 PowerCell Group	Name of document PowerCell Sustainability Policy	Document no PCS-MGT-080	Revision 1.0	Security level (C, I, P) Public
Company name Powercell Group	Issuer Richard Berkling, CEO	Approved by Board of Directors		Valid from 2024-11-20

## PowerCell Sustainability Policy

### Background & Purpose

Sustainability is at the core of our strategy and our daily actions. Sustainability to us means considering environmental impact, social fairness, and economic viability, with the aim to fulfill present needs while safeguarding the ability of future generations to do the same. As described in our Code of Conduct, PowerCell is a signatory of UN Global Compact and we are committed to respecting internationally recognized human rights throughout our operations.

#### The purpose of this policy is to:

- Increase our actual and potential positive impacts and decrease our actual and potential negative impacts on people and the environment.
- Support a sustainable development of the hydrogen economy.

### Policy Statement

Phasing out fossil fuels with low-carbon hydrogen solutions enables decarbonization, improved local air quality, reduced eutrophication and acidification, and reduced marine pollution. By promoting fair, safe and equitable working conditions at PowerCell and in our supply chain, and by adhering to the highest ethical standards we strive to be a respected and valued company for our key stakeholders - employees, suppliers, customers, shareholders and investors - and the communities within which we operate.


It is eminently clear to us that the technology shift towards zero-emissions energy must be accelerated and implemented across all sectors of the economy. Our greatest impact potential as a company lies in growth through offering our customers in hard-to-abate sectors a viable net-zero compatible pathway to phase out fossil fuels. We should be aware of and take into consideration potential trade-offs that may arise between impact through growth and impact through improving our internal sustainability impact. On our journey to an emission-free society, we recognize that sustainability is much more than decarbonization. Hence, the development, production and use of our products must be done in an environmentally and socially sustainable way.

Our contribution to the UN Sustainable Development Goals (SDG) is reflected in our focused dedication to the goals below. These goals were determined through a materiality analysis involving our employees and dialogue with our key stakeholders.




This policy outlines our commitment to sustainability throughout our value chain. Our approach to sustainability is based on stakeholder dialogue, measurement and monitoring of key indicators, and daily action, even when there is no scientific certainty that impacts will occur.

We are committed to continuous improvement and will regularly review and update this policy as needed.

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How we integrate sustainability into our value chain	Related UN SDG
<p><b>We are combating climate change by enabling our customers to switch to zero-emissions power solutions</b></p> <p>With our expertise and net-zero technology, we support the Paris agreement and are committed to enable the reduction of more greenhouse gas emissions than our entire value chain emits. To guide our actions, we will develop a methodology based on widely accepted standards to determine the emissions avoided by using our products instead of fossil fuel technologies. In the long term, we aim to achieve net zero emissions as defined in widely accepted net zero frameworks. PowerCell strives for full alignment with the EU taxonomy.</p>	
<p><b>We collaborate actively with our suppliers to deliver sustainability performance.</b></p> <p>Quality is the main requirement for our input material from suppliers, and for us, this also embeds environmental and social aspects. Environmental and social expectations are communicated through our Supplier Code of Conduct, to which all suppliers should commit. As described in our Supplier Evaluation Guidelines, new suppliers are screened using our sustainability due diligence process which is designed to inform supplier selection decisions and form a basis for supplier audits. We maintain an active dialogue with strategic and preferred suppliers to continuously strengthen our collective impact on sustainability in our supply chain.</p>	
<p><b>We invest in R&amp;D to improve the sustainability of our products and processes.</b></p> <p>Sustainability performance is an ever-moving target. Therefore, we use our innovation capabilities to continuously improve our performance internally as well as with/for customer applications. We conduct life cycle assessments to fully understand the impacts of our products and strive to enable circular material flows where possible (e.g., design for recycling and reuse). Where it is possible to increase the proportion of recycled input material, this should be considered.</p>	
<p><b>We manufacture our products and operate our facilities sustainably.</b></p> <p>We continuously work to reduce our energy consumption and reduce pollution. Purchased energy shall be environmentally labeled. When possible, excess energy from our test labs shall be fed back into the power grid. Waste reduction and recycling is a natural part of our work. We are committed to the sustainable use of chemicals. Our routine for selection and managing of chemicals shall be followed by all employees.</p>	
<p><b>We strive to reduce our transportation footprint.</b></p> <p>When we can influence the choice of transportation, environmental aspects should be considered along with time- and financial constraints. To the extent possible, PowerCell’s employees shall use the most environmentally friendly way of travelling as described in our Traveling policy. The need for travel shall also be weighed against the possibility of using alternative meeting methods such as video conferencing.</p>	
<p><b>We work together with customers to maximize our impact on sustainability.</b></p> <p>We help our customers optimize the longevity of our products and we promote the use of low-carbon hydrogen fuels. We strive to develop new business models that enable more customers to use our products and we work to increase the reuse and recycling of our products.</p>	
<p><b>We conduct our business in a fair and socially sustainable manner.</b></p> <p>This topic is described in more detail in our Code of Conduct, HR Policy and Tax Policy. We are transparent about our sustainability impacts and will publish an annual sustainability report, even before we are legally required to do so. In case PowerCell is directly causing or contributing to adverse impacts, adequate remedy for affected stakeholders should be determined through our grievance process.</p>	

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## Audience

This policy applies to all PowerCell employees and consultants working for PowerCell, for all our activities, at every level in the company and in every market in which we operate.

## Roles and responsibilities

Everyone can, and are expected to contribute to sustainability at PowerCell, because it is in our daily actions and decisions that we make a difference. Responsibilities depend on role as described below:

- All **employees** are responsible for reading and acting in line with this policy. In case there are questions or dilemmas regarding how we manage to live up to the policy, this should be raised to a relevant person, or the sustainability officer. The same goes for ideas that can improve our sustainability work further.
- **Managers** are expected to understand and promote the policy as well as ensuring that their teams and collaborators have the necessary conditions to be able to act according to the policy. Managers also ensure that employees who are subject to specific goals, routines, regulations, etc. receive this information.
- **The Sustainability Officer** shall monitor and update the Sustainability Policy for compliance. Any amendments shall be made in consultation with **the management team** (including the **CEO**) and must be approved by the board of directors before they come into effect.
- **The board of directors** adopts and follows up strategies, policies and goals and has as a part of the overall responsibility for the company also the final responsibility for sustainability.

## Exceptions

There are no exceptions to this policy unless the Board has approved a fully documented exception.

## References

Code of Conduct, Supplier Code of Conduct, HR Policy, Tax Policy, Traveling policy Supplier Evaluation Guidelines