



Human Rights Policy Statement

Dated: 17th April 2024

Scope and Responsibilities

VARTA AG and its affiliated companies¹ (hereafter "VARTA") are committed to apply the precautionary approach, comply with human rights due diligence requirements, to strengthen human rights and to enable affected people to seek remediation in the event of a human rights violation. This applies to VARTA's own operations globally as well as in the value chains. Across VARTA's own operations these values are taken into account both in its operating business and in exceptional activities, such as construction projects.

Affiliated companies of VARTA AG are all companies that are directly or indirectly controlled by VARTA AG, including but not limited to:

- VARTA Consumer Batteries GmbH & Co. KGaA in Ellwangen / Germany and Dischingen / Germany,
- VARTA Microbattery GmbH in Ellwangen / Germany,
- VARTA Micro Production GmbH in Nördlingen / Germany,
- VARTA Storage GmbH in Nördlingen / Germany,
- VARTA Microbattery S.r.l in Brasov / Romania,
- P.T. VARTA Microbattery in Batam / Indonesia,
- EMEA Consumer Batteries (Shenzhen) Co. Ltd. in Shenzhen / China.

The Executive Board, overseen by the Supervisory Board, is responsible for the overall strategic direction of the company and ultimately decides on the approach for compliance and monitoring of human rights due diligence, including the procedures and allocation of resources to implement the measures in this policy statement. The monitoring of the implementation of the strategy is the responsibility of those responsible for the respective locations. The relevant departments, in particular Sustainability, Human Resources and Quality, are responsible for the implementation and continuous further development of measures within the framework of the defined strategy. The Sustainability department is responsible for monitoring risk management regarding human rights due diligence. The responsibilities and due diligence processes described are managed centrally for all affiliated companies.

The strategy for implementing human rights and environmental due diligence is based on the following international frameworks:

- [International Bill of Human Rights](#)
- [International Labour Organisation \(ILO\) Conventions and Recommendations](#), particularly [the Declaration on Fundamental Rights and Principles at Work and the core conventions that underpin it](#)
- [Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy](#)
- [OECD Due Diligence Guidelines for Promoting Responsible Supply Chains of Minerals from Conflict-affected and High-Risk Areas](#)
- [OECD Guidelines for Multinational Enterprises](#)
- [Principles of the United Nations \(UN\) Global Compact](#)
- [UN Children's Rights and Business Principles](#)
- [UN Convention on the Elimination of All Forms of Discrimination against Women](#)
- [UN Convention on the Rights of the Child](#)
- [UN Declaration on the Rights of Indigenous Peoples](#)
- [UN Guiding Principles on Business and Human Rights](#)
- [UN Sustainable Development Goals](#)

In addition, taking into account planned and existing national and international legislation on due diligence obligations (e.g. LkSG, EU New Batteries Regulation, CSDDD), other international frameworks mentioned in the requirements were included in the development of the strategy.

¹ Affiliated companies of VARTA AG are all companies that are directly or indirectly controlled by VARTA AG. A complete list can be found in the current [annual report](#).



Risk analysis and management

An initial risk analysis was carried out in 2022, taking into account the above-mentioned frameworks for the company's own business division as well as the upstream and downstream stages of the value chain, and updated in 2024. Further, the definitions of environmental and social risks were revised based on the new EU Battery Regulation (Annex X (2)). This did not result in any significant changes to the previous year's risk assessment. In addition to country risks, product-specific, industry-specific and company-specific risks were considered, and the perspective of potentially affected communities was included. The basis for the analysis included studies by internationally active organisations, information from recognised indices and experience gained from audits at VARTA and in the supply chain. In addition, regular ESG ratings are carried out in order to identify and monitor further risks.

The process of risk management in the supply chain is supported by software based on artificial intelligence and by self-assessment queries in the supply chain in order to further refine the risk assessment. As part of the risk analysis, risks were prioritised based on their severity (extent, scope, irreversibility) and their probability of occurrence. As described in the "Preventive and remedial measures" section below, these risks are reduced by developing appropriate concepts and taking various measures. With the aim of a holistic risk assessment, existing internal risk management processes were expanded to include a sustainability-related perspective. The analysis revealed that the following risks are prioritised due to the entrepreneurial activities of battery production, both in the company's own business area and in the supply chain:

Working conditions

Compliance with human rights standards in the workplace, including the creation of healthy working conditions, sufficient breaks as well as appropriate working hours and fair pay, has a positive impact to the health and upkeep of the living standards of employees.

Occupational health and safety

Substantiated training and personal protective equipment of employees reduce safety risks and serve as measures against negative health effects when handling chemicals, machinery, metals, or minerals.

Soil, groundwater, and air pollution

Appropriate due diligence processes throughout the use of various substances in the context of raw material extraction and battery production contribute to the protection against contamination of soil and water as well as to the preservation of air quality and biodiversity.

Climate and energy-related risks

The implementation of measures to reduce the usage of climate-related resources in order to decrease greenhouse gas emissions and contributes to the mitigation of climate change.

Risks related to minerals from conflict-affected and high-risk areas

The establishment of a management system to respect human rights and environmental due diligence in mineral and metal supply chains contributes to mitigating existing and potential risks of these supply chains, and to contribute to the respect and promotion of human rights, including the fight against child and forced labour, and the empowerment of indigenous peoples.

Protecting the rights of at-risk and vulnerable groups such as women, indigenous peoples, minorities and disadvantaged groups are important to us. Particularly vulnerable employees include expectant mothers, people with disabilities and young people under the age of 18.



Preventive and remedial actions

Operations

VARTA employees are committed to respecting and promoting human rights within their sphere of influence. VARTA has anchored the values and principles described in the international frameworks as guidelines in the [VARTA Code of Conduct](#), which must be observed by all employees. This code also includes compliance with the requirements of the amfori BSCI and the ten principles of the UN Global Compact. Employees receive regular training on the Code of Conduct and other compliance topics. Employees whose job responsibility relate to supply chains have received dedicated training on dealing with human rights issues with a focus on procurement practices. The integration of sustainability criteria into procurement processes to continuously minimise risks is gradually taking place.

ISO 14001 certification of all production sites supports the promotion of environmental protection and reduction of environmental impacts, in order to ensure the implementation of environmental targets. Selected sites hold ISO 50001 certifications to further improve energy-related performance as well. VARTA is currently developing a water management concept and is working towards an EMAS certification. Moreover, VARTA is reporting to CDP to continuously enhance the environmental management system. Through various measures such as the switch to green electricity and energy efficiency measures, VARTA has already been able to reduce emissions significantly. VARTA's management system for occupational health and safety is based on the requirements of ISO 45001. The alignment or commitment to collective bargaining agreements at all production sites as well as works councils at the German sites, are contributing to ensuring good working conditions beyond legal requirements. Through external social audits of the five production sites globally, VARTA optimises its performance in occupational health and safety and further decreases risks.

If a violation of a human rights or environmental duty has occurred or is imminent in VARTA's own operations, VARTA will take immediate and appropriate remedial action to prevent, stop or minimise the extent of the violation. The type and scope of the measures taken depend on VARTA's contribution to the cause and its ability to exert influence.

Value chain

VARTA expects that the values put forth in this policy which are based on international frameworks, are supported and adhered to by all stakeholders, but in particular by the business partners as well as their business partners. VARTA therefore places the same demands on business partners as it does on its own company and would like to work jointly with them to meet the standards. For this reason, VARTA has integrated the [VARTA Supplier Code of Conduct](#) into its contracts and expects suppliers to commit to these principles and to pass the requirements onto their business partners. VARTA checks compliance with these principles by carrying out amfori BSCI audits on particularly high-risk suppliers. In the event of violations, improvement measures are defined and implemented jointly with the relevant stakeholders. In addition, sustainability issues are inspected at suppliers as part of quality audits. VARTA obtains information about suppliers through queries in the supply chain. Further VARTA identifies and recommends possible potential for improvement and development. So-called "minerals from conflict and high-risk areas" represent a particularly high sustainability-related risk. For this reason, VARTA monitors relevant actors in the supply chain for 3TG (tin, tantalum, tungsten, and gold) and cobalt. VARTA strives for transparency for further critical minerals and intermediate products of active materials such as aluminium, graphite, copper, lithium, manganese, nickel, and zinc. VARTA has implemented a thorough due diligence management system in accordance with the OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Further details can be found in the [due diligence report](#). To take responsibility at the raw materials level, VARTA has joined the Responsible Minerals Initiative (RMI) and participates in working groups. The RMI provides companies with resources and tools to support the responsible sourcing of minerals in the supply chain. In addition, VARTA assesses smelters and refiners, particularly in the 3TG and cobalt supply chain, through audits conducted in accordance with the RMI standard Responsible Minerals Assurance Process (RMAP).

If a violation of a human rights or environmental obligation has already occurred at a direct supplier or is imminent, VARTA will immediately take appropriate remedial measures to prevent or end this violation or to minimise the extent of the violation. If termination of the breach is not possible in the foreseeable future, VARTA will develop a scheduled plan to terminate or minimise the breach. In the event of a very serious breach, where agreed measures do not provide a remedy, no mitigating means are available and/or VARTA's ability to exert influence is insufficient, VARTA reserves the right to suspend or terminate the business relationship. In the event of an identified or imminent violation of human rights at indirect suppliers, possibilities to develop a remedy on the part of VARTA will be examined. The type of the measures taken depend on the causation contribution and VARTA's ability to influence.



Grievance mechanism

Information on misconduct, in particular violations of applicable laws and internal instructions and procedures, can be reported via the anonymous whistle-blower system at <https://varta.integrityline.org/>. VARTA employees have the right to make complaints. Depending on their location of employment, VARTA employees further have access to other internal grievance tools, such as contact persons responsible for compliance, open mailboxes and works councils. Whistle-blowers are subject to special protection and have no fear of retaliation, discrimination, or intimidation as a result of their disclosure by VARTA.

Review of effectiveness and continuous development

The implementation of human rights due diligence is a continuous process which requires regular review. All measures described for the fulfilment of due diligence obligations, including the risk analysis as well as the policy statement itself, are subject to an annual and an ad hoc review with regard to their topicality, effectiveness and efficiency and are revised if necessary. The review is based on in-depth knowledge and experience and is continuously developed with the involvement of various stakeholder groups and indicators. VARTA continuously monitors the impact of its business activities on respect for human rights and reports to employees and external stakeholders through this policy statement and other formats.

Documentation and reporting

For further information on activities to uphold and promote human rights please refer to the annual [Sustainability Report](#).



Dr. Markus Hackstein
Speaker of the Board



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Chief Technology Officer



Michael Giesswein
Chief Restructuring Officer