

DURACELL  
EUROPE & AFRICA  
**SUSTAINABILITY  
REPORT**

**DURACELL®**

# OUR STARTING POINT



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# DURACELL'S COMMITMENT TO SUSTAINABILITY

Duracell's commitment to sustainability is not a recent undertaking. We view sustainability as creating lasting value for our employees and stakeholders as well as reducing our environmental footprint.

We maintain the highest workplace standards for our employees, always trustfully engage with our partners and communities we operate in, and we constantly lower our environmental impact.

Duracell's sustainability is built on three pillars: People, Partners & Planet. They represent the guiding framework for this report.

It is our aim to constantly improve sustainability related to those pillars; of our operations and our products through their entire lifecycle.

At Duracell, we have a strong track record of improving our products, our packaging and our processes to improve our environmental impact.

The very fact that our batteries are long-lasting helps to prevent unnecessary waste. We also pioneered the use of sustainably sourced cardboard, to remove plastic from our packaging and to make it easier to recycle.

We also led the industry in forming recycling schemes in Europe to ensure that the materials from waste batteries are reused.

These are just a few examples of the leadership that Duracell has shown and many more are contained in this report - our first sustainability report for the Europe & Africa region.

Moving forward, we will focus on

- providing fulfilling work for our employees
- sustainably using our natural resources
- reducing the amount of our waste and emissions

With this report, we would like to show our current status quo and how we aim to improve our sustainability performance in the future.

Only by transparently reporting these efforts we will be able to earn the continued trust of our people, customers and stakeholders.



# PEOPLE

**People** make  
our Business



*People make our business. We are proud to work with over 3,000 people across the globe.*

We are proud to work with over 3,000 people across the globe, in multiple markets. In Europe we have employees based in 14 countries.

Our primary Europe & Africa markets are: Belgium and the Netherlands, France, Germany, Poland, Italy, Portugal and Spain, United Kingdom, Russia, South Africa and Turkey. The regional Headquarters is located in Geneva, Switzerland.

**Duracell E&A Primary Markets**



**Employee Headcount and Regional Breakdown**

People make our business. It is our mission to set a positive example by holding our employees and partners to the highest standards of human and labour rights, across all our Europe & Africa sites.

We would like to create an environment in which all people working for Duracell strive towards the same goals, while upholding the shared value of respect.

More than 500 people work in our two plants based in Europe: our factory in Aarschot and our packing centre in Heist-op-den-Berg, both in Belgium. Basing our plants here allows us to have access to a diverse and skilled workforce, as well as excellent trading links with the rest of Europe and beyond. This strategic position in central Europe allows shorter transport routes to our primary markets.



**Aarschot Production Plant**

Since 1967, Aarschot is our primary manufacturing site in Europe & Africa. There, we produce more than a billion batteries every year. At Aarschot people are employed across full and part-time positions.



**Heist Packing and Distribution Centre**

Duracell's packing and distribution centre for the Europe & Africa region is located in Heist-op-den-Berg. Here people are employed full and part-time. We are also partnering with Entiris, a third-party company social enterprise that works in Belgium to employ people with mental or physical disabilities. At Duracell, these employees work across a number of packaging and labelling operations.

## Employee Rights and Equal Opportunity

Duracell is an equal opportunity employer, and provides a work environment where everyone has the undisputable right to work without discrimination.

This includes: race, colour, creed, religion, sex, age, national origin, disability, sexual orientation, marital status, veteran status, military status, genetic information, citizenship status or any other factors prohibited by law.



### The Duracell Recruitment Policy

As an equal opportunity employer, we aim to treat all candidates fairly and equitably with respect and courtesy, ensuring that the candidate experience is positive, irrespective of the outcome.

Duracell has a principle of open competition in its approach to recruitment. We seek to recruit the best candidates based on merit and skills applicable for the vacancy. The process ensures the identification of the person best suited for the job and the opportunity. Duracell will ensure that the requirement and selection of staff is conducted in a professional, timely and responsive manner, in compliance with employment legislation.

### Equal Rights and Opportunity Policy

Duracell's Equal Employment Opportunity policy applies to all employment practices. We base all employment-related decisions on these principles. This includes:

- **recruiting, hiring, promoting and reassigning highly qualified individuals without regard to any basis such as those listed above or any other discriminatory criteria**
- **administering all personnel actions such as compensation, benefits, transfers, scheduling lay-offs and return from lay-offs**

- **providing Duracell-sponsored education, training and educational assistance, social and recreational programs, without regard to any basis listed above or any other discriminatory criteria**
- **accommodating reasonable requests related to religion or disability, where necessary and feasible, except where such accommodations would impose an undue burden upon Duracell**
- **providing a workplace free of harassment**

Everyone at Duracell is accountable for maintaining our Equal Employment Opportunity practices. It is our joint responsibility to ensure that everyone at Duracell is treated fairly and has the same opportunities as their peers.

## Existing and Future Employee Engagement Plans

### Duracell Academy

A core element of our employee engagement plans is the Duracell Academy. It is a world-class training and on-the-job development programme to encourage continual learning and to enable all Europe & Africa employees to build their skills and capabilities specific to their roles in a common culture.

Course topics include:

- advanced business trainings
- people management
- general/specific leadership skills
  - formal training
  - individual coaching sessions
- building individual expertise
- networking/mentoring sessions

### Duracell's Policy on Workplace Harassment

We uphold a zero-tolerance policy on workplace harassment. Employees who feel they may have been a victim of workplace harassment are encouraged to make a confidential complaint. Duracell will investigate all allegations and will take appropriate corrective and/or disciplinary action if warranted. Complaints brought under this policy are promptly investigated and handled with due regard for the privacy and respect of all involved. This includes full protection against retaliation.



## Duracell Global Reward and Recognition Programme

### International Employee Reward Programme

Nominees (employees and teams) who show extraordinary contributions to Duracell can be nominated for 3 awards:

- The Copper Award
- The CEO Award (which celebrates very significant contributions, usually among the Copper Award winners)
- The President's Award (which is a regional award specific to Europe & Africa)

The nomination criteria for the Copper and CEO award are the following:

Delivering results well above expectations on aligned objectives  
 Performing work beyond the agreed scope while still top performing on aligned objectives

- Extraordinary contribution to Duracell's business results
- Outstanding effort in driving cross-teams collaboration
- Breakthrough Innovation (process, commercial, technology, cost reduction, simplification)

#### COPPER AWARD



#### CEO AWARD



#### THE PRESIDENT AWARD

Each year, this team award recognizes exceptional business performance of one market within the Europe & Africa region. Having (over-) delivered against five aligned key business metrics, the entire group of individuals will be rewarded.

### Ongoing Improvements to Employee Engagement

Duracell's success is achieved by fully engaged employees who have a clear understanding of the business goals.

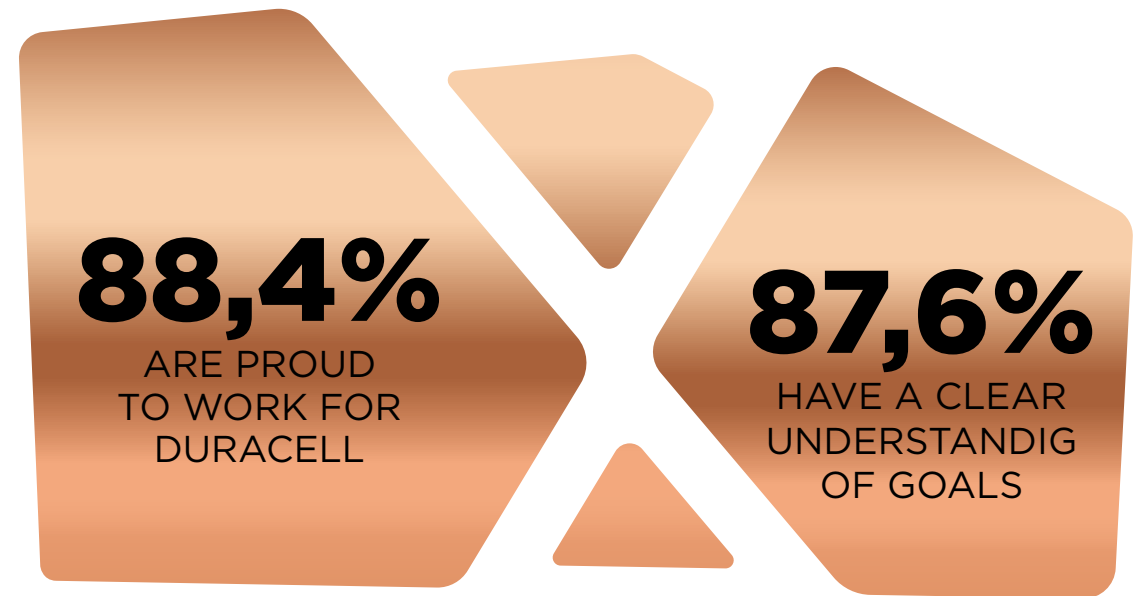
Our 2018 employee engagement survey showed that over 88.4% of respondents agreed that they were proud to work for Duracell and 87.6% of respondents agreed that they had a clear understanding of the goals and objectives of the company.

These results are strong and set us ahead of other Consumer Packaged Goods companies. Yet we want to continue to strengthen our employee engagement through refined communication, suitable growth and development opportunities.

### Workplace Health, Safety and Wellbeing

Providing a safe workplace is our priority, and we take every action possible to manage risks and encourage safe behaviours to enable employee health and wellbeing. We maintain a safe working environment in each location through rigorous training, independent site-based policies and practices and site-based monitoring committees.

We have strict processes and measures to ensure the health and safety of each of our employees, complying with local policies as well as statutory laws regarding



That's why we will continue to educate, celebrate and recognise employee achievements across the E&A region and organize team-building events where needed.

health and safety in each of our operating regions and at each location. In addition to our daily health and safety effort, we place a concerted emphasis on the overall continuous wellbeing of all our team members.

## Wellbeing

The policies and practices set out below have been implemented across our Europe & Africa region, at production and packing sites and in office locations. They are part of our core initiatives to increase employee wellbeing and create healthy places to work.

To create a physically healthy workspace, all forms of smoking or vaping are banned by any Duracell office or facility. This includes all lit cigarettes, cigars, pipes and forms of smokeless tobacco that produces smoke or vapor that could cause a health risk to fellow employees.



Duracell is committed to providing a work environment that is free from substance abuse, to reduce the potential for accidents and provide greater safety for all Duracell people. Employees seeking help for their substance addiction are provided with counseling and time off while undergoing treatment. However, the use, possession and being under the influence of alcohol, controlled substances, or drugs in the workplace is strictly prohibited and can lead to termination of an employee's work contract.

## Global Employee Wellbeing Programmes

We have partnered with Chestnut Global Partners (CGP), a leading international employee assistance firm that provides delivery of work-life, wellness and related support services. Duracell has a global contract with the company to allow each of our markets access to CGP's services. These include 24/7 call centres, providing support around the clock and give access to licensed counsellors who are able to provide advice in a number of areas including:

- Financial advice
- Behavioural health services and depression management
- Stress and work/life balance
- Grief and loss
- Internal office conflict management

Employees are given the option when placing a call as to whether they would like to speak anonymously over the phone or have a follow-up meeting face to face with a CGP advisor. All calls are treated anonymously and confidentially, and no sensitive data from these calls is shared between CGP and Duracell.

## Local Employee Wellbeing Programs

On top of those global policies and programmes we also have many locally led offerings in our sectors. Some examples are first aid trainings, business traveler consultations, free flu vaccinations, ergonomic coaching for employee's workplaces, running and walking groups, nutrition, sleep and stress advice, and more.

## Workplace Exercise Programmes

Our Belgian locations have begun a programme that allows employees to lease traditional or electrical bicycles. They are also installing electrical chargers in the parking lots for the latter. This not only promotes physical fitness, but helps to relax the traffic in the region.

## Health and Safety

### Heist Pack Centre

We have created the Charter for Health, Safety, the Environment and Quality to ensure that anyone working at the packing centre is up to date with the expectations of health and safety while working for Duracell.

At Heist, we work with several third-party contractors, including part-time and seasonal workers. The Charter ensures that every employee of Heist and every employee of third parties is responsible for a safe, healthy and orderly working environment.

We want the people we work with to strive for the same goal of creating a safe and healthy working environment where harmful effects on the environment are reduced to a minimum. As such, the Charter commits us to provide sufficient training and the required resources to continually upskill the people working at Heist.

A key part of the Heist Charter is an expectation on management to assess and investigate the impact on safety, health, environment and quality before introducing new products, processes and installations. The policy's aim is to prevent and limit risks, incidents and accidents within Heist as much as possible.



The Charter is designed to aid management to detect and avoid risks and errors that may occur, at the earliest opportunity.

### Aarschot Plant

Health and safety at Aarschot is fundamental to provide a high-quality work environment with the relevant legal requirements in place, which allows us to operate and manufacture our batteries.

Employee representatives are elected every four years from within the cohort on site. Once elected, this Duracell Committee of Prevention and Protection at Work meets monthly and discusses various topics and concerns around health & safety, as well as safety hazard audits. This results in clear action steps immediately executed, ensuring the lowest possible number of health & safety related incidents: zero!

## Internal monitoring for maintaining high standards of working practices and health & safety

At Aarschot, we have established the Duracell Committee of Prevention and Protection at Work designed to highlight and formalise any concerns that employee representatives have about safety procedures across our plant. This committee exists within the organisation and consists of eight employee representatives, a similar number of management representatives, the plant manager, the company doctor and the official Aarschot safety prevention advisor. All meetings are recorded in minutes, and governed by a strict protocol.



The creation of the committee has led to an overall reduction of the number of incidents at Aarschot from three in 2016 to 0 in 2017 and 2018. With the creation of sub-committees on internal traffic, safe use of chemicals and clothing, each committee has decision-making power when it comes to new plans or policies that fall within their remit.

This creates a high engagement from the workforce and ultimately empowers everyone in the organisation to be responsible for their own and their colleague's safety.

### Additional Health Hazards in the Workplace and Mitigation Strategy

One of the potential hazards in our Aarschot plant is the presence of raw materials used in battery production. We have a longstanding training programme as part of our health and safety policies to

make employees aware of the risks, and to ensure they are always wearing the proper protective equipment and following best practices.

This is monitored closely by management at our Aarschot plant who regularly conduct audits and assessments of health and safety training.

### Recording Time for Injury and Absenteeism

#### Europe & Africa Locations

Following our process to record rates of lost time through injury, absenteeism or sickness, to ensure employees' physical wellbeing and to immediately correct any problems that occur, it is a requirement that all injuries, no matter how slight, are immediately noted with a Line Manager or local Human Resources Representative.

After that, these are recorded in accordance with regional legal requirements, and an accident form is completed.

## Community Involvement and Training Programmes

### Programmes for Volunteering and Giving Back to the Community

At our Geneva regional headquarters we participate in community activities including partnering with the "Course de l'Escalade" in Geneva - a local historical event and family run.

three to four months to provide training. At our Aarschot location, we have combined learning programmes that allow apprentices studying in a classroom setting the opportunity to spend on-site learning time at the plant. Each apprentice is assigned a mentor, who is a full-time plant employee and provides specific training and tailored mentoring.



We have also partnered with "Partage", a local foodbank. They are providing families in need with necessary household items which now also include Duracell batteries.

We also donate old machinery to technical schools to allow in situ electrical training for students.

### Training Programmes for Students and Apprentices

At Duracell, we believe in beginning training for industrial or engineering occupations early and encouraging students in the Science, Technology, Engineering and Mathematics or (STEM) subjects, therefore, we have partnered with a number of regional schools for internship and apprentice programmes.

Across our European locations in France, Italy and Spain - soon to include Germany - we host interns in our office locations for



Duracell employees taking part in the traditional "Samedi de Partage" activity. They collect necessary household items in supermarkets across town to then give to people in need.

# PARTNERS

**Partnership**  
Build on Trust  
and a Binding  
Code of Conduct



Duracell is one of the world’s most trusted brands. Our company, employees and business partners commit to doing business in compliance with applicable laws, rules and regulations across Europe & Africa and the globe.

We adhere to the highest standards of responsible & ethical business conduct. This is our basis to work with partner organisations who also foster a strong sense of sustainability.

### Certified Suppliers and Selection Process

Our policy requires that all our value chain partners adhere to our Code of Conduct and abide by all applicable laws and regulations. We will not tolerate any illegal conduct or impropriety. Partners that violate our policy will have their relationship with Duracell terminated according to the terms of their agreement with us.



Within Europe & Africa, this means adhering to our “Duracell Ethical Trading Code and Third Party Prohibited Practices”. This is a document that sets our values and principles that all suppliers or products and services need to comply with. It oversees our large and diverse business partner base we have across Europe & Africa.

### Working with Local Suppliers

Where possible, we work with local suppliers from Europe & Africa.

### Anti-Corruption Practices and Policies

We do not tolerate any form of corruption. All our partners must be 100% compliant with the relevant international anti-corruption laws. This includes the United Kingdom’s Bribery Act of 2010, and all global practice as set out by the U.S. Foreign Corrupt Practices Act of 1977. Our Policy prohibits any improper payments to individuals actively serving in governments or government organisations, including employees of state-owned or controlled entities as well as their immediate family members.



### Labour and Human Rights Policies

All of our partners are required to comply with applicable labour and human rights laws including the policies laid out below.

### Freely Chosen Employment

We mandate that there will be no forced, bonded or involuntary labour undertaken by any workers within our partner organisations. Additionally, they will not be required to lodge “deposits” or identity papers with their employer and are free to leave after a reasonable notice period.

### Equal Rights and Opportunities in partners

We uphold our partner organisations to the same employment rights and policies we apply to our own employees, and mandate that they all adhere to standards including:

- ensuring that employees are not discriminated against on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, disease

or any other condition that could give rise to discrimination.

- providing a safe and hygienic working environment with regular and recorded health and safety training
- guaranteeing no child labour and adherence to all applicable labour age laws
- paying wages and benefits that meet all national legal standards
- working hours in accordance with applicable national laws, including but not limited to laws regarding maximum working hours, required rest days, and overtime
- working in an environment free of physical abuse or discipline, sexual or other harassment and verbal abuse (or the threat thereof)

### Supplier Retention and Evaluation (Supply Chain Audits)

Next to mandating the standards listed above, we undertake regular audits of our supply chain to guarantee that we are working with the best possible partners. In monthly reviews we evaluate customer service and inventory, followed by quarterly reviews to evaluate cost efficiencies.

# PLANET

**Reducing**  
our Impact on  
the Environment





## 1. SUPPLY CHAIN

Manufacturing and distributing batteries has an impact on the environment. Therefore, we have taken steps to use less water and energy and reduce waste and carbon emissions at our plant in Aarschot and our Pack & Distribution Centre in Heist.

All throughout our supply chain we are constantly looking for smarter and more efficient ways of manufacturing and dis-

tributing our products. Our emissions and consumption are measured, assessed and modified on a regular basis. All in line with the permits and licenses that have been granted by the relevant authorities.

In Aarschot and Heist, we work with the local community and government to not only meet the requirements of local environmental regulations but to also think more ambitiously about how we may be able to contribute further to reducing our impact on the environment in the future.

## 2. PRODUCT

Next to driving the efficiency of our supply chain, environmental sustainability will also be achieved by continuously improving the efficiency and longevity of every cell we are producing. One Duracell alka-

line battery can be up to 10 times more efficient than zinc-carbon batteries.

This means putting more efforts into our technology to continue our history of creating long-lasting and more efficient batteries. High efficiency in batteries will create less unnecessary waste. We will also continue to include more recycled materials in our products and packaging.

## 3. RECYCLING

Driven by the EU Directive 2006/66/EC on batteries and accumulators, Duracell invests each year a double-digit million amount to ensure that almost half of all batteries placed on European markets are being collected, correctly sorted and recycled. We are also constantly looking into making our Belgium based plant and distribution centre more environmentally sustainable.

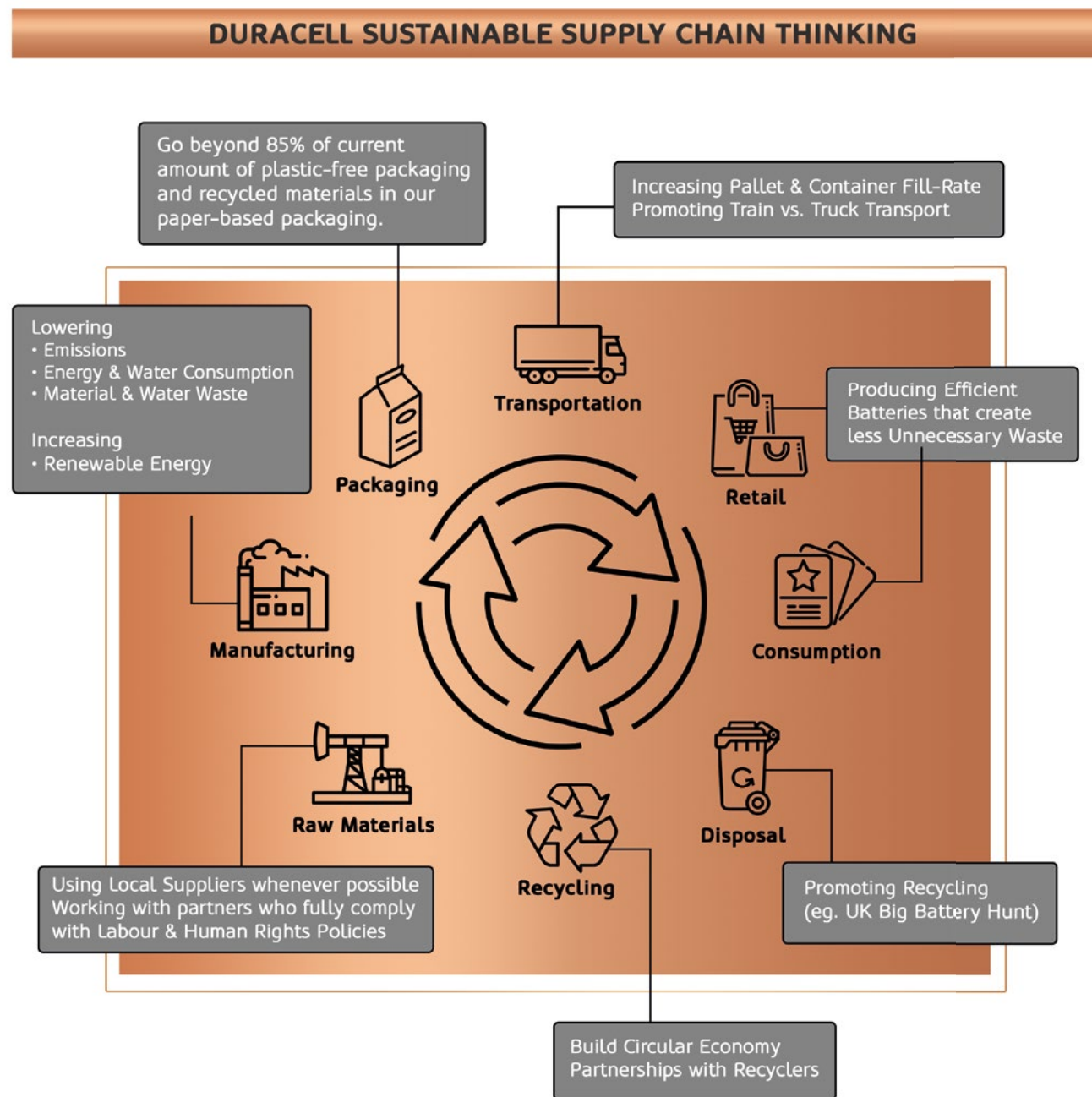
Re-using certain materials also helps us to decrease water and energy consumption and to reduce waste and carbon emissions.

In addition to the above, more than two decades ago, we voluntary stopped adding any heavy metals such as mercury or cadmium to all our batteries. Duracell's superior alkaline batteries are composed of common, safe materials such as steel, zinc, and manganese. They do not pose a health or environmental risk during normal use or after disposal and are easy to recycle.

## 1. Supply Chain

### Duracell Sustainable Supply Chain Management Overview:

Below is an overview of the action steps that we take throughout the Duracell supply chain aimed at reducing the company environmental footprint. We are seeking for efficiencies starting from our material supply all the way to our customers and consumers. It is also the base to define Duracell first set of Sustainability Key Performance Indicators that are being listed separately.



### Duracell Europe and Africa Plant & Pack Operations

#### Aarschot Plant Operations

Duracell AA & AAA batteries for the Europe & Africa region are produced at our plant at Aarschot.

It is located in the province of Flemish Brabant in Belgium and falls within the local jurisdiction of the Flemish Brabant Local Authority.

Under Belgian Law, and as part of our license to operate, we are required to secure an environmental permit which contains several conditions applicable to our energy, water consumption and the environmental impact on the local community.

In August 2016 this environmental permit was renewed as a result of our ongoing efforts to improve the efficiency of our production processes and therefore consume less utilities and lower our environmental impact.

The local regulation is compliant with the EU Directive 2011/92/EU on Environmental Impact Assessment.

#### Aarschot Certification and Quality Assurance

The Aarschot Plant is certified ISO 9001:2008 and complies with the requirements for the manufacturing of cell and battery components and assembly of primary alkaline batteries.

The plant oversees the receiving of materials, processing of chemicals, assembly of batteries and their transportation to the Heist Pack Centre where they are labelled and prepared for customer distribution.

### Heist Pack & Distribution Operations

Our Pack Centre is located in Heist-op-den-Berg, a municipality of Antwerp and 10 kilometres from the Aarschot plant.

It is the central location for packaging, display creation, labelling and distribution for the entire Europe & Africa region.

The Heist Environmental Permit regulates

- waste management
- back-up generators (energy use)
- discharges to drains (limited to 4,500m<sup>3</sup> per year)
- storage of hazardous materials (such as oil, zinc oxide, manganese oxide, flammable liquids, glue, cardboard)

#### Heist Certification and Quality Assurance

Heist Pack Centre is certified ISO 9001:2015 for quality management and assurance.

#### Heist Transportation Logistics and Efficiencies

We are always looking into ways to minimise the environmental impact of our operations. This relates in particular to international shipping, as the Heist Pack Centre dispatches many pallets in plenty of trucks each year.

To maximise our logistics' efficiency, we developed a smart way of increasing the fill-rate of every single pallet. Optimally packed, unnecessary empty space is avoided, packaging material is saved and more pallets per truck can be shipped. And if the full loading space of each truck is used efficiently, less of them need to be on the road.

**Sustainability Key Performance Indicators (KPI's):**

Duracell is committed to track, report, and analyse all relevant parameters that can best give measurement of the company's environmental footprint.

Our first goal was to have these measurement tools and processes in place at our manufacturing facilities. This enabled us to

**Packaging Material**

Already from 1990 on, we started to make our packaging to be more environmentally sustainable.

Where possible, we stopped using blister or plastic materials and moved to cardboard as our primary packing material. Since then 85% of our cells are held in by cardboard packaging, which again is made from 85% recycled materials.



not only continuously reduce consumption of utilities (water, energy), but also lower the amount of emissions and waste year on year (please see graphs on page 30, 31 & 32).

As we move ahead, we will extend our effort and track the environmental impact of our entire end-to-end supply chain and operations and take actions to reduce it significantly further.

Plastic is mainly being kept for the Coin Cell Child Safety Pack. Here, a double blister makes it impossible for babies or toddlers to access a coin cell with bare hands and thus potentially to swallow the cell. In this particular case consumer safety outweighs the environmental benefit.

However, we will continue to develop paper-based packaging made from recycled materials for the years to come. The following highlights the evolution of the Heist Pack Centre and our packaging as such.

Facts and Figures shown across the following pages are generated via internal monitoring and audits. Plant specific data is provided by the "Annual Report of the Environmental Coordinator", issued by Health & Safety Work Committee.

**Percentage of Recycled Materials in Packaging and Product**

85% of our packaging comes from recycled materials including recyclable paper and cardboard, recyclable wood and recyclable synthetics.

**up to 100%** of our packaging can be reused or recycled.

**Recycling Certification**

All cardboard used in our packaging is recyclable, and has the Green Dot certification in Germany, as well as the Nordic Swan Ecolabel certification.

Both classifications represent the highest standards in recyclable materials within the region of Europe & Africa.

**Recycled Product Materials**

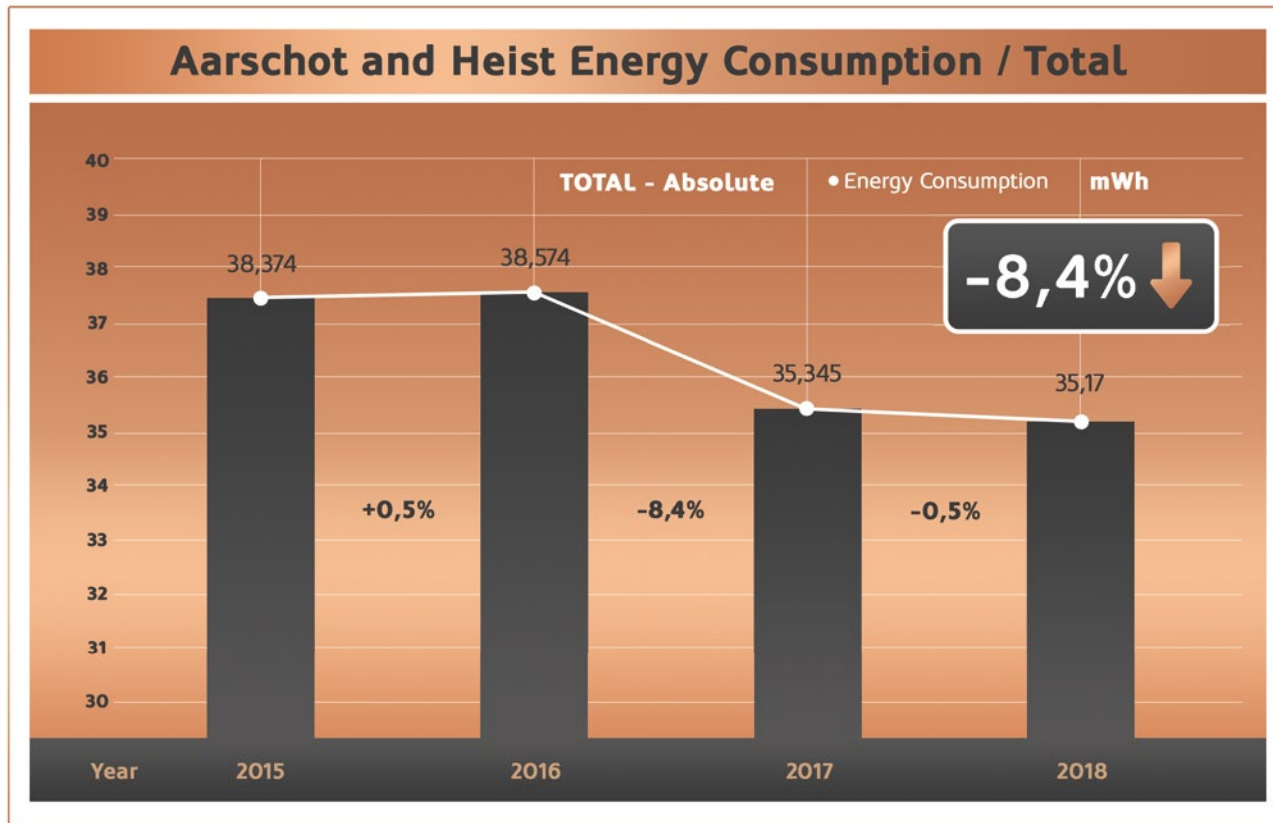
More than two decades ago, we voluntarily eliminated heavy metals from our batteries.

Since then, Duracell's superior alkaline batteries are composed of common, safe materials such as steel, zinc, and manganese. They do not pose a health or environmental risk during normal use or after disposal and are easy to recycle.



**85% of Duracell's paper-based packaging is made from recycled materials**

**Aarschot and Heist Energy Consumption**



Electricity equates to around 70% of our total energy use.

**Aarschot:**

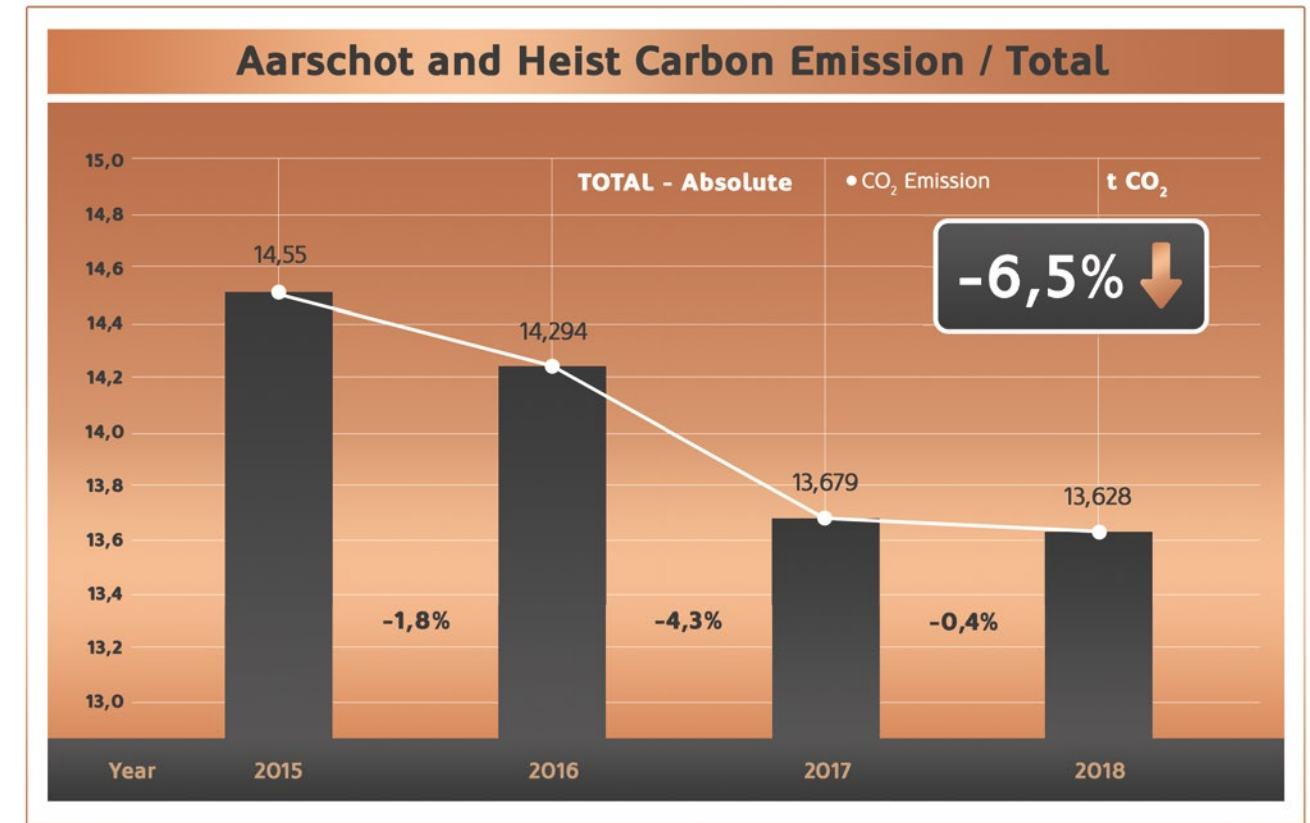
The manufacturing of batteries requires energy. Duracell constantly monitors and reviews its energy consumption and continuously invests in more efficient technology to increase the energy efficiency of its production process year on year.

**Heist:**

Similar to Aarschot, the energy consumption of the Heist Pack Centre is constantly monitored. This includes all energy used for packing operations, lighting and heating of the centre and warehouse, and even energy consumed for the canteen.

*Between 2015 and 2018 we reduced our energy consumption by 8.4% and lowered our carbon emission by 6.5% at both plants.*

**Aarschot and Heist Carbon Emission**



**Aarschot and Heist Material Waste**



We managed to reduce material waste by 22.7% in both sites through improved manufacturing operation and material management. Importantly, both Aarschot and Heist do not generate any landfill waste.

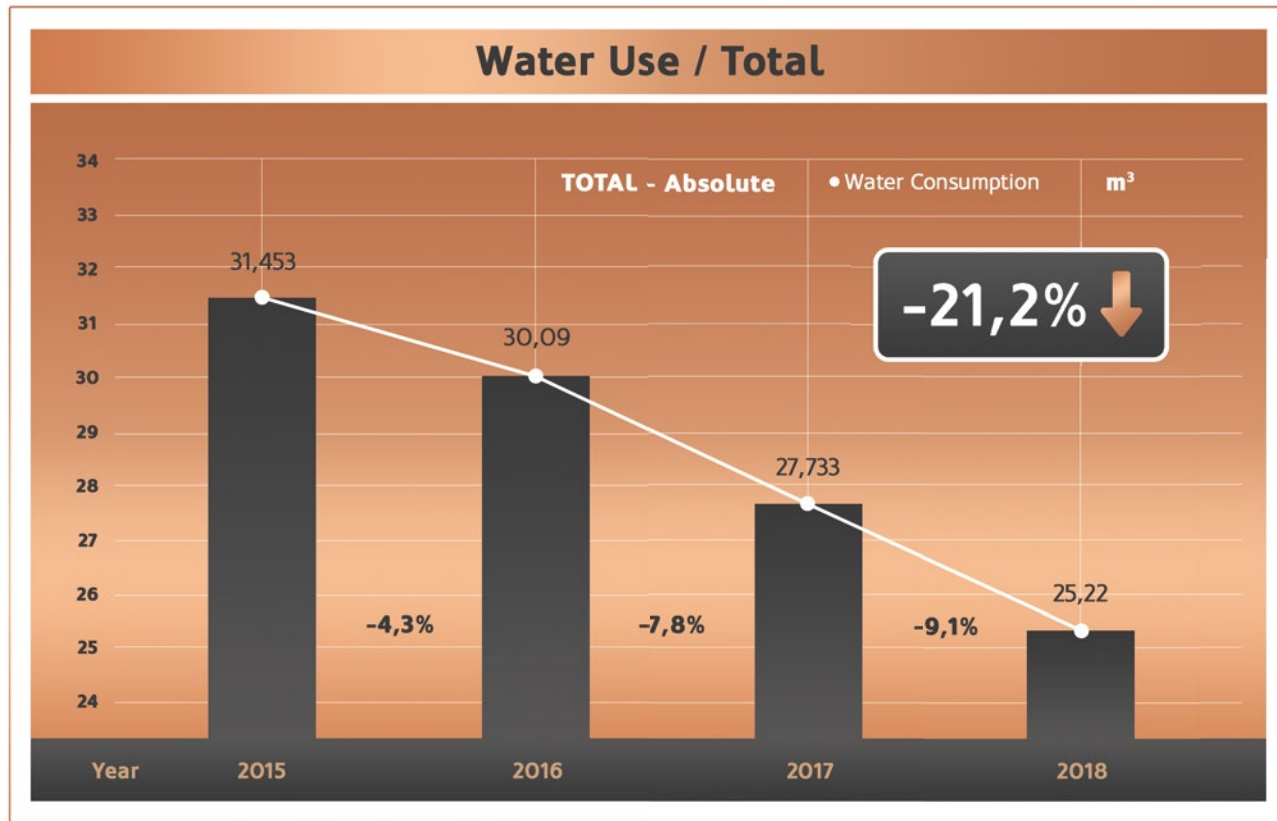


**Water Use**

Between 2015 and 2019 we were able to reduce the water consumption at our plants by 21.2%.

As part of our environmental permit, we are limited to the amount of water that we can use at our sites for domestic and industrial uses.

Domestic uses include plumbing in kitchens, office spaces, toilets and changing rooms. Industrial uses in the washing of cells, cooling, chemical treatments and other uses within the manufacturing process.



**Renewable Energy**

**Aarschot**

As part of our 2020 ambition for Duracell, we aim to move to 100% renewable energy at Aarschot and Heist. We recognize that renewable energy is a very efficient way of reducing emissions and thus we can help fighting climate change.

We are also examining ways to make our static locations more environmentally sustainable. We have begun to research the logistics of installing solar panels on the roof of Heist Pack Centre to take place in the year ahead.

**Other Manufacturing Improvements: Emissions to air at Aarschot**

In order to ensure that we can reduce and manage the emissions at our site we have

implemented a number of practices such as

- monitoring the air quality every six months
- specific measures on site to manage dust dispersion
- regular updates of our processes to ensure that we are meeting best practices.

**Noise and Nuisance at Aarschot**

In May 2012, a full acoustic study was carried out by a recognised expert at our Aarschot site. Around 30 sources of noise had to be remediated. This remediation was carried out in two phases, the last of which was completed in early 2015. The March 2015 acoustic monitoring measurement shows that Duracell fully complies with regulations regarding noise. Internal procedures ensure that the advice of the noise expert will always be taken into consideration for each new project and when replacing existing installations.

## 2. Product

Our Quality Assurance Standards extend beyond certification, as we thoroughly test and inspect every battery that leaves our plants. All of our products are subjected to 59 rigorous quality inspections on performance, leakage prevention, open circuit voltage and label verification.

We test batteries in harsher conditions that would ordinarily be met by consumers to guarantee safe performance in the context of regular use. We check more than 4,000 cells each month more rigorously both internally and at third party facilities for:

- Temperature shock resistance test from 71°C to -29°C to determine the effects of drastic changes in temperature on battery seals and materials.
- Temperature humidity resistance to determine the effects of elevated temperature and humidity on battery seals and materials. Batteries are put in an environment of 60°C and 90% relative humidity.
- Deep discharge resistance to mimic a device with no electrical shutoff like, for instance, when a consumer forgets to turn it off. The battery is expected to be failsafe, avoiding a dangerous, potentially explosive situation.
- Cell drop resistance test to ensure that even after such an event the battery will still perform.

**Safety vents:** All Duracell batteries are equipped with a safety vent that allows a battery to release built-up pressure occurring through misuse or under adverse conditions.

**Product standards:** Duracell is participating in the development process of standards for battery-powered electronics and toys, with a focus on making access to batteries harder for children, for example, by ensuring they are protected by a screw-in plate.

**Manufacturing standards:** We are also working through the International Electrotechnical Commission (IEC) and other standard-setting organisations to continuously improve battery construction and safety.

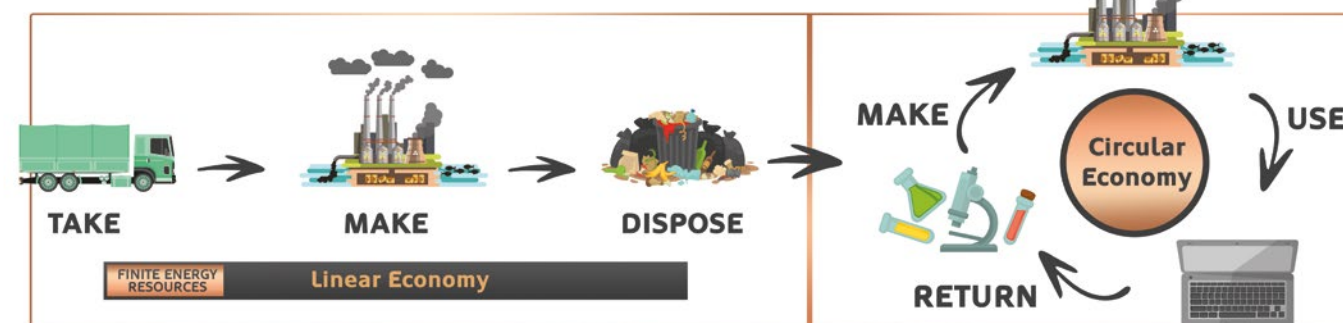
**Intellectual Property:** Next to copyrights of the iconic copper and black branding, the Bunny and the Duracell logo/trademark, we also have patents around our technologies and processes to make our batteries long lasting.

## 3. Duracell's Recycling Activities

Duracell acknowledges that the Linear Economy Model (Take-Make-Dispose) is not sustainable in the long-term in the context of finite (and increasingly expensive) planet resources, and fast-growing population and consumption. We believe that in the future a transition to a Circular Economy model (re-use, recycle, no production losses) is necessary. Duracell supports and operates in full compliance with European law, adhering to regional recycling programmes set out by the European Commission.

and managed model, which is safe and responsible, we can ensure that all battery manufacturers contribute to an industry-wide waste avoidance system.

We adhere to the collection targets set by the European Battery Directive, which stated for 2017/18 that 45% of all batteries placed on the market need to be collected and subjected to recycling. Consumers across Europe are already very engaged with battery recycling.



We are working closely with various collection and recycling schemes across Europe to make sure as many batteries as possible are being properly collected and recycled – today and for the years to come. As an active member of the European Portable Battery Association (EPBA) we are very engaged in collaborating with the European Commission to constantly improve battery collection and recycling streams. Using the EPBA's industry-led

13 countries already meet or exceed this target, led by Switzerland: 71%, Luxemburg and Sweden: 60%, Austria and Belgium: 55%.

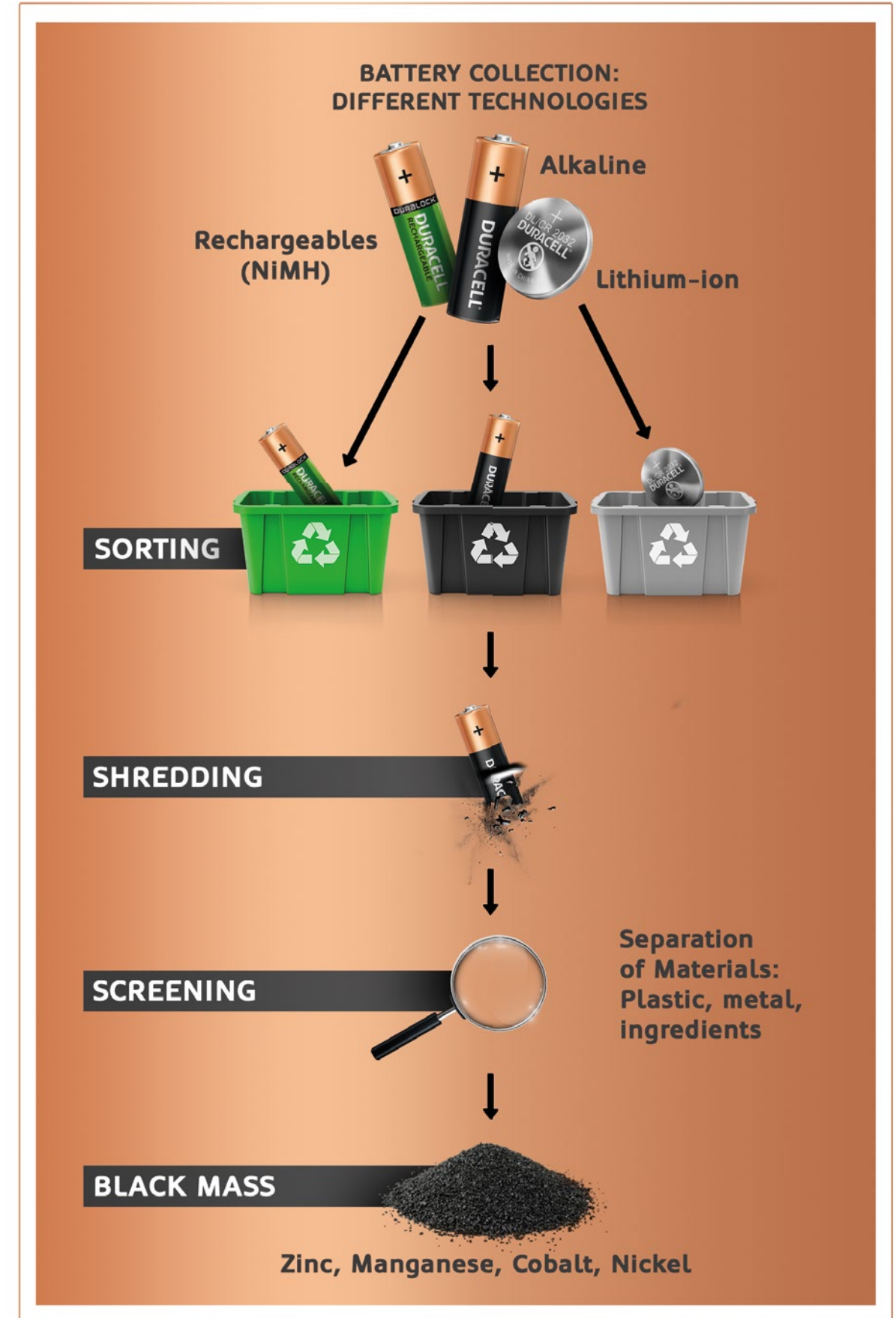
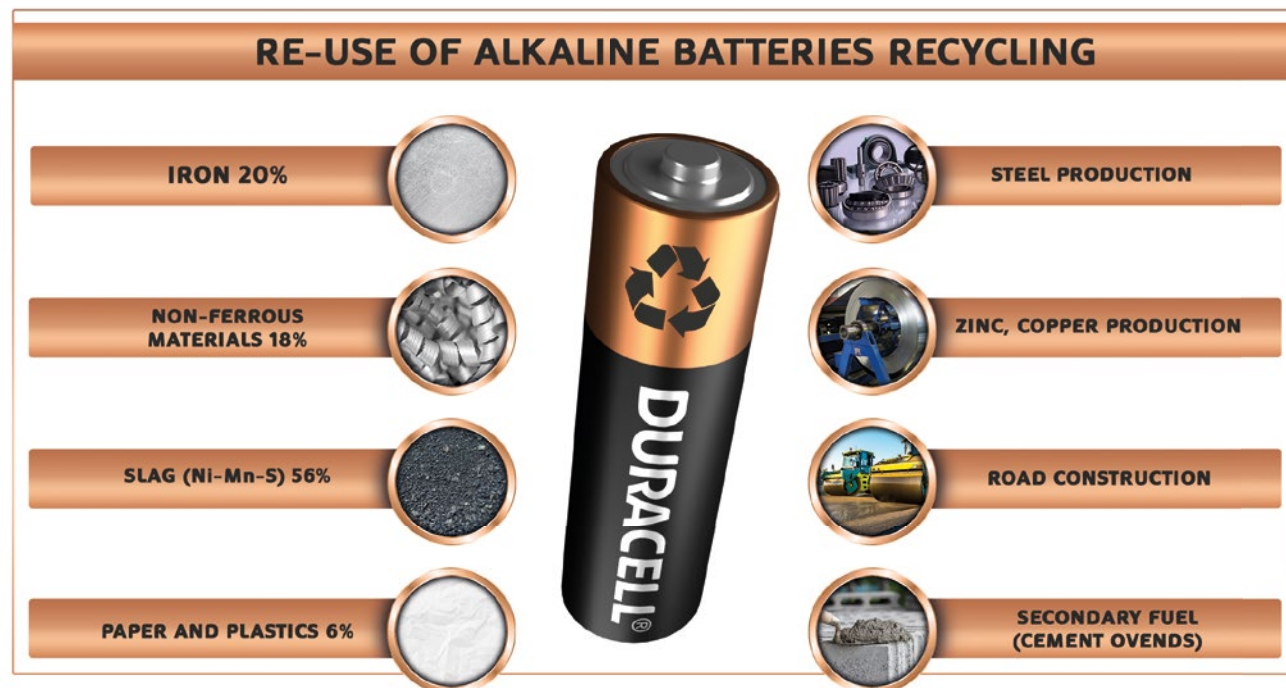
Duracell takes its Extended Producer Responsibility (EPR) very seriously. We invest more than €10 million per year in the collection and recycling of batteries, ensuring that all products we make or sell, as well as associated waste, is safely collected, transported and recycled.



**Overview of Alkaline Batteries' Recycling Process:**

There are 8 Alkaline Battery Recyclers across Europe that claim between 70-90% recycling efficiency. The output of the recycling goes back to the steel industry, road construction, and non-ferrous mate-

rial suppliers. Paper and plastic are used as fuel/energy recovery for various industries. As part of its sustainability journey, Duracell has initiated discussions with the recycling industry to seek solutions to increase recycling efficiencies and value throughout the recycling value chain.



### Duracell's "The Big Battery Hunt" increases Recycling in the UK

The recycling of portable batteries is important. It prevents unnecessary waste from occurring and helps to recuperate valuable raw materials. And while hardly anyone would argue with the statement above, the collection and recycling rates of batteries within the different countries of the EU vary

#### Birth of The Big Battery Hunt

In 2017 Duracell piloted "The Big Battery Hunt", motivating children and their families to start going after all those dormant, empty batteries. Intentionally timed to coincide with Easter (hunting spirit already traditionally triggered by eggs), we collaborated with the "National Schools Partnership" to promote The Big Battery Hunt among primary schools across Britain.



quite significantly. While the Swiss, Belgians or Swedish easily recycle more than half to almost three quarters of all batteries placed on the market, the British lag behind. Compared to their European peers, the UK has a much lower battery recycling rate, barely hitting the EU set target of 45%.

#### People Hoard Batteries

Why is that? One of the key reasons may be described with one simple word: hoarding. People keep used batteries at home. Usually in that one kitchen drawer where they sit for 5 years on average! And while almost everyone thinks of recycling paper, glass or PET, batteries have not yet become part of that everyday recycling routine.

As the UK market leader, Duracell thought of an innovative solution to the issue the entire industry is facing with: getting access to batteries hiding in British households by starting to encourage people to change their battery related recycling behavior.

The 40 participating schools:

- collected 107,000 batteries (2,675 per school) = approx. 20 tonnes
- held special assemblies or classroom sessions about battery recycling
- used specially provided Big Battery Hunt materials, such as collection boxes

In 2018 The Big Battery hunt was scaled up to **2,500 schools**, reaching over half a million pupils

Participating schools collected more than **500,000 batteries** - that's about **100 tonnes!**

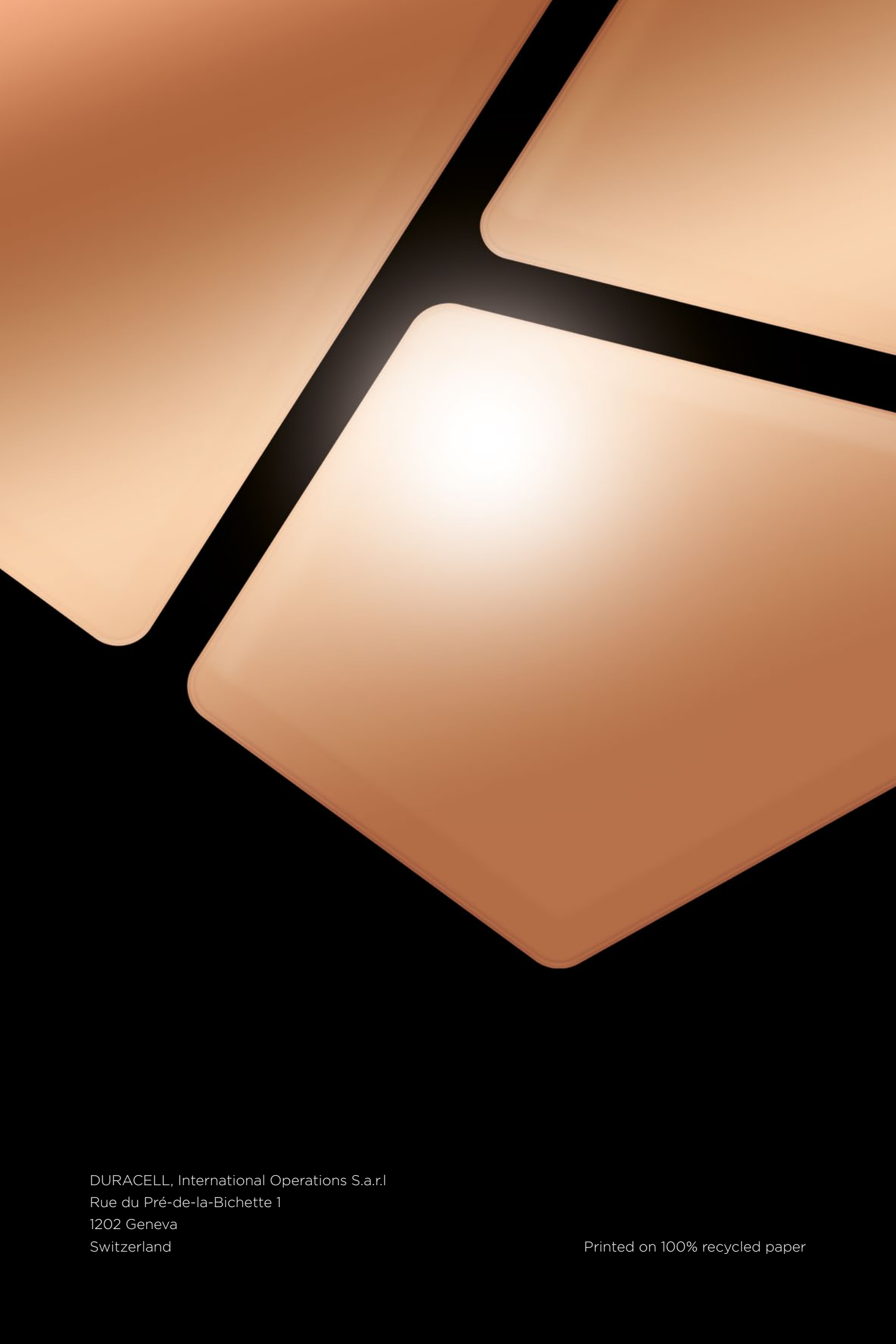
### Duracell - Powering a Sustainable Future

This 2018 report marks an important milestone on our Duracell Europe & Africa sustainability journey. For the first time, we have consolidated our regional sustainability efforts in one document, transparently showing the numerous things we are already implementing but also what we are aiming to improve.

**We will**

- keep on providing fulfilling work to our employees across the region, continuously ensuring equal opportunities regardless of gender, provenance or belief
- work even closer with our partners to increase the efficiency of our supply chain, and look for more sustainable opportunities from cradle to grave
- continue to innovate behind our battery technologies to make our cells even more performant and longer lasting, creating higher consumer satisfaction but less unnecessary waste
- drive the utility consumption further down at our production and pack facilities and keep on reducing waste and carbon emissions

These clear priorities will not only help us to improve our future sustainability performance, but also represent the strong fundament for our 2019/20 sustainability strategy.



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