

## Responsible Sourcing Policy for Battery Materials

EXIDE TECHNOLOGIES is committed to responsible sourcing and supply chain management practices that align with international standards and legal requirements. Based on internationally recognized due diligence instruments (e.g. OECD's Due Diligence Guidance for Responsible Business Conduct) and international standards and legal requirements regarding conflict minerals and metals, supply chain risks have to be identified and assessed, which covers also actions to address the risk and prevent or mitigate potential impacts and tracking implementation of corrective action.

This Policy covers battery raw materials and cells / modules / batteries in EXIDE's supply chain, and applies to all EXIDE employees, contractors, suppliers, and partners involved in the procurement, supply and/or use of such raw materials and products.

This Policy applies specifically to the following raw materials (the "Battery Materials"):

1. conflict minerals in scope of the US Dodd-Frank Act and the EU Conflict Minerals Regulation (as defined in EXIDE's Conflict Minerals Policy);<sup>1</sup>
2. copper;
3. mica;
4. raw materials in scope of the EU Batteries Regulation 2023/1542 (the "EUBR Materials"):
  - a. cobalt;
  - b. natural graphite;
  - c. lithium;
  - d. nickel; and
  - e. chemical compounds based on these raw materials which are necessary for the manufacturing of the active materials of batteries.

In general, a supply chain outreach is conducted on the Battery Materials and due diligence is conducted on smelters (Enhanced Smelter Due Diligence) supplying the Battery Materials. Additionally a supply chain outreach is performed on social and environmental risks (categories listed in annex X of the EU Batteries Regulation), including corrective action to mitigate risk.

### Step 1: Management System

The OECD Due Diligence Guidance have been implemented into the existing corporate Business Management System to ensure risk identification with minerals from high-risk areas.

<sup>1</sup> (i) Gold, (ii) columbite-tantalite (coltan), cassiterite, wolframite or their derivatives, (iii) any other mineral or its derivatives determined by the US Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country, (iv) tin, tungsten or tantalum (whether ores or concentrates), and (v) metals containing or consisting of tin, tantalum, tungsten or gold listed in Part B of Annex I of the EU Conflict Minerals Regulation.

## **Global Human Right and Social Responsibility Commitment Statement & Participation in the UN Global Compact (UNGC)**

EXIDE respects the environment and the communities in which it operates and seeks to protect the human rights of our own workforce and those affected by our activities.

EXIDE recognizes its social responsibility in global contexts and is committed to fair and sustainable trade.

EXIDE takes into account the interests of shareholders, its own workforce and other stakeholders, as well as ecological and social aspects, in the pursuit of its objectives. The global development of its own workforce and environmental stewardship are fundamental, promoting responsible social dialogue on an international level.

The [Global Human Right and Social Responsibility Commitment Statement](#) sets forth shared principles of social responsibility, with a focus on areas such as diversity and inclusivity, occupational health, working conditions, social dialogue, equal opportunities and environmental protection.

EXIDE<sup>2</sup> participates in the United Nations Global Compact (UNGC), a major step forward in our commitment to sustainability and corporate responsibility.

### **Establishment of a transparency system**

To implement EXIDE's commitments under its Conflict Minerals Policy and the principles set out in this Responsible Sourcing Policy for Battery Materials, and enhance supply chain transparency of the Battery Materials, the industry standard templates, i.e., the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT), is used. An external software service provider is used for the automatic collection and aggregation of the information received. A supply chain outreach on the Battery Materials and due diligence on smelters supplying the Battery Materials with an additional module (Enhanced Smelter Due Diligence) is conducted, a supply chain outreach on social and environmental risks for ESG aspects, including corrective action to mitigate risk is embedded. This external provider helps to verify the identified smelters for their compliance with the Responsible Minerals Assurance Process (RMAP) audit. He also identifies the presence of the Battery Materials in parts EXIDE buys using the EMRT and CMRT and helps to detect red flags in the CMRTs and EMRTs that we received from our suppliers.

EXIDE's Conflict Minerals Policy and Responsible Sourcing Policy for Battery Materials is publicly available on our homepage.

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<sup>2</sup> Officially listed as Energy Technologies Holdings LLC. (the EXIDE group comprises all the direct and indirect subsidiaries of Energy Technologies Holdings LLC) [Energy Technologies Holdings LLC | UN Global Compact](#).

## Engagement with suppliers

We aim to pass on our requirements for responsible sourcing to our suppliers. Hence existing suppliers with increased sustainability-related risks as well as new suppliers receive the [Supplier Code of Conduct](#) and this Responsible Sourcing Policy for Battery Materials. They will be incorporated in our contract or written agreements with our suppliers.

## Grievance mechanism

An important part of due diligence is the establishment of a complaint mechanism. We provide various options for complaints, which are aligned with the UNGP criteria.

This enables stakeholders and whistleblowers to raise complaints when they are being negatively affected by our own business activities or those of our supply chain.

This grievance mechanism ([EXIDE Compliance Program](#)) is publicly available on our company website and is also referred to in our policy.

## Step 2: Risk Identification

### Due Diligence Process for Battery Materials Supply Chain

EXIDE conducts a risk-based supply chain due diligence on its Battery Material Suppliers, taking into account internationally recognized due diligence principles, including UN Guiding Principles on Business and Human Rights and OECD Due Diligence Guidance. EXIDE's Battery Material Suppliers must also adhere to these due diligence principles as well as the EU Batteries Regulation.

To get more insights into the supply chain a supply chain intelligence solution platform is used. This solution combines AI and actual people to detect risk in the supply chain, by doing ESS (Enhanced Supplier Screening), meaning tracking what is being reported in the media on suppliers, to detect potential violations or infringements, as well as direct outreach to suppliers to detect environmental and social risk in the supply chain. This together forms the risk profile of the supplier. For the raw materials, ESS is done on the smelters, and the EMRT is used to detect raw materials in the supply chain and to do due diligence on those raw materials.

### Chain of Custody

The EU Batteries Regulation requires companies in scope of due diligence requirements to establish and operate a system of controls and transparency regarding the supply chain, including a chain of custody or traceability system, identifying upstream actors in the supply chain.

EXIDE requires its Suppliers to declare the following information about the EUBR Material supply chain, to establish information regarding the EUBR Material country of origin, smelters and refiners, as required by the EU Batteries Regulation:

1. A description of the EUBR Material, including its trade name and type;

2. The name and address of the supplier that supplied the EUBR Material present in the batteries to the economic operator that places the batteries containing the EUBR Material in question on the market;
3. The country of origin of the EUBR Material and the market transactions from the EUBR Material's extraction to the immediate supplier to the economic operator that places the battery on the market;
4. The quantities of the EUBR Material present in the battery placed on the market, expressed in percentage or weight;
5. Third-party verification reports issued by a notified body where available, or additional information such as the mine of origin, locations where the EUBR Material is consolidated, traded and processed, and taxes, fees and royalties are paid.

EXIDE's "Tier 1" Suppliers shall pass these requirements to their own suppliers. If the EUBR Material comes from a high-risk country (CAHRA), EXIDE requires its Suppliers to declare the following information (aligning to the OECD Due Diligence Guidance for Responsible supply Chains of Minerals):

1. Mine of origin;
2. Locations where the EUBR Material is consolidated, traded and processed;
3. Whether taxes, fees, and royalties are paid.

Further, the supplier must demonstrate to EXIDE that it is taking steps to address risks or require from smelters/ refiners in the supply chain to manage and prevent negative impacts from occurring. EXIDE reserves the right to suspend trading with a supplier that repeatedly fails to comply after having been provided with the opportunity to remediate the situation upon reasonable time to be decided by EXIDE.

Suppliers that are unable to comply with these requirements because they do not have access to the information must provide any information they can such as country locations of smelters/ refiners of the EUBR Material to EXIDE, so that EXIDE can assess the risks in its battery supply chains. Suppliers must provide adequate evidence to EXIDE (in its discretion) that they are taking steps to collect missing Chain of Custody information. EXIDE recommends that smelters/ refiners processing EUBR Materials become RMI Assured in order to aid the collection of Chain of Custody information to downstream supply chain operators.

For the avoidance of doubt, this section on Chain of Custody applies only to EUBR Materials, and not to other Battery Materials.

### Step 3: Risk Management

All Battery Material Suppliers undergo a risk assessment process to identify ESG risks and any risk that Battery Materials could originate from a conflict affected and high-risk area (CAHRA). High risk Suppliers are targeted for further due diligence. If there is a risk that Battery Materials originate from a CAHRA then the supplier of these Battery Materials is required to provide further information to demonstrate it is taking action to manage and mitigate that risk.

If a Supplier is found to be high risk on ESG issues the Supplier must provide a verified independent audit report and demonstrate it is taking action to address, manage and mitigate risks. Based on the audit result, EXIDE will decide the next steps; suppliers will be required

to improve practices if audits flag serious risks. EXIDE reserves the right, as a last resort following engagement, to terminate relationships with suppliers that fail to comply.

Suppliers must have a grievance mechanism, including an early-warning risk-awareness system and a remediation mechanism based on the UN Guiding Principles on Business and Human Rights in place to enable stakeholders to report concerns effectively and free from risk of retaliation.

#### Step 4: Audit

To the extent required by the EU Batteries Regulation, EXIDE's Responsible Sourcing Policy for Battery Materials will be verified and periodically audited a third party to ensure compliance with the EU Batteries Regulation. EXIDE will receive a third-party-verification audit report from this authority, to be retained for 10 years after the last applicable battery was placed on the market. EXIDE will keep abreast of any developments in the appointment of Notified body. To the extent required by the EU Batteries Regulation, EXIDE Suppliers shall also comply with this periodic audit, with a copy of the report to be provided to EXIDE.

#### Step 5: Reporting

The report on due diligence approaches, measures, and results is published annually. The contents of the report will include the results of risk management, including findings of adverse impacts in the social and environmental risk categories, and corrective action taken as well as summary of the third-party verifications carried by the notified body, including the name of the notified body.

Furthermore, the identified smelters are made publicly available via the CMRT and EMRT on our website. This is updated at regular intervals.

Gennevilliers, May 12, 2025.



Stefan Stübing  
President & CEO