense. These assumptions affect our current and planned production capacities, enabling us to react flexibly to changes in market conditions and customer preferences without endangering our long-term emission targets. The reduction pathway is in line with the relevant IPCC RCP scenarios describing the 1.5°C pathway. Section E1-1: Transition Plan describes the most important decarbonisation levers for achieving the targets. VARTA AG Group engages with relevant interest groups and considers their concerns when setting its targets. The growing consensus among stakeholders emphasises the urgency of taking decisive action to mitigate climate change. Various sectors are increasingly urging governments, companies, and institutions to set ambitious targets to limit global warming to 1.5 °C, thereby mitigating the severe consequences of climate change. To date, the VARTA AG Group has not changed its targets, associated metrics or underlying measurement methods. The key assumptions, restrictions, data sources and processes for collecting information within the defined time horizon have also not changed.

Progress towards the set targets is regularly reviewed and reported to the Supervisory and Executive Boards. As of 2024, progress against the SBTi climate targets for 2030 stands at 65 % for Scopes 1 and 2, and 1 % for Scope 3. This is reflected in the progress made in each emissions category, as shown in the 'GHG emissions' table.

Disclosure Requirement E1-5 - Energy consumption and mix

We view energy management as an iterative process to help us continuously identify further savings potential. An annual management review meeting informs the Executive Board about ongoing and completed projects. This is based on regular energy audits of all European sites. These sites require more than 91 % of VARTA Group's total energy demand. To reduce energy costs and minimise our environmental impact, we are striving to improve our overall sustainability performance. Consequently, VARTA AG Group procures electricity from renewable sources at all its German production sites and has implemented a digital energy management system. This system can identify energy-saving potential, optimise production processes, encourage energy-efficient behaviour, and facilitate the transition to energy-efficient systems. All production sites are certified

in accordance with ISO 14001, and the largest European production sites successfully underwent energy audits in the reporting period. Consequently, relevant metrics were reviewed and monitored in accordance with legal requirements.

The total energy demand of VARTA AG Group comprises various sources, including fuel, heating oil, natural gas and biogas. The company obtains its electricity from both renewable and non-renewable sources. Over 98 % of the electricity used is purchased from the power grid. More than 80 % of the remaining electricity is generated from renewable sources and utilised directly. Certificates of origin are available for the electricity purchased from renewable sources at the German production sites for quality assurance purposes. The data was collected from invoices and meter readings at all production sites.

(IN MVVII)	2024
(1) Fuel consumption from coal and coal products	0
(2) Fuel consumption from crude oil and petroleum products	2,696
(3) Fuel consumption from natural gas	18,498
(4) Fuel consumption from other fossil sources	0
(5) Consumption from purchased or received electricity, heat, steam and cooling and from fossil sources	1,627
(6) Total consumption of fossil energy (sum of rows 1 to 5)	22,821
Share of fossil sources in total energy consumption (in %)	27.1 %
(7) Consumption from nuclear power sources	312
Share of consumption from nuclear sources in total energy consumption (in %)	0.4 %
(8) Fuel consumption for renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, hydrogen from renewable	
sources, etc.)	0
(9) Consumption from purchased or received electricity, heat, steam and cooling and from renewable sources	60,441
(10) Consumption of self-generated renewable energy other than fuels	786

Energy consumption and energy mix

(11) Total consumption of renewable energy

Total energy consumption (sum of lines 6 and 11)

Share of renewable sources in total energy consumption

(sum of lines 8 to 10)

(in %)

Energy intensity per net revenue	
Energy intensity per net revenue (IN MWh/m€)	2024
Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive	
sectors	106

To calculate the energy intensity (total energy consumption per unit of net revenue), the climate-intensive sector 'Manufacture of batteries and accumulators' (NACE code 27.20) was used, as defined in Regulation (EC) No. 1893/2006 of the European Parliament and of the Council. This covers all of the VARTA AG Group's business activities. For information on net revenue please refer to chapter 28 Revenue .of the Annual Report.

61,227

72.6 %

84,360

Disclosure Requirement E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

Greenhouse gas inventory of VARTA

orocimouse gus inventory or valera			MILESTONE AND TARGET YEAR		
(IN tCO2eq)	2020	2021	2024	2030	ANNUAL % OF TARGET / BASE YEAR
Scope 1 greenhouse gas emissions		1		ı	ı
Scope 1 GHG gross emissions (in tCO₂eq)	4,085	5,546	4,599	2,369	-4.2
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes (in %)	0	0	0	0	0
chilosions trading schemes (iii /b)	U	0	0	U	0
Scope 2 greenhouse gas emissions					
Location-based Scope 2 GHG gross emissions (in tCO₂eq)	28,553	25,959	22,367	16,561	-4.2
Market-based Scope 2 GHG gross emissions (in tCO₂eq)	13,278	1,817	1,511	7,701	-4.2
Significant Scope 3 greenhouse gas emissions		050 (00	070 / 77		I
Total indirect (Scope 3) gross GHG emissions (in tCO₂eq)	-	359,633	278,477	_	-
1 Purchased goods and services	-	243,645	173,399	-	-
2 Capital goods	-	49,753	14,754	-	-
3 Activities related to fuels and energy (not included in Scope 1 or Scope 2)	_	1,717	2,919	_	_
4 Upstream transport and distribution	_	40,538	45,829	_	_
5 Waste generation in production	_	2,567	3,286	_	_
6 Business travel	_	63	407	_	_
7 Employee commuting	-	4,338	7,750	-	_
8 Upstream leased assets	-	166	517	-	-
9 Downstream transport	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-
11 Use of sold products	-	2,611	2,891	-	-
12 Treatment of products at the end of their service life	-	13,884	26,725	-	-
13 Downstream leased assets	-	-	-	-	-
14 Franchises	-	-	-	-	-
15 Investments	-	351	-	-	-
Total GHG emissions	_	391,138	305,469	_	_
Total GHG emissions (market-based) (in tCO₂eq)	-	366,996	284,614	-	_

The data for the reporting years 2022 and 2023 were subjected to an external assurance.

The greenhouse gas inventory was prepared and calculated in accordance with the WRI/WBCSD Greenhouse Gas (GHG) Protocol guidelines and ISO 14064 standards. In line with these standards, we recorded our emissions separately according to Scopes 1, 2 and 3. During the current financial year, we used EcoInvent 3.11 databases (IPCC 2021, GWP 100), the IPCC Report AR6 and the Climatiq database, which includes Environmental Input-Output Analysis (EIOA) databases, to calculate greenhouse gas emissions. We have intensified our efforts to include emissions generated outside the company bounderies. For this purpose, we used internationally recognised emission databases and emission factors from government authorities. Where necessary, emissions data from previous years was recalculated using the aforementioned references. VARTA AG Group report includes emissions from all sites, with the operational control approach used to determine the limit for emissions recording. We are actively working to improve data quality and ensure a complete carbon inventory. During the reporting period, 17.8 % of the greenhouse gas inventory data came from supplier-specific sources. As part of the continuous development and systematisation of our greenhouse gas accounting in accordance with the GHG Protocol requirements, we made several significant

adjustments to the categorisation of Scope 3 emissions during the reporting period. Previously, emissions were reported in category 9 ('Downstream transport and distribution'), but have now been transferred to category 4 ('Upstream transport and distribution'), as the transport services in question are upstream logistics activities. Services have been reclassified from category 2 ('Capital goods') to category 1 ('Purchased goods and services') to reflect their ongoing nature. Emissions from hotel accommodation for business trips and home offices have been excluded from Scope 3 accounting as they are not yet required to be reported in accordance with the GHG Protocol. The use phase of products now only considers direct emissions caused by charging losses. These changes improve the quality, comparability and consistency of the data with the GHG Protocol's accounting principles. These changes have been applied to all previous reporting years.

Scope 1

Calculating direct emissions from stationary combustion involves determining fuel consumption. It can be achieved by measuring or recording the quantity of fuel used (in tonnes, kilograms or litres) or the quantity of energy used (in kWh or MWh). The information is then fed into data collection software linked to reporting tools. The emission factors for greenhouse gas emissions from stationary combustion are numerical values taken from the BAFA list. Finally, all greenhouse gas emissions are totalled to determine the total emissions from stationary combustion. Quantities and consumption were transmitted manually and in real time via a network directly from the meter. Fuel consumption for pool and company vehicles is recorded centrally in the purchasing department. In addition, consumption from refuelling at filling stations and the associated cost centres are entered into the system via invoices. Fuel consumption at sales locations is included in GHG accounting for the first time, using an expenditurebased method. The amount of fuel burnt is multiplied by a specific emission factor based on data from the German Federal Environment Agency. During the reporting period, the Ellwangen site had a plant in which solvent from a coating plant was catalytically incinerated. The quantity was calculated using a solvent balance prepared by external service providers. The calculation is based on the carbon content of the incinerated solvent; this is why specific conversion factors are employed. It is assumed that complete combustion results in the formation of carbon dioxide. The VARTA AG Group records direct fugitive emissions resulting from the release of greenhouse gases in anthropogenic systems. These emissions result from the use of chemicals, extinguishing agents, and refrigerants. The quantities of these chemicals are analysed and recorded in terms of their climate impact. Emission factors from the 2021 IPCC report (AR6) are used to calculate the impact. The inventory of extinguishing agents is recorded annually through recurring tests. Refrigerant consumption is recorded at all production sites at refilling.

Scope 2

Both market-based and location-based methodologies were applied to Scope 2. Electricity consumption at each production site is recorded either via real-time meter readings or manually. Following the aggregation, the energy volumes are multiplied by specific emission factors. At the German sites, the emission factor under the market-based approach is zero, as the VARTA AG Group procures electricity from renewable energy sources, verified through Guarantees of Origin obtained via the energy supplier. During the reporting period, VARTA AG Group procured energy in the form of district heating for purpose of heating at the Nördlingen site. Consumption data are recorded at the beginning of each calendar month. To calculate greenhouse gas emissions, emission factors from the US Environmental Protection Agency (EPA) were used, allowing a breakdown into methane, nitrous oxide, and carbon dioxide. All GHG emissions are

summed up in accordance with their emission factors based on the IPCC AR6 and integrated into the overall carbon inventory. As part of the ongoing development of our GHG accounting, this reporting year marked the first systematic collection and inclusion of energy and fuel consumption data from all global sales offices. This expanded data set led to a significant change in the GHG inventory, resulting in a deviation of more than 5% compared to the previous year. In line with our Recalculation Policy, this change will be taken into account retrospectively in the next reporting period to ensure consistent and comparable emissions reporting. This ensures that our GHG inventory meets the transparency and traceability requirements and provides a reliable basis for managing our climate change mitigation measures.

Scope 3

The Scope 3 categories were calculated using a combination of supplier-specific, hybrid, average and expenditure-based methods.

Purchased goods & services

Due to the existing data structure, a hybrid approach is used to calculate emissions from purchased goods. The approach includes average, supplier-specific and expenditure-based methods. Some materials purchased in the calendar year are recorded directly in metric weight units, enabling all emissions from these data sets to be calculated using a suitable emission factor.

Some data records are available in the base unit of 'piece', which is why conversions are carried out using parts lists. For example, identical parts of a given type are known to always have the same weight. Based on this information, the total weight of some orders can be determined. The emissions are then calculated in tonnes of CO₂ equivalents using suitable emission factors from EcoInvent 3.11 (IPCC, 2021, GWP 100).). If neither conversions to metric units nor direct recording are possible, an expenditure-based approach is chosen. A step-by-step approach is used for each material group, as materials with similar properties tend to be categorised together. If no clear allocation is possible, the emission factor 'Household appliances and electrical and electronic goods' is used, as this term accurately describes the industry of VARTA AG Group. However, only a minority of the data records are assigned this emission factor, while the majority can be assigned to the approaches described above.

Capital goods

The spend-based approach is used for purchased capital goods because no parameters other than costs are available in the ERP system for these data records. If certain capital goods can be assigned to a specific industry, an industry-specific emission factor is selected for the calculation. If this is not possible, the 'machinery and equipment' emission factor is used instead. This conservative approach means that a high degree of transparency, completeness, consistency and correctness can be assumed based on the available data quality.

Fuel and energy-related activities (not included in Scope 1 and 2)

Emissions from upstream fuel activities are calculated as follows:

emissions (tCO(2) e) = fuel quantity \times emission factor

• Fuel quantity: Total consumption of the respective fuel (in kWh).

 Emission factor: Common factors of the Federal Environment Agency that cover the upstream emissions per unit of fuel

The quantity of fuel and energy purchased is determined using invoices and meter readings. The system boundaries cover activities along the supply chain up to the provision of energy to the company. This method meets the requirements of the Corporate Value Chain (Scope 3) Accounting and Reporting Standards of the GHG Protocol.

Upstream transport controlled by the VARTA AG Group

The calculation of greenhouse gas emissions from the transport of goods, both upstream and downstream, takes into account transport paid for by VARTA AG Group from suppliers to its production sites, transport paid for by VARTA AG Group to customers, and internal transport. This calculation is based on Incoterms stored in the ERP system. Weights are taken from the delivery notes and distances are estimated using the country code. As exact distances are not available in the system, internal logistics experts collaborate with transport companies to estimate distances to customers using well-founded assumptions. These assumptions are based on lorry transport in Europe as this is the predominant means of transport due to the quantities involved and the just-in-time delivery strategy. Air transport is assumed for international deliveries due to the aforementioned strategies. The means of transport used are estimated for each delivery, as this information is also not stored in the ERP system. If there is any ambiguity or uncertainty in the allocation, it is conservatively assumed that the transport is by air. This ensures a consistent and cautious approach to the GHG inventory. After the weights and distances of the various transport types have been summarised, the totals in tonnes are multiplied by the corresponding emission factor from EcoInvent 3.11 (IPCC, 2021, Climate Change, GWP 100).

Waste generated during operation

The annual quantities of waste generated during production are recorded in waste reports at all production sites. These reports distinguish between types of disposal as defined by the German Circular Economy Act. The types taken into account in the calculation are: recycling (labelled with an emission factor of 0); thermal recovery; and the landfilling of hazardous and non-hazardous waste. The type of disposal is assigned according to the type of waste, based on information from waste disposal companies.

In the calculation file, these lists are consolidated into a master list for VARTA AG Group. The waste volumes are then grouped and summarised by site, hazardousness, and disposal method. The resulting total quantity for each category is multiplied by geographically and process-specific emission factors from EcoInvent 3.11 (IPCC 2021, GWP 100) to calculate the total emissions arising from production-related waste.

Business travel

First, the relevant business travel data is compiled based on expense records or travel reports. Due to the current state of data availability, a spend-based approach is used for all calculations. The evaluation of the tracking systems currently only allows for a rough classification by type of expenditure. If an expense cannot be accurately categorised or has been altered due to bundled service charges, the full amount is conservatively attributed to the respective mode of transport. At VARTA Consumer Batteries, there is only one booking account for all business travel, which means that, in line with the chosen conservative approach, the entire amount is allocated to air travel. For the other

companies, the available data allows for different modes of transport to be allocated based on expenditure.

Employee Communiting

Relevant data on commuting distances, modes of transport, vehicle types, and fuel consumption are recorded using justified assumptions.

The average distance between home and workplace can be estimated using the mobility allowance paid to employees under the collective wage agreement, which benefits nearly all employees of VARTA Microbattery, Microproduction, and VARTA Storage. By applying the fixed per-kilometre allowance, the number of recipients, and the total amount paid, the average one-way commuting distance per recipient can be calculated. This figure is then doubled to account for the return journey, and the resulting total distance is extrapolated as an average value across all employees. In Germany, it is conservatively assumed that all employees commute by car due to the rural location of the production sites. In Romania and Indonesia, it is assumed that all employees are transported to the workplace by minibus.

The total amount of greenhouse gas emissions caused by commuting and commuter traffic can be calculated using the collected data and the emission factors from Ecolnvent 3.11 (IPCC 2021, Climate Change GWP 100) for each mode of transport. Emissions from customers and visitors are considered negligible, as relatively few people visit company sites. Service providers such as tradespeople are already accounted for in the purchased services through the applied emission factors, and since the VARTA AG Group operates within the manufacturing sector, such activities are not considered part of its core business.

Upstream leased assets

As part of the scope of the year under review, the utilisation of facilities in the form of rented offices, flats and warehouses in the VARTA Group's upstream value chain is considered. These properties are categorised by country and stored in the ERP system alongside the annual rental costs in euros. These values are totalled and offset against spend-based emission factors. Emission factors for the respective asset classes are specifically selected.

Use of the products sold

Indirect emissions arise from the charging of rechargeable (secondary) batteries. Primary batteries (i.e. non-rechargeable batteries) leave the factory at full voltage; therefore, the energy contained within is recognised in other categories under the GHG Protocol. No further emissions are produced during the use phase of primary batteries as the energy is chemically bound within the materials.

The energy turnover for the entire life cycle is calculated by multiplying the cell's system capacity by its voltage and the number of charging cycles guaranteed by the VARTA AG Group. This figure is then multiplied by the number of cells sold in the year under review to determine the energy turnover for the entire life cycle of a type. This process is then repeated for all secondary batteries sold in the reporting year.

To calculate the GHG emissions associated with the use phase of each product category, it is necessary to determine the sales market, since the emission factors of the electricity mix vary geographically. If this data is unavailable, the emission factor of the global electricity mix from EcoInvent 3.11 (IPCC, 2021; climate change; GWP 100) is used as

a conservative assumption. This is then multiplied according to the assumptions made to account for the indirect emissions from the use of products. Only direct emissions from charging losses during charging and discharging cycles are included in the GHG balance.

These assumptions remain conservative as they do not take into account either control over the user's actual electricity mix or capacity losses due to ageing during the use phase. These factors would likely result in a reduction in GHG emissions.

The emissions from the use phase of large-scale home storage systems are set at zero. When using these products, it is assumed that the stored electricity comes from renewable sources (PV electricity). Due to technical and economic considerations, purchasing electricity from the grid is not considered relevant.

End-of-life treatment of sold products

The VARTA AG Group's diverse product portfolio includes various battery technologies, formats, applications and markets. As the Group does not have direct control over product disposal at the end of their service life, this category includes conservative assumptions.

The VARTA AG Group fulfils its manufacturer obligations by participating in take-back systems. To calculate greenhouse gas emissions, the weights of products sold are referenced using an extract from the control system and data from product management. This enables the weight of individual primary batteries to be multiplied by the sales figures. Due to the current data quality and required resolution, conservative assumptions must be made for the individual battery types. The weights for secondary batteries are taken from the utilisation phase table.

The battery types are grouped by chemistry because the emission factors in the EcoInvent 3.11 database (IPCC 2021, climate change, GWP 100) are only available for lithium-ion (LIB) and nickel-metal hydride (NiMH) technologies. All technologies except LIB are categorised as NiMH because they have a lot in common due to their aqueous chemistry.

GHG intensity per net revenue

Total GHG emissions (location-based) per net revenue
Total GHG emissions (market-related) per net revenue

0.38 0.36

The net revenue used for the calculation in accordance with ESRS E1-6 corresponds to the marked disclosures in section 28 Revenue and is also an integral part of the Group sustainability report.

Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

During the reporting period, the VARTA AG Group did not initiate or participate in any projects relating to the extraction or storage of greenhouse gases within the upstream or downstream value chain. Furthermore, the company neither acquired nor planned to acquire any carbon credits during this period. Consequently, no emission reductions or removals were financed or targeted through external climate change mitigation projects.

Disclosure Requirement E1-8 - Internal carbon pricing

No internal carbon pricing systems were introduced or utilised during the reporting period. As a result, there are no internal shadow prices, CO_2 fees or CO_2 funds that influence decision-making or incentivise the implementation of climate-related concepts and targets.

50.3.Resource use and circular economy 50.3.1. Impact, risk and opportunity management Disclosure Requirement E5-1 - Policies related to resource use and circular economy

The VARTA AG Group pursues comprehensive concepts to systematically identify, assess and manage the main impacts, risks and opportunities associated with waste. A particular focus is on cell production and the associated production waste in battery manufacturing. This concept is based on compliance with ISO 14001, the EU Waste Framework Directive (Directive 2008/98/EC) and the German Circular Economy Act. By regularly analysing the waste streams generated - both hazardous and non-hazardous waste - we identify potential negative impacts. Improper disposal can have a negative ecological impact. We strive to minimise the amount of liquid waste generated in production and to improve waste management in accordance with the waste hierarchy. The VARTA AG Group continuously documents and monitors waste volumes and their disposal. The largest quantities and therefore the greatest impacts, risks and opportunities arise in production processes. This results in the concept being geared towards effective waste management.

Waste management companies are obliged to disclose the types of disposal by means of structured questionnaires and regular inspections. In addition, all waste disposal companies must sign the Supplier Code of Conduct and the Waste Disposal Policy, which sets out binding standards for sustainable and legally compliant waste disposal practices.

At the same time, the concept is integrated into the value chain:

- Suppliers who complete the Supply Chain Questionnaire are also asked about their
 waste management practices. This ensures that sustainable practices are promoted
 along the entire supply chain
- As part of research projects and partnerships, VARTA is working on solutions to minimise waste and develop opportunities for direct recycling of scrap materials in production

The regular review and adjustment of measures ensure that progress is measurable and that the concept remains effective in the long term. Responsibility for implementing the waste management concepts lies at management level, which is regularly informed about progress and adjustments to the measures as part of the management review.

Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy

The VARTA AG Group is currently formalising its measures, including defining strategic objectives, establishing quantified and scheduled actions with clear responsibilities, allocating the necessary financial resources, and setting up targeted evaluation of effectiveness. As this process is ongoing, no specific financial resources can be specified at present. Progress regarding resource use and circular economy will be presented in future reports, once a uniform methodology for measuring this progress has been implemented.

50.3.2. Metrics and targets

Disclosure Requirement E5-3 - Targets related to resource use and circular economy

The VARTA AG Group is carefully reviewing the metrics for the first time in the 2024 financial year, as presented in this chapter under 'Resource outflows', in order to identify trends and set targets. Due to limited capacity, no specific targets have yet been implemented to monitor the effectiveness of concepts and measures regarding resource utilisation and circular economy. However, as part of further strategey development, the company is working on defining measurable, time-bound, results-oriented targets, as well as introducing suitable key figures to evaluate the effectiveness of Group-wide measures.

Disclosure Requirement E5-5 - Resource outflows

We have detailed knowledge of how our production waste is managed, particularly during the manufacture of batteries. As a battery manufacturer, we generate various waste streams throughout the production and life cycle. The main types of waste include:

Hazardous waste:

- Electrolyte residues and materials contaminated with electrolytes.
- Production residues with heavy metals
- Waste from the cleaning of production facilities

Non-hazardous waste:

- Plastic and cardboard packaging waste.
- Scrap metal from production.
- Wooden pallets and other transport materials.

Different waste treatment methods are used for each waste stream. Authorised disposal companies safely dispose of hazardous waste such as electrolyte residues, while non-hazardous waste is preferably recycled. Our processes aim to minimise hazardous waste by using more environmentally friendly materials and recycling production waste.

VARTA has partnered with recycling companies to ensure that batteries are disposed of and recycled properly at the end of their life cycle. As a battery manufacturer, we are legally required to take part in a take-back system for batteries. Our company actively participates in such a system, implemented in cooperation with trading partners and certified disposal companies. This enables us to fulfil our legal producer responsibility, ensuring that batteries are properly collected and recycled at the end of their service life.

The waste data is derived from direct measurements and verified by waste disposal certificates issued by our contracted waste collectors. We work closely with our waste management partners to ensure all waste is handled properly. The compilation of data on waste generation is based outon reports submitted by individual Group companies via the Corporate Waste Management Tool. These reports are generally based on invoices. If the corresponding invoices are unavailable locally, the data is estimated using site-specific methods (e.g. historical data or averages). We regularly analyse the reasons for high waste volumes for certain facilities. In battery production, for instance, the strict regulations surrounding the disposal of hazardous waste can result in a significant amount of material being disposed of. The collected batteries are processed by specialised recycling companies to recover valuable raw materials. This process helps conserve natural resources and reduce the amount of hazardous waste. Thanks to this

collaboration, our partners collected and treated waste at 100 % of the 52.6 % of batteries placed on the German market in 2023.

Waste generation by treatment method

Waste generation by treatment method	2024
Waste generation in t	4,403
Waste diverted from disposal in tonnes	2,902
Hazardous waste in t	578
Preparation for reuse	0
Recycling	549
Other recovery processes	29
Non-hazardous waste in t	2,324
Preparation for reuse	0
Recycling	1,973
Other recovery operations	351
Waste for disposal in t	1,363
Hazardous waste in t	1,089
Incineration	1,082
Landfilling	7
Other types of disposal	0
Non-hazardous waste in t	274
Incineration	272
Landfilling	2
Other types of disposal	0
Non-recycled waste in t	1,881
Non-recycled waste in %	43

Waste volume by waste type

Waste volume by waste type	2024
Waste volume in t	4,403
Hazardous waste	1,667
Radioactive waste	0
Other hazardous waste in t	1,667
Non-hazardous waste	1,736

Waste generation is defined as the total weight of waste accumulated since the beginning of the year, broken down into waste diverted from and destined for disposal, as well as hazardous and non-hazardous waste, specified according to the treatment method used. Hazardous waste is categorised according to national regulations.

During the reporting period, 57 % of the total waste generated by the production process was recycled. This figure includes estimates for sales locations. These estimates are based on the national average household waste volume for the respective countries in which the sales locations are based.

Disclosure Requirement E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

The information is not currently relevant to the VARTA AG Group, as no significant risks relating to resource use and circular economy were identified during the reporting period.

51. Social information

51.1. Own workforce

51.1.1. Strategy

Disclosure Requirement related to ESRS 2 SBM-2 - Interests and views of stakeholders

Our long-term success depends on highly qualified and motivated employees, as well as committed stakeholders such as works councils and external human rights experts. Our corporate culture is characterised by strong values that influence the way we work. The Human Right Policy Statement and the Code of Conduct set the benchmarkt for the ethical behaviour of every employee. We are committed to continuously improving working conditions and supporting employees in their professional development. Together with our stakeholders, we are working to optimise best practices within and across the industry. The VARTA AG Group is committed to engaging in dialogue with stakeholders to understand their expectations and to utilise this understanding as an opportunity for development. This includes various procedures, such as a grievance mechanism, the use of external sources for materiality analyses, employee surveys at selected locations; a whistleblowing system, and the involvement of works councils and representatives of specific employee groups in decision-making processes. Please refer to chapter Processes for engaging with own workers and workers' representatives about impacts for details on the involvement of works councils.

In addition, social audits are carried out at global sites, with information communicated to the workforce via various channels, including the intranet, website and reports. Chapter Grievance mechanism provides information on the structure and availability of complaints procedures and their monitoring, including the handling of complaints relating to employee matters. Disclosure Requirement S1-6 provides details on the interests and viewpoints of the company's own workforce. There is no separate assessment of the effectiveness of cooperation with stakeholder groups.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The VARTA AG Group has a positive impact on human rights. Various processes and collective labour agreements have been implemented at many sites, and these are monitored by external audits. These measures could lead to higher employee satisfaction and improved health. It could also encourage people to stand up for their rights, offering additional benefits in terms of wages and working hours. VARTA has a positive impact on employees' access to primary healthcare, with appropriate processes in place at production sites. These help to protect the health of employees. VARTA also has a potentially positive impact on occupational safety, as processes and measures contribute to a safe workplace. These could have a positive effect on the health and safety of employees. These effects originate from the company's business model, influencing its strategy, and its adaptation. No significant opportunities or risks relating to the company's own workforce were identified. No material impacts on the company's own workforce resulting from transition plans to reduce the negative environmental impact and realise low carbon activities have been identified.

All members of the VARTA AG Group's workforce are affected by the aforementioned potential impacts. When conducting the materiality analysis and stakeholder and impact analyses, as well as data collection for reporting, we considered whether certain groups may be exposed to a greater risk of harm. No particular susceptibility to the aforementioned impacts, nor any marginalisation of groups of people with certain characteristics, was identified. Non-employees, self-employed individuals, and

individuals provided by third-party companies that are primarily active in labour recruitment and temporary employment services do not constitute a significant proportion of the workforce. No persons without guaranteed working hours are employed. Therefore, only salaried employees are considered below. No types of activity involving significant risks of forced or child labour were identified within our business.

51.1.2. Impacts, risks and opportunities management Disclosure Requirement S1-1 – Policies related to own workforce Compliance with due diligence obligations

The VARTA AG Group is committed to complying with human rights due diligence (HRDD) and to strengthening human rights. The Group also aims to enable remedies for those affected in the event of identified human rights violations. This applies to our entire global workforce, as well as to our business division and the value chain, and is therefore a central component of all business relationships. The VARTA AG Group's Human Rights Policy Statement sets out these guidelines and procedures and is publicly available on the Group's website. The statement describes our strategic approach to due diligence and how it is organised, for example in the form of guidelines and procedures. The document includes respect for human and labour rights, information on grievance mechanisms, and an approach to remediation. To take different perspectives into account, feedback was obtained from external human rights experts, as well as various internal stakeholders, during the development of the declaration of principles. The Human Rights Policy Statement and the associated strategy are addressed to all stakeholder groups and form a central part of the VARTA AG Group's management system (please refer to chapter Management system).

If a violation of human rights or environmental obligations occurs or is imminent within the VARTA AG Group's own business, appropriate remedial measures will be taken immediately to prevent, end or minimise the extent of the violation. The type and scope of these measures will depend on the Group's contribution to the violation and its ability to influence the situation. No serious incidents relating to human rights and the company's workforce were reported in the reporting year. No significant fines, sanctions or compensation payments relating to human rights were incurred.

The Human Rights Policy Statement focuses particularly on communicating expectations to the entire workforce, as set out in the Code of Conduct, and on the requirements placed on business partners in the Supplier Code of Conduct. The Human Rights Policy Statement and the associated HRDD strategy are based on the following international frameworks:

- International Charter of Human Rights
- Conventions and recommendations of the International Labour Organization (ILO), in particular the Declaration on Fundamental Principles and Rights at Work and the core labour standards included therein
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- OECD Guidelines for Multinational Enterprises
- Principles of the UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- UN Guiding Principles on Business and Human Rights
- United Nations Sustainable Development Goals

The document was developed with full consideration of existing and foreseeable legal requirements (e.g. LkSG, CSDDD) and customer expectations. During the reporting period, external auditors audited the existing processes with regard to compliance with the requirements of the German Supply Chain Due Diligence Act.



We prioritise challenges relating to environmental and human rights issues, both actual and potential, and develop our strategy on this basis. To this end, we regularly conduct a detailed risk analysis of the sustainability aspects of our business activities and value chain. This analysis takes into account social aspects (e.g. occupational safety and working conditions), governance aspects (e.g. corruption and market and competitive distortions), and environmental aspects (e.g. the environment, waste, and water consumption). This information is obtained internally through cross-departmental consultations and externally from reports and indices of internationally recognised organisations.

The risk analysis revealed that the following risks ('salient risks') have been prioritised within the company's own business and supply chain due to its activities in battery production:

- Working conditions
- Occupational health and safety
- Climate and energy-related risks
- Risks relating to conflict and high-risk minerals

In particular, the active material of cells used to produce the batteries and associated technologies is analysed . As is customary in the industry, the greatest risks are present at the beginning of the value chain and decrease as the stage increases. For further information on the value chain please refer to chapter

The Executive Board of VARTA AG is responsible for setting the strategic direction and monitoring compliance with human rights due diligence. This includes responsibility for the processes and allocation of resources for implementing the measures. Local monitoring of the implementation of the strategy is the responsibility of those in charge at the respective sites. The relevant departments, particularly Sustainability, Human Resources and Quality, are responsible for implementing and continuously developing the measures within the defined strategy framework. The Sustainability department is responsible for monitoring risk management in connection with human rights due diligence obligations.

The Human Rights Policy Statement contributes to the fulfill the requirements of the German Supply Chain Due Diligence Act (LkSG). It also provides a description of the recommended steps for implementing further international frameworks. It was communicated to our stakeholders in German and English via the company website, social media, and the intranet. During the reporting period, we provided the Federal Office of Economics and Export Control (BAFA) with information regarding the allocation of internal responsibilities and the implementation of the grievance mechanism in response to an information request. Additionally, external consultants reviewed our processes for implementing the Supply Chain Due Diligence Act as part of the internal audit.

Disclosure Requirement S1-2 – Processes for engaging with own workers and workers' representatives about impacts Organising the engagement of the workforce

Freedom of association and the right to collective bargaining, as well as the rights to information, consultation and co-determination, are fundamental rights for all employees. Everyone has the right to join or set up a works council or other form of employee representation to promote and defend their interests, free from any disadvantage or discrimination. By complying with local laws and authorising employee representation and collective agreements, we uphold freedom of association in accordance with the third principle of the UN Global Compact.

Elected works councils operate at all four of the company's German production sites, as well as at the La Garenne-Colombes site in France. Employee representatives are also elected at the Brasov site in Romania. Some of these representatives are released from work to fulfil their duties. At the Batam site in Indonesia, employees are represented by trade union representatives. All representatives advocate for the interests of employees in relation to the local management. Weekly meetings are held at the German sites to discuss co-determination issues between the company and the works council. In addition, regular jour fixes and ad hoc meetings are held with respective Works Council members to discuss current issues. In accordance with legal and collectively agreed requirements, an economic committee has been established comprising the Works Council and the employer, represented by members of the Management Board and the HR department. This committee is responsible for discussing economic matters. The minimum notification periods for certain operational changes are based on local legislation, as well as site and collective agreements. Line managers in the relevant departments, and ultimately the managers of the respective sites or the Executive Board of VARTA AG, are responsible for involving employee representatives. Depending on the topic, the entire workforce is informed about further developments on an ad hoc basis; for example, in the case of a newly concluded works agreement. Additionally, regular works meetings are held to inform the workforce about the general work of the Works Council and operational developments. A total of six members represent the employee side on the Supervisory Board of VARTA AG, some of whom are Works Council chairpersons from companies in the VARTA AG Group. The remainder of the employee representation on the Supervisory Board comprises representatives of the IG Metall trade union.

The Ellwangen, Dischingen and Neunheim sites are members of the regional metal employers' associations of Gesamtmetall, a trade association. This membership means that these companies are bound by the collective labour agreements of IG Metall (the metal and electrical industry trade union). Since 2010, the European umbrella organisation of Gesamtmetall, Ceemet, has been a recognised European social partner, discussing industry-relevant topics (including competitiveness and employment) with the trade union association industriAll Europe. The two companies in Nördlingen, Germany, and the units in Austria, France, and the Benelux countries are also guided by the

applicable collective agreement regulations. There are also corresponding regulations for temporary workers, stipulated by the collective agreement, which apply to German locations bound by collective agreements. However, executive board members, managing directors, authorised signatories, selected managers, mandatory interns, bachelor's and master's students, and freelancers are employed outside of collective bargaining agreements. It means that the contents of collective bargaining agreements relating to the conclusion, content, and termination of employment relationships do not apply to these individuals. With the exception of certain employees (particularly managers), who are not covered by collective agreements, these individuals are not included in the aforementioned metrics, in line with the common practice of collecting data on HGB employees' key figures (please refer to Disclosure Requirement S1-6). The corporate and works constitution standards set out in the collective agreement also apply to employees who are not covered by a collective agreement. Binding collective agreements also cover the sites in Brașov, Romania and Batam, Indonesia. No agreements have been made with employees regarding representation by a European Works Council, a Works Council of a Societas Europaea (SE), or a Works Council of a Societas Cooperativa Europaea (SCE).

For metrics on employee representation please refer to chapter Collective bargaining coverage and social dialogue.

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

The VARTA AG Group has set up a grievance mechanism to provide employees with opportunities to seek advice and raise concerns. For detailed description of the channels, such as the Integrity Line whistleblowing system, please refer to chapter 52.2. company policy.

In 2023, the VARTA AG Group participated in the UN Global Compact Business & Human Rights Accelerator programme. As part of the programme, we reflected on the measures we had taken and planned in our own business, as well as in the upstream and downstream value chains, in discussions with experts. Participation in the programme ensured the continuous improvement and further development of the HRDD system.

Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The VARTA AG Group implements various measures to manage significant risks and utilise significant opportunities in relation to its workforce. The Group's Code of Conduct forms the foundation for these measures. Additionally, the Group takes strict measures to prevent child, forced and compulsory labour. Compliance with these fundamental principles of the VARTA system of values and measures is monitored through various social audits.

Code of Conduct

The Code of Conduct provides a consistent framework and set of guidelines for our business activities worldwide. It sets out fundamental rules of behaviour for all employees that are essential to the national and international business activities of the VARTA AG Group:

 Principle 1: We act honestly and fairly in our dealings with our customers, suppliers, competitors, other partners and with each other.

- Principle 2: We avoid conflicts of interest that may arise due to very close relationships with business partners, competitors and other persons or institutions outside the VARTA AG Group.
- Principle 3: We do not tolerate any form of bribery, corruptibility, extortion or other
 forms of corruption. We do not grant business partners or other third parties any
 inappropriate gifts, hospitality, favours, entertainment or other benefits of any kind. We
 do not accept such benefits.
- Principle 4: We will observe the duty of confidentiality and discretion at all times
- Principle 5: Safety in the workplace, the safety of our products and the protection of the environment are fundamental principles.
- Principle 6: This Code of Conduct forms the basis of our corporate behaviour and must therefore be observed at all times.
- Principle 7: If we believe or discover that the above rules are not being or have not been complied with by a manager or employee, we will not hesitate to report the matter.

The Code of Conduct is based on international frameworks and provides further explanations of the individual principles. It also refers to the whistleblowing system and other options for reporting irregularities and complaints (please refer to chapter Management of impacts, risks and opportunities). The Code of Conduct is published on the VARTA AG Group website and on the intranet at https://www.varta-ag.com/en/about-varta/compliance. New employees receive both digital and printed copies of the document to ensure accessibility for those without PC access. We are committed to implementing the values defined in the Code of Conduct in our own business and throughout the value chain. Our Supplier Code of Conduct therefore includes an obligation to respect labour and human rights, as well as an obligation to implement due diligence in our relationships with business partners (please refer to chapter Supplier Code of Conduct).

Campaign against child, forced and compulsory labour

The VARTA AG Group does not tolerate child labour or any other form of exploitation of children and young people. We strongly condemn all forms of forced and compulsory labour, as well as modern slavery, and advocate the elimination of all forms of forced labour. We act in accordance with international frameworks, particularly the relevant International Labour Organization (ILO) conventions, and have incorporated their requirements into our processes and guidelines. Based on the applicable ILO conventions and laws, we only employ workers aged 15 or over. Where a higher minimum age for employment applies in a country in which we operate, this must be complied with. The requirements relating to child labour, forced labour and human trafficking are set out in our Human Rights Policy Statement, particularly in the VARTA AG Group's Code of Conduct and the Modern Slavery Statement. For supporting documents please refer to VARTA AG website: https://www.varta-ag.com/en/about-varta/sustainability/social.

The VARTA AG Group respects the prohibition of the worst forms of child labour for children under the age of 18, as set out in ILO Convention No. 182. We do not employ anyone to perform work or services under threat of penalty, nor do we employ anyone who has not voluntarily made themselves available for the work in question. Forced labour as defined in ILO Convention No. 29 is not permitted. We strictly adhere to the prohibition of all forms of human trafficking, slavery, slavery-like practices, servitude, and other forms of domination or oppression in the workplace, such as extreme economic exploitation and humiliation. For further information on the measures implemented to recognise and combat modern slavery and human trafficking please refer to Modern Slavery Statement and the Human Rights Policy Statement.

Internal control and protection mechanisms are in place to ensure compliance with the requirements, including validation of proof of age when hiring new employees. Underage employees are also subject to special protective measures, in accordance with statutory and collectively agreed regulations, with regard to working hours, locations, activities and other factors. The interests of trainees and dual students at German locations covered by collective agreements are represented by the elected youth and trainee representatives (JAV) (please refer to the section Organising the involvement of the workforce in this chapter).

Taking into account the types of activities carried out, the geographical locations of the sites, and local measures, the risk analysis revealed no increased risks of child or forced labour at VARTA AG Group sites. As part of the assessment of workplace conditions in 2022, aspects such as child and forced labour were examined at all sites. In 2024, a social audit was carried out again at the main site in Ellwangen and at the Braşov site (SMETA 4 Pillars). No anomalies were identified, and no complaints were received via the grievance mechanism regarding these issues.

The VARTA AG Group protects employee rights at all its sites. In this context, its membership of the amfori BSCI initiative involves complying with its principles, such as 'no bonded labour, forced labour or human trafficking', as well as other applicable international standards. These principles include compliance with the international standards for responsible recruitment, including the 'Employer Pays' principle. This principle covers aspects such as waiving recruitment fees and costs charged to employees, providing clear and transparent employment contracts, and ensuring access to free dispute resolution and effective legal remedies.

In certain situations, it is necessary to work with recruitment agencies and temporary employment agencies at selected locations in order to recruit new employees and cover production peaks. We place the same high demands on personnel service providers as we do on ourselves and our other business partners. The service providers are therefore obliged in the same way to ensure compliance with the Supplier Code of Conduct, which also includes acceptance of the amfori BSCI principles (please refer to chapter Supplier Code of Conduct).

In certain situations, it is necessary to work with recruitment and temporary employment agencies in selected locations to recruit new employees and cover production peaks. We expect personnel service providers to meet the same high standards that we expect of ourselves and our other business partners. Service providers are therefore required to comply with the Supplier Code of Conduct, including acceptance of the amfori BSCI principles (please refer to chapter Supplier Code of Conduct).

Social audits

In 2022, all production sites underwent an audit in accordance with the Workplace Conditions Assessment (WCA) standard. All of the audited sites achieved a score of over 85 %, which is above the global average. In 2024, the sites in Braşov and Ellwangen were selected for re-auditing in accordance with the Sedex SMETA four pillars standard. The following aspects were audited – labour (e.g. child/forced labour, discrimination, discipline, harassment/abuse, freedom of association, employment contracts), wages and working hours; health and safety, management systems (including documentation and records, employee feedback and participation, audits and corrective actions), and the environment (legal compliance, environmental management systems, waste and air emissions). In addition to customer-specific CSR and sustainability audits, further follow-up audits based on international standards are planned for all production sites in the coming years. Any identified deviations and potential for improvement will be analysed

across departments and rectified as quickly as possible, with a focus on eliminating the root cause

51.1.3. Metrics and targets

Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The VARTA AG Group is committed to observing the precautionary principle and complying with human rights due diligence obligations. We aim to strengthen human rights and enable remedies for those affected by identified human rights violations. This applies to our own business and all locations, as well as to our value chains. Safeguarding these values is our top priority, and we ensure this in our own business, in both operational activities and extraordinary projects such as construction.

There are no measurable, result-oriented targets defined in relation to primary healthcare and collective labour agreements, as the initial internal focus is on defining targets for the potentially negative effects in other matters. Progress is assessed based on the aforementioned metrics. In the OHS division, a strategic plan for the period 2025–2028 was developed during the reporting period to promote its impact on the division's workforce. To review the strategy's effectiveness, the above measures and key figures are systematically monitored. As the strategy is further developed, measurable, results-oriented targets will be established in collective bargaining coverage and social dialogue, workplace safety, and employee well-being.

Disclosure Requirement S1-8 - Collective bargaining coverage and social dialogue

Key figures on collective agreements and employee representation

	COLLECTIVE AGREEMENT COVERAGE***		SOCIAL DIALOGUE	
COVERAGE RATE	EMPLOYEES - EEA COUNTRIES	EMPLOYEES - NON-EEA COUNTRIES	WORKPLACE REPRESENTATION	
0-19 %				
20-39 %				
40-59 %				
60-79 %				
	Austria Benelux France Germany		Germany Indonesia	
80-100 %	Romania	Indonesia	Romania	
Total number of employees	3,357	528	3,303	
Share of employees	83.3%	13.1%	82.0%	

The calculation of metrics on collective bargaining agreements and employee representation follows the same methodology that was used for other employee-related metrics (please refer to the 'Employees' section in this chapter). 94.1% of the total worldwide workforce is represented by employee representatives who actively communicate with the company.

The collective agreements provide a framework for working conditions, regulating equal and fair pay, overtime pay, shift work, holidays, total working hours, performance appraisals and the inclusion and special protection of employee representatives, among other things. In addition, site-specific work agreements exist between the employee representatives and the company. These include regulations on pay, company support measures in the event of addiction or integration issues, shift models, and IT system.

Disclosure Requirement S1-14 - Health and safety metrics Safety in the workplace

We are committed to the health, safety and well-being of all our employees. We handle occupational safety issues and the prevention of work-related accidents on a site-specific basis, sharing information across all sites. Our top priority is to reduce the number of accidents continuously. To this end, health and safety risk assessments are carried out regularly and ad hoc at all production site.

Management is responsible for providing and maintaining safe equipment, systems and tools, as well as providing training to ensure that all employees can work safely. All reported incidents are investigated, and regular reviews and assessments of health and safety systems are carried out. Employees are responsible for taking reasonable care to ensure good health and safety procedures are always followed. They must identify and support measures to eliminate or minimise unsafe conditions. Employees must also take personal responsibility for their own safety and that of their colleagues by acting safely and appropriately at all times. These responsibilities and other requirements are based on legal requirements and/or recognised standards and guidelines. They are defined in the VARTA AG Group's management system and therefore apply to all employees worldwide. We continuously raise employee awareness to prevent accidents at work and negative health effects. Once a year, occupational health and safety (OHS) specialists report directly to the Executive Board as part of the management review to present current and completed projects. In addition, a member of the OHS team regularly reports to the Chief Technical Officer. The occupational health and safety system at VARTA AG Group sites in Germany is monitored by the employers' liability insurance association (BG ETEM), which also provides advice to help improve the system further.

Occupational health and safety specialists, including safety officers and OHS specialists, are based at the production sites. They advise and support the company and managers in implementing legislation. The OHS specialists also support the carrying out of risk and hazard assessments, machine inspections, specific hazard protection procedures (e.g. laser protection), ergonomic measures, the selection of personal protective equipment, concepts for handling hazardous substances, accident investigations and health prevention measures. Based on risk assessments, occupational safety specialists develop general and activity-specific training and instruction concepts, which are carried out regularly in cooperation with departments. These training courses complement the annual general safety briefings, which are mandatory for all employees. To support a safe working environment for all employees at all production sites, we provide external business partners, such as subcontractors, who work on the premises, with instructions and supporting documents. The occupational safety specialists also advise on the procurement and approval of new equipment and construction planning. These processes and procedures are set out in various work instructions and guidelines. In 2023, a selfbuilt obstacle course was set up at the Dischingen site to raise awareness among employees of preventive measures relating to tripping, slipping and falling accidents. The course is also set to be rolled out in Ellwangen in 2025. In 2024, a BG ETEM training van was at the Dischingen site, offering additional training courses led by experienced instructors. The training van will also be at the Ellwangen and Nördlingen sites in 2025. As part of a campaign, employees at the German sites were also informed about various topics relating to occupational safety, including how to deal with summer heat and electrical accidents. Furthermore, various campaigns are set to extend to other locations.

Operating instructions for machines are supplemented by special work instructions for employees on the safe use of the equipment. These include information on potential hazards and the personal protective equipment that employees must wear when carrying out their work. Based on the risk assessment, employees are provided with the

appropriate protective equipment free of charge to reduce their exposure to work-related health and safety risks. To ensure safe handling, machinery and other facilities and equipment, such as roller shutters and cranes, are inspected internally and by external service providers in accordance with legal requirements.

Workplaces are regularly inspected for potential hazards, and any risks are proactively identified and eliminated. For this reason, all accidents, whether on the way to work or on site, are documented and reported to management. In addition to the above measures, there is a system for submitting suggestions for improving environmental, energy and occupational safety practices. All employees can communicate relevant information to the EHS department via the EHS suggestion system on the intranet, and this information is processed by the relevant employees. Various metrics are used to monitor occupational safety performance. There have been no fatal accidents at work in the last three years. In addition, the LTIR and LTI indicators are collected monthly. Company-wide indicators are collected annually. If relevant information is unavailable, data is estimated using site-specific methods (e.g. historical data or averages). Currently, no data is available for China. The Lost Time Injury Rate (LTIR) expresses accident frequency, i.e. the number of accidents multiplied by one million, relative to the number of hours worked.

EHS key figures

Sales offices Lost Time Injury Rate (LTIR)* Production plants Lost Time Injury Rate (LTIR)	9 13
Sales offices Work-related accidents ≥ 1 day lost** Production plants Work-related accidents ≥ 1 day lost	4 67
Fatalities due to work-related injuries	0

^{*}The LTIR for the sales locations is calculated from an average value based on data from statistical offices such as ILOSTAT. Due to a lack of data from China, this sales location has been excluded from the average value.

In accordance with legal requirements, cross-departmental committees for occupational safety meet regularly at all production sites. In 2024, the German and Romanian committees met quarterly, while the Batam committee held four meetings. The committees discuss the results of internal and external inspection audits. They identify potentials for improvement and challenges, and collaborate in solution finding. On average, at least 68 % of intended participants attended the meetings, and all intended participants were kept informed of progress by minutes of meetings. The committees represent the interests of the entire workforce at all production sites. At the German sites, the works councils are an integral part of the committees.

In accordance with legal requirements, regular measurements are carried out to monitor noise, radiation and light intensity, among other things. These measurements aim to reduce the potential negative effects of these emissions on human health and ecosystems. Where necessary, measures are taken based on the results of these measurements, such as noise reduction projects, which have been implemented at all German sites.

Occupational safety and the on-site fire brigade are important aspects of operational safety in an industrial company. The Ellwangen headquarters has had its own plant fire brigade for over 73 years, responsible for emergency response and disaster control. Members of the fire brigade receive specialised training in the safety requirements of the plant and are qualified to provide first aid. The brigade currently consists of 24 active

^{**} Rounded value; the figure is calculated from statistical data per country per 100,000 employees, converted to the respective number of employees per sales location of the VARTA AG Group. Similar to the LTIR of the sales locations, the Chinese location is also excluded from the calculation of occupational accidents.

members, most of whom are volunteers. They are trained to carry out tasks such as firefighting, providing technical assistance, and rescuing people from heights (e.g. in the event of accidents in the high-bay warehouse). Specially trained fire safety assistants support the fire brigade in emergencies and in averting danger in their work space. Through regular evacuation drills and fire safety training, employees learn how to evacuate the building quickly and safely in an emergency and gather in a designated safe area. Evacuation drills are carried out regularly at all production sites.

As a subdivision of the fire brigade, the rescue team is primarily responsible for caring for sick and injured people, as well as protecting the fire brigade's own emergency services, especially during operations and exercises involving the plant fire brigade. The ten members of the rescue team have completed various specialised medical training courses. In addition to the rescue team, company paramedics with extended first aid training are also available at the Ellwangen (22), Nördlingen (13) and Neunheim (1) sites. Training and practice events are held at regular intervals under the supervision of the rescue team, as well as training for other first aiders. First aiders are on duty at all production sites and are responsible for providing initial treatment to injured persons within work space. Ensuring there is always a sufficient number of trained first aiders on site is a priority. These colleagues are always involved in advanced first aid tasks. The rescue team also provides voluntary support to the civil defence and the German Red Cross at first aid services, for example in football stadiums or at concerts.

Employee wellbeing

External doctors are commissioned to carry out regular health checks at all production sites, based on the risk assessment of the work place. These examinations support the prevention of work-related illnesses, ensure employees' fitness for work, and assess the effectiveness of existing control measures. The doctors work closely with each site, and information on employees' health is kept confidential. In accordance with legal requirements, first aiders at all production sites receive regular training. They also assist with preparing accident reports and communicating information to occupational safety specialists. We continuously improve occupational healthcare and adapt the system to new circumstances. Regular immunisation campaigns are carried out at various locations to protect the health of employees and contribute positively to society, e.g. against influenza.

The well-being of our employees is of the utmost importance to us. To this end, we have launched several programmes to promote a healthier lifestyle and strengthen employee health. These were implemented on a site-specific basis and included sports and health courses, sports facility hire for employees, anti-smoking campaigns and subsidised external offers.

Disclosure Requirement S1-6 - Characteristics of the undertaking's employees

Our employees are an essential part of the VARTA AG Group's success. During the reporting period, 4,030 people worked to realise our vision, including over 2,853 specialists in Germany.

Total number of employees by gender

Gender	Number of employees by headcount		
Female	1,777		
Male	2,253		
divers	0		
not specified	0		
Total number of employees	4,030		

Total number of employees by country

Country		Number of employees by headcount		
Germany		2,853		
Romania		413		
Indonesia		528		

Total number of employees with permanent and fixed-term employment contracts and on-call workers, broken down by gender

	female	male	divers	not specified	total
Number of employees (headcount)	1,777	2,253	0	0	4,030
Number of employees with permanent contracts (headcount)	1,697	2,135	0	0	3,832
Number of employees with temporary contracts (headcount)	80	118	0	0	198
Number of non- guaranteed hours employees (headcount)	0	0	0	0	0

The figures refer to the end of the reporting period (reporting date 31 December 2024). Unless otherwise stated, the salaried employees of all locations (production and sales locations) are included in the calculations. The calculation is based on the actual number of employees (headcount). This applies to both employees under collective bargaining agreement and the ones not covered by such. In the reporting year, 195 people left the company. This includes the following reasons for leaving: Employee resignation, family reasons, health reasons and death. The staff turnover rate (number of employees who left the company / total number of employees) was 4.66 %. The rate represents the proportion of employees who left the company in relation to the total number of employees. In principle, only unintentional staff turnover is taken into account in the ratio. Unintentional staff turnover includes employees who have left the company at their own request or employees who have left the company for health/family reasons. The key figures were not additionally validated by an external body that is not the assurance provider. Information on the number of employees can also be found at 32 Personnel expenses.

The Human Resources (HR) department's mission is to recruit, develop and retain employees. The department's tasks include various operational and strategic activities, which are coordinated at a local level. As part of the HR Business Partner function, local HR managers share best practices internationally and support each other when new challenges arise. Information is continuously fed back to the Vice President of Human Resources, Legal and Compliance, who reports directly to the Spokesperson and Chairman of the Management Board. Our focus is on active talent management, increasing employer attractiveness, creating a positive working environment, further developing the corporate culture, optimising and harmonising HR processes, and digitalising and implementing personnel management systems and New Work concepts. To create a solid foundation for implementation, these topics are integrated into the individual objectives of HR department employees. HR processes form part of the management system and are regularly reviewed and developed further as part of internal and external audits, which are conducted several times a year. Risks regarding human resources are also monitored as part of the VARTA AG Group's risk management system. As the HR department is a key function, its processes are embedded in the management system (please refer to section Management system).

51.2. Workers in the value chain

51.2.1. Strategy

Disclosure Requirement related to ESRS 2 SBM-2 Interests and views of stakeholders

Human rights and environmental due diligence and responsible sourcing are becoming increasingly important not only in society but also at the VARTA AG Group. The business activities of our organisation are based on a complex network of suppliers, many of whom have been working with us for many years, from whom we source a wide range of raw materials, materials and services from all over the world. A description of the value chain can be found in section Strategy. The workers in the value chain form a central component of the production processes and are therefore also crucial for the resilience of the supply chains. Consideration of the perspective of these workers, particularly in the context of human and labour rights, is therefore of great importance. Details on the interests and viewpoints of this stakeholder group can be found in section Management of impacts, risks and opportunities. We are continuously expanding the existing due diligence management system of the supply chains of selected minerals by introducing new processes and guidelines. The structures are based on international frameworks that are listed in the Human Rights Policy Statement. The effectiveness of the approaches developed is monitored using various key figures and is incorporated into the further development of the strategy. Using the defined reporting channels, selected key figures are reported regularly and as required by the Sustainability department to selected management levels and the Executive Board. In the reporting year, the existing processes were audited by external auditors with regard to compliance with the requirements of the German Supply Chain Duty of Care Act.

Disclosure Requirement related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The VARTA AG Group has a potentially negative impact on "respect for the human rights of workers in the value chain", as business partners in our supply chains may be exposed to various sustainability-related country and industry-specific risks. This could contribute to the violation of human and labour rights and affects aspects such as child and forced labour, human trafficking and a safe and healthy working environment.

This material impact can potentially affect all workers in the value chain. This includes workers who work at the company's site but are not part of the company's own

workforce, i.e. not self-employed workers or workers provided by third-party companies primarily engaged in labour recruitment (which are covered by ESRS S1), workers who work for companies upstream in the company's value chain (e.g. persons involved in the extraction. e.g. of metals or minerals, the extraction of raw materials, refining, manufacturing or other forms of processing), workers who work for companies in the company's downstream value chain (e.g. workers involved in the ativities of logistics or distrinution providers, franchisees or retailers) workers involved in the operation of a joint venture or special purpose in which the reporting company participates, workers (from the above or other categories) who are particularly vulnerable to adverse impacts due to their inherent characteristics or special circumstances, such as trade union members, migrant workers, homeworkers, women or young workers.

Essentially, however, workers who work for companies in the upstream value chain are affected by the potential negative impact described and are therefore referenced in this chapter. The impacts described are systemic impacts that are caused by the structures of certain raw material supply chains. The intensity of these impacts decreases as the level of the value chain increases.

The impact mentioned is linked to the strategy and business model, as the extraction and processing of raw materials in the battery industry in some cases takes place in countries with increased human rights risks. The impact described influences the company's strategy and business model and contributes to its adaptation, as extensive processes have been implemented to minimise the risks and potential impacts. A detailed description of how the materiality analysis was conducted can be found in chapter Management of impacts, risks and opportunities. No material risks or opportunities were identified for the workers in the value chain.

51.2.2. Impact, risk and opportunity management Disclosure Requirement S2-1 - Policies related to value chain workers

The human rights policy statement and the strategies and policies defined therein are described in detail in chapter Compliance with due diligence obligations. The topics of human trafficking, forced labour and child labour are included in this document and the Modern Slavery Statement. The Human Rights Policy Statement also refers to the Supplier Code of Conduct. Further information on the Supplier Code of Conduct can be found in the relevant section within this chapter. No serious problems or incidents of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving workers in the value chain were reported in its upstream and downstream value chain.

Disclosure Requirement S2-2 - Processes for engaging with value chain workers about impacts

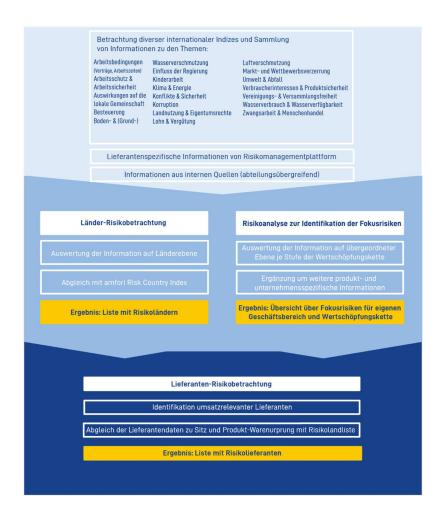
The various processes and measures relating to sustainability in the value chain are described therein, which also include the inclusion of the perspective of the workers in the value chain. Details on this can be found in chapter Interests and views of stakeholders. Human and financial resources are allocated to sustainability for the implementation of measures in the area of due diligence. External indices from recognised organisations are used as part of the risk analysis and management processes, which are explained in the following chapter. These assessments can provide insights into potential risks and grievances in the supply chain, which in turn reflect the views and experiences of the labour force. Incorporating these indices into the company's risk management and due diligence process ensures that the views and concerns of workers in the value chain are better integrated into decision-making processes. The

indices provide an objective tool for assessing labour conditions and enable the company to act on the basis of data and independent audits to implement targeted improvement measures. In the course of third-party social audits, interviews are also conducted with employees at suppliers on site to identify the implementation of measures and potential areas for improvement. Corrective measures are defined together with the suppliers. The findings of the audits, as well as feedback from the grievance mechanisms, are taken into account as part of the risk analysis and management processes and therefore characterise the sustainability strategy in the value chain. Further details on risk management and analysis as well as preventive and remedial measures, in particular auditing, can be found later in this chapter. Information on grievance mechanisms can be found in Management of impacts, risks and opportunities. Workers in the value chain can communicate their concerns and needs directly and indirectly to the VARTA AG Group through these channels.

Risk analysis and management in the supply chain

The VARTA AG Group assumes responsibility in the supply chain and carefully monitors risks. In addition to the risk analysis at a higher level to determine focus risks, a detailed analysis is also carried out at supplier level. In the reporting year, 100 % of the VARTA AG Group's operating sites and around 3,100 suppliers were screened and assessed on the basis of various human rights and environmental criteria. The final determination of suppliers with increased sustainability-related risks is based on the category of products supplied and the type of business relationship. The analysis revealed an increased risk exposure of suppliers of direct materials and purchased products with production facilities in countries with increased risks. In addition, selected suppliers are subject to increased legal and customer-specific sustainability requirements. The latter suppliers and the suppliers with increased sustainability-related risks are summarised under the term "focus suppliers" due to similar underlying processes. In 2024, 161 focus suppliers accounted for 14 % of the annual purchasing volume.

Human rights-related risk analysis of the supply chain



The supply chain risk management process is also supported by artificial intelligence (AI)-based software to monitor risks in the supply chain and other sustainability and compliance issues (including corruption). 100 % of the VARTA AG Group's active suppliers and operating sites, regardless of purchasing volume, location and materials supplied, have been screened for these ESG risks and are continuously monitored via the digital risk management platform. It identifies, evaluates and categorises supplier-related risks in relation to social and environmental aspects. In addition, the platform monitors information about suppliers on social media and other channels and automatically generates alerts. The collected data is used to create risk profiles for the direct and indirect suppliers, e.g. for the refineries. The supply chain risk assessment process is also supported by the use of the Supply Chain Questionnaire to refine the risk assessment. In 2024, the analysis was supplemented by additional supplier-specific information in order to further improve the risk assessment (please refer to section Supply Chain Questionnaire in this chapter and chapter Compliance with due diligence obligations).

If negative impacts and risks in connection with human rights become known in the context of the business activities or the value chain of the VARTA AG Group, appropriate measures are taken to avoid or minimise them. The company uses the guidelines of the amfori Business Social and Compliance Initiative (BSCI) to integrate social standards into

supplier selection and to improve working conditions and selected environmental aspects in the existing supplier network.

If a violation of a human rights or environmental obligation by a direct supplier has already occurred or is imminent, we will immediately take appropriate remedial action to prevent, end or minimise the extent of the violation. If it is not possible to end the breach in the foreseeable future, the VARTA AG Group will develop a scheduled concept to end or minimise the breach. In the event of a very serious breach, if agreed measures do not remedy the situation and/or the possibilities of influence are not sufficient, we reserve the right to suspend or, as a last resort, terminate the business relationship. In the event of an identified or imminent violation of human rights at indirect suppliers, options for remedial action will be examined. The type and scope of the measures taken depend on the contribution to causation and ability to influence. No serious incidents relating to human rights or environmental issues within the upstream and downstream value chain were reported in the reporting year.

The implementation of human rights due diligence is a continuous process that requires regular review. All measures described for the fulfilment of due diligence obligations, including the risk analysis and the declaration of human rights principles, are subject to an annual and ad hoc review with regard to their topicality, effectiveness and efficiency and are revised if necessary. The review is carried out on the basis of accumulated knowledge and experience and is further developed with the involvement of various stakeholder groups and indicators. The VARTA AG Group monitors the impact of its business activities on respect for human rights on an ongoing basis and reports to employees and external stakeholders via the policy statement and other formats and channels.

Third-party social audit

The VARTA AG Group verifies compliance with sustainability-related expectations of suppliers by conducting social audits. The audits are carried out by a third party at selected suppliers in accordance with international standards such as amfori BSCI, SMETA 4 pillars or SA8000. As part of this process, various aspects such as working conditions, occupational safety, employee participation, environmental management and ethical business practices are reviewed by an independent auditor. In addition to a local inspection of the sites, discussions are held with employees on site to confirm the successful implementation and effectiveness of strategies and measures (including the Code of Conduct and grievance mechanism).

Based on the supplier-specific circumstances and the associated risk level, we have set ourselves the goal of demanding extended measures from 36 % of our focus suppliers. This includes conducting third-party social audits or completing the Supply Chain Questionnaire. In 2024, 81 % of these target suppliers had a valid amfori BSCI audit or equivalent. A further 75 % of target suppliers provided feedback on the Supply Chain Questionnaire.

In the event of non-compliance, appropriate corrective measures are initiated. This approach enables us to recognise and overcome supply chain-specific challenges and thereby reduce risks. All audited suppliers with findings were asked to submit corrective action plans to work towards improving their audit performance. No corrective actions were required for 10 % of audited suppliers. More than 81 % of suppliers audited against the amfori BSCI standard in 2024 have already submitted a corrective action plan. Participation in training courses can also be agreed as part of the measures. The amfori BSCI platform offers topic-specific training on human rights and environmental issues, enabling suppliers to generate knowledge and support ongoing optimisation. The auditing

and follow-up of the results contributes to the continuous improvement of the labour and human rights situation.

Quality audits

The VARTA AG Group conducts regular quality audits of suppliers. In this context, suppliers are also audited regarding various fundamental aspects of environmental management and human rights-related aspects such as health and safety in the workplace. The Sustainability Quick Check was developed to expand the scope of the audit to include additional sustainability-related criteria and to act in line with the values of the amfori BSCI initiative. This is a simple and effective tool for identifying potential deficits in sustainability aspects. The Quick Check is based on the zero-tolerance criteria of the amfori BSCI (including child and forced labour) and serves as an initial assessment of the supplier's risk level and the identification of potential critical incidents. The review takes place during quality audits in high-risk countries. If there is an initial suspicion or actual violations are identified, the supplier is requested to carry out a comprehensive audit in accordance with a social standard. There were no anomalies in the reporting year

Downstream value creation

We expect the values based on international frameworks to be supported and adhered to by all of our company's stakeholders, but in particular by our business partners and their business partners. In the context of cooperation with various customers, codes of conduct and other sustainability-related requirements of these parties are reviewed, implemented and documented, questionnaires are answered and sustainability-related audits are carried out at all locations worldwide. Goods, people, intended uses and countries are checked with the help of export controls. The company takes its responsibility regarding the safety of products seriously by taking appropriate measures (please refer to chapter Management of impacts, risks and opportunities and chapter 51.3.2 Impact, risk and opportunity management).

To ensure compliance with sustainability standards on the part of waste disposal service providers, the Waste Disposal Service Provider Guideline was introduced in 2022 and updated in 2024. The guideline obliges suppliers to comply with the amfori BSCI Code of Conduct and to observe additional human rights and environmental due diligence obligations. Furthermore, a questionnaire was used to request various information from the waste management companies at all international production sites (refer to the section within this chapter on Procedures for improving negative impacts and channels through which workers in the value chain can raise concerns).

The human rights-related risk analysis was last carried out at the end of 2024, taking into account the frameworks mentioned in the declaration of principles for the company's own business area as well as the upstream and downstream stages of the value chain (please refer to chapter Risk analysis and management in the supply chain). The analysis did not reveal any increased risks for the players in the downstream value chain, which is why the focus of the measures taken was initially on the upstream stages. The existing concepts for the downstream value chain are to be further developed in the coming years in order to provide more in-depth insights into the challenges and offer starting points for potential further measures.

Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns
Supplier Code of Conduct

The Supplier Code of Conduct includes a commitment to respect human rights and to exercise due diligence when dealing with business partners. The document is based on international frameworks. It includes expectations of business partners such as ensuring cross-sectoral human and employee rights such as the prohibition of child and forced labour, the creation of fair working conditions, employee participation, non-discrimination and equal opportunities as well as principles on occupational safety and environmental protection. The Supplier Code of Conduct also includes principles of occupational safety and environmental protection. The document also includes sector-specific requirements for tracing conflict minerals, the agreement to carry out social audits and the creation of transparency in supply chains. The Supplier Code of Conduct also refers to opportunities to submit reports and complaints as well as a training platform on various sustainability topics.

The Supplier Code of Conduct is integrated into the contractual provisions for suppliers. This means that all suppliers are obliged to comply with these principles and to pass on the requirements to their business partners. To strengthen the mutual commitment to the requirements and create the foundation for supplier development, focus suppliers have been requested to sign the Supplier Code of Conduct. 85 % of the focus suppliers have already signed the Supplier Code of Conduct or submitted equivalent documents to fulfil the requirements. This contributes to a contractually binding basis for further negotiations on the implementation of sustainability aspects in areas such as the environment, labour and human rights.

Supply Chain Questionnaire

Market and regulatory requirements are constantly evolving and impose new obligations on companies. We have also set ourselves ambitious goals for the future. These can only be achieved in close cooperation with suppliers, which is why the integration of sustainability-related requirements into target agreements is of key importance. The Supply Chain Questionnaire was developed for the self-assessment and further development of suppliers in order to determine and expand detailed sustainability-related information on the status of the implementation of sustainability aspects.

The document is divided into two parts, one of which sets out specific requirements for suppliers, while the other collects information in the form of a questionnaire. The requirements go beyond the aspects listed in the Supplier Code of Conduct and increase the expectations placed on suppliers of product groups with increased sustainability risks relating to relevant countries and/or sectors. Among other things, requirements are also placed on compliance with human rights-related due diligence obligations (including the prevention of child and forced labour and the creation of safe working conditions) and information on existing systems is requested, which must then be implemented by the suppliers. Suppliers with increased sustainability-related risks accounted for 37 % of focus suppliers in the reporting year. In 2024, feedback was received from 86 % of the suppliers contacted. We are aware that the integration of sustainability standards in the industry is an ongoing process. We also recognise that suppliers are at different stages of their sustainability journey. The VARTA AG Group therefore aims to help shape this process, increase its awareness for more sustainable growth and take the next steps together with its business partners.

Mineral Due Diligence

All purchased goods containing so-called "conflict minerals" require compliance with increased sustainability standards. With regard to cobalt and 3TG minerals, there may be significant risks in the area of child and forced labour, as a large proportion of the global supply of minerals is located in the Democratic Republic of Congo (DRC), where

corresponding country risks may exist. For various downstream production processes for electronic devices and batteries made of copper, aluminium, nickel, polysilicon and lithium, there may also be country risks with regard to forced labour in selected regions. We have therefore been monitoring the relevant players in the 3TG and cobalt supply chain for several years. Transparency is also being sought for other critical minerals such as aluminium, copper, graphite, lithium, manganese, nickel and zinc. Polysilicon is of secondary relevance for the VARTA AG Group's products. The VARTA AG Group has introduced a complete management system for the fulfilment of due diligence obligations for minerals in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRA). The establishment of this management system for the supply chains of minerals and metals is a key component of our due diligence and sustainability objectives. The system helps to mitigate the existing and potential risks of these supply chains and to support the respect and promotion of human rights, including the fight against child and forced labour. A questionnaire is used to request information from relevant suppliers on the implementation of due diligence management systems based on the OECD recommendations. This contributes to the creation of greater transparency and the promotion of responsible supply chains.

As part of the development of the management system, a Responsible Sourcing Policy was also drawn up, which is based on the current OECD guidelines on the fulfilment of due diligence to promote responsible supply chains for minerals from conflict-affected and high-risk areas and communicates the values and expectations of the VARTA AG Group to its suppliers. The policy and a comprehensive due diligence report with various key figures are published on the VARTA AG Group website at https://www.varta-ag.com/en/about-varta/sustainability/social.



The VARTA AG Group has joined external initiatives that deal with human rights-related due diligence obligations, such as the Responsible Minerals Initiative (RMI). The multistakeholder initiative provides companies with resources to support responsible sourcing of minerals in the supply chain. Through local projects, the RMI also helps to support local communities and workers in small-scale mining in high-risk areas and in smelters and refineries. The templates (CMRT, EMRT) and databases provided by the RMI support the traceability of minerals back to their country of origin. In addition, smelters and refineries, particularly in the supply chain of 3TG and cobalt, are required to carry out audits in accordance with the RMI standard "Responsible Minerals Assurance Process". With the help of the Supply Chain Questionnaire, information is collected on the due diligence processes for minerals introduced at the suppliers and on minerals that are not yet covered by the RMI templates (please refer to section Supply Chain Questionnaire in this chapter). In the reporting year, 64 % of the responding suppliers provided information on the upstream value chain. A tool based on artificial intelligence also helps to obtain more information, particularly about refineries, to monitor them and thus create more transparency.

Supplier Sustainability Awards

During the reporting year, suppliers from all sectors were invited for the second time to share their initiatives promoting sustainability aspects to highlight their commitment to the environment, social responsibility and ethical behaviour. With the Supplier Sustainability Awards, the VARTA AG Group recognises suppliers who actively contribute to a more sustainable future. The following awards were presented as part of the competition:

- Environmental Protection Award
- Diversity & Social Responsibility Award

The aim of Supplier Engagement is to enter into a dialogue with suppliers to learn from each other and move forward together. Based on the positive experiences and feedback, we are planning to organise the competition again in 2025.

Grievance mechanisms in the supply chain

In the reporting year, the existing processes were summarised in a work instruction for the management of complaints. In addition to various internal departments, external human rights experts were also involved in the creation of these instructions.

In addition, the grievance mechanisms of the amfori BSCI and Responsible Minerals Initiative (RMI) initiatives offer employees and other stakeholders in the supply chains the opportunity to submit reports and complaints. The mechanisms were developed with the involvement of various stakeholder groups. The aim is to improve transparency and sustainability performance in the supply chains. Providing channels for raising concerns and mechanisms to address them contributes to the early identification of issues, their impartial investigation and fair resolution. The effectiveness of the mechanisms is monitored by collecting various key figures and is also reviewed in the course of the social audits of suppliers described within this chapter. In addition, the employees of selected focus suppliers have the opportunity to hold discussions with the independent auditing party as part of the third-party audit.

If a violation of a human rights or environmental obligation by a direct supplier has already occurred or is imminent, the VARTA AG Group will immediately take appropriate remedial action to prevent or end this violation or to minimise the extent of the violation. If it is not possible to end the breach in the foreseeable future, the VARTA AG Group will develop a scheduled concept to end or minimise the breach. In the event of a very serious breach, if agreed measures do not remedy the situation and/or the VARTA AG Group's ability to exert influence is insufficient, the VARTA AG Group reserves the right to suspend or, as a last resort, terminate the business relationship. In the event of an identified or imminent violation of human rights by indirect suppliers, the VARTA AG Group will examine options for remedial action. The type and scope of the measures taken depend on the VARTA AG Group's contribution to causation and ability to exert influence.

51.2.3. Metrics and targets

Disclosure Requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Over the next few years, we intend to expand our commitment, with the aim of increasing the exchange of information and improving the transparency of supply chains. This will form the basis of our efforts to reduce negative labour impacts in the value chain and promote positive ones, as well as enabling us to measure the effectiveness of the measures we take. To achieve the transparency and due diligence objective for suppliers with increased customer-related and legal requirements for certain mineral supply chains, a six-step strategic plan with various measures, KPIs and relative targets with

reference year 2024 was developed in 2024. The underlying assumptions when defining the strategy were general regulatory trends in due diligence, such as the EU CSDDD (2024/1760) and the EU Regulation (2023/1542) on batteries and waste batteries. This approach will achieve the goals of increasing transparency and due diligence measures such as RMAP or equivalent certification of smelters and IRMA or equivalent audits in mines. The strategic plan is based on six modules, which are interlinked but can also be implemented independently by each supplier concerned. The modules include basic requirements such as the signing of the Supplier Code of Conduct, the development of a management system for due diligence obligations in the value chain and the auditing of mines by third parties. The objectives therefore cover not only the suppliers' own business operations but also their upstream value chain. As part of the strategy, there are defined short-term (annual) and medium-term goals and targets at an overarching and supplier-specific level, including specific performance indicators based on international guidelines, legal requirements and customer requirements. The completion of all modules by the suppliers concerned is planned for 2028. Among other things, the percentage of suppliers who have signed the Supplier Code of Conduct and the percentage of certified or audited smelters and refineries will be used as indicators. The baseline value of relevant suppliers in August 2024 when the strategy was adopted was 45.5 % across all modules. The status in November 2024 was 40 %, as the scope of suppliers under consideration was expanded.

The implementation of the strategy is subject to continuous monitoring with regard to the reference year 2024 using an internal tracking tool and an annual review by the relevant departments, management and the Executive Board. When developing the strategy, the perspectives of the workers in the value chain were included on the basis of the processes described. The strategy was also reviewed by external experts in the areas of human rights and supply chain transparency.

51.3. Consumers and end users

51.3.1. Strategy

Disclosure Requirement related to ESRS 2 SBM-2 - Interests and views of stakeholders

As the VARTA AG Group does not sell its products directly to end users, it is particularly important to take preventive measures to protect them. Ensuring product safety and protecting the health of customers and end users is a top priority for the VARTA AG Group. We have integrated processes relating to quality, the environment and energy into our management system to ensure the provision of safe, high-quality battery solutions (please refer to chapter Management of impacts, risks and opportunities). A close connection between perceived product responsibility and customers is a central pillar of our success. By communicating transparently about safety measures, we demonstrate our proactive sense of responsibility and emphasise the inclusion of customer and end user perspectives. For further details on the interests and viewpoints of stakeholder groups please refer to chapter Management of impacts, risks and opportunities.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In the medium term, the VARTA AG Group could have a positive impact on product responsibility, given that regular risk assessments of products are carried out and products are certified in accordance with applicable standards. These assessments cover the key paramters of customer satisfaction, safety and well-being, and quality. The Group offers a wide range of safe products for various applications that help customers strengthen their independence. Detailed information is provided on the product packaging and website. This information promotes the safe handling of batteries, helping to prevent accidents and promote a cleaner environment. Detailed procedures and

certified systems can improve work processes and employee and customer safety. The VARTA AG Group could also have a positive medium-term impact on the topic of 'new technologies', as innovative products support the energy transition (e.g. large-format Li-ion cells and the VARTA wall system), which could accelerate the transition and reduce emissions. These effects originate from the company's business model, influencing it, its strategy, and its adaptation.

All end users of products sold by the VARTA AG Group are affected by the aforementioned impacts. When conducting the materiality analysis as part of the stakeholder and impact analysis, and when collecting data for reporting on product safety aspects in responsible areas, we also considered whether certain groups may be at greater risk of harm. The term 'consumer' does not apply to the products we sell. No particular susceptibility to impacts or marginalisation can be identified among the groups concerned. Accordingly, the following groups are not explicitly considered: end users of products that are harmful to humans and/or increase the risk of chronic disease, end users of services that may negatively impact their right to privacy, the protection of their personal data, their right to freedom of expression, or their right to non-discrimination, end users who rely on accurate and accessible product- or service-related information, such as manuals and product labelling, to avoid the potentially harmful use of a product or service, and end users who are particularly vulnerable to health or privacy impacts, or to the impacts of marketing and sales strategies, such as children or financially vulnerable individuals.

51.3.2. Impact, risk and opportunity management Disclosure Requirement S4-1 – Policies related to consumers and end-users

Chapter 51.3.2. describes the Human Rights Policy Statement and the strategies and policies defined therein. These include compliance with due diligence obligations and the downstream value chain. Additionally, the quality policy and objectives are set out in the VARTA AG Group's management manual. We believe that quality is a shared responsibility between management and all employees, and this is achieved by continuous process improvements. Product safety and conformity are our top priorities, and quality is generated at every stage of the production process through targeted process control.

With its Microbatteries division, the VARTA AG Group is also making an important contribution to improving the quality of life for people with hearing impairments. These special hearing aid batteries allow those affected to participate in social life.

For detailed information on the individual measures please refer to Disclosure requirement S4-4 with detailed descriptions of the following points

- Centred management systems
- Customer health and safety
- Medical application

Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts

In addition, the customer service team provides ongoing support to ensure long-term customer satisfaction. For further information on the VARTA management system please refer to chapter Management system. Chapter Grievance mechanism provides more detailed descriptions of the mechanisms that respond to complaints and initiate recall and emergency management and Management of impacts, risks and opportunities.

Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

We take customer feedback into account as part of regular surveys, for example, to develop better, safer and more sustainable products. These results are also incorporated into the human rights-related risk analysis under the heading 'Customer interests and product safety' (please refer to chapter Risk analysis and management in the supply chain). No serious problems or incidents of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, involving end users, were reported in the VARTA AG Group's downstream value chain.

Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Various processes and measures relating to end users, which incorporate the end user's perspective, are described below. They are continuous actions with no defined end date or geographical area of impact. They primarily relate to our own business, but also indirectly to the downstream value chain. Human and financial resources are allocated to the Sustainability department to implement measures relating to due diligence. The Quality, Product Management and R&D departments are responsible for product safety issues at a technical level and have a corresponding budget allocated to them. Analysed legal requirements and end-user expectations are incorporated into the product development process. Risk analysis and management use external metrics from recognised organisations. These assessments can provide insights into potential risks and grievances in the downstream supply chain, reflecting the views and experiences of end users. Incorporating these metrics into the company's risk management and due diligence processes helps to ensure that end-user perspectives and concerns are better integrated into decision-making. The metrics provide an objective means of assessing end-user perspectives and enable the VARTA AG Group to implement improvement measures based on data and independent audits. For further details on communication channels and independent audits please refer to the following chapter. For further information on grievance mechanisms please refer to chapter Grievance mechanism. Management of impacts, risks and opportunities. As per the aforementioned channels, all persons, including end users of our products, can communicate their concerns and needs directly and indirectly to the VARTA AG Group.

Certified management systems

In addition to the company-wide ISO 9001 quality management standard, the automotive sector's IATF 16949 standard and the medical industry's ISO 13485 standard have also been implemented at selected sites. The Batam production site is certified in accordance with ISO 80079-34, which outlines the specific requirements for establishing and maintaining quality management systems for manufacturing products intended for use in potentially explosive environments. Alongside the site-specific certifications, various product-specific certifications are established, including UL 1642 for lithium cells from VARTA Consumer Batteries GmbH & Co. KGaA and VARTA Microbattery GmbH.

Customer health and safety

To continuously improve the measures taken, product safety is regularly checked, audited and certified by independent third parties. It is conducted in accordance with international safety and labelling standards published by organisations such as the International Electrotechnical Commission (IEC) and Underwriters Laboratories (UL), as

well as legal requirements. Standardised product safety tests form a central part of the development process and are also regularly conducted during production. Relevant technologies observe the IEC 62619:2017 standard for the safe operation of lithium secondary cells and batteries, and the IEC 600086-5 standard for the safety of primary batteries with aqueous electrolytes.

We communicate safety-relevant and other product-related information to customers and other interested parties on a product-specific basis. For further information on packaging please refer to material safety data sheets (MSDS) and other publicly accessible formats on the company website. We strive to raise end-user awareness of product safety issues, providing guidance on emergency preparedness processes and facilities, as well as collecting feedback on health and safety matters.

All products are regularly tested for health and safety impacts in accordance with regulations and standards, to ensure high product quality and identify potential for improvement. Approval processes and quality controls ensure that only tested goods leave VARTA AG Group premises. All purchased products are approved by the VARTA AG Group and tested in the laboratory, while test cycles depend on the product. In addition, conformity reports are requested from the supplier for selected products to prove compliance with the required standards. Despite all preventive measures, product safety defects can occur. In such event, mechanisms are established to respond to complaints and initiate a recall and emergency management procedure. These aim to investigate the incident, eliminate the underlying cause and facilitate rapid remedial action. Complaints can be submitted via various channels, such as supervisory authorities, the website, national companies or customer service. If necessary, serious complaints are analysed by a cross-departmental team in a defined process. In 2024, no serious incidents relating to human rights, nor any sanctions or legal proceedings relating to product safety, marketing or labelling were reported by the downstream value chain.

The VARTA AG Group strives to manufacture the safest products on the market. Through continuous innovation in safe design and the exchange within the framework of various initiatives, we are working to replace hazardous substances in batteries. We are currently involved in research projects on safe solid-state batteries ('SolidS', 'ALANO') and metalpolymer current collectors to enhance the safety of lithium-ion batteries ('PolySafe'). Our substance approval processes for development and production materials protect customer health and ensure suitable occupational health and safety measures for employees. These efforts have resulted in products that are safe when used properly and do not release any hazardous substances. The VARTA AG Group complies with productspecific testing and labelling requirements for batteries and other technologies. This includes the EU Battery Directive, WEEE Directive, EMC Directive, Low Voltage Directive, Radio Equipment Directive, IEC 62471, IEC 60086-1 to IEC 60086-5, IEC 61951-2, IEC 62133-2, UL 1642, the Nordic Ecolabel, the CE mark and country-specific labelling regulations. Our products comply with applicable substance restrictions according to international regulations such as PoPs, REACH and RoHS. We also fulfil the registration and declaration obligations for substances. We take customer feedback into account, for example through regular surveys, to help us develop better, safer and more sustainable products. Results of these measures are also incorporated into the human rights-related risk analysis with regard to 'customer interests and product safety' (please refer to chapter Risk analysis and management in the supply chain).

Measures we have taken to ensure that our power banks have comprehensive safety features have also received external recognition. In 2023, the European Commission presented the VARTA AG Group with the EU Product Safety Gold Award for the "Advanced Safety Technology" of its power banks. According to the Commission, we were awarded first place in the 'Large Companies' category because our power banks have

comprehensive safety features that ensure consumer safety, even in the event of foreseeable misuse. We have defined six security features that are implemented as standard in all new power bank product developments.

Medical application

In Europe and Canada, hearing aid batteries are considered medical devices and are therefore subject to particularly strigent requirements. These products have a special quality management system and an annual licence. Safety tests are carried out in accordance with the relevant requirements. These products undergo post-market surveillance, including regular market surveillance, to ensure compliance with legal requirements. The results of this surveillance are incorporated into the risk management of these products. Employees involved in the manufacture of medical devices receive regular training on safety issues and product labelling in accordance with legal requirements.

51.3.3. Metrics and targets

Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Due to the complexity and diversity of user requirements, various parameters and targets were defined for individual business units regarding end users. In the Micro Batteries business unit, for example, the number of complaints received and their processing times are monitored. The objectives are to reduce the processing time per complaint to less than 10 days, improve the number of complaints received annually, and eliminate reportable complaints altogether. These complaints relate to reports received from external bodies (e.g. customers and authorities) concerning zinc-air and nickel metal hydride batteries. Reportable complaints are defined according to the criteria set out in the EU Medical Devices Regulation (EU 2017/745) and the Canadian Medical Devices Regulations (SOR/98-282). Product types from other business units are not included in these objectives. These measurements are validated by an external testing company as part of the ISO 13485 certification process. The targets with regard to reportable complaints were consistently achieved between 2022 and 2024. Although the processing time targets have only been monitored continuously since 2023, they have also been consistently met. Various targets relating to quality aspects concerning suppliers and B2B customers also exist. These targets relate to the annual average and are monitored and communicated monthly as part of the internal Corporate Quality Report.

52. Business Conduct

52.1. Governance

Disclosure Requirement in connection with ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies

The role of the administrative, management and supervisory bodies and their expertise in relation to aspects of corporate policy are explained in section 49.1. General information ESRS 2.

52.2.Impact, risk and opportunity management
Disclosure Requirement related to ESRS 2 IRO-1 - Description of the processes to
identify and assess material impacts, risks and opportunities

Section Management of impacts, risks and opportunities explains the process for identifying material impacts, risks and opportunities. The process can also be applied for the corporate policy. In terms of compliance and business ethics, a risk of violating the

German Supply Chain Act occured, which could result in reputational damage and substantial fines. Business partners may also terminate business relationships for these reasons. We see the regulation as primarily providing a basis and an opportunity for developing a comprehensive system for human rights and environmental due diligence that goes beyond legal requirements. By establishing this legal standard company-wide at our German and international locations, we are contributing to standardised regulations that, in some cases, exceed national legislation. Robust business integrity processes can help maintain a positive reputation, increase credibility (e.g. with business partners) and improve ESG ratings, thereby enhancing access to the capital market.

The VARTA AG Group has a positive impact on corporate integrity as a result of processes and guidelines such as the Management Manual and the Code of Conduct. These guidelines communicate the values and requirements to various stakeholders. The processes and guidelines could lead to safeguarding social well-being and having a positive environmental impact. The VARTA AG Group also has a potentially positive impact on 'grievance mechanisms', as it has established procedures and systems that comply with international standards, which it communicates to both internal and external stakeholders. It could lead to the building of trust and the protection and enforcement of human rights, thus ensuring the wellbeing of communities. For further information on material topics please refer to chapter Management of impacts, risks and opportunities.

Disclosure Requirement G1-1- Business conduct policies and corporate culture Corporate approach to good corporate governance

Ethical behaviour and compliance with the law are fundamental to the business activities of the VARTA AG Group. Respect for human rights is an essential part of the Group's corporate responsibility. The VARTA AG Group's corporate culture is characterised by strong values that determine the way the company operates. The principles of the UN Global Compact and the amfori BSCI framework underpin the company's actions and are reflected in the Code of Conduct and the Human Rights Policy Statement. For further details please refer to chapter Management of impacts, risks and opportunities. The VARTA AG Group collaborates with organisations and suppliers to enhance transparency and mitigate risks throughout its complex supply chains. For further information on the VARTA AG Group's value chain please refer to chapter 49.3. Strategy and chapter Management of impacts, risks and opportunities. Integrating stakeholder interests into compliance strategies supports the development of a responsible corporate culture. Continuous measures are not limited to a specific geographical area and extend to the upstream and downstream value chains, as well as the company's own business. For further information on stakeholder involvement please refer to chapter Interests and views of stakeholders.

A good corporate governance policy is characterised by a holistic and transparent approach that encompasses various key aspects. These include identifying, reporting and investigating concerns about unlawful behaviour, or behaviour that conflicts with the company's Code of Conduct or similar internal rules. Reporting by internal and external stakeholders is also taken into account, for example through the grievance mechanism (please refer to section Management of impacts, risks and opportunities) and continuous, AI-based monitoring of supply chain risk. To combat corruption and bribery, the company uses clear guidelines and training to promote business integrity. Avoiding anticompetitive behaviour and complying with stringent export controls are essential to ensure fairness in the market and respect for international standards. The company is also involved in political issues, with transparency and ethical principles at the forefront. A well-established grievance mechanism, such as the AG Group's, promotes open communication and enables employees and external partners to report any concerns, violations of company guidelines, or other compliance issues. This holistic approach to

corporate policy establishes the basis for responsible and sustainable behaviour within the business environment.

The Compliance Department ensures that VARTA AG Group and its stakeholders comply with all applicable laws, regulations and guidelines. Headed by the General Manager of HR, Legal & Compliance, it reports directly to the Executive Board. The individual departments are responsible for monitoring and complying with topic-specific laws, utilising the expertise of the Compliance department as required. Work is currently underway to develop a holistic compliance management system, including the implementation of a cross-divisional compliance board and topic-specific risk analyses.

To ensure compliance among all employees, digital training on the Code of Conduct has been developed and made available to employees at group level via the intranet (please refer to chapter Management of impacts, risks and opportunities). Employees can carry out the training independently at any time. It covers measures to prevent corruption, including rules on accepting gifts and issuing invitations, information on conflicts of interest, rules on working with external parties, and requirements for managers.

Grievance mechanism

The Integrity Line, which can be accessed via the company's website, provides an opportunity for individuals to seek advice and raise concerns about misconduct, unethical behaviour, or breaches of the law relating to the company's activities or business relationships. The whistleblowing system is open to everyone. It is accessible via the website https://varta.integrityline.org/. Depending on their place of work, VARTA AG Group employees have access to other internal complaint mechanisms, such as compliance contact persons, open mailboxes, email addresses and works councils. Any compliance violations are reported in the annual Compliance Report. This report is published on the VARTA AG Group website at https://www.varta-ag.com/en/about-varta/compliance. In addition to the above channels, the VARTA AG Group also supports other external whistleblowing systems, which are available to all persons (please refer to chapter 51.2.2. Impact, risk and opportunity management).

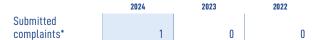
Complaints can be submitted to the Integrity Line either anonymously or by providing ones contact details. All complaints are investigated immediately, independently and objectively. Once a report has been submitted via the whistleblower system, the person who submitted it receives confirmation of receipt. The report is then processed by the Chief Compliance Officer via a formal mechanism. Those entrusted with conducting the procedure must act impartially and confidentially. They are independent and not bound by instructions. If necessary, other departments and individuals may also be involved in processing the incident. Reports are processed on a case-by-case basis and measures are determined according to the situation. If necessary, an additional investigation team is formed to clarify the facts. The team consists exclusively of employees and managers who were not involved in the incident itself. The identity of the person concerned is kept confidential and the procedures offer effective protection against victimisation, such as retaliation, discrimination, intimidation or punishment.

Whistleblowers are subject to special protection and will not face any negative consequences for disclosing information to the VARTA AG Group. It is irrelevant whether the employee's suspicions prove to be true or not. Measures to protect against retaliation by employees who are whistleblowers are implemented in accordance with applicable legislation, including Directive (EU) 2019/1937 of the European Parliament and of the Council. Retaliation within the workforce is not permitted, regardless of whether a violation of the Code of Conduct has been or is intended to be reported. Retaliation includes coercing an employee not to report a suspected violation. Employees found to

have violated the Code of Conduct will face disciplinary action. The process for taking disciplinary action was revised in 2023 and communicated to HR managers at all locations. Disciplinary measures are carried out with the mandatory involvement of the Human Resources department to ensure compliance with local legal requirements and collective agreement provisions. Withholding or reducing wages as a disciplinary measure is not permitted in any location.

If a violation of human rights or environmental obligations occurs or is imminent within the VARTA AG Group's own business, appropriate remedial measures will be taken immediately to prevent, end or minimise the extent of the violation. The type and scope of these measures, as well as redress measures, depend on the extent of the VARTA AG Group's contribution to the violation and its ability to exert influence. Possible measures include intranet-based training for employees, which can be accessed at any time. Corporate policy aspects are also addressed as part of further training courses, which are held annually for the Purchasing and Supply Chain Management departments, as well as human rights training for large sections of the workforce.

The complaints management process was revised during the reporting period and incorporated into the VARTA AG Group's management system. Any critical matters or other concerns arising from the various channels and processes within the grievance mechanism are forwarded directly to the Executive Board via the General Manager of HR, Legal & Compliance.



*The VARTA Grievance Mechanism is a channel for addressing all complaints, including but not limited to: Violations of competition and antitrust law, corruption, bribery, discrimination, harassment, bullying, employee issues (including occupational health and safety), financial offences, e.g. fraud, theft, embezzlement, human rights issues (including violation of human rights and/or environmental due diligence).

During the reporting period, there were no reports of serious cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, relating to workers in the company's supply chain. For detailed information please refer to chapter Management of impacts, risks and opportunities.

In 2022, the VARTA AG Group's Code of Conduct and the accessibility of the whistleblower system at all production sites were reviewed for the first time as part of the Workplace Conditions Assessment (WCA) audit. This audit has no specified validity period. In 2024, a social audit (SMETA 4 Pillars) was conducted again at the main sites in Ellwangen and Braşov. Based on the audit's findings, the AG Group's German sites' existing compliance communication was analysed. This included analysing awareness of and access to compliance guidelines and channels, as well as employee and selected business partner preferences in more detail. Measures to improve communication were developed on this basis and are being implemented step by step. The audits carried out in Ellwangen and Braşov confirmed the successful implementation of these measures during the reporting period.

52.3. Metrics and targets

In the context of corporate policy, no specific, measurable, results-oriented targets have been defined with regard to the identified risks and opportunities, as no suitable parameters have been defined to date. However, the parameters, targets and measures listed in chapter 52.3. contribute indirectly to fulfilling the legal requirements. Similarly, no measurable, results-oriented targets have been set for the identified potentially

positive effects, as no suitable parameters have been established. Since the 2021 reporting year, the effectiveness of the strategies and measures has been tracked and reported using the above-described indicators.

53. Appendix

Non-financial statement

MANDATORY DISCLOSURE PURSUANT TO SECTION 289 c-e HGB VARTA SUSTAINABILITY STATEMENTS

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Environmental matters 50.1. EU taxonomy
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Employee concerns 51.1. Own workforce

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EU Taxonomy
Social matters
50.1. EU taxonomy
51.1. Own workforce

51.2. Workers in the value chain

Respect for human rights 51.1. Own workforce

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