



VARTA

Sustainability Report 2021

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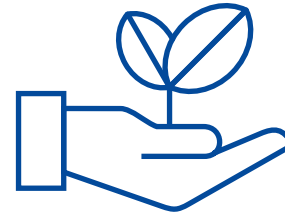


SUSTAINABLE DEVELOPMENT GOALS

We at VARTA support the Sustainable Development Goals (SDGs) of the United Nations. This Report outlines our sustainability management activities and achievements during the year 2021.

Read more about our sustainability at www.varta-ag.com

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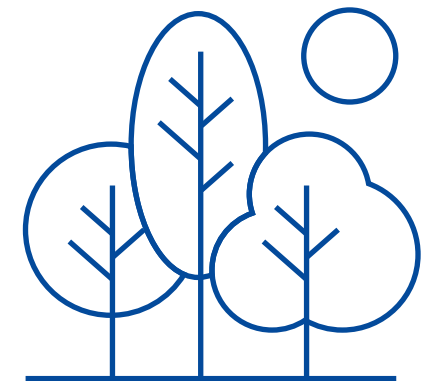
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A promise we keep

Herbert Schein



Rainer Hald



A promise we keep

In the 21st century, the question we all must ask ourselves is: How can we make sure that all of our activities do not come at the expense of future generations? We have learned that resources are not infinite. We must ensure that we are working with what we have in a manner that is responsible. We carry responsibility not just for ourselves, but for the world as a whole. Sustainability is the key to managing this task. This is especially true for a company that is shaping the future of battery technology – which is what VARTA is doing.

We provide portable energy storage solutions which help make the energy transition a success. As such, we are in a challenging position – primary batteries are single-use products and battery production sometimes relies on rare materials, some of which are sourced under challenging circumstances.

VARTA has taken measures to ensure that we source responsibly and reduce problematic raw materials wherever possible. We have made production processes more efficient to reduce water and energy consumption, while cutting down on waste at the same time. This has made us a trusted partner to our customers. They are faced with consumers whose awareness for sustainability, for the protection of the environment and for the respect of social standards has – thankfully – grown fast, and who therefore demand to know what is inside the products they spend their money on. VARTA proves every day that the trust put in us is justified.

Innovation is the key to VARTA's success, and innovation not only means presenting new products over and over again; it also means that we never stop improving what we do and how we do it. When we decided to expand our lithium-ion production facilities, the choice to design a building that will be carbon-neutral was a natural one. How else could we provide what our customers have come to expect from VARTA: cutting-edge quality that helps them build better devices?

The same goes for our consumer batteries: When we decided to relaunch our brand, we opted for fully recyclable packaging – not because the customer expects it, but because we expect it of ourselves. VARTA has been living sustainability for such a long time that we simply wanted to go the extra mile.

Sustainability for a technology company, however, means much more. It means dealing with all resources in the most responsible way. And this extends far beyond natural resources or raw materials. A company is only as good as the people who work for it. It can only thrive in a community that it cares for, in a world it takes care of.

Sustainability is a promise we keep, for our customers and for ourselves. There is no sustainable future without innovative, powerful, mobile, sustainable energy; and there is no future for a battery producer without commitment to sustainable production and products.

VARTA, in this respect, has come a long way in our almost 140 years of history. But we are not fully there yet. We are setting ourselves ambitious targets and we will push the boundaries even further to become the best we can be. Because this is what VARTA stands for: We never stop exploring. We are innovators, striving for the best performance to help shape the future, for a better tomorrow.

Herbert Schein

Chief Executive Officer
VARTA AG

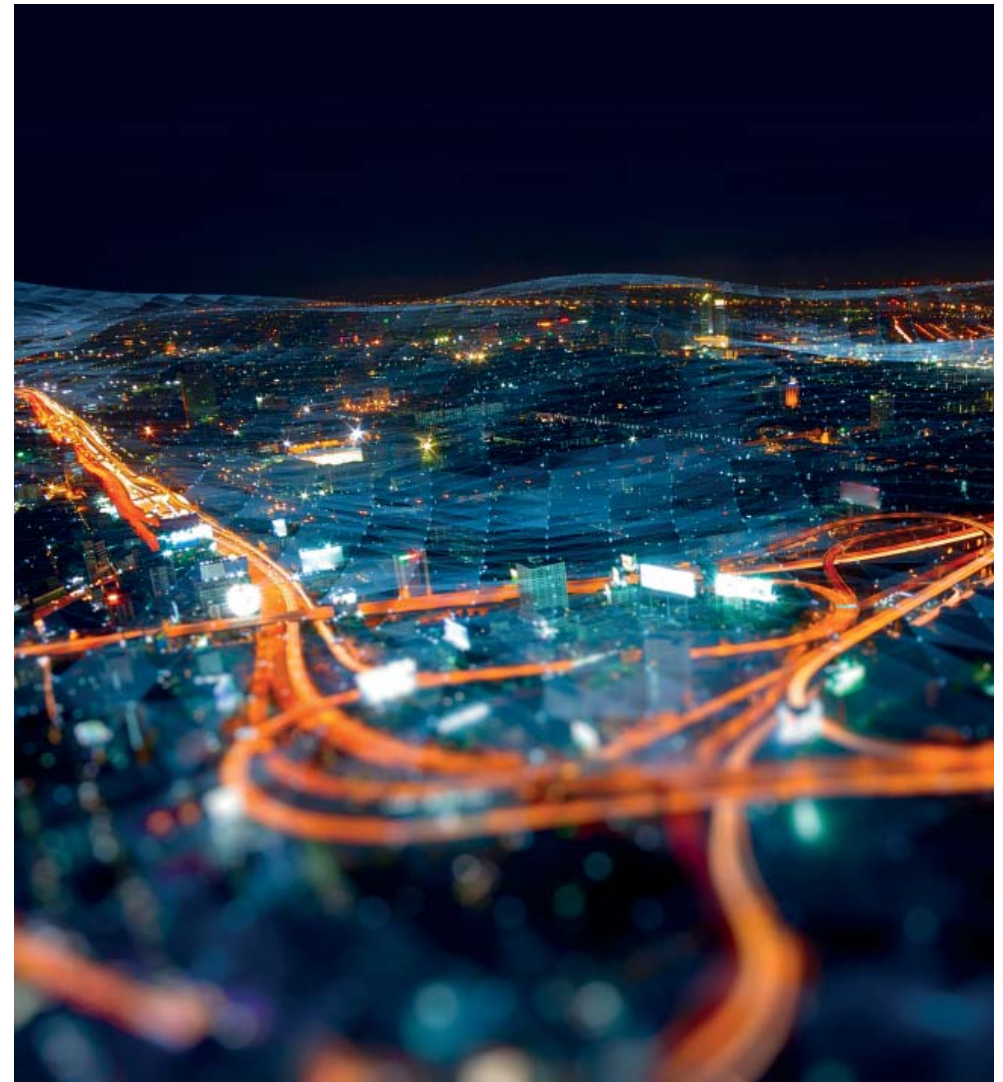
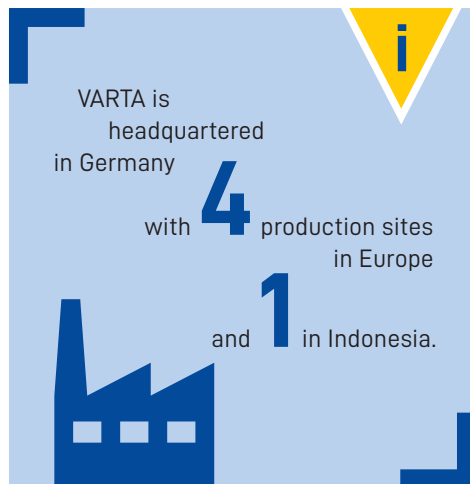
Rainer Hald

Chief Technology Officer
VARTA AG

“There is no sustainable future without innovative, powerful, mobile, sustainable energy.”

VARTA at a glance

VARTA AG produces and markets a comprehensive battery portfolio from microbatteries, lithium-ion cells, household batteries and energy storage systems to customer-specific battery solutions for a variety of applications, and, as a technology leader, sets industry standards in important areas. As the parent company of the Group, it operates in the business segments “Lithium-Ion Solutions & Microbatteries” and “Household Batteries”.



Global presence



-  HEADQUARTERS
-  DISTRIBUTION
-  RESEARCH & DEVELOPMENT
-  PRODUCTION



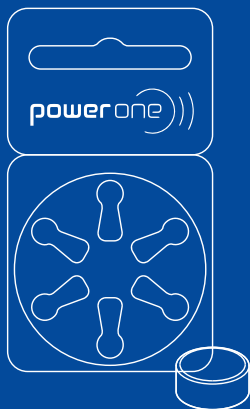
Business overview

VARTA AG 2022



Lithium-Ion Solutions & Microbatteries

Micro



Li-Ion Solutions

CoinPower



RoundPower/ V4Drive



Solutions

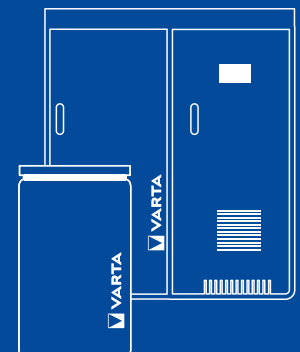


Household Batteries

Consumer



ESS





Hearing aid batteries

VARTA is the market leader for hearing aid batteries. With products branded under VARTA and power one, we are the only manufacturer in the world that in addition to zinc-air batteries, also offers a complete range of rechargeable batteries. These are produced in Ellwangen on fully automated production lines in the largest and most cutting-edge hearing aid battery production facilities.

Lithium-ion and battery packs

The VARTA CoinPower series is the perfect energy solution for modern electronic equipment such as true-wireless Bluetooth headsets, wearable technologies, medical equipment and much more. The smallest dimensions, outstanding mechanical stability and the highest energy densities have now made the miniaturisation of the latest TWS devices possible. The premium cells are "Made in Germany" on fully automated production lines. Application Specific Batteries (ASB) from VARTA are lithium-ion battery packs designed for use in small and medium sized vehicles like AGV's and forklifts. The lithium-ion batteries are modular and expandable and therefore can be adjusted to supply the right amount of energy for your application. Customers are either provided with a flexible ready-to-use battery solution, including all necessary acces-

sories and certifications or they can get in touch with our experts to develop a tailor-made specific battery system which meets the individual needs of the application. We have brought high-performance capabilities to lithium-ion round cells. Based on our experience in lithium-ion technology, we have developed cells that are characterised by very low internal resistance. This means that the cells can be charged and discharged within a very short time – without overheating in the process. In addition, thanks to their innovative mechanical design and special electrode recipe, they remain efficient even at low temperatures. As RoundPower, the cells find use in many applications and devices such as power tools, energy storage systems and drones. Under the name of V4Drive and with its unique features, the cells can bring many advantages for the automotive industry as well.

Consumer batteries

With its Consumer segment, VARTA AG, headquartered in Germany, is the European market leader in the household battery segment. In addition to alkaline batteries, the range also includes rechargeable batteries, power banks, chargers and lights. The innovative, top-quality products are developed and manufactured using state-of-the-art technology and with the expertise of internationally qualified specialists.

In addition to its innovative strength, the wide-ranging product mix and the quality and design of the products all contribute to what make this range unique. For VARTA, the intense focus on consumer lifestyles and close cooperation with the retail market are essential in order to be able to respond to current device trends quickly and flexibly with the best energy solutions.

Energy storage systems

In the Energy Storage segment, VARTA contributes to the energy transition by developing and manufacturing energy storage systems. The energy storage solutions from VARTA in the home and industrial storage market range from compact entry-level models, such as the wall-mounted system VARTA pulse neo, to our larger energy storage system VARTA flex storage for commercial applications. The AC-coupled systems have an integrated battery inverter. This makes them suitable for all new installations and retrofits. The intelligent energy management system also ensures optimal use of self-produced solar energy and is designed to significantly increase self-consumption. With VARTAwall, we are marking the start of a new product generation for energy self-sufficient living. Its newly developed die-cast aluminium housing with an installation depth of just ten centimetres makes it one of the most space-saving storage systems on the German market.

Sustainability strategy

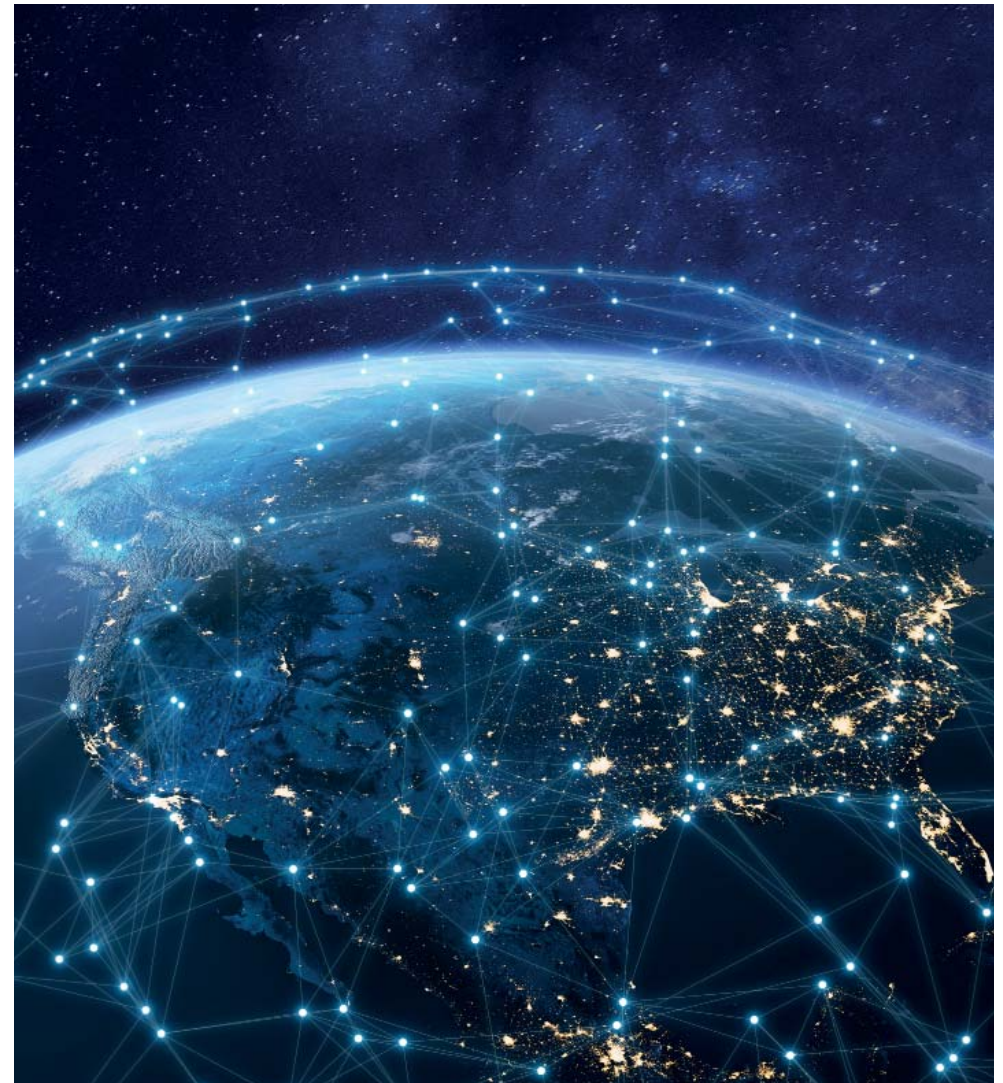
The world is facing grave global challenges, environmental as well as social. At VARTA, we are providing solutions to empower independent life and with that also supporting the energy and mobility transition. Moreover, we are striving to ensure fair and just business practices.

We consider ourselves a change-maker and an innovator operating in accordance with social, ecological and economic values.

Conserving resources through economical material use, recyclability and reusability without compromising on product performance and safety is of the utmost importance to us.

Our aim is to create a positive impact and improve the quality of life for future generations, by promoting equality and diversity, and fostering the development of our employees and partners.

We at VARTA act according to our six responsible business principles.



Six responsibilities and five goals

Our six responsible business principles

Business ethics and compliance

We hold ourselves to high standards. Ethically and legally impeccable conduct by all employees is crucial to us. It is the foundation for reliable partnerships and for ensuring compliance.

Cleaner production

We combine innovative strength, efficient processes and responsible use of resources.

Environmentally compatible products

We assess the possible environmental impacts of our products during product development.

Gain, train and retain

We attract, develop and retain talented individuals. They are the key to our success.

Governance

We consider sustainability as an integral part of VARTA's structure. It is driven by every single employee and overseen by the highest governance body.

Responsible sourcing

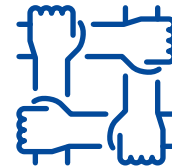
We work together with suppliers and organisations to increase supply chain transparency and to ensure their continued alignment with international standards for responsible sourcing.

Our five goals provide orientation for our actions and enable us to implement our strategy



Goal 1: Shaping the future

Everything at VARTA is driven by the urge for a better quality of life for future generations.



Goal 2: Sincere responsibility for people

Our own employees as well as everyone within our supply chain are an integral part of our success.



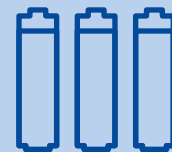
Goal 3: Diversity & equal opportunities

Diversity is key in meeting the needs of our customers, suppliers and stakeholders.



Goal 4: Sincere responsibility for the planet

We care for our planet. Therefore, we aim to increase the capacity of our supply chain so that it aligns with our environmental ambitions.



Goal 5: Striving for energy- efficiency

We constantly strive to optimise our use of resources in our production processes, and to increase the energy efficiency of our products

Sustainable performance

Shaping the future

KPI	Baseline
Research and development expense ratio	2.5% in relation to sales
Initial applications for protective rights	60
Funded research projects	30

Diversity and equal opportunities

KPI	Baseline
Gender distribution (female/male)	Female: 44% Male: 56%
Age distribution	<30 years: 23% 30–50 years: 54% >50 years: 23%
Regional distribution	Europe: 83.08% Asia: 16.52% Rest of the world: 0.4%

Striving for energy-efficiency

KPI	Baseline
Production sites certified in accordance with ISO 50001	60%
Percentage of green electricity used in production	92%

Taxonomy

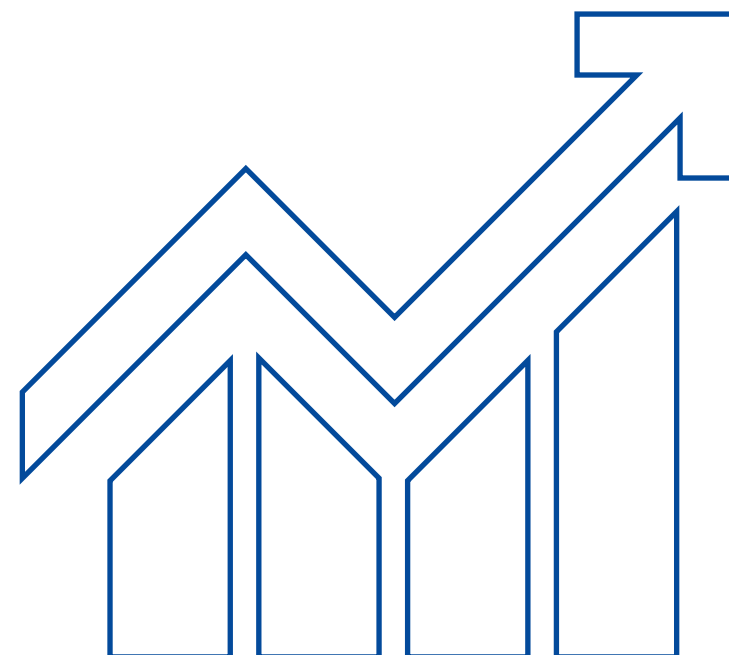
Proportion of taxonomy eligible activities	Baseline
Climate change mitigation:	
Percentage of revenue	41%
Percentage of CapEx	50%
Percentage of OpEx	36%

Sincere responsibility for people

KPI	Baseline
Percentage of employees covered by collective bargaining agreements	91%
Number of new employees	400
Accidents per 1,000 employees	15.6

Sincere responsibility for planet

KPI	Baseline
Total energy consumption	79,087 MWh
Total water consumption	46,184 m ³
Total waste generation	4,648 t
Production sites certified in accordance with ISO 14001	100%



Sustainability highlights

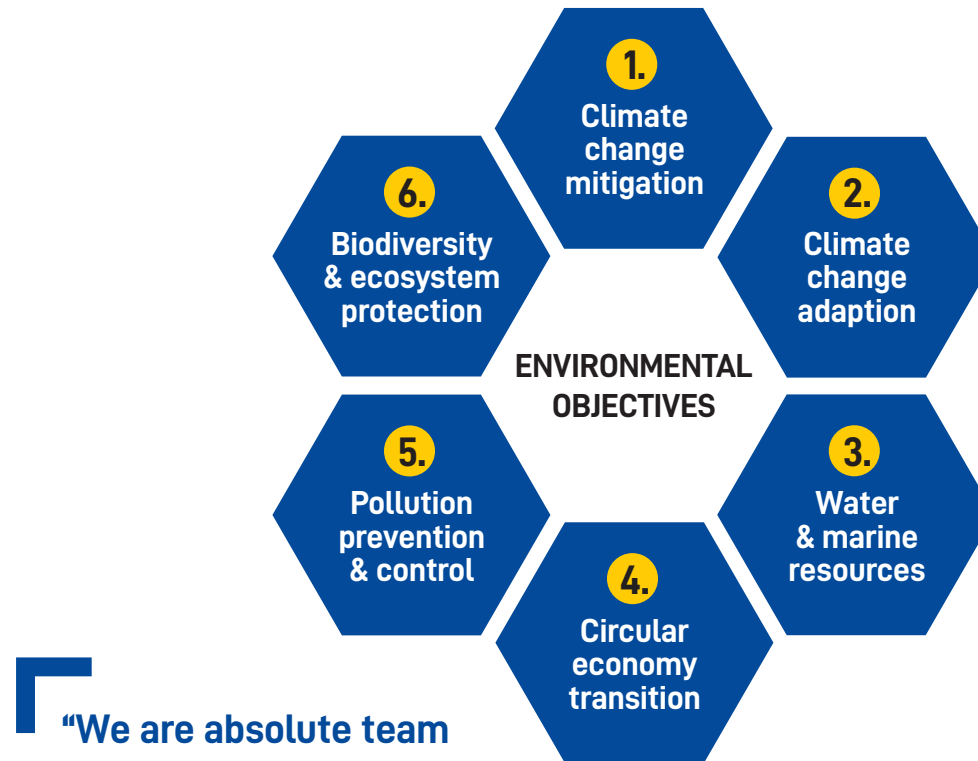
Emphasising the importance of sustainability

Our claim "Empowering Independence" inherently ties us at VARTA to the future. An important key factor in achieving this is sustainable business practice. At VARTA, we demonstrate every day that production and future-proof technology products do not have to come at the expense of the environment and society.

In 2021, we have further intensified our efforts in this area and embedded the topic of sustainability in several decision-making bodies. This was a logical consequence of our long-standing commitment to sustainability, which extends from the Supervisory Board to each individual employee. Please refer to page 33 for further information on our sustainability governance.

EU taxonomy

The reporting year 2021 marks the first year of the EU taxonomy. This regulation defines sustainability more precisely and sets clear criteria which business activities are sustainable and environmentally friendly. Six environmental objectives have been defined, whereby an activity is only sustainable if it meets the following four criteria. Firstly, the



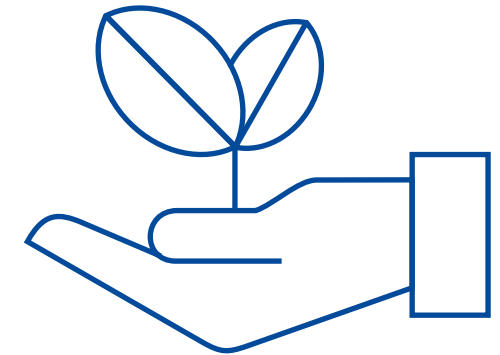
"We are absolute team players who face challenges together."

activity contributes to one of the six environmental objectives. Secondly, the activity does no significant harm (DNSH) to any other objective. Thirdly, the economic activity meets minimum safeguards and fourthly the activity

complies with technical screening criteria from the EU Technical Expert Group. This year VARTA is reporting its EU taxonomy eligibility. Please read how we contribute to the environmental objectives set out by the EU on page 29.

VARTA culture – "We make the difference"

Through our shared values, we create an environment in which everyone can grow and develop. In this way we can encourage each other and always deliver the highest quality, which is what makes us successful. Thus, in 2021, we purposely articulated our values.



VARTA's corporate culture is characterised by strong values that shape the way we work together. We are absolute team players who face challenges together. As a team, we have an unrivalled innovative strength that enables us to develop battery solutions for tomorrow. As a global technology company, we offer room for creativity in exciting projects and tasks in the future market of innovative energy solutions.

Shaping the future

Our pioneering spirit and innovative strength have been the driving force behind VARTA since the beginning of our company's history. As a technology leader, we develop energy solutions for tomorrow that make boundaries disappear.

Our brand pillars EXPLORER, PERFORMANCE, and TOMORROW pave our way for the future. We want to be perceived as an innovator who actively shapes the world of tomorrow. In doing so, we enable the development of each individual and offer solutions for societal challenges.

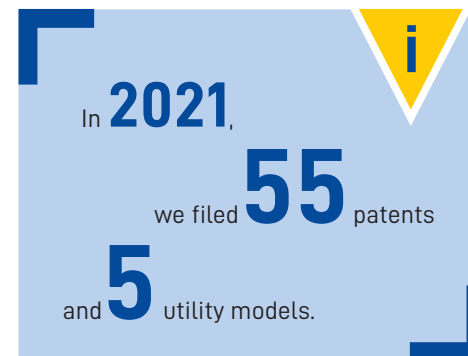


Goal 1: Shaping the future

Everything at VARTA is driven by the urge for a better quality of life. With our products specially designed for hearing aid devices, we enable everyone to live an independent and fulfilling life in an inclusive society. Therefore, we offer both primary zinc-air hearing aid batteries and rechargeable solutions. Furthermore, we developed a customised lithium-ion cell for the Eargo 5 hearing aid, this year. The business segment CoinPower technology powers true-wireless Bluetooth headsets, wearable technologies, medical equipment, and much more. Additionally, our lithium-ion battery packs offer standardised products with the necessary flexibility to meet the complex requirements of our customers. Thereby, all our business units and products together contribute to achieving our vision of powering a more independent life.

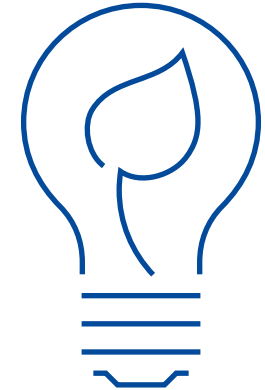
As a technology leader, we want to explore new areas. In 2021, our research and development efforts resulted in 60 initial applications for protective rights. Many of these are from the V4Drive segment. This business unit focuses on advancing electromobility, leading to true independence, and boosting clean mobility.

To keep our innovative edge, we are part of an international research network, where we always think one step ahead. In 2021 expenses associated with research and development activities rose to €22.8 m. Our work ranges from short-term optimisation to medium-term improvements, such as the continuous reduction of cobalt in our lithium-ion batteries, and long-term innovation. At VARTA Innovation GmbH, we conduct fundamental electrochemical research in cooperation with



the Graz University of Technology to expand our technological lead. By 2023, we will expand our fundamental research team and open a new research hub.

Moreover, VARTA participates in 30 publicly funded research projects. The projects cover



topics such as research on new materials and technologies, the digitalisation of processes, sustainable production and recycling.

We are aware that we have a special responsibility as an established battery manufacturer. Therefore, we find opportunities in challenges and aim to fulfil future regulations, take responsibility for our complex supply chain, and optimise our production processes. We continuously monitor our sustainability performance to identify hotspots and implement effective measures. Likewise, we constantly increase energy efficiency by applying the most modern technologies.

Proactively addressing the fundamental challenges of our time strengthens our innovative power and gives us the opportunity to shape the future.

People

16 Respectful interaction at all times

17 Employees

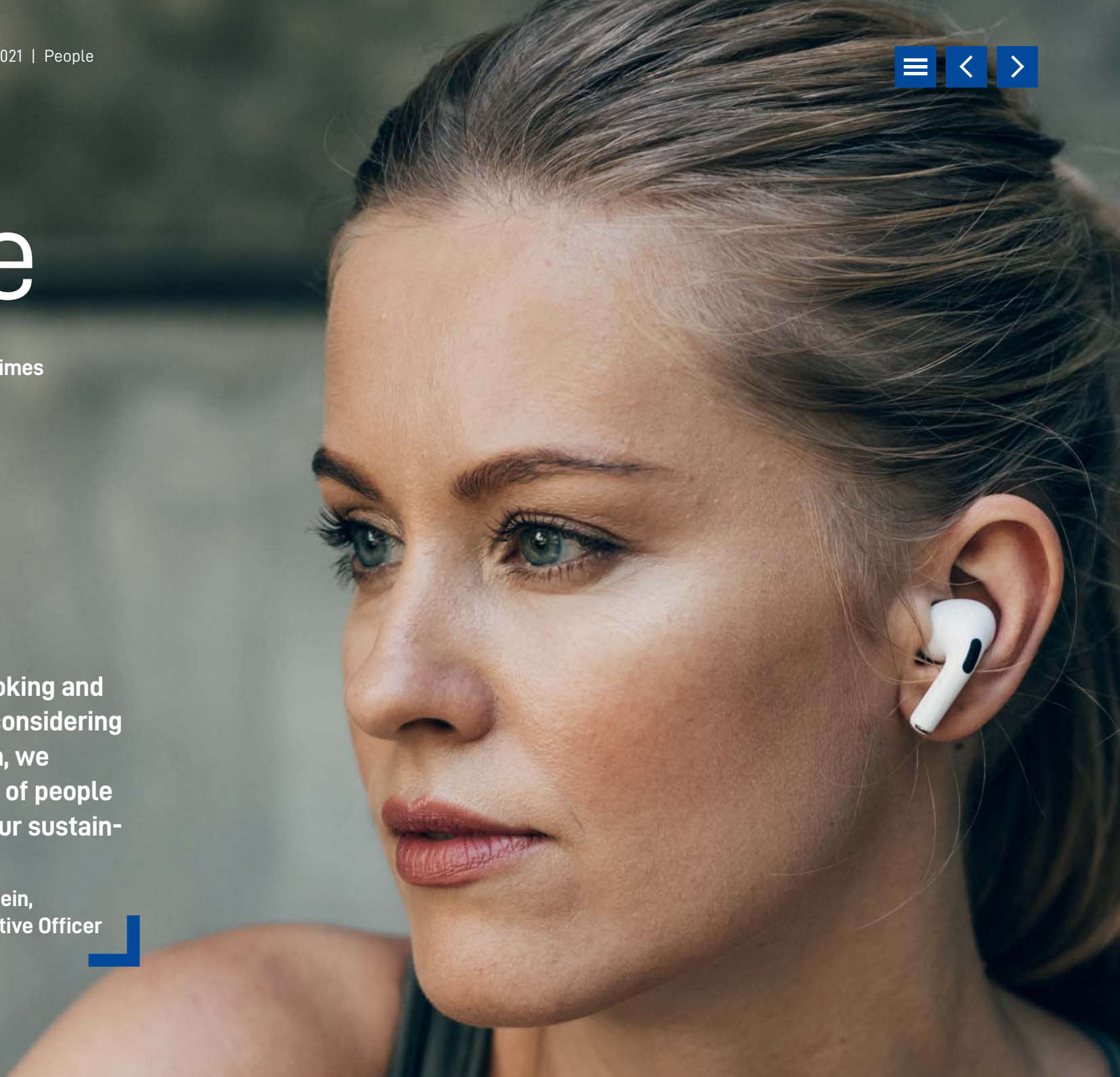
19 Sustainable supply chain

21 Product safety

22 Community engagement

“Within every forward-looking and ambitious business and considering our complex supply chain, we emphasise the wellbeing of people as a central element of our sustainability agenda.”

Herbert Schein,
Chief Executive Officer

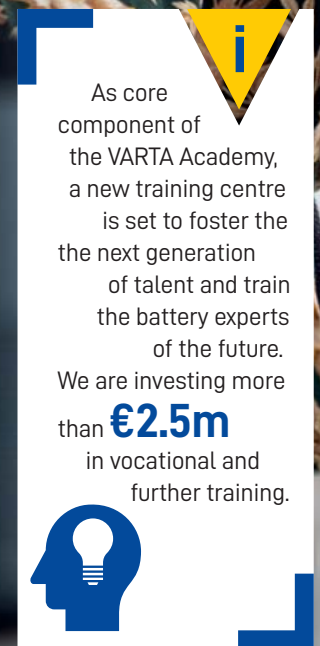


People

Sincere responsibility for people is an integral element of our sustainability strategy. Our daily actions affect not only our employees, but equally our supply chain, customers and society.

Therefore, we strive to constantly develop and grow our talent and ensure we pass on our know-how and standards along the supply chain. At the same time, we protect our customers and employees by placing high standards on quality and product safety.

“Sincere responsibility for people is an integral element of our sustainability strategy.”



Respectful interaction at all times

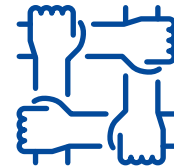


Human rights

For VARTA, respecting human rights is an essential part of our corporate responsibility. We value people and protect their rights just as we respect societies and cultural heritage in our own operations and along the value chain.

Fulfilling our due diligence responsibilities is of great importance to us. We are committed to working together with our business partners and suppliers to raise awareness, identify and mitigate risks, and in the event of non-conformity with our sustainability standards take remedial actions. In 2022, we will further expand our efforts in the protection of human rights. To read more about how we implement due diligence in our supply chain please refer to page 19.

“We value people and protect their rights.”



**Goal 2:
Sincere
responsibility
for people**

Child labour

At VARTA, we do not tolerate child labour nor any other form of exploitation of children and adolescents. To ensure conformity, we have stringent hiring processes. Moreover, we are aware of our complex supply chain and work together with organisations and suppliers to increase transparency and reduce risks.

Forced labour

VARTA strongly condemns all forms of forced labour and slavery. We protect employee rights at our sites and only do business with organisations that operate according to the same values as ours and endorse our Supplier Code of Conduct. Our suppliers commit not to engage in, or through business partners, be complicit in, forced or non-voluntary labour.

Freedom of association and collective bargaining

Freedom of association and collective bargaining is a fundamental right for all our employees. Every individual has the right to freely join or establish a works council to promote and defend their respective interests, without having to fear disadvantages or discrimination in any form.



Employees

Our employees are an essential part of our success. Currently, we are almost 4,700 specialists striving to achieve our vision, with 3,222 employees in Germany.

VARTA as an employer

We are not waiting for the future; we are actively helping to shape it. VARTA is a company with tradition. As a technology-leading global brand, we offer secure jobs in a culture with flat hierarchies, based on trust and a strong team spirit. VARTA creates space for creativity in exciting tasks and projects in the future market of innovative energy solutions.

“We offer secure jobs in a culture with flat hierarchies, based on trust and a strong team spirit.”



Training and development

We promote talent! Currently, VARTA offers 14 different apprenticeships and dual study programmes while almost 100 people are learning a profession with us. We are committed to young talented individuals because we know: our young apprentices, trainees and students of today are the battery experts of tomorrow.

Furthermore, we also focus on individual development and training programmes. As part of this, the **VARTA Academy** – our new training centre at our headquarters – offers training on state-of-the-art equipment.

Apprenticeships and dual study programmes at our sites in Germany

Apprenticeships

Machine and plant operator
Industrial mechanics
Tool mechanics
Electronic technicians for automation technology
Industrial clerk
warehouse clerk
IT specialists for system integration
Production engineer

Dual study programmes

B.A. Business & industry
B.A. Digital business management
B.Sc. Business informatics
B.Eng. Business engineering
B.Eng. Mechanical engineering
B.Sc. Electrical engineering



Health and safety

Our employees are our most important asset and their health and safety are of the utmost importance to us. Therefore, preventive healthcare, and the occupational safety of our employees are top priorities. We offer employees a comprehensive programme to promote their health and continue to improve it. In this context, we will build on existing initiatives by creating a new concept for our occupational health management in 2022. Over the last two years, the COVID-19 pandemic posed a challenge to our health management, which we countered by implementing new policies on managing pandemics at VARTA.

Sources of danger can be mitigated, and potential risks can be proactively identified and eliminated. For this reason, we record any accidents – during the commute to work as well as on site – and report these to management. In 2021, we recorded 15.6 accidents per 1,000 employees and zero fatalities at our production facilities. To prevent accidents, we have introduced several preventative actions such as regular health and safety committee meetings, shopfloor walks, risk assessments, health and safety days, and regular safety instructions (general/workplace).



Corporate Health Award

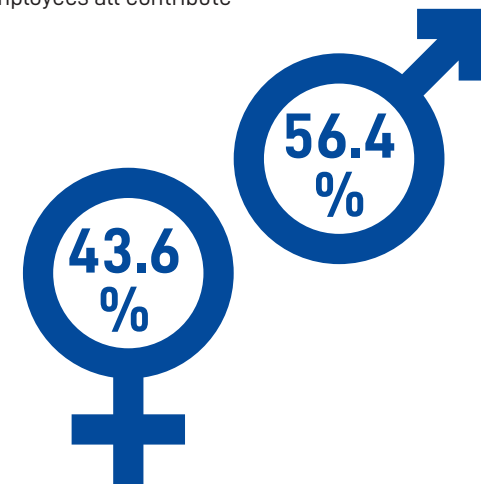
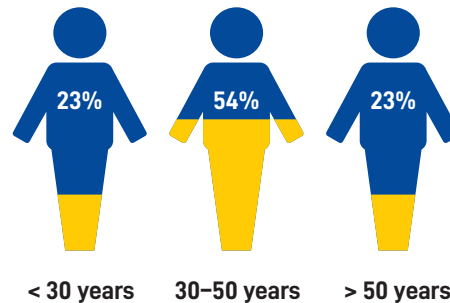
The Corporate Health Award is an acknowledgment of verifiable above-average commitment to the health of the company's employees as well as a forward-looking and sustainable HR strategy. In 2021, we reached the excellence class, which spurs us to further expand our efforts in this area in 2022.



Goal 3: Diversity & equal opportunities

Diversity and equal opportunities

Innovation thrives in a diverse environment where everyone can contribute. We operate in over 24 countries around the world and employ people from a wide range of nations. 43% of our workforce are female. Diversity is an important factor for VARTA's success. Only if we are as diverse as our customers, suppliers and investors, are we able to understand and meet their needs. Moreover, by bringing in as many different ideas and approaches as possible, we can expand our technological lead and develop new innovative solutions. Currently, 23% of our employees are 30 years or younger; these employees all contribute to a diverse corporate culture.



“Only if we are as diverse as our customers, suppliers and investors, are we able to understand and meet their needs.”

Sustainable supply chain



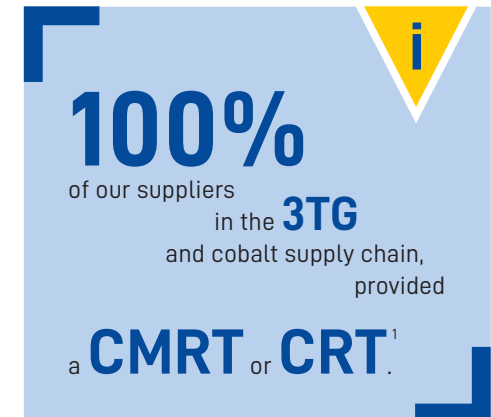
The topic of due diligence and responsible sourcing is not only becoming increasingly important in society but also for us at VARTA. Our business activities are based on a complex network of suppliers from whom we procure a wide range of commodities, materials and services from all over the world. Only within the framework of a trusting and appreciative cooperation can we improve the social and environmental conditions along our supply chains and thus our products.

“We aim to increase transparency and establish sustainable standards throughout our value chain to prevent violations of any kind.”

Therefore, it is particularly important to take responsibility for our supply chain. We aim to increase transparency and establish sustainable standards throughout our value chain to prevent violations of any kind. In addition, we assess relevant actors associated with an increased risk of human rights violations. Therefore, we have been monitoring relevant actors in our supply chain of 3TG (tin, tantalum, tungsten and gold) for several years. Furthermore, we are pursuing transparency for other critical minerals such as nickel, copper, cobalt, graphite and lithium.

Recently, we have established a complete due diligence management system in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas (CAHRA). For further details please refer to our Due Diligence Reporting. In this process, we have also established a responsible sourcing policy.

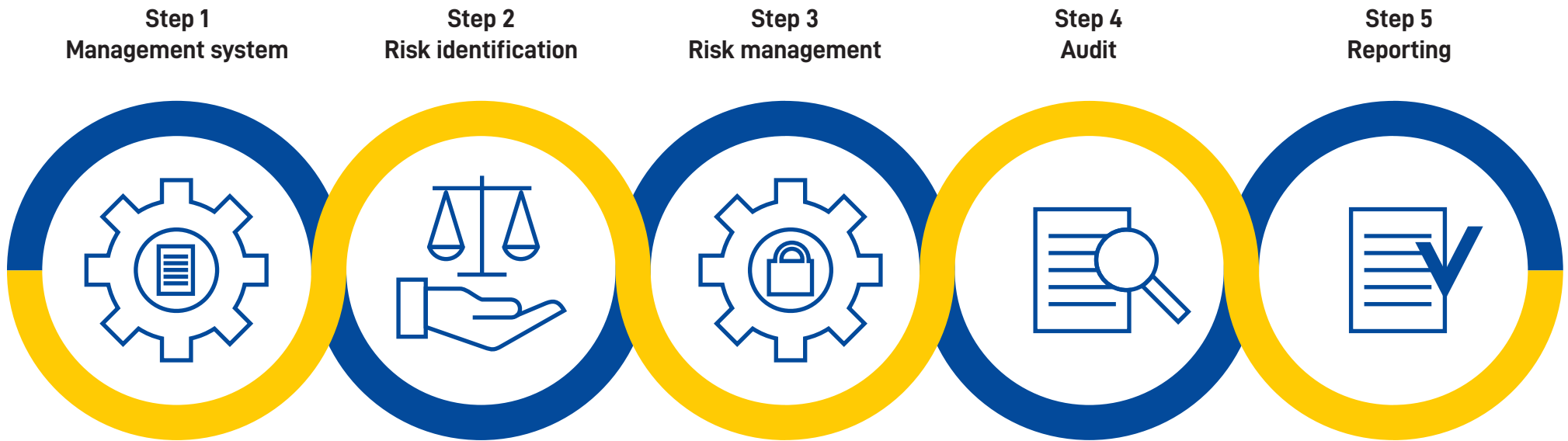
To fully comply with due diligence obligations and meet both regulatory and our own requirements, we have introduced and improved several internal processes and joined sector-specific initiatives.



Responsible Minerals Initiative (RMI)

The Responsible Minerals Initiative provides companies with resources and tools to support responsible sourcing of minerals in the supply chain. The templates (CMRT, CRT/EMRT)¹ and databases provided by RMI enable us to establish the traceability of minerals back to the country of origin. Furthermore, we evaluate smelters and refiners, particularly in our 3TG and cobalt supply chain, with audits performed in accordance with the RMI standard RMAP. In the future, we aim to participate in RMI working groups.

¹ CMRT: Conflict Minerals Reporting Template; CRT: Cobalt Reporting Template; EMRT: Extended Minerals Reporting Template.



amfori BSCI

amfori BSCI aims to improve social standards in a global value chain. We at VARTA, use this to integrate social standards into our supplier selection process and to improve working conditions and workers' rights in our existing supplier network. Regular audits are conducted at selected suppliers covering the 13 performance areas of amfori BSCI. In case of findings, corrective action plans and follow-up audits ensure continuous improvement, and the zero-tolerance mechanism

guarantees immediate corrective measures. This allows supply chain-specific issues to be identified and risks to be averted.

Supplier Code of Conduct

Our Supplier Code of Conduct is based on the 11 principles of amfori BSCI and ranges from fair remuneration to the prohibition of child labour. With our Supplier Code of Conduct, we can communicate and carry our values into our supply chain.

Sustainability self-assessment questionnaire

Market and regulatory requirements are constantly evolving and placing new demands on companies. In addition, we also set ourselves ambitious goals for the future. These can only be fulfilled by collaborating closely with our suppliers, which is why it is important to us to integrate them into our development process.

We have therefore developed a self-assessment questionnaire to obtain important

information about the status of our suppliers. This complements the information we receive from the social and environmental survey of the self-assessments that every new supplier must complete.

We are aware that the implementation of new requirements is a continuous process and that each supplier is at a different phase of the sustainability journey. Thus, we aim to jointly manage this process, build up capacities, and take this journey together.

Product safety



Product safety and the associated safety of customers and employees are our highest priority. At VARTA we have implemented integrated management systems for quality, environment and energy to ensure safe and high-quality battery solutions.

Our products are used in a wide range of applications and must meet high requirements. Specific international standards for the automotive sector (IATF 16949) and medical industry (ISO 13485) have been implemented in addition to the ISO 9001 quality management standard. To continuously improve, our product safety is regularly reviewed, audited and certified by independent

ent third parties according to international safety standards.

Furthermore, product safety is an integral part of our processes, starting with development right through to the product lifecycle including post-market surveillance. We carry out risk evaluation alongside the product design process to mitigate all potential risks. In this context, we are aiming to substitute all hazardous substances in our batteries. Likewise, our products are designed in such a way that no substances are released during normal use. Inherently, all our products are in line with substance restrictions according to international regulations such as the **POPs**, **REACH** and **RoHS**. Moreover, we comply with registration and declaration obligations for substances.

In the further development of our products, feedback from our customers is always taken into account in order to make them even better and safer.



“To continuously improve, our product safety is regularly reviewed, audited and certified by independent third parties according to international safety standards.”



Community engagement



As a global company with a strong regional footprint, we want to move people forward both regionally and globally. For us as VARTA supporting social and environmental projects is our duty as a good corporate citizen.

We sponsor local clubs such as TSV Noerdlingen or FC Ellwangen to ensure an energetic and lively sports culture for current and prospective employees. Likewise, we place great importance on intense commitment to youth development. Since 2014, young athletes from all over Europe have been competing in the annual VARTA Cup (the international U15 tournament), which is hosted by "SK Rapid Wien." In addition, we are involved in the Bayme Researchers' Camp project. Here, students from the age of twelve can get to know the many facets of VARTA's scientific and technological core strength. Since 2020 we have partnered up with FC Bayern Munich. Under the slogan "Maximum performance, pure passion", both partners are united by their constantly repeated top performances as well as their high standards and passion for what they do.

VARTA also supports national associations. One of these is the German Deaf Sports Association (DGS), who we have supported for many years.

On a global level, VARTA currently supports charitable organisations with various orientations and collaborates on and supports projects to create a better and safer future for families.

"On a global level, VARTA currently supports charitable organisations with various orientations and collaborates on and projects to create a better and safer future for families."



Planet

- 25 The cleaner way to energy
- 28 Shaping sustainable solutions for the planet
- 29 EU taxonomy

“In our work, we recognise time and again that innovation and sustainability form a synergy that is self-reinforcing.”

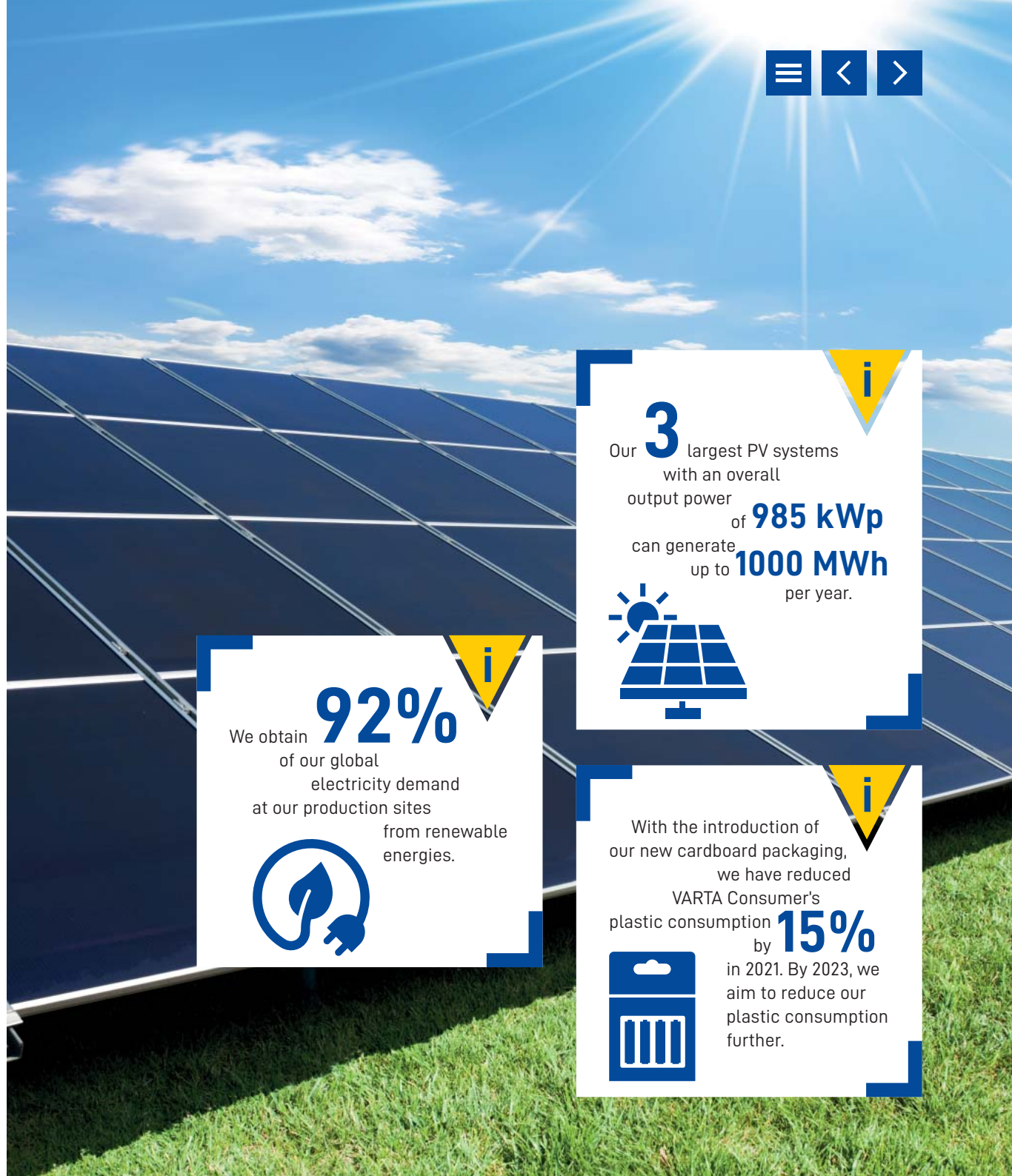
Rainer Hald,
Chief Technology Officer

Planet

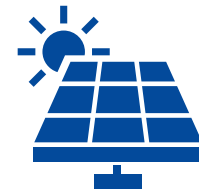
Our responsibility toward the environment is manifested throughout the entire life cycle of our products. To drive sustainability in our value chain, we not only need to strive for excellence, but also have to push for the implementation of our standards along our supply chain.

2021 marked the first year in which we used green electricity at all of our European production sites. We introduced new, more sustainable packaging for our VARTA Consumer products and laid the foundation for further improvements in future. This year, we are reporting our taxonomy-eligible and non-eligible business activities for the first time. Furthermore, we are reporting our corporate greenhouse gas emissions and will start by identifying our Scope 1 and 2 emissions publicly.

“Our responsibility toward the environment is manifested throughout the entire life cycle of our products.”



Our **3** largest PV systems with an overall output power of **985 kWp** can generate up to **1000 MWh** per year.



We obtain **92%** of our global electricity demand at our production sites from renewable energies.



With the introduction of our new cardboard packaging, we have reduced VARTA Consumer's plastic consumption by **15%** in 2021. By 2023, we aim to reduce our plastic consumption further.



The cleaner way to energy

Cleaner production

At VARTA, we combine innovation strength, efficient processes and the responsible use of resources. We continuously try to minimise our negative impacts and therefore consistently monitor our energy usage, water consumption and waste generation. This section focuses on our five production sites. These are not only the sites with the largest reduction potential but also those with the highest consumption. Internal and external audits assist in the evaluation of the effectiveness of implemented measures and targets. For this purpose, all of our production sites are certified according to the environmental management standard ISO 14001.



Goal 4:
Sincere
responsibility
for the planet

PAS 2060

PAS 2060 specifies the requirements to be met by any entity seeking to demonstrate carbon neutrality through the quantification, reduction and offsetting of greenhouse gas (GHG) emissions. VARTA's initial goal is to certify the two new buildings in Germany by concentrating on energy efficiency from the planning stage. The use of new technologies and optimised processes ensures that energy will be used most efficiently during operation.

Resource efficiency

The value stream of our products consists of many resources. We have made it our goal to reduce, reuse or recycle as many resources as possible, thus minimising our impact on the environment. Here, our focus is on research and development, and process development. In the area of research and development, we are constantly striving to increase the performance and efficiency of our products to reduce their impact on the environment. Thus, hazardous substances are substituted wherever possible. Additionally, we design our products in such a way that their recyclability is constantly improved.



“We have made it our goal to reduce, reuse or recycle as many resources as possible, thus minimising our impact on the environment.”

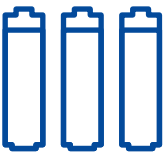




Energy management

Our ambition is to increase efficiency despite increasing production. By continuously monitoring and analysing energy consumption, we can identify energy hotspots. Our sites in Ellwangen, Nördlingen and Brasov are certified in accordance with ISO 50001 standards for energy management systems for this purpose. Energy Management Systems. In addition, an improved energy management system to implement the most effective measures to achieve our efficiency and reduction targets will be introduced in 2022.

The energy used to produce batteries is associated with high environmental impacts derived from electricity production. We believe that sourcing low-carbon energy is essential for a successful energy transition. Thus, we have been using green electricity at all of our production sites in Europe since 2021. We are also increasing our own production of renewable energy by installing two further photovoltaic systems, which will become operational in 2022. With our existing PV systems, we are able to produce up to 1,000 MWh of electricity per year.



Goal 5:
Striving
for energy-
efficiency

Through the commissioning of further photovoltaic systems, we can increase our PV capacity **7-fold**.

Expanding production capacities, constructing new plants and the increased production of rechargeable batteries – a more energy intensive production process – have led to an overall higher energy consumption in 2021.

VARTA AG's energy consumption in MWh*

LOCATION	YEAR	2019	2020	2021
ELLWANGEN		27,321	30,977	33,347
NÖRDLINGEN		5,303	12,962	21,748
DISCHINGEN/ NEUNHEIM		18,810	18,017	19,035
BRASOV		1,707	1,985	2,883
BATAM		2,357	2,241	2,074
TOTAL		55,498	66,182	79,087
ENERGY / EMPLOYEE		20	14	17



* Excluding sales offices and non-production sites contributing less than approximately 1% as well sites without operational control.

Waste management

We continuously optimise our processes to minimise waste and reduce, reuse or regrind materials within the production processes. The remaining waste from production is separated and processed by qualified waste management companies. In 2021 we generated 4,648 tons of waste in total; of this figure, 2,755 tons were recycled.

VARTA AG's waste and proportion of recycled waste in tons*

LOCATION	(t)	WASTE	PROPORTION OF RECYCLED WASTE
ELLWANGEN		1,711	1,143
NÖRDLINGEN		1,038	292
DISCHINGEN / NEUNHEIM		1,439	1,046
BRASOV		374	251
BATAM		86	23
TOTAL		4,648	2,755

VARTA AG's water consumption in m³*

LOCATION	YEAR	2019	2020	2021
ELLWANGEN		11,899	17,359	17,215
NÖRDLINGEN		2,516	2,989	3,252
DISCHINGEN / NEUNHEIM		7,993	9,203	8,468
BRASOV		2,275	2,679	3,045
BATAM		13,649	13,695	14,204
TOTAL		38,332	45,925	46,184
CONSUMPTION / EMPLOYEE		14	10	10

Water management

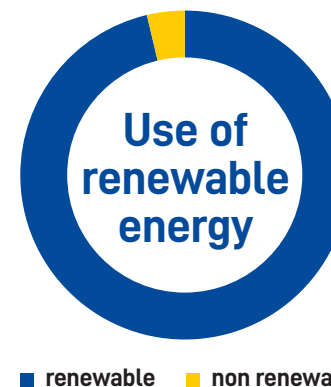
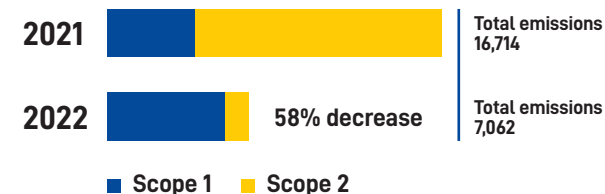
Water consumption is monitored regularly. If anomalies occur, causes are identified and control measures initiated. We mainly consume water through the social and sanitary facilities at our sites. In production, water is required during the cleaning processes for the end products and for our galvanic equipment. For these, water treatment plants are installed downstream to remove impurities and ensure high water quality.

Greenhouse gas emissions

To effectively combat climate change, it is essential to know our own contribution. Therefore, we account for our greenhouse gas emissions according to the GHG Protocol. Only by accurately determining our own emissions we can identify hotspots and take effective measures to reduce them. Our measures have resulted in a 58% decrease in our GHG emissions (Scope 1 and Scope 2) compared to the previous year. Please refer to page 39 for more detail.



GHG emissions



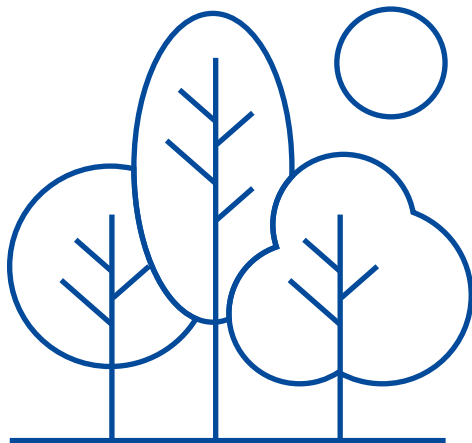
* Excluding sales offices and non-production sites contributing less than approximately 1% as well sites without operational control.

Shaping sustainable solutions for the planet

Taking responsibility for our direct environment

In most recent years, our efforts were focused on a forest area adjacent to one of our sites in Germany. This forest is a protected natural monument and biotope. As an insect population posing a health risk to humans and the forest itself was identified, measures were coordinated and approved by local and governmental authorities to countermeasure the negative impact. In 2021 the measures proved to be effective and mitigated the threat.

We bear responsibility for the regions and natural habitats surrounding our sites to minimise negative influences and contribute towards positive change.



... will save **2kg plastic**/1,000 batteries



Cardboard packaging

FSC-certified cardboard
Made of up to 95% recycled content
100% recyclable



... will save **4.4kg CO₂** emissions/1,000 batteries



Dual-material packaging

FSC-certified cardboard
Made of up to 90% recycled content
Recyclable

Eco-friendly packaging

This year, we introduced our new VARTA logo together with our raised brand profile. In this process, all our VARTA Consumer products have been comprehensively updated. Now each individual category features significant product improvements, a new haptic packaging experience and thoughtfully conceived sustainable packaging solutions.

With our new packaging, we are continuing our efforts to conserve resources. Thus,

we have eliminated plastic as a packaging material for many products and ensured the ink used for our packaging is environmentally compatible. Our cardboard packaging also features the innovative, patent-pending opening/closing mechanism that allows cells to be removed one at a time. Moreover, we have increased the recycled content from 90% to 95% in the cardboard packaging compared to the dual-material packaging.

Currently, 21% of the products in our VARTA Consumer portfolio are sold in our new

environmentally-friendly packaging. As a result, we were able to reduce plastic consumption at VARTA Consumer by 15% in 2021 and are aiming for a 35% reduction by 2023. To ensure the necessary capacities are available, we have invested €6 m with a further €14 m earmarked for this project.

In the future, we will be expanding this to cover all VARTA operations. Moreover, we continue our efforts to develop new intelligent and childproof packaging solutions.

EU taxonomy

As part of the European Green Deal, the EU has set itself the goal of becoming climate neutral by 2050. One component of this is the action plan on sustainable finance and the associated EU taxonomy. The latter is a classification system that defines which business activities can be considered sustainable. We at VARTA can make a significant contribution to achieving this ambitious goal and therefore report on our taxonomy-eligible and non-taxonomy-eligible business activities.

For the fiscal year 2021, technical criteria are available for the first two environmental objectives.

For us as a battery manufacturer, the criteria of the first environmental objective "climate change mitigation" is particularly relevant. VARTA's economic activities can be assigned in particular to criteria set 3.4 "Manufacture of batteries", which includes rechargeable battery solutions for transportation, energy storage and other industrial applications. Beyond this, our efforts in research and development enable us to continuously reduce the negative environmental impact of future VARTA products. Consequently, they are categorised as taxonomy-eligible in terms of criteria set 3.6 "Manufacture of other low carbon technologies". This is due to their high cycle stability and energy density and

thus a potentially significant lower carbon footprint compared to alternative products. The analysis carried out did not identify any economic activities that make a significant contribution to environmental objective 2: "Climate change adaption".

	Total (€ m)	Taxonomy- eligible (%)	Non-taxonomy- eligible (%)
Revenue	902.9	40.8	59.2
CapEx	220.1	50.3	49.7
OpEx	43.2	36.2	60.7

For further information please refer to page 40.



Governance

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- 33 Governance structure
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- 35 Our contribution to the SDGs
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“To ensure our continued value creation, we need to facilitate growth in concert with the environment and society.”

Armin Hessenberger,
Chief Financial Officer

Governance

We are convinced that good governance is the basis for reliable partnerships based on trust.

We strive to continuously reinvent our products to ensure long-term success, with sustainability playing a central role in product development. On a corporate level, sustainability is firmly anchored in our company through a well-defined governance structure. We have identified 14 material topics which form the heart of our sustainability strategy. We also linked it to the United Nations Sustainable Development Goals and identified five goals that directly tie into VARTA's business.



“Our reporting is with reference to the GRI Standards for the first time this year.”

We support the

United Nations

Sustainable Development Goals

and have **5** identified SDGs that are highly relevant to our industry.

Business ethics

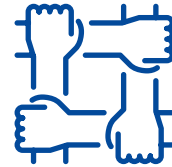


Ethically and legally impeccable conduct by all employees is crucial to us. It is the basis for being a reliable partner and ensuring compliance.

Anti-corruption and bribery

We do not tolerate any form of bribery or corruption. This principle is part of our Code of Conduct, which governs our behaviour in this regard alongside further guidelines. Along with the Chief Compliance Officer, the Executive Board is responsible for these guidelines and their enforcement.

Our management approach is designed to prevent violations of our guidelines and identify potential threats. To ensure compliance amongst all employees, a digital training course has been developed and will be available to employees at Group level as part of our digital transformation efforts.



Goal 2: Sincere responsibility for people

Anti-competitive behaviour

Regulations to protect fair competition are an essential part of a free-market economy. Thus, we also see fair, respectful and reliable dealings with all our business partners as the backbone of sustainable success. To raise awareness of this issue, we are working on implementing regular training courses for management.

Cyber security and data privacy

This year, we will intensify our efforts in the field of cyber protection, data protection and information security.

VARTA processes extremely sensitive information from its clients and we are therefore required to provide regular evidence that we meet information security requirements. We will be undergoing TISAX (Trusted Information Security Assessment Exchange) certification in 2022. This is a testing and exchange mechanism established by the VDA (German

Association of the Automotive Industry) in cooperation with ENX (European Network Exchange Association), an online platform used for the cross-company exchange of test results in information security in the automotive industry. By releasing the results on the platform, companies can inform their direct business partners or all participating companies that their information security is TISAX®-compliant.

Reporting system (Whistleblowing)

Compliance and good governance are of the utmost importance for the Executive Board and Supervisory Board of VARTA AG. To enable everyone to seek advice and raise concerns about wrongdoing or breaches of the law in our activities or business relationships, we have installed an integrity line on our website. Any compliance breaches are reported in the compliance report. No breaches or incidents were reported in 2021.

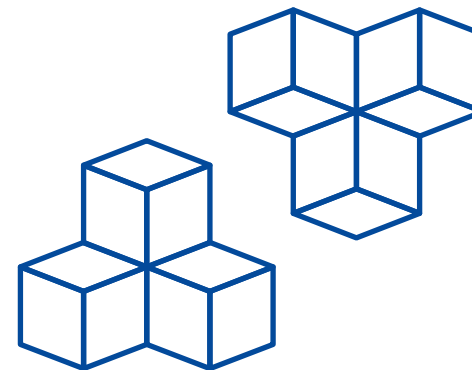
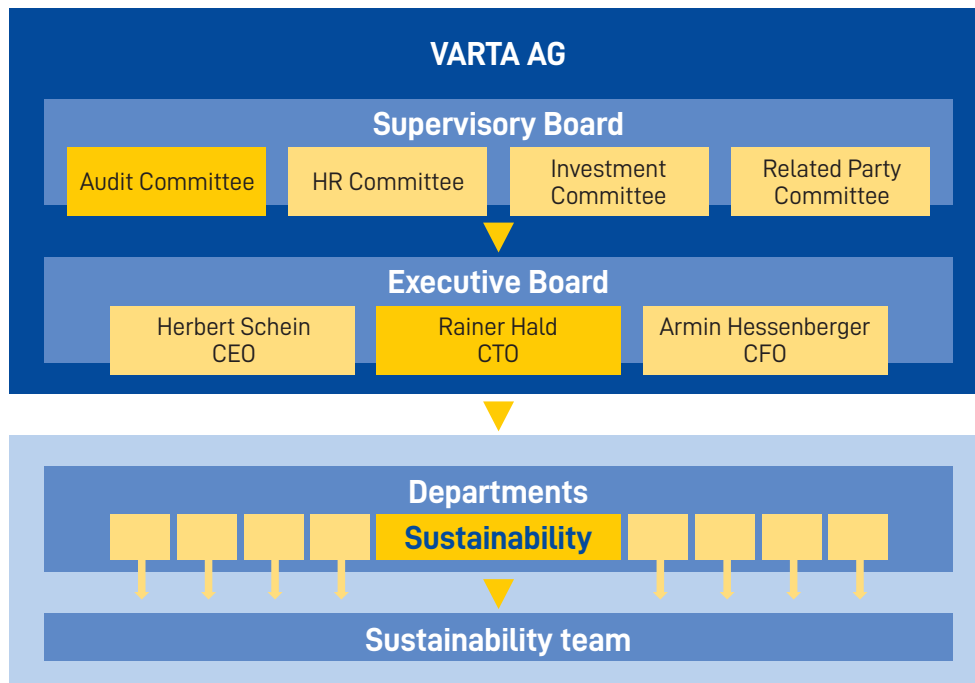
Governance structure

ESG governance structure

Good corporate governance with responsible and farsighted action is essential for sustainable success. In this context, our Code of Conduct provides the basis for our actions and dealings with our customers, suppliers, employees and other business partners. VARTA AG is the parent company of the corporate Group and is based on a two-tier

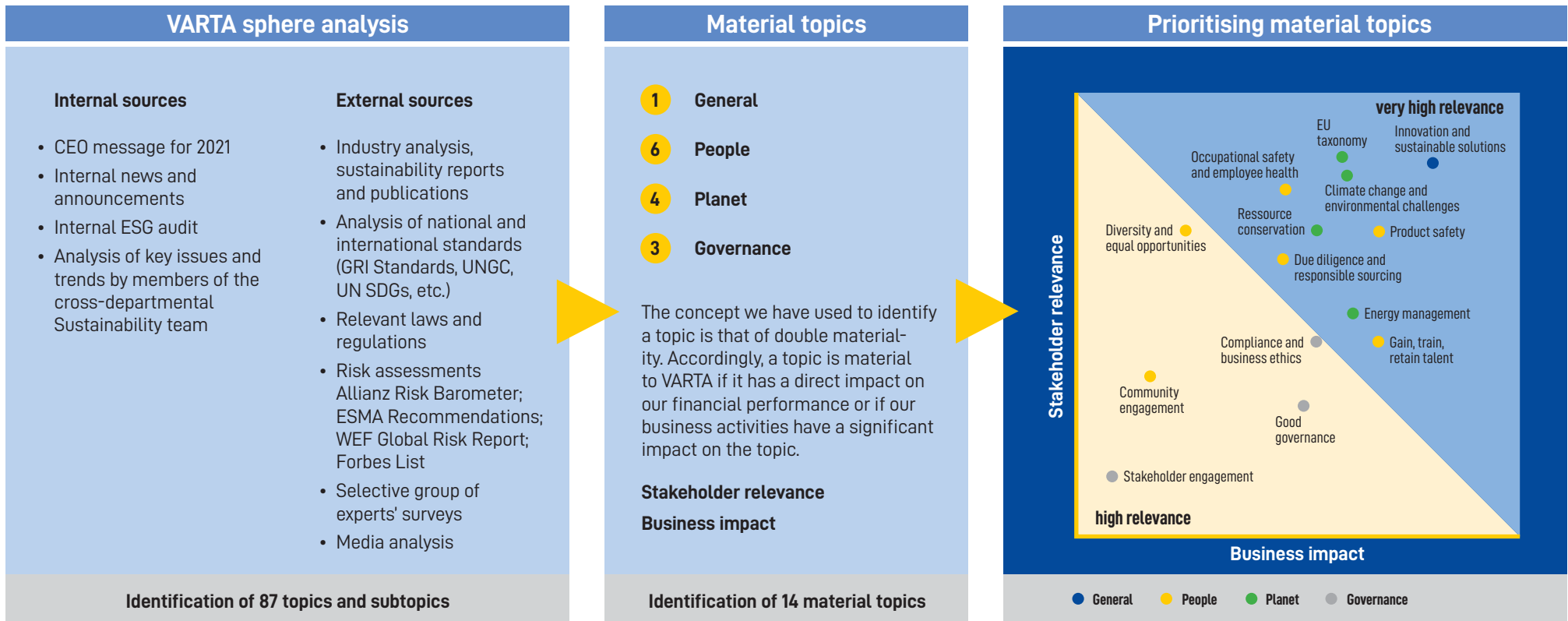
management system. In compliance with the German Stock Corporation Act (AktG), it consists of the Supervisory Board and the Executive Board. Moreover, the previously mentioned boards commit to the German Corporate Governance Code principles and submit the Declaration of Conformity on an annual basis. The Annual Report provides details on the implementation of good corporate governance.

Sustainability is embedded throughout VARTA's structure. This means sustainability is anchored in the Audit Committee of the Supervisory Board and the Executive Board through our Chief Technology Officer. In addition, a dedicated sustainability department has been established to bundle, coordinate and implement sustainability activities, and reports directly to the Executive Board. At the operational level, cross-departmental representatives meet regularly to initiate new and coordinate current projects. Furthermore, several individuals are responsible for ESG topics at VARTA who report to the highest governance body regularly. At all sites, our employees also play an important role in driving sustainability forward by providing ideas or initiatives to the relevant departmental sustainability representatives or directly to the sustainability department.



Materiality assessment

To ensure long-term value creation for all of our stakeholders and ensure the most relevant topics are incorporated into this report, VARTA has conducted a materiality assessment to determine the key issues.



Our contribution to the SDGs

The United Nations defined 17 Sustainable Development Goals (SDGs) to be achieved by the year 2030. We at VARTA support these goals and have identified five SDGs that are highly relevant to our industry. Accordingly, we can make a valuable contribution here through our business activities and products.

We support **SDG 7** with both our products and business activities. We not only use green electricity at all of our European production sites, but also generate renewable energy with PV systems at our facilities. Additionally, we store generated electricity with our Energy Storage System solutions and thereby promote the energy transition. To support decent work for all (**SDG 8**), we constantly advance our due diligence processes, uphold high standards and only do business with organisations that share the same values. We foster innovation (**SDG 9**) and push boundaries to advance technologies. To ensure sustainable consumption and production patterns (**SDG 12**), we intend to maximise our resource efficiency through the entire life cycle and promote circular economy approaches in the areas of materials, energy and water. Likewise, we support **SDG 13** through our products from the Energy Storage System area and our efforts to promote electromobility in the automotive sector. Furthermore, we will set targets for our Scope 3 GHG emissions in 2022 and are committed to making our European production plants carbon-neutral in accordance with PAS 2060.

The five United Nations Sustainable Development Goals we focus on at VARTA and in our sustainability strategy.



SDG 7 – Ensure access to affordable, reliable, sustainable and modern energy for all

Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.



Target 7a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology



SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.



Target 8.8.1: Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status.



SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.



SDG 12 – Ensure sustainable consumption and production patterns

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.



Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.



Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



SDG 13 – Take urgent action to combat climate change and its impacts

Target 13.2: Integrate climate change measures into national policies, strategies and planning.



Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.



Memberships & associations

	BEPA	Batteries European Partnership Association
	BSW	German Solar and Solar Storage Industry Association
	BVES	Energy Storage System Association
	DIN	German Institute for Standardization
	EPBA	European Portable Battery Association
	KLIB	Competence Network Lithium-Ion Batteries
	OE-A	Organic and Printed Electronics Association
	RECHARGE	Europe's industry association for advanced rechargeable and lithium batteries
	RMI	Responsible Minerals Initiative
	ZVEI	German Electro and Digital Industry Association – Batteries Division



Annex

39 Methodology

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Methodology



Total energy management

Total energy consumption covers electricity consumption as well as gas consumption for the generation of (process) heat and fuels. Corresponding data were determined by means of invoices or meter readings. Presented data covers all our production sites. Sales offices and non-production sites as well sites without operational control are excluded and would contribute less than approximately 1%¹.

Water management

Water consumption was recorded by means of water meters or, if this was not possible, by invoicing. The figures in table 3 exclude sales offices and non-production sites that are expected to contribute to less than approximately 2%² as well sites without operational control.

Waste

Generated waste includes both waste from production and administrative facilities. Only waste that we are certain can be recycled by our waste management service providers is included in recycled waste. The respective quantities were determined on the basis of invoices. Waste from sales offices, non-production sites and sites without operational control would contribute to less than approximately 6%³ and are not included in the data presented.

GHG emissions

This year, we focused on determining Scope 1 and 2 emissions. Over the course of the next year, we will advance to include Scope 3.

VARTA AG's GHG emissions in CO₂ eq t

SCOPE	YEAR	2019	2020	2021
Scope 1 ⁴		3,598	4,417	5,894 ⁵
Scope 2 ⁶		10,347	12,296	1,168
TOTAL EMISSIONS		13,945	16,714	7,062
USE OF BIOMASS		0	54	243

This GHG inventory was compiled in accordance with the WRI/WBCSD Greenhouse Gas (GHG) Protocol.

In accordance with the GHG Protocol Corporate Accounting Standard, we report Scope 1 and Scope 2 emissions separately. For Scope 2, we consider the market-based approach as well as the location-based approach.

We report on all emissions from our production facilities worldwide. The organisational boundary applied to consolidate VARTA's emissions was the financial control approach.

¹ The Energy Institute for Business (Energieinstitut für Wirtschaft), 2012, 'Energiekennzahlen in Dienstleistungsgebäuden', Vienna, https://www.energieinstitut.net/de/system/files/0903_final_dienstleistungsgebäude_20120530.pdf [accessed 1 March 2022].

² South Staffordshire Water Plc, n.d., 'Water use in your business', UK, <https://www.south-staffs-water.co.uk/media/1509/waterusebusiness.pdf>, [accessed 1 March 2022].

³ Estimation based on ratio of employees in included and excluded sites.

⁴ Emissions of N₂O, CH₄, and HFC have been translated into CO₂ emissions using the Global Warming Potential, or GWP, factor. GWP factors are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth IPCC Assessment Report (AR5) using 100-year values. The latest (AR5) values are used for the current inventory.

⁵ Due to construction work at one site, emergency generators had to be used, which were operated with diesel fuel.

⁶ Scope 2 emissions calculated by using the market-based approach. The location-based approach would result in the following figures: 17,038 CO₂-eq t (2019), 20,885 CO₂-eq t (2020), and 23,503 CO₂-eq t (2021). In accordance with the WRI/WBCSD Greenhouse Gas (GHG) Protocol.

Some minor non-production facilities have been excluded from the inventory boundary over the reporting period FY19-21, due to lack of data.

For FY19, there is no emission data for the refrigerants from the production sites Brasov and Batam.

Assumptions were made regarding fuel consumption for the vehicle fleet at the locations. The total fuel costs for company and pool vehicles in a fiscal year were offset against the average fuel prices in the same year.

Scope 1 GHG emissions –

Activity data and emissions include on-site stationary burning of fossil fuels (e.g., boilers) or process-related emissions (e.g., backup generators), company-owned or leased vehicles. Fugitive emissions associated with the use of HVAC equipment are included here.

Scope 2 GHG emissions (location based) –

According to the Scope 2 guidance of the GHG Protocol, VARTA uses the national or regional emission factors for indirect (Scope 2) emissions, which are defined by the following methods in each relative region in which VARTA operates:

- German Federal Environment Agency (UBA) from Fuel Combustion
- For Romanian sites: Austrian Energy Agency⁷
- For Indonesian sites: Climate Transparency⁸

Scope 2 GHG emissions (marked based) –

Based on the latest available emission factors published by the electricity supplier(s) that relate specifically to the CO₂ intensity of the electricity purchased.

Market-based emission factors including supporting evidence (e.g., energy attribute certificates, supplier invoices, etc.) for the reporting years 2019-21 were collected by VARTA's Energy Management Officer and evaluated based on the criteria as described in the GHG Protocol standard requirements for Scope 2 reporting.

Due to the nature of VARTA's operations, all relevant gases that occur in significant quantities are tracked. Global Warming Potentials (GWPs) references are from the Intergovernmental Panel on Climate Change (IPCC) Fifth IPCC Assessment Report (AR5) using 100-year values. The latest (AR5) values are used for the current inventory.

FY19-21 is the baseline period for future reporting. Data for FY19-21 across the Group is the best available data from VARTA AG.

Calculation of EU-taxonomy indicators

To identify our taxonomy-eligible and non-eligible business activities, a project team consisting of experts in the field of legal, finance and sustainability analysed all business activities and assigned them to the relevant category. Afterwards, a further analysis of the taxonomy eligibility of the individual activities was carried out with experts from the departments in question. Finally, we structured our activities in sales revenue, capital expenditure (CapEx) and operating expenditure (OpEx).

Taxonomy-eligible economic activities at VARTA include battery solutions from our business segments Power Pack Solutions, Energy Storage Systems and Large Cells. For the calculation, revenue is defined as net sales in accordance with IFRS, as reported in the consolidated income statement. Further information can be found in the annual report on page 44. CapEx is calculated on a gross basis, without taking into account revaluations or scheduled or unscheduled depreciation. It includes investments in non-current intangible or tangible assets, including assets acquired through asset or share deals, as shown in the consolidated statement of financial position (see page 50 and page 76 of the Annual Report). OpEx, on the other

hand, includes non-capitalisable expenses recognised in the consolidated statement of income, such as research and development, building refurbishment measures, short-term leasing, maintenance and repair as well as all other direct expenses arising from the upkeep of property, plant and equipment to ensure that the taxonomy-eligible assets are ready for operation.

For the 2022 financial year, VARTA will additionally have to report on the taxonomy conformity of taxonomy-eligible products. As things stand, all products classified as taxonomy-eligible under criteria set 3.4 will also be taxonomy-compliant. Further checks are still required for products that have been classified as taxonomy-eligible under criteria set 3.6.

⁷ Energyagency.at, Vienna, Austrian Energy Agency, n.d., <https://www.energyagency.at/> [accessed 1 March 2022].

⁸ Climate Transparency, 2018, 'Brown to Green: The G20 Transition to a Low-carbon Economy', Climate Transparency, Berlin, Germany, p.7 [accessed 15 March 2022].

GRI content index

Statement of use

VARTA AG has reported the information cited in this GRI content index for the period 01 January to 31 December 2021 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD & DISCLOSURE	LOCATION & COMMENTS
GRI 2: General Disclosures 2021	
2-1 (a, b) Organizational details	VARTA AG is a publicly traded company and has been listed on the Frankfurt Stock Exchange in the Prime Standard segment since October 2017, in addition to being included on the select indices of the MDAX and TecDAX since 23 December 2019.
2-2 (a-c) Entities included in the organization's sustainability reporting	All entities of VARTA AG as per 31/12/2021 were included. The control approach is used for sustainability reporting. Thus, subsidiaries or companies where VARTA holds a majority stake have been included unless otherwise stated. Please refer to page 151 et seq. in the Annual Report.
2-3 (a-d) Reporting period, frequency and contact point	The report covers topics from the financial year 2021, which extends from 01 January to 31 December 2021 and is published annually. The Sustainability Report 2021 was published on 05/06/2022. For questions about the report or more information, please contact us at sustainability@varta-ag.com.
2-6 (a, b) Activities, value chain and other business relationships	Company overview Business overview Sustainable supply chain
2-7 (a) Employees	Employees
2-9 (a, b) Governance structure and composition	Governance structure Annual Report p. 7-14 Declaration of Conformity

GRI STANDARD & DISCLOSURE	LOCATION & COMMENTS
2-11 (a, b) Chair of the highest governance body	Annual Report p. 7-14 Declaration of Conformity
2-13 (a, b) Delegation of responsibility for managing impacts	Governance structure
2-14 (a, b) Role of the highest governance body in sustainability reporting	The sustainability report is reviewed and approved by the Executive Board.
2-15 (a, b) Conflicts of interest	Annual Report p. 13 Declaration of Conformity
2-19 (a, b) Remuneration policies	Annual Report p. 147, 152 Remuneration Report
2-20 (a, b) Process to determine remuneration	Remuneration Report
2-22 (a) Statement on sustainable development strategy	A promise we keep
2-23 (a-f) Policy commitments	Policy for responsible sourcing Due Diligence Report 2021
2-24 (a) Embedding policy commitments	Policy for responsible sourcing Due Diligence Report 2021
2-26 (a) Mechanisms for seeking advice and raising concerns	Business ethics

GRI STANDARD & DISCLOSURE	LOCATION & COMMENTS
2-27 (a-d) Compliance with laws and regulations	Business ethics VARTA AG Compliance Report
2-28 (a) Membership associations	Memberships & associations
2-29 (a) Approach to stakeholder engagement	Materiality assessment
2-30 (a) Collective bargaining agreements	Respectful interactions at all times – Freedom of association and collective bargaining
GRI 3: Material Topics 2021	
3-1 (a) Process to determine material topics	Materiality assessment
3-2 (a, b) List of material topics	Materiality assessment
3-3 (a-d) Management of material topics	People Planet Governance
GRI 205: Anti-corruption 2016	
205-2 (a, b) Communication and training about anti-corruption policies and procedures	Business ethics – Anti-corruption and bribery Code of Conduct
205-3 (a-d) Confirmed incidents of corruption and actions taken	No confirmed incidents in 2021
GRI 206: Anti-competitive Behaviour 2016	
206-1 (a, b) Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions taken or pending
GRI 302: Energy 2016	
302-1 (e-f) Energy consumption within the organization	The cleaner way to energy – Energy management Annex – Energy management
302-3 (a-d) Energy intensity	The cleaner way to energy – Energy management

GRI STANDARD & DISCLOSURE	LOCATION & COMMENTS
GRI 303: Water and Effluents 2018	
303-3 (a, d) Water withdrawal	The cleaner way to energy – Water management Annex – Water management
GRI 305: Emissions 2016	
305-1 (a-g) Direct (Scope 1) GHG emissions	The cleaner way to energy – Scope 1 and 2 greenhouse gas emissions Annex – Scope 1 and 2 greenhouse gas emissions
305-2 (a-g) Energy indirect (Scope 2) GHG emissions	The Cleaner way to energy – Scope 1 and 2 greenhouse gas emissions Annex – Scope 1 and 2 greenhouse gas emissions
GRI 306: Waste 2020	
306-3 (a, b) Waste generated	The Cleaner way to energy – Waste management Annex – Waste management
GRI 401: Employment 2016	
401-1 (a, b) New employee hires and employee turnover	Employees
GRI 403: Occupational Health and Safety 2018	
403-1 (a) Occupational health and safety management system	Occupational health and safety is part of our integrated management system. Thereby KPIs are calculated on a regular basis and processes were implemented that exceed legal requirements.
403-2 (a) Hazard identification, risk assessment, and incident investigation	Employees – Health and safety
403-3 (a) Occupational health services	Medical examinations are performed at our production sites both at the time of employment and regularly as part of occupational medical precautions.
403-4 (b) Worker participation, consultation, and communication on occupational health and safety	The Health and Safety Committee, representing more than 68% of the VARTA workforce, meets several times annually. To ensure a wide employee representation and decision-making authority, the committee consists besides the relevant departments of the works council and management.

GRI STANDARD & DISCLOSURE	LOCATION & COMMENTS
403-5 (a) Worker training on occupational health and safety	Employees – Health and safety
403-6 (a, b) Promotion of worker health	To promote the health of employees we offer a range of corporate sports activities as well as information services.
403-7 (a) Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employees – Health and safety Product safety
403-9 (a i, iii, iv) Work-related injuries	The largest number of accidents recorded falls into the category of "trips, slips and falls". Please refer to Employees – Health and safety for further information.
GRI 405: Diversity and Equal Opportunity 2016	
405-1 (b) Diversity of governance bodies and employees	Employees – Diversity and equal opportunities Annual Report p. 148 et seq.
405-2 (a) Ratio of basic salary and remuneration of women to men	Respectful interactions at all times – Freedom of association and collective bargaining
GRI 408: Child Labour 2016	
408-1 (a-c) Operations and suppliers at significant risk for incidents of child labour	Respectful interactions at all times – Child labour Sustainable supply chain
GRI 409: Forced or Compulsory Labour 2016	
409-1 (a, b) Operations and suppliers at significant risk for incidents of forced or compulsory labour	Respectful interactions at all times – Forced labour Sustainable supply chain
GRI 415: Public Policy 2016	
415-1 (a, b) Political contributions	Code of Conduct

GRI STANDARD & DISCLOSURE	LOCATION & COMMENTS
GRI 416: Customer Health and Safety 2016	
416-2 (a, b) Incidents of non-compliance concerning the health and safety impacts of products and services	No confirmed incidents in 2021
GRI 418: Customer Privacy 2016	
418-1 (a, b) Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints were recorded in 2021

Legal notice

Sustainability Report 2021:
<https://www.varta-ag.com/publications/>

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