HB RTS
Environmental, Social and Governance (ESG) Policy

Introduction

The Board of HB RTS recognizes that environmental, social and governance ("ESG") issues have a material effect on the performance of the company and its subsidiaries (the "Group" or "HB RTS"). Our aim is to ensure that such issues are considered at all levels of the Group's business activities, and in accordance with International and National Codes and Principles.

Specifically, the HB RTS Board aims to achieve this by:

• Ensuring that our vision and ESG objectives are relevant, understood and communicated and that our employees demonstrate alignment to them.
• Identifying all material ESG risks in the business activities undertaken by HB RTS and its subsidiaries and ensuring that the risks are fully considered and managed in a responsible and ethical way.
• Ensuring that key decisions are only taken after full consideration of all material ESG issues and risks.
• Setting targets for environmental, social and governance matters which will be reported, monitored, reviewed and disclosed to our employees and shareholders.
• Adopting high standards of governance and ethics in our business conduct.
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• Providing appropriate information, instruction and training and ensuring that this policy is communicated to all persons working for HB RTS and its subsidiaries.
• Working together with our customers, suppliers and business partners to encourage them to adopt the principles or similar policies resulting in the same outcomes.
• Aspiring to achieve benchmark levels in environmental, social and governance performance and making these themes core to what we do
• Contribute to the United Nations Sustainable Development Goals:

Good Health and Well Being
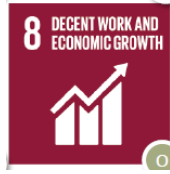

Gender Equality

Clean Water and sanitation

Affordable and Clean Energy

Decent work and economic growth

Industry innovation and infrastructure

Reduced inequalities

Responsible consumption and production

Environment

Sustainability is at the heart of what we do; we are committed to protecting the environment and are continuously looking at ways to reduce our environmental footprint. We ensure that we comply with local environmental laws and regulations in all of the regions in which we operate and are adopting local and international environmental standards where relevant.

Air pollution

Reducing our air pollution, can make a significant contribution to the air quality and health of the communities in which we operate. We aim to do this by:

- Working with third party transport suppliers to develop reporting systems for air pollution generated, including SOx, NOx, PM10, PM2.5, and Pb

Biodiversity and habitat

Protection of biodiversity and habitat for future generations is important for us. We ensure that we protect biodiversity and habitat by:

- Complying with all applicable biodiversity laws, regulations, contractual obligations, and our company policies that govern us
- Conducting the relevant biodiversity and habitat surveys and seeking to minimise the impact on the local wildlife and habitat when we pursue construction projects

Energy, energy efficiency, and renewable generation

We are actively exploring initiatives to improve our energy efficiency and generate more renewable energy. This includes:

- Pursuing a structured and targeted company-wide energy management and investment program to improve the energy efficiency of our facilities and energy awareness of our staff
- Switching our purchased energy supply to more renewable sources, where economical to do so
- Developing on-site renewable generation such as solar where practical and economic to do so.
- Participating in initiatives to support the local energy grid where feasible to do so

Greenhouse gas emissions

We are in an energy- and fuel-intensive industry, and so our greenhouse gas emissions are significant. It is our responsibility to work towards reducing these emissions, and we are doing this by:

- Recording our scope 1, 2, and 3 greenhouse gas emissions and setting targets to reduce these
- Reducing our energy consumption and continuing to invest in renewable energy generation (see Energy, energy efficiency, and renewable generation section above)
- Working with our supply chain partners to procure sustainably and locally where possible, especially for large purchases such as construction projects

Hazardous substances

Hazardous substances need special care in their handling and disposal, in order to avoid contamination of the environment. We ensure this by:

- Ensuring that there are defined processes and procedures in place for handling of hazardous substances such as chemicals, and that staff are aware of these

- Recording all waste produced by our sites, flagging any hazardous waste separately
- HB RTS does not produce hazardous waste on a regular basis
- Seeking to minimise the amount of all waste, including hazardous waste that is produced, and ensuring that this is disposed of in an environmentally conscious way where possible, and in accordance with local regulations

Material sourcing and resource efficiency

Our material sourcing and procurement is a significant contributor to our emissions through the scope 3 category. We also recognise the importance of better managing energy and materials and reducing waste in our processes as a key factor in reducing emissions and becoming more sustainable. We do this by:

- Working with third parties to ensure that our products are repaired and re-used and then recycled at end-of-life.
- Considering the environmental impact of our supply chain, and working with our supply chain partners to procure sustainably and locally where possible, especially for large purchases such as construction projects
- Improving our energy and fuel efficiency (see Energy, energy efficiency, and renewable generation section above)
- Re-using materials in our operations where possible, and recycling these if not
- Measuring and reducing waste produced through our operations, and seeking to dispose of all waste in the most environmentally friendly manner

Net zero

We are committed to reaching net zero by 2050, which will be achieved by several initiatives, including:

- Determining a 10-year emissions reductions target and defining an initiative-backed net zero plan in line with industry standards
- Continuing to work towards reducing our greenhouse gas emissions (see Greenhouse gas emissions section above)

Physical and climate risk

We understand that environmental risk factors are becoming increasingly relevant and could have an impact on our business. We manage these risks by:

- Monitoring environmental risk factors, including physical, climate, and transition risks, as part of our risk management process, using industry-standard transition pathways and scenarios
- Incorporating these risk factors into our decision-making process and seeking to mitigate their impact where we can.

Waste

We aim to reduce the environmental impact of our waste by:

- Recording all waste produced by our sites
- Seeking to minimise the amount of all waste that is produced and ensuring that this is disposed of in an environmentally conscious way where possible (e.g. minimising the amount of waste that goes to landfill), as far as permitted by local regulations.

Training and awareness

Our staff our critical to enabling our environmental strategy, and training and awareness is a critical part of this. We strive to achieve this by:

- Encouraging all staff to consider the environmental consequences of their actions and to seek to minimise the impact where reasonably practicable
- Providing appropriate training to staff, for instance as part of the onboarding process, to improve their environmental awareness and encourage them to act in an environmentally conscious way (for instance encouraging warehouse staff to keep doors closed)

Social

Diversity, Equity, and Inclusion

- Encouraging a culture of diversity with the highest ethical standards in which all employees are valued and respected.
- Providing equal opportunities for employment, development, and advancement to all individuals, regardless of their race, color, ethnicity, national origin, gender, sexual orientation, age or disability.
- Having zero tolerance for all forms of bullying and discrimination, including verbal, physical and sexual harassment.

Employee engagement

Our employees are the most important thing that makes our business successful, and keeping them engaged is essential to their well-being, satisfaction, and productivity. They are the ambassadors of our brand, and their efforts keep our customers satisfied, and so this translates to external benefits too. Some of the initiatives we are working on relating to employee engagement include:

- Conducting an employee satisfaction survey and following up
- Keeping our employees informed of new developments through the HB newsletter

Health and safety

We have a zero-accident ambition. Ensuring good control of health and safety risks and maintaining a continuous improvement philosophy is critical in order to minimise the number of injuries occurring in the workplace or through any of our operations. This applies for health and safety of all personnel interacting with our sites: our employees, contractors, supply chain, and visitors (including users of our facilities or local community members visiting our facilities). Some of the ways we are doing this include:

Policies and procedures

- Providing and mandating the use of a minimum level of appropriate Personal Protective Equipment (PPE) for use by all personnel in on the production floor.
- Ensuring all staff are qualified or certified for the role that they are performing, such as having an up-to-date forklift and first responder training
- Expecting contractors and visitors to meet the same high standards of health and safety, and ensuring that they are briefed appropriately on policies and procedures
- Providing appropriate training of safely performing procedures such as manual handling, to minimise risk of injury
- Including health and safety as part of all employee inductions

Risk management

- Ensuring that there are risk assessments in place for activities performed and risks are mitigated, where appropriate

Governance and reporting

- Incorporating Safety into monthly management meetings and discussing health and safety topics and developments
- Reporting on H&S incidents near misses and unsafe conditions at our sites with our HB digital platform.
- Promoting a continuous improvement philosophy with a zero accidents ambition throughout our business

Labour standards and working conditions

We strive to provide a comfortable and safe environment for all our staff and comply with all relevant labour standards and regulations. This includes by:

• Managing health and safety risks and providing appropriate PPE for all staff (see *Health and Safety* above)
• Ensuring that staff have adequate breaks and are provided with appropriate facilities for these
• Upholding the highest ethical standards, including respect for human rights, compliance with all applicable labour laws, acting against forced or compulsory labour, child labour, and unethical working conditions and practices, in particular, as outlined in our Ethics in Business policy, for suppliers as part of the diligence process for major CAPEX expenditure

Local employment

We are a major employer in many of the towns and cities in which we operate, and aim promote local employment by:

• Providing high-quality jobs, including skilled work where training is provided
• Developing our employees' skills so that they can build a career within our company
• Establishing our brand and presence as a local employer, including through local agencies

Community development

We aim to have a positive impact on the local communities in which we operate. This includes by:
• Supporting initiatives, organisations, and charitable causes relevant to our business that make a positive contribution
• Building links with our local community and government and looking at ways we can improve and strengthen relations with them
• Ensuring community and local stakeholder feedback is taken into account for major construction plans

Social enterprise partnering

We partner with and support initiatives and organisations, including social enterprises where these can make a positive impact and are relevant to our organisation (see *Community development* section above). This includes organisations that contribute to the goal of reduction of global food waste.

Stakeholder relations

We are committed to stakeholder inclusivity and ensuring effective engagement with our key stakeholders, such as our investors, community, employees, and customers. This is essential in understanding and managing their expectations, building our reputation and earning their trust, and identifying and mitigating risks early. We do this by:
• Defining a stakeholder engagement strategy and policy, and refreshing these at least annually
• Ensuring appropriate and timely stakeholder engagement, in line with HB's stakeholder engagement policy and strategy

Governance

Good governance is critical for our organisation to function in an efficient transparent and accountable manner and minimise the risk of related incidents occurring. We are determined to fully comply with all applicable regulations and guiding principles in the jurisdictions in which we operate. We also aim to adopt the highest standards of governance and ethics of business conduct and practice. Specific examples of this are outlined below.

Audit committee structure/independence

The financial accounts of the group and regional companies are audited by external auditors. We have an audit committee comprised of the CFO, Controller and CEO. The members of the audit committee are independent to the external auditors conducting the audit, and can raise concerns internally, to the auditors and to the external chairman of the board.

Board composition

Board composition is vital for good governance, because it affects the board's effectiveness in decision-making, oversight, and strategic guidance. We ensure our board composition is appropriate by:

- Ensuring the board is comprised of members which have a variety of perspectives and skillsets relevant to our strategic direction
- Including board representation from independent members and major shareholders
- Monitoring the composition of the Board of Directors, including for diversity metrics such as nationality and gender, and aiming to increase the diversity of the board where possible

Board ESG oversight

The Board of Directors have oversight of all material business activities, including ESG matters and key decisions relating to ESG. We ensure that this is the case by:

- Keeping the board informed of all material issues relating to ESG, through company board meetings and ad-hoc communications where necessary
- Reporting regularly to the board on key metrics and initiatives relating to ESG

Bribery and corruption

We do not tolerate bribery and corruption. We ensure that we are transparent, open, and accountable, and that any bribery and corruption is reported and dealt with accordingly by:

- Ensuring that staff are aware of our policies relating to bribery and corruption such as the Ethics in Business policy, in particular the sections on "Bribery and corruption" and "Gifts and Hospitality", and act according to this
- Ensuring that staff are aware of the whistleblowing process, including the protections of confidentiality and non-retaliation afforded to them, as outlined in the Ethics in Business policy
- Ensuring that our value of "Trust" is fully understood and prevalent throughout our business' culture, particularly in this context

Conflicts of interest

Managing conflicts of interest is essential, to prevent the appearance of corruption (or actual corruption), which can undermine the trust that our stakeholders have in us. We also want to ensure that employees are not put in a position where they have to choose between competing obligations

by ensuring that all employees are aware of what can give rise to a perceived or actual conflict of interest, as outlined in our Ethics in Business policy, in particular the section on "Conflicts of interest".

Cybersecurity

Our industry is increasingly under threat of facing cyber-attacks, and so to ensure continuity of our operations and business resilience, we need to protect ourselves against these. We are doing this by:

- Evaluating and addressing cybersecurity vulnerabilities and risks within our business, including making the necessary investments in our IT infrastructure and capabilities to do this
- Introducing minimum IT and cybersecurity standards required of each location and according to our IT Data Security Policy
- Educating staff on the importance of cyber security vigilance and common threats that they may face, such as phishing
- Empowering all employees to report cybersecurity risks and incidents easily, either by contacting the IT team or through inbuilt tools (such as for email)

Data protection and privacy

We hold a large amount of data, and some of this is either confidential personal or customer data. It is important for us to protect this data to maintain the trust that our stakeholders hold in us, ensure that we safeguard valuable business assets, and comply with regulations. We do this by:

- Complying with all national and international requirements on data protection, including the EU General Data Protection Regulation, 2016/679 ("GDPR")
- Ensuring that employees understand and comply with the provisions outlined in the "Treatment of confidential matters and secrecy" section within the Company Regulations
- Ensuring that confidential data is only accessible to those that need it, and that NDAs are in place with parties that need to access business secrets for specific purposes
- Maintaining strong cybersecurity measures, as mentioned in the *Cybersecurity* section above, to reduce the risk of data breaches

Delegating authority

As part of our entrepreneurial culture, we want to make sure that we maintain our rapid decision-making process and minimal bureaucracy, empowering people to make decisions, despite our rapid growth trajectory. We also need to maintain clarity and transparency when making major decision, on when these decisions require approval, and by who. This ensures that we are making decisions efficiently, consistently, and with clear lines of accountability.

- Ensuring that the Delegation of Authority policy, which makes it clear for when approvals are required (including for making or committing to purchases and signing of contracts on behalf of the business), is clear to all employees
- Ensuring situations in which authority can be delegated to other employees are made clear to all employees, including decision making, management, and projects

Executive compensation

We want to ensure our compensation structure for C-suite executives and country Managing Directors is aligned with the company's performance and long-term interests. This is achieved by:

- Establishing competitive compensation to attract and retain long term talent to our organisation

- Compensating individuals based on individual and company performance and the extent to which their objectives on these are met
- Incentivising long-term value creation, rather than short-term decision making (such as through a long-term incentive plan
- Ensuring that executive compensation is transparent to relevant stakeholders such as major shareholders, and that appropriate approval is sought for significant changes (such as equity grants) where necessary

Fraud

We recognise that, like any company, we face the risk of fraud. This could cause serious damage to our image and reputation, internal cohesiveness and culture, and also have economic consequences. We seek to minimize this risk by:

- Ensuring that our employees understand and act in line with our values, especially "Trust"

- Ensuring that our employees understand that they are responsible for acting with integrity in their use of our assets and resources, no matter what their role is, as outlined in the Business Ethics Policy

- Ensuring that staff are aware of the whistleblowing process, including the protections of confidentiality and non-retaliation afforded to them, as outlined in the Business Ethics Policy

Independence of board chair

An independent board chair is critical for good governance. We ensure that the board chair is independent by mandating that they must:

- Not hold or have previously held the post of CEO in the past 5 years
- Disclose all actual and perceived conflicts of interest, in line with our Ethics in Business policy

Shareholder rights

Shareholders rights is an important area that requires clarity for good governance, in order to foster trust and confidence and promote a stable corporate environment. We ensure this by:

- Documenting the rights that shareholders have in the relevant shareholders' agreements, including voting rights, dividends, and conditions for events such as capital injections, share splits, or sale of shares
- Providing shareholders with timely and accurate information on our financial performance and key strategic developments
- Engaging shareholders as a regular part of stakeholder engagement programme

Whistleblower protection

Whilst we seek to prevent all instances of misconduct such as illegal activities, policy violations, or discrimination, we recognise that like any company, there is a risk of these activities occurring. Therefore, having a robust whistleblower and grievance process in place is crucial so that these incidents are reported without fear of retaliation, and dealt with accordingly. It is also a critical part of building trust from our stakeholders that our policies are being implemented and followed. We ensure this by:

- Ensuring that this process anonymous, safe, and prohibits retaliation

- Ensuring that the evaluation of incidents is done equitably and without discrimination, and allowing the chance of appeal against cases reported
- Learning from incidents that are reported to reduce the risk of these reoccurring in future

Reporting, Disclosure and Communications

Environmental, Social and Governance risks and opportunities are addressed at board meetings. HB RTS monitors and reports key ESG metrics on a monthly, quarterly or annual basis. These metrics include energy consumption, injuries and fatalities, water consumption, grievances from stakeholders, fraud attempts, and any other board-level issues. Serious incidents, injuries and fatalities are reported to board members as soon as they occur and become known.

The HB RTS board devise an annual stakeholder engagement strategy for the year ahead which identifies key opportunities and methods of communication with stakeholders.

ESG Reporting Matrix

The below matrix provides guidance on the approach to classification of ESG incidents. Serious incidents, injuries and fatalities (i.e. level 4 or above) are reported to board members as soon as they occur and become known.

Type of Impact	Scale of Impact				
	1 = Very Low	2 = Low	3 = Medium	4 = High	5 = Very High
Financial	< € 50k	€ 50k < € 100k	€ 100k < € 250k	€ 250k < € 500k	> €500k
Personal Injury	First aid treatment	Medical treatment required	Extensive injuries	Loss of livelihood	Death
Operational	Minor operational incident, no client impact	Minor operational incident with client impact	Incident causing temporary disruption to facility or client operations	Incident causing prolonged disruption to facility or client operations	Incident causing shut-down of facility or material disruption to client operators
Compliance	Minor breaches by individual staff members	No fine, but some disruption to services	Fine with some disruption to services	Fine and significant disruption to services	Fine and extreme disruption to services with the potential to lead to collapse of the business
Reputational	Negative letters to local/state press	Series of negative artic-les in local/state press	Extensive negative local/state media coverage	Extensive negative nationwide media coverage	Extensive extremely negative nationwide or international media coverage
Environmental	Environmental exposure immediately contained	Environmental exposure contained with active management	Environmental expo-sure contained with active management	Significant environ-mental exposure contained with	Critical environmental exposure with significant

		over a short period of time	and outside assistance over a short period of time	active management and outside assistance over an ex-tended period of time	detrimental effects

Personal Injury Reporting

At each Board meeting, a report shall be presented on the incidence and severity of employee, sub-contractor or visitor injury occurring on company property or at the fault of the company. The report should include statistics on the number of injury incidents, the severity of those incidents, the number of lost work days as a result of the incidents, and whether they involved personnel or visitors. Statistics shall be presented for the year to date of the current year and compared with the equivalent period in the prior reporting year.

The personal injury statistics should be presented to the Board in a standardised format across the HB RTS Group companies in line with the below example.

Impact	Injury Incidents				Lost Work Days			
	Q1 2024	Q1 2023	YTD 2024	YTD 2023	Q1 2024	Q1 2023	YTD 2024	YTD 2023
1 = Very Low								
2 = Low								
3 = Medium								
4 = High								
5 = Very High								

Operational, Compliance, Reputational Incident Reporting

At each Board meeting, if applicable a report shall be presented on the incidence and severity of operational, compliance and reputational incidents at the company and the financial impact of such incidents.

Environmental Reporting

At each Board meeting, a report shall be presented containing statistics on a number of measures to indicate the company's impact on, or positive contribution to, its local environment.

To the extent that these statistics are not readily available, the companies shall attempt to implement the necessary processes and procedures for this information to be obtained as soon as reasonably practicable.

The environmental report should be presented in a standardised format across the HB locations in line with the below example.

Measure	Q1 2024	Q1 2023	YTD 2024	YTD 2023
Energy Consumption (Mwh)				
Gas consumption (m³)				
Water consumption (m³)				
GHG emissions (kg)				

Scope and Application

Direction and oversight of the Environmental, Social and Governance Policy is the responsibility of the Board which has delegated day-to-day management responsibility to the CEO of the Group.