



Global Policy on Climate & Environmental Protection and Product Stewardship

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1. Opening Statement from Presidents of HA Group

Dear colleagues,

climate change and the protection of the environment and nature as a whole is one of the biggest challenges of our time. Climate change must be countered with suitable measures and thus reduced as far as possible. At the same time, the protection and preservation of the environment and nature - also by assuming product stewardship - is our obligation to society and future generations.

In addition to protecting the climate, our holistic approach to environmental protection focuses primarily on the efficient and careful use of natural resources, water and energy, and the protection of soil, air and water from pollution as a priority corporate objective. For this reason, a certified environmental management system is already in use at many HA Group sites and its application is being continuously expanded. In addition, the protection and promotion of biodiversity and ecosystems - at both regional and global level - is one of the requirements that the HA Group meets with suitable measures.

For the HA Group, product stewardship is another key element of its environmental protection policy. As early as the development stage, the focus is on minimizing the impact of products on the climate and environment as well as potential health and safety risks during production, distribution and throughout their entire life cycle.

The use of certified energy management systems, as already implemented at some sites, is to be expanded as a tool for increasing energy efficiency. In addition to energy efficiency, more emphasis should be put on the use of energy from renewable sources.

Prevention instead of aftercare. Our commitment to climate and environmental protection and product stewardship includes the following:

- Compliance with all applicable legal and statutory obligations with regard to climate and environmental protection.
- Having processes, procedures and governance rules in place to identify, evaluate and control significant climate and environmental risks that may arise throughout our business.
- A desire to ensure, that with anyone we are engaged in business with and work in collaborative partnership, ambitious standards of climate and environmental protection are maintained by using best available techniques.
- Product stewardship throughout the entire life cycle of our products.
- Ensuring employees and contractors receive sufficient training and information on climate and environmental protection.
- Ensuring appropriate resources are made available for climate and environmental protection, including access to specialist advice and assistance.
- Ensuring that all incidents relating to climate and environmental protection are reported, recorded and investigated without delay in order to make appropriate measures to minimize any resulting impact and prevent recurrence.

- Setting annual targets and objectives in the area of climate and environmental protection, supported by management systems and programs aimed at continually improve performance in this area and which will be subject to continual review.

Our employees make a decisive contribution. In addition to our managers, however, every employee is also obligated to act responsibly. In addition to exemplary behaviour, this also includes compliance with and implementation of all legal requirements and regulations.

Climate and environmental protection must be a personal obligation for everyone. It is about doing the right things for the right reasons and involving all employees in improving climate and environmental protection.

Continuous improvement. We regularly review the status of climate and environmental protection as well as compliance with external and internal standards through inspections and audits. We eliminate deficiencies and deviations as part of our continuous improvement process. The basis for this is the recording of all relevant measured variables that allow a statement to be made about the status and development of certain conditions.

In terms of climate protection, the input and output quantities of energy, raw materials and fuels as well as the resulting greenhouse gas emissions from all of the HA Group's business activities, expressed in CO₂eq, should be mentioned here in particular. This corporate carbon footprint (CCF) of the HA Group is calculated regularly in accordance with the GHG Protocol after the initial determination for the reference year 2019 in order to review the HA Group's path towards climate neutrality. Not only the emissions that can be directly controlled by the HA Group are considered, but also those that arise in the upstream and downstream supply chain.

Limiting climate change and preserving an intact environment and nature are the foundations for the long-term, sustainable growth of our business. Your personal commitment to climate and environmental protection management and compliance with this policy is an important contribution to leading the HA Group safely into a successful future.

Thank you for your support.

Best regards



Franz Friedrich Butz
President



Christoph Koch
President

2. Purpose of the Policy

The HA Group is committed to ambitious climate and environmental protection targets. Everyone who works for the HA Group is expected to share this commitment by taking climate and environmental protection into account in everything they do. This policy, with its commitments to climate and environmental protection, reinforces and complements

- our Code of Conduct,
- the guidelines of our Sustainable Sourcing Policy,
- our Code of Conduct for Suppliers,
- the Global Employee Handbook,
- the policy on Corporate Social Responsibility (CSR policy) and
- the Global Occupational Health and Safety Policy.

The HA Group is pursuing the following overarching goals with this ambitious climate and environmental protection policy:

- preservation and protection of the environment and human health
- protection and improvement of biodiversity and ecosystems and their quality
- economical and efficient use of natural resources
- promoting effective measures to cope with regional or global climate and environmental issues
- product stewardship throughout the entire life cycle of our products

Individual aspects are explained in more detail below.

3. Scope and Applicability of the Policy

The scope of this Policy is global. It is applicable to all employees as well as customers, suppliers and anyone else who works on or otherwise visits HA Group offices or production facilities worldwide.

Due to local laws and regulations additional local amendments to this Policy may exist.

4. Roles & Responsibilities

Role	Responsibility
Employees	<ul style="list-style-type: none"> ▪ Awareness and compliance with this Policy.
Managers	<ul style="list-style-type: none"> ▪ Responsibility for compliance with climate and environmental protection in the respective area of responsibility (including information about and compliance with regulations, procurement/provision of necessary resources and implementation of necessary controls). ▪ Responsibility for the implementation of derived measures to achieve the climate and environmental protection targets set.

	<ul style="list-style-type: none"> ▪ Promoting awareness of climate and environmental protection guidelines and risks in the respective area of responsibility. ▪ Escalation of significant breaches of climate and environmental protection regulations and reporting of accidents and environmental incidents to the responsible managers/division heads and the local and global EHS managers.
Local EHS	<ul style="list-style-type: none"> ▪ Implementation of local and/or global initiatives/programs/measures for climate and environmental protection. ▪ Assuming a (technical) leadership role and representing as well as enforcing the company values with regard to climate and environmental protection and product stewardship
Global EHS	<ul style="list-style-type: none"> ▪ Establishing and managing the overall process of climate and environmental management and product responsibility, including the implementation of controls, compliance checks and audits. ▪ Management and maintenance of the (global) documentation of climate and environmental protection as well as the retrieval of required key performance indicators (KPIs) for performance improvement
Human Resources	<ul style="list-style-type: none"> ▪ Advice and support in the implementation of trainings on climate and environmental protection.

5. Principles & Objectives

The HA Group considers it a self-evident obligation to minimize the impact of its activities and products on the climate and environment as far as possible. Our [EHS standards for the HA Group](#) (available on the HA Group intranet) therefore define minimum standards that apply throughout the Group and must be followed in order to ensure the protection of the climate and environment as well as natural resources. As an overarching goal, the HA Group has committed to achieving climate neutrality by 2045. Each HA Group company must ensure that corporate climate and environmental protection obligations are fulfilled in accordance with local regulations and requirements as minimum requirements. In addition, the HA Group is committed to the following **principles** and pursues the following **goals** together with its managers and employees:

5.1. Climate protection and adaptation to climate change

by:

- the regular preparation of the HA Group's greenhouse gas balance sheet (Corporate Carbon Footprint - CCF) and all associated HA Group companies (subsidiaries - financial control approach). All relevant greenhouse gas emissions (Scope 1, 2 & 3 - expressed in CO₂eq) are recorded in accordance with the GHG Protocol standard.
- the reduction of the HA Group's total greenhouse gas emissions and those of all associated companies individually:

- Scope 1 & 2 (operative – under direct control): by 30% until 2030 compared to the base year 2019.
- Scope 3 (indirect): a target for the reduction of Scope 3 emissions is currently being developed.
- the aim is to reduce greenhouse gas emissions by 2045 to such an extent that the HA Group achieves net greenhouse gas neutrality (net zero).
- the derivation and definition of suitable targets and measures to reduce greenhouse gas emissions for the individual functions and companies of the HA Group.
- monitoring and tracking the progress of target achievement for the HA Group as a whole and all associated companies individually.
- the development of an SBTi-approved reduction pathway in line with the Paris Agreement to limit the increase in global average temperature to 1.5 degrees Celsius.
- the use of best available techniques (BATs) to avoid/reduce greenhouse gas emissions in the construction/conversion or modification of production facilities and concepts. The best available technology must already be taken into account at the planning stage.
- the procurement and use of emission-reduced raw materials as part of sustainable sourcing
- the determination and reduction of greenhouse gas emissions from our products (Product Carbon Footprints - PCFs).

5.2. Product stewardship over the entire life cycle

by:

- ensuring that the production, distribution and marketing of our products comply with all local laws and relevant regulations in the respective territory.
- considering and minimizing the climate and environmental impact as well as potential health and safety risks of our products as early as the development process.
- considering and optimizing the recyclability and waste avoidance of our products - during and after the use phase - as early as the development and optimization process.
- the economical and efficient use of energy, raw materials and natural resources in the manufacturing process, in particular through energy- and resource-efficient production facilities and process technologies.
- the continuous review of manufacturing processes as well as upstream and downstream processes for optimization potential with regard to resource consumption.
- supporting our customers and other supply chain partners in the safe transportation and proper use of our products.

5.3. Reduction of energy consumption and use of energy from renewable sources

by:

- continuously recording all energy quantities and costs and presenting the development of these.
- identifying and regularly reviewing significant energy consumers (SEUs) and optimizing their energy consumption.
- introducing a certified energy management system at all HA Group production sites.
- continuously identifying optimization potentials and implementing the resulting measures.

- reducing energy consumption and increasing energy efficiency through the use of modern technologies and the avoidance of leakage and wastage (e.g. insulation, twilight sensors, ...).
- the gradual conversion of electricity supply contracts to the purchase of electricity from renewable sources at all HA Group locations.
- the use of additional, renewable energy sources for heat, cooling and fuel, where this is possible and useful.
- On site generation of power on owned buildings and properties using renewable energy technologies such as photovoltaics, solar thermal energy, geothermal energy and wind power.
- participating in projects to generate energy using renewable energy technologies, such as photovoltaics, solar thermal energy, geothermal energy and wind power.

5.4. Protection of soil, air and water from pollution

by:

- the proper collection, storage and disposal of raw materials, products and waste.
- taking precautions, in particular against material contamination of water and soil, by using officially approved or state-of-the-art storage and transport containers for raw materials, products and waste that are equipped with suitable collecting devices.
- monitoring its own air and water emissions using suitable measurement methods.
- ensuring compliance with local emission limits set by the authorities through suitable instruments, effective measures and approval of installations under immission control law.
- emission control measures for emission-relevant sources in accordance with state-of-the-art or best available techniques (BATs).
- suitable emergency plans to prevent pollution of the environment resulting from accidents or incidents.

5.5. Ensuring efficient water consumption and use through effective water management

by:

- raising awareness of the use of water among all employees and suppliers in the supply chain.
- regularly recording and evaluating water consumption broken down by purpose (e.g. product water, cooling water, sanitary facilities).
- regularly assessing the water risks (water shortage or flooding risk) in relation to the individual HA Group locations, including the supply chain.
- treating all resulting wastewater and avoiding material pollution in order to make it reusable, especially - but not only - in areas where water is scarce.
- reducing the impact on freshwater resources by increasing the proportion of reused and recycled water, e.g. in closed cooling water cycles in production processes.
- reducing water losses, especially during water transportation, by improving the infrastructure and preventing leaks.

5.6. Resource use and circular economy

by:

- reducing resource consumption (conservation of resources) as a goal, which is tracked with the help of continuous recording and documentation of all relevant consumption.
- increasing the use of renewable raw materials and secondary raw materials instead of primary raw materials, as long as product quality and safety requirements permit this.
- reducing packaging materials through the increased use of reusable packaging for products.
- the professional collection and sorting of waste in order to provide waste fractions for efficient and high-quality recycling process chains, at the end of which marketable secondary raw materials are available.

5.7. Effective waste management and reduction of hazardous waste

by:

- effective and documented waste management processes for the recycling or disposal of waste in accordance with legal requirements.
- collecting waste streams as separately as possible, with the aim of increasing the sorting purity of waste fractions and thus their recyclability.
- increasing the proportion of recycled waste fractions in the total waste volume with the clear priority of material recycling over thermal recycling, if both alternatives exist.
- optimizing production processes with the aim of steadily reducing the volume of waste, especially hazardous waste.

5.8. Conservation of biodiversity and protection of ecosystems

by:

- unsealing and greening areas when dismantling or converting production facilities and designing contiguous open spaces, considering a sequence of flowering times for trees and shrubs in order to provide food for insects and birds all year round.
- establishing bee colonies at suitable company locations.
- carrying out tree planting campaigns so that natural forestation protects ecosystems from erosion, for example, and helps to stabilize the natural water cycle, with added value for the (local) climate in terms of temperature and water balance.
- minimizing land consumption in construction projects, for example through multi-storey, dense development.
- the near-natural design of undeveloped areas and, where appropriate, the greening of roof and facade surfaces as well as the installation of insect hotels and nesting aids for native birds.
- participating in industry networks to exchange best practices.
- participating in (local) nature conservation projects in cooperation with (regional) nature conservation associations (e.g. WWF, Greenpeace, NABU, ...)

6. Breach of this Policy

Breaches of this policy can result in remedial, corrective, or disciplinary actions up to and including termination of employment. Actual or suspected incidents of misconduct should be reported as described in Section 7 - Reporting & Contact Persons.

7. Reporting & Contact Persons

Employees, suppliers, customers and other parties who believe they are aware of a violation of our [applicable guidelines](#), such as

- our Code of Conduct,
- the Sustainable Sourcing Policy,
- our Suppliers Code of Conduct,
- the Global Employee Handbook,
- the global Corporate Social Responsibility Policy (CSR-Policy) and
- the global OSH Policy

or this guideline on climate, environmental protection and product responsibility are encouraged to report their concern, complaint, or inquiry. Several approaches are possible to report a concern or incident related to these policies. Employees may discuss this with their manager or the Human Resources Department. Employees may also contact the Legal Department or Local/Global EHS responsible.

Reports should describe in detail the specific facts demonstrating the bases for the concerns, complaints, reports or inquiries. HA Group will conduct a prompt, discreet, and objective review or investigation and shall make every effort to timely acknowledge receipt of and respond to the report. Employees should recognize that HA Group may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

We prohibit retaliation by or on behalf of HA Group against complainants for making good faith concerns, complaints, reports or inquiries under this reporting procedure or for participating in a review or investigation. Such prohibited retaliation includes protection against termination of employment, negative impact on promotions or compensation, unjustified negative performance assessment, transfer and change of workplace, harassment or discrimination. This protection extends to those whose allegations are made in good faith and with reasonable grounds to believe that the information reported was true at the time of report, even if ultimately proven to be mistaken. HA Group reserves the right to discipline employees who make bad faith, baseless or knowingly false complaints, reports or inquiries.

An overview of all relevant internal contacts from [Human Resources](#) (global und local), [Legal](#) and [EHS organization](#) (global und local) is available on the HA Group intranet (sHAre).

As an additional communication tool for specific types of situations HA Group has established an anonymous reporting tool (also known as “whistleblower hotline”) through which complainants can confidentially and anonymously report perceived violations of the policies listed above. This

hotline is not a substitute for routine communications within our organization between employees and their supervisors and managers, particularly as to workplace duties. Hence, regular business matters that do not require anonymity should be directed to the employee's supervisor and should not be submitted using this service. Rather, this whistleblower hotline is an additional communication tool for specific types of situations and it is provided because we believe that it is a good business practice to do so.

Website:

www.lighthouse-services.com/ha-group

Anonymous Reporting App:

Keyword: ha-group

Toll-Free Telephone:

Germany: 0800-183-0724

USA: 855-400-6002

All other countries: 800-603-2869 (must dial country access code first – click [here](#) for access codes and dialing instructions)

E-mail:

reports@lighthouse-services.com (The notification must always include the company name)

Fax:

+1 (215) 689-3885 (The notification must always include the company name)

After making a report an in-person meeting may be scheduled upon request.

8. Appendix / Explanations / Definitions

Best Available Technology (BATs): Refers to the most efficient and advanced state of development of activities and corresponding operating methods to avoid or, if this is not possible, reduce emissions to and impacts on the environment as a whole.

- **Available technology:** The techniques that have been developed on a scale that allows their application in economically and technically justifiable conditions, taking into account the cost/benefit ratio,
- **Best:** The techniques that are most effective in achieving a generally high level of protection for the environment as a whole.

Energy refers to all forms of energy use, in particular electricity, heat, cooling and fuel.

Renewable energies: These include hydropower, wind energy, solar energy, geothermal energy and renewable raw materials. These can be used to generate electricity, heat, cooling or fuel.

Compensation comprises voluntary measures to avoid or reduce GHG emissions outside a company's value chain. The basic idea is that it is irrelevant for the climate where in the world

greenhouse gases are emitted or removed from the atmosphere. For the compensation, emission reduction credits are acquired from so-called climate protection projects (often abroad) in order to offset the company's own emissions (usually at home). A distinction can be made between two approaches: Avoidance vs. neutralization. In the avoidance of GHG emissions, emission-intensive technologies or energy supply are replaced by lower-emission technologies or energy supply, thereby displacing, or reducing emissions - this includes renewable energy projects and energy efficiency projects. In the neutralization of GHG emissions, carbon is removed from the atmosphere and stored for the long term - this includes nature-based and technology-based solutions.

Nevertheless, compensation should be used as the last climate protection instrument when all other measures have been exhausted. Compensation measures must not replace avoidance and reduction measures along the value chain but should be used as an additional commitment.

Neutralization includes measures for the targeted removal and long-term storage of CO₂ from the earth's atmosphere, e.g. (1) by expanding the sink function, i.e. the storage of CO₂ by ecosystems, for example with the help of reforestation, renaturation of ecosystems or increased accumulation of carbon in soils; and (2) technological processes such as the direct capture of CO₂ from the ambient air, in which the CO₂ is subsequently stored geologically. This is also referred to as "carbon removals".

"Net zero" describes a state in which greenhouse gas emissions are reduced to a minimum and unavoidable greenhouse gas emissions are offset by removing emissions from the atmosphere. This includes **all** greenhouse gases (i.e. methane and hydrofluorocarbons in addition to CO₂). A reduction in emissions in line with a net zero target follows a clearly defined path and corresponds to limiting global warming to 1.5°C since the beginning of industrialization (Paris Agreement 2015). While the term **CO₂ neutrality** is limited to offsetting the CO₂ balance of an activity or product, **greenhouse gas neutrality** encompasses the sum of **all greenhouse gases** (carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆)).

Avoidance and **reduction** are measures that contribute to the reduction of GHG emissions in the company and its value chain. Avoiding GHG emissions is the most effective climate protection measure and should be the first priority, for example by switching to renewable energies or replacing business trips with video conferencing.

Reduction is the next logical step, in which corporate emissions should be reduced as much as possible. This can be done by implementing energy efficiency measures, using innovative technologies or optimizing routes in logistics processes.

