

SENEC GmbH
Policy statement
pursuant to the Act on Corporate Due
Diligence Obligations in Supply Chains
(LkSG)

December 2024

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1 Introduction

Since 1 January 2024, SENEK GmbH (hereinafter: SENEK) has been subject to the provisions of the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, or LkSG) pursuant to Section 1 (1) sentence 3 LkSG.

Furthermore, SENEK as a wholly owned subsidiary, falls within EnBW Energie Baden-Württemberg AG's (hereinafter: EnBW) own business area within the meaning of Section 2 (6) LkSG (see Chapter II "Scope of the policy statement" of the [EnBW Policy Statement](#), as of 18 July 2023).

SENEK identifies with EnBW's objectives regarding human rights and environmental standards. Based on the commitment to the EnBW Policy Statement, this Policy Statement describes our efforts to exercise environmental and human rights due diligence in accordance with LkSG.

2 Our commitment to respecting human rights and environmental standards

We are aware of our corporate responsibility and our human rights and environmental due diligence obligations. We acknowledge the [EnBW Policy Statement](#) and the principles outlined therein. We committed to respecting human rights and environmental standards in our own business activities as well as in our supply and value chains and to grant parties affected by environmental and human rights violations access to remedies. In doing so, we align our business activities with the various internal Group guidelines and the frameworks specified in the EnBW Policy Statement.

3 Our environmental and human rights expectations of employees and suppliers

The [EnBW Code of Conduct](#) as well as the [EnBW Supplier Code of Conduct](#) – both applicable for SENEK – define what we expect of our employees and suppliers with regard to human rights and the environment (see [EnBW Policy Statement](#) of 18 July, 2023 on page 3 „The EnBW Board of Management's commitment to respecting human rights and environmental standards”).

4 Exercising environmental and human rights due diligence

4.1 Responsibilities

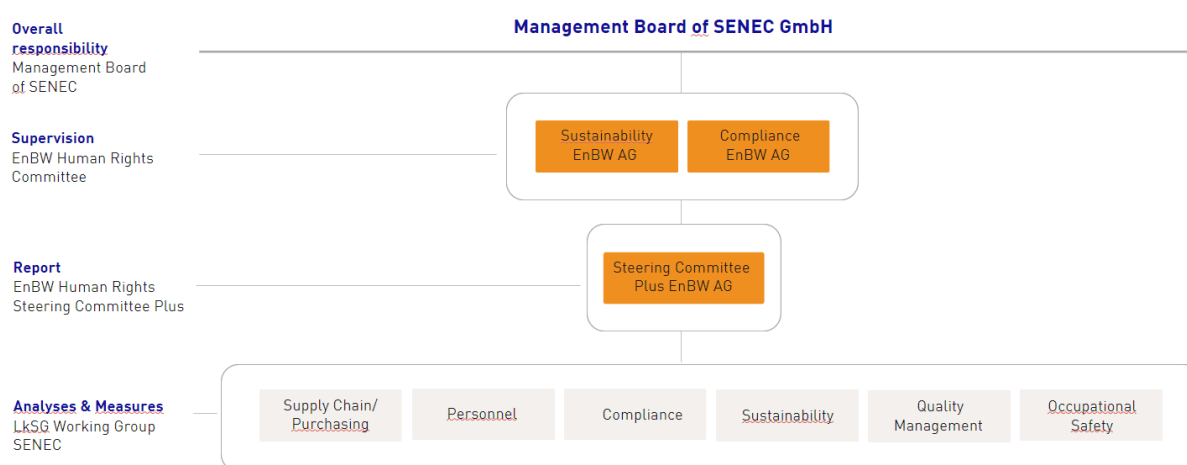
The management board bears overall responsibility for risk management in relation to human rights and the environment (hereinafter: LkSG risk management).

In order to fulfil the requirements pursuant to Section 4 (3) LkSG, the management board of SENEK has transferred the duties and responsibilities of the Human Rights Officer to the Human Rights Committee of EnBW. The committee is made up of heads of sustainability and compliance of EnBW and serves as the supervisory body for LkSG risk management.

An LkSG working group has been established at SENEK to ensure targeted and effective analyses and measures. The working group consists of experts from supply chain / purchasing, sustainability, compliance, human resources, quality management and occupational safety.

SENEKs LkSG working group is member of EnBW Human Rights Steering Committee Plus. This committee serves as a forum for dialogue between the subsidiaries of EnBW within the scope of the LkSG on the implementation of LkSG requirements. It ensures that the centrally managed LkSG core elements – at SENEK this applies in particular to the established governance, the risk analysis in the own business area and the corresponding preventive and remedial measures as well as the grievance process – are implemented throughout the EnBW group. Within the steering committee meetings, SENEK reports to the human rights committee about its decentralized measures, especially with regard to the risk analysis. Furthermore, it ensures that harmonized measures are implemented.

The results of the risk management are reported to the management board of SENEK and the EnBW human rights committee within EnBW Human Rights Steering Committee Plus at regular intervals and as occasion demands.



Responsibilities for the implementation of due diligence obligations at SENEK GmbH

4.2 The approach to risk analysis

Risk analysis is a key element of corporate due diligence for identifying risks and establishing appropriate and effective preventive measures in line with their level of priority.

SENEC similarly adopts EnBW's multi-stage approach in order to identify and prioritize risks in its own business area and along our supply chain (see no. 2, page 6 of [EnBW Policy Statement](#)).



4.3 Risks and measures in the company's own business area

The implementation of human rights and environmental due diligence procedures in SENEK's own business area is governed by various regulations, including the internal EnBW group guidelines that also apply to SENEK.

SENEK's risk analysis in its own business area is part of EnBW's risk analysis in its own business area. SENEK is part of EnBW's segment „intelligent infrastructure for customers“.

The risks identified and prioritized as part of the risk analysis in our own business area are the following:

- Discrimination
- Disregard of occupational health and safety risks, working conditions
- Environmental impact

EnBW has established guidelines, management systems and other measures such as training / e-learning and audits that form the basis for the protection of potentially affected parties and acts mitigating measures to reduce the probability of occurrence of risks. They also apply to SENEK and are implemented by us.

The detailed results of the risk analysis and the preventive measures implemented in SENEK's own business area are presented in the EnBW policy statement of 18th July, 2023 (see no. 4 „Risks and measures in the company's own business area on page 9 ff. of [EnBW Policy Statement](#)) and in the following section.

Discrimination

<u>Description of risk</u>	As a typical feature of the energy sector, the proportion of women and men involved in office work (particularly administrative work) and technical work varies at SENEK. Despite compliance with all legal regulations prohibiting arbitrariness and groundless discrimination of employees (e.g., in relation to recruitment, remuneration, training, promotion and dismissal on the basis of ethnic or national origin, religion, disability, gender or sexual orientation), there is a risk that violations cannot be entirely ruled out in each individual case.
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<u>Potentially affected parties</u>	Our own and potential employees
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<u>Measures</u>	<p>The following measures have been implemented at SENEK to minimise the potential risks of a lack of gender equality and discrimination against vulnerable groups and to ensure occupational health and safety:</p> <ul style="list-style-type: none"> - Guidelines and Code of Conduct of EnBW - Training courses and communication on General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz) - Internal equality officer - Grievance process (information to HR, anonymous notification to internal equality officer) - Diversity working group - Standardised recruitment process with involvement of the works council - Company-wide sensitisation to use an inclusive and gender-sensitive language
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Disregard of occupational health and safety risks, working conditions

Description of risk Risks generally exist in the area of occupational health and safety in terms of our business activities.

There are occupational safety risks, particularly in the case of hazardous work. These risks have been identified and assessed as part of a risk assessment and are revised when necessary, e.g. when new risks arise.

In addition, there are risks to physical health (e.g. from screen work) and to mental health due to stress.

Segments

- Office work
- Hazardous work (hardware development, testing, field service)

Potentially affected parties Our own employees

Measures

- Regular mandatory health and safety instructions
- Operating instructions and special training (e.g. electrotechnical instruction, laboratory instruction)
- Technical checks e.g. of home office equipment
- Occupational safety specialist, fire safety officer, company doctor, safety officer, first-aid and fire protection assistants, hazardous substances officer
- Health measures (occupational health management, internal initiatives and trainings on resilience, financial contribution to sports and mindfulness programmes, ergonomic workplaces, flexible working time models)
- Works council as co-determination body

Environmental Impact

<u>Description of risk</u>	<p>There are risks of a possible negative impact on air, water and soil quality as a result of our business activities.</p>
	<p>The use and disposal of hazardous goods and substances can have a negative impact on the environment. Hazardous substances are used in very small quantities to support production, so there is no environmental impact to be expected.</p>
	<p>Furthermore, the business model of SENEK does not lead to any harmful emissions or air pollution. With regard to water and maritime resources, the impact of wastewater from the use of office space is classified as insignificant. The business activities of SENEK itself do not endanger biodiversity or ecosystems.</p>
<u>Segments</u>	<p>Hazardous goods:</p> <ul style="list-style-type: none"> - Lithium-ion batteries <p>Hazardous substances to support production:</p> <ul style="list-style-type: none"> - Micro-consumables as e.g. spirits, sprays, paint, lubricants
<u>Potentially affected parties</u>	<p>Customers, employees</p>
<u>Measures</u>	<ul style="list-style-type: none"> - Certifications - Reuse / recycling - Hazardous substances officer - Specialized service providers for the transport of critical battery modules - Emergency measures – Neutralon = granulate, absorbs leaking liquids - Reuse of lithium-ion batteries by the manufacturer - Disposal of lithium-ion batteries via battery collection centre in Germany - Recycling of lead batteries via companies in Germany - Hazardous substance register - Packaging of hazardous substances are fed into the recycling process

4.4 Risks and measures in the supply chain

The procurement of services and products is decentralized and carried out by the purchasing department of SENEK. Energy procurement is organised via the energy management department. The purchasing department is structured by procurement categories. In the current year 2024, China accounted for 50% of the procurement volume. The remainder was procured in Europe and primarily in Germany.

SENEK purchasing department has implemented the risk analysis in the supply chain on a decentralized basis and similar to EnBW. A standardized multi-stage approach is used to identify and prioritize risks along our supply chain.

The risk analysis on supplier level is gradually being expanded. The newly identified risks are integrated into the overall risk assessment and weighted and prioritized accordingly.

The approach to risk analysis



Prioritized risks in the supply chain of SENEK

The risks identified and prioritized as part of the risk analysis in the supply chain of SENEK are

- Prohibition of child labour, forced labour and slavery
- Disregard of occupational health and safety risks, working conditions
- Environmental impact

Prioritized risks in relation to purchasing from direct and indirect suppliers

Prohibition of child labour, forced labour and slavery

Description of risk On the basis of severity and likelihood of occurrence, we have identified an increased risk in relation to forced labour. There is an increased potential risk because the high market dominance of Chinese companies, particularly in the initial processing stages, and the difficulty in accessing information in China in the widely ramified value-added network gives rise to allegations of serious human rights violations in connection with the manufacture of the installed modules and components, despite strong references to the relocation of production facilities within China.

Segments and key procurement categories

- Battery modules and cells
- Power storage EMS
- ODM Energy Storage Systems
- Photovoltaics
- Wallbox
- NUB (mains switching box)
- IT, services

Potentially affected parties Workers in China and children in Chinese mining areas, minorities in Xinjiang (China), workers and children in Africa and South America

Measures (examples)

- Careful supplier selection / prequalification, business partner check, supplier evaluation, supplier dialog
- Mandatory signing of supplier code of conduct
- Extended supply chain management
- Planned target agreement with suppliers regarding sustainability

Disregard of occupational health and safety, working conditions

<u>Description of risk</u>	<p>There are potential health and safety risks in the manufacturing and processing trades in particular. In the value creation of solar systems, there are currently accusations of a connection to the forced labour system in the Chinese province of Xinjiang in the initial processing stages involving the mining and processing of the rare earth element polysilicon.</p> <p>In the construction and installation sector, there may also be specific labour law risks within Germany and the European Union: contracts that exclude employees from receiving social benefits, the practice of social dumping and inconsistent wage structures.</p>
<u>Segments and key procurement categories</u>	<ul style="list-style-type: none"> - Battery modules and cells - Power storage EMS - ODM Energy Storage Systems - Photovoltaics - Wallbox - NUB (mains switching box) - IT, services
<u>Potentially affected parties</u>	<p>Workers (mining), workers in plants in Xinjiang (China), workers and children in China, Africa, South America, workers in the wholesale trade for IT equipment, IT consulting as well as in the online mail order business.</p>
<u>Measures (examples)</u>	<ul style="list-style-type: none"> - Careful supplier selection / prequalification, business partner check, supplier evaluation, supplier dialog, exchange of experience on occupational safety with suppliers - Mandatory signing of supplier code of conduct - Planned target agreement with suppliers regarding sustainability - Engagement in industry/ company initiatives (in progress) - Checks regarding disguised employment, approval of performance records - Checks of temporary employment - Rohs and Reach Compliance

Environmental Impact

<u>Description of risk</u>	The production of the main components may have a potential negative environmental impact due to emissions in the water, soil and air. Environmental pollution can destroy natural resources as a result of raw material mining.
<u>Segments and key procurement categories</u>	Especially <ul style="list-style-type: none"> - Battery modules and cells - Photovoltaics - ODM Energy Storage Systems - NUB (mains switching box - Packaging
<u>Potentially affected parties</u>	Workers (mining), residents living near the raw material production sites
<u>Measures (examples)</u>	<ul style="list-style-type: none"> - Mandatory signing of supplier code of conduct - Extended supply chain transparency (in planning) - Creation of a recycling concept (in progress)

Measures in the area of purchasing

SENEC strives for resilient supply chains that comply with human rights and environmental standards. A careful selection of suppliers is fundamental to this. In order to prevent possible violations, SENEK has developed a catalogue of measures within the supplier management process. This has been integrated as a standard into the procurement processes and is implemented in the supply chain in cooperation with the suppliers. In the following overview, we describe the measures that we have established for our direct suppliers. This list of measures is not exhaustive and merely provides a relevant overview of the key process steps.

Overview of exemplary measures in the area of purchasing

Measures	Description	Risks addressed
Supplier selection / prequalification	<p>We introduced the Supplier code of Conduct (SCoC) of EnBW in November 2023 as a shared set of values and an important criterion for the selection and development of our suppliers.</p> <p>All contracts, the supply of goods and services as well as other business relationships of SENEK are subject to the Supplier Code of Conduct (SCoC).</p>	All risks pursuant to LkSG as well as other compliance, environmental and social issues

	The SCoC specifies binding minimum requirements for social and environmental standards at our business partners. As of November 2024, based on procurement volume over 65 per cent of our suppliers have accepted the SCoC as the basis for our cooperation	
Business partner check	All of SENEK's suppliers are carefully audited on a regular basis as part of a comprehensive business partner check.	All risks pursuant to LkSG as well as other compliance, environmental and social issues
Signing of Supplier Code of Conduct.	The supplier's declaration of commitment to comply with collective labour agreements and regulations on minimum wages is a prerequisite for the business relationship.	Especially working conditions as well as all risks pursuant to LkSG as well as other compliance, environmental and social issues
Selection of 3rd and 2nd tier suppliers (in progress)	The selection of 3rd and 2nd tier suppliers can be influenced by a new product design and taken into account in the next development phase.	Export and import bans due to EU and geopolitics, e.g. China-USA
Creation of recycling concept (in progress)	Based on the new EU Battery Regulation, a recycling concept is being drawn up with the battery supplier (by Q4/2025).	Environmental pollution
Rohs and Reach Compliance	Prevention and minimisation of environmental risks in the supply chain (e.g. use of lead-free solder in the production of circuit boards)	Environmental pollution
Extended supply chain transparency (in planning)	Extended supply chain transparency with regard to a detailed component analysis in relation to risk countries (e.g. China)	Environmental pollution (e.g. components for solar modules)
Checks regarding disguised employment, approval of performance records, Checks of temporary employment	Checks of service providers to be contracted with regard to disguised employment and temporary employment via point system, invoices are paid on the basis of approved performance records (dual control principle)	Disregard of occupational health and safety risks

4.5 Remedial measures

In the event of violations of human rights or environmental obligations, appropriate remedial measures are taken to prevent, end or minimize the impact of the violation.

Should violations occur in our own business area, we will take immediate remedial action. In case of existing or potential violations on the part of our suppliers, we reserve the right to terminate the business relationship.

4.6 Grievance Process

The EnBW group-wide grievance process is available for the whole group including SENEK. Irrespective of their personal involvement, all internal and external persons can use the EnBW grievance process if they have information or knowledge of potential environmental or human rights violations or negative impacts in SENEKs own business area or in our supply chain.

The reporting channel of EnBW as well as information on it can be accessed via SENEK intranet and our [website](#). Furthermore, our suppliers find information on the grievance process in the general terms of purchasing of SENEK and the EnBW supplier code of conduct.

The information and principles set out in „7. Grievance process“ on page 21 of the Policy Statement of EnBW also apply to reports of potential misconduct in SENEK’s business area and in its supply chain.

4.7 Measures to track effectiveness

We review the effectiveness and progress of our LkSG risk management strategy and the associated measures at regular intervals and as occasion demands so that we can adapt structures, processes and measures if necessary. This process is accompanied by an intensive stakeholder dialog with various internal and external stakeholders – especially on EnBW’s internal Human Rights Steering Committee Plus as well as externally with our suppliers.

4.8 Documentation and Reporting

Internally, we continuously document the fulfilment of our due diligence obligations.

Starting in 2025 for the reporting year 2024, SENEK will annually report on the exercising of its environmental and human rights due diligence to the Federal Office for Economic Affairs and Export Control (BAFA). The LkSG reporting will be available on our homepage. As SENEK is part of EnBW’s own business area, various information on SENEKs fulfilment of the due diligence obligations according to LkSG can be found in EnBW’s annual report pursuant to the Act on Corporate Due Diligence Obligations in Supply Chains.

5 About this policy statement

This policy statement shall enter into force upon its publication and shall not apply retroactively. No rights for individuals or third parties can be derived from it.

We review this policy statement on an annual basis and as occasion demands. If we identify any changed or enhanced risks, we will revise it accordingly.

This statement was signed on 17th December 2024 by the management board of SENE C GmbH.

Management Board of SENE C GmbH, December 2024

Johann Georg von Hülsen

Thomas Augat-Kaiser