



Managing Director's Message

At ECOBAT we want to play our part in addressing climate change through a business that aims to be sustainable. We have to make safety our top priority. We have to earn and maintain the support of society. We have to take action to help safeguard the environment for future generations. Issues of sustainability are vital for the future of our business at ECOBAT.

We believe that operating in a sustainable way, taking care of our people (our ECOBAT Family), our communities and also taking care of the environment where we operate is the only way to do business.

As this report shows, across ECOBAT all of our key measures of Health, Safety and Environmental (HSE) performance were better in 2016 than in 2015, and indeed significantly improved from say five years ago. Our aspiration is to have no accidents, no harm to people and no damage to the environment - and that means we always have more to do.

To earn the support of society ECOBAT needs to be a responsible operator that is prepared to recognise and help to resolve many different concerns - among them HSE issues, economic impacts and relationships with communities, suppliers, customers, partners and governments.

The EU Divisional Management Board (EMB) is made up of a strong functional Leadership Team. We individually and collectively have strong ethical values and support each other in leading our businesses. As a Leadership Team we don't just say that managing HSE matters, it is our No. 1 priority, we truly believe it and we visibly act with proactive leadership on this agenda. Good HSE is good business and our license to operate as a Company - ECOBAT.

Our industry sector faces many challenges, in particular those relating to the known health effects from lead and lead emissions. As a Company with the reputation of an industry leader we must continually challenge ourselves to do better and become the best that we can be. With this in mind, the falling metal prices and rising feedstock costs have been a major challenge for our industry, with sharply reduced cash flow and earnings affecting the choices we can make.

We have sought to address difficult choices in a way that is sustainable, showing resilience in the short term while continuing to invest in a disciplined way for long-term growth. Whatever adjustments we make, safety and risk management are not compromised.

We operate in many countries with a range of political systems, regulatory frameworks and business cultures. One of our responsibilities is to act consistently with regard to values and ethical conduct so people know exactly what they can expect from ECOBAT regardless of where they are in the world. That's why we put such emphasis on employee adherence to our compliance agenda as well as our core values:

- Performance-driven – setting standards
- Pride – World Class Heritage Tradition
- Progressive – always looking for improvements
- Green – demonstrate environmental leadership

At ECOBAT Technologies we invest heavily in new plant, equipment and process technology and continuously look for cleaner, better, safer and more efficient technologies. We continuously challenge ourselves to be innovative and creative in our solutions. This has been clearly demonstrated by our investment in the use of Phyto-remediation techniques used at our ECOBAT SpA Marcianise facility to remediate contaminated soil.

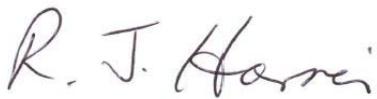
To ensure we have a bright and sustainable future ECOBAT will set 'real world class standards' that go beyond compliance. We should support stricter and more demanding targets for industrial lead emissions and blood-lead limits for our Employees and Associates. It is important that ECOBAT is seen to be the leaders of change, continually improving performance, and not see itself as a victim of legislative burden. The legislative demands placed upon the lead industry are necessary to protect our Employees and Associates within our ECOBAT Family and the wider communities in which we operate.

Here at ECOBAT Technologies our Vision 2021 programme sets a clear direction and commitment which will see our organisation maintain their reputation as a world leader in recycling energy storage batteries, HSE and operational and commercial performance.

Whilst the industry is facing many challenges we must not forget the successes of our industry. Lead has the highest known recycling rate of any recycled material in the world and much higher than the more commonly known materials such as paper, glass and aluminum.

Furthermore, lead-acid batteries are the world's most recycled consumer product. It is estimated that 99% of lead-acid batteries are recycled and around 95% of each lead-acid battery that are taken into the ECOBAT group is recycled. Lead-acid batteries are safely used in around 1 billion petrol and diesel vehicles around the world. Lead-acid batteries are also very popular in providing energy storage solutions for telecoms and renewable energy suppliers. We have a bright and sustainable future by doing what we're good at. Our Company for All Seasons (CASE) Strategy provides us with the direction and vision of what we aim to become... a World Leading Manufacturing and Recycling enterprise with a diverse business portfolio.

There are many challenges for our industry but for more than 30 years, through our core values, business capabilities and relationships, ECOBAT has adapted and navigated through changing times. We will continue to do so, building a business that is sustainable in every sense.



Rob Harris