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# SUSTAINABILITY POLICY

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## 1. INTRODUCTION

### Purpose

Sustainability is at the core of Verkor's mission of making **Europe a key global manufacturer of low-carbon batteries** to tackle climate-related issues in the energy storage and transport sectors.

Verkor believes that corporate sustainability starts with its value system. As such, Verkor is *powering the way forward with sustainable batteries for a responsible energy transition* in alignment with its initial mission to rehumanise, decarbonise, and re-localise the battery value chain. Verkor's mission is upheld by its four core values (Contribution, Communication, Team Spirit, and Goal) which are communicated company-wide and during employee onboarding.

Verkor has thus structured its business model to support a **sustainable and responsible approach to the battery life cycle** throughout its operations.

Verkor's ESG policy (the "Policy") serves as a framework to ensure that Verkor is operating in a manner that is ethical, environmentally sustainable, and socially responsible. It provides a set of guiding principles for its operations and business partners to support our work towards achieving Verkor's sustainability objectives.

### Applicability

This Policy applies to all Verkor's employees, suppliers, and business partners linked to Verkor's operations. The company seeks to collaborate with all its partners to identify, avoid, reduce and compensate any negative impacts on the environment and people across its operations and supply chain and seeks to preserve the resources.

For timely and effective response measures, Verkor expects all its suppliers to comply with the standards set out by applicable law. Additionally, Verkor requires its suppliers to adopt sustainability principles in their operations and supply chain that are at a minimum in accordance with the guidelines specified in Verkor's policies including this Policy, the Human Rights Policy, Anti-Corruption and Anti-Bribery Policy and the Supplier Code of Conduct.

This Policy was approved by senior management and developed in consultation with third-party experts. It is communicated through the website to external partners and communicated internally (in key areas of the company or in presentations to all employees). It has to be read in conjunction with the Supplier Code of Conduct, the Human Rights Policy, Verkor's Anti-Corruption and Anti-Bribery Policy and other relevant Verkor policies.

### Verkor's Commitment

Climate change presents the greatest challenge to our generation – to overcome it, we must adopt practices that minimise the impact of human activity on the environment. Battery electric vehicles offer a critical alternative to existing fossil-powered vehicles to drastically reduce carbon emissions in the transport sector. Based on forward political momentum, industry transformation, and consumer awareness, the movement towards electric vehicles is now in full force and has thus created an unprecedented demand for high-performance battery cells in Europe, where domestic supply has yet to meet domestic demand.

Against this backdrop, **Verkor is leading an ambitious approach to battery-cell manufacturing that associates technical expertise with a strong commitment to sustainable development principles**, thus powering the production of battery cells while promoting sustainability commitments.

Verkor and its team are driven by the prospect of **creating a positive impact** through a resource-conscious approach that puts people and ethics first. As such, Verkor is proud that its team members are from diverse academic and industry backgrounds covering the scientific, social, and legal aspects of responsible business conduct and that they carry the sustainability values, attitudes, and behaviours driving Verkor.

**This Policy describes Verkor's commitment to having sustainability lead Verkor's operations and decisions.**

## 2. PLANET PRESERVATION AND RISK PREVENTION

To deliver on its commitments, Verkor is implementing systems to ensure compliance with applicable environmental laws, regulations, and permits. Protecting the environment is a collective responsibility and we aim to collaborate with our local ecosystems of partners to achieve our common goals. Verkor's environmental commitments are consistent with the national and international standards, including the OECD Guidelines for Multinational Enterprises, the EU Battery regulation, the OECD Handbook on Environmental Due Diligence in Mineral Supply Chains, the EU Corporate Sustainability Due Diligence Directive and the French Duty of Vigilance Law.

### Industrial risk prevention

Verkor is installing and benchmarking the best existing technologies to monitor the industrial risks, in particular cell and battery fire and chemical risks, and to limit its impact on health, safety, the environment and business continuity to a minimum.

- Highly sensitive fire detection and protection systems for all our premises
- Automatic detection and protection systems on cells in Formation areas
- Gaz detections
- Preventive maintenance of our installations
- Operational organization in emergency situations and jointly with the emergency services
- Treat and monitor of our discharges at the strictest levels
- Audit regularly by independent bodies and insurers

### Major Accident Prevention Policy

As the Dunkirk plant is identified as a SEVESO high threshold site according to the French Environmental regulation, this policy ensures to local stakeholders and the surrounding community a safe environment including compliance regarding applicable industrial risks requirements. Facilities and equipments are designed, built, operated, and maintained in accordance with the state of art, with a view to preventing major accidents involving hazardous substances or mixtures and limiting their consequences for the population and the environment. The means are proportionate to the major accident risks identified in the hazard study.

The protection of the environment and the prevention of technological risks are at the forefront of Verkor's concerns.

As such, the means and resources necessary to rigorously apply and enforce our Safety Management System (SGS) are given.

Verkor's commitment takes several forms:

- Analyze and preventively address the technological risks generated by the activities and reduce them as much as possible at the source,
- Be part of a continuous improvement process by using and disseminating internal and external feedback and systematically analyse any malfunctions in order to be able to react without delay to prevent major accidents,

- Communicate transparently to foster a climate of trust with the partners (customers, suppliers, administrations, local authorities, local residents, etc.), and set up the means of immediate communication in the occurrence of an accidental event that has or is likely to have an impact on the environment of our sites,
- Regularly test and continuously improve our contingency plans (“Plan d’Opération Interne”) and crisis management procedures, as well as the ability of our teams to deal with them,
- The effectiveness of the system and the implementation of this major accident prevention policy (PPAM) will be achieved through audits of the application of the Safety Management System (SGS) as well as by means of reports that are presented in Management Review.

This policy is available to the authorities, submitted for the opinion of the social and economic committee, and communicated to the employees. Verkor ensures that the level of risk control is maintained. This policy is updated and reviewed periodically and as a minimum: before a new facility is commissioned before significant changes are implemented and following a major accident.

### Chemical risk prevention

Our team is constantly seeking ways to limit the use of hazardous chemicals through the following means:

- Monitor and anticipate regulatory developments.
- Automate processes and use closed loops to prevent contact with hazardous products.
- Investigate R&D process using less hazardous chemicals for future products (going toward all CMR substances substitution).
- Monitor employees’ exposure to limit chemical risks.

### Sobriety on the use of resources

To fulfil its ambition and maintain its position as a sustainable producer of batteries, Verkor aims to continuously minimize its resource consumption to the lowest possible level. To reach this goal, the company set up actions in our internal decision-making process such as incorporating sustainability criteria in the supplier selection matrix and into critical raw materials sourcing decisions. Digital platforms are implemented to monitor every production step from design to manufacturing. A dedicated platform for traceability and data analytics is set to identify specific bottlenecks/anomalies during production and minimize them through actionable insights.

### Low Carbon Electricity

Verkor energy choices for its own activities are essential. The company systematically evaluates its energy sources and commits to **optimise and reduce the use of energy** and integrate low-carbon energy sources in its energy supplies.

As a manufacturer of low-carbon batteries, Verkor contributes to decreasing the lifecycle carbon emissions of mobility. It recognises the environmental impacts caused by upstream mining and refining activities in addition to the energy and waste incurred downstream. Hence, Verkor has set greenhouse gas emissions reduction targets and for its operations and supply chain in line with its carbon footprint reduction strategy.

### Resource efficiency

Through its digital innovations, Verkor aims to continuously optimize the energy and materials used to manufacture its cells. It recognises the decrease of energy or material consumption results in reduced impact on people and the environment. Real-time monitoring of Verkor’s digital solutions increases the manufacturing process efficiency and performance and thus reduces waste generation and preserves resources.

### Recycling

Verkor acknowledges that the environmental and societal impacts of raw material mining are significant, particularly for battery metals. With its innovative approach to waste management and recycling, Verkor intends to valorise the waste produced from its activities. Verkor develops methods to reduce production waste, maximise the recycling and the reintegration of recycled content in the production process. Verkor is committed to comply with the EU Battery Regulation's recycling targets and aims to surpass regulatory requirements when it comes to maximising recycled content.

### Water stewardship

Verkor is committed to preserve and protect water resources, recognising their vital importance for human health and the ecosystems. Verkor strives to minimise water consumption by using less water-intensive production processes, effectively reuse and recycle water, and use appropriate and effective treatment of wastewater after minimising discharges. As an example, Verkor has chosen low water consumption cooling systems (air-based cooling towers instead of water based) in its Dunkirk plant to drastically reduce local water consumption.

### Soil and land degradation

Verkor understands the significance of soil quality for surrounding community health and biodiversity. Verkor upholds local and national regulations when it comes to disposing and discharging liquid and solid waste as well as atmospheric release and aims to reduce emissions (air, water, waste). Measures taken to protect biodiversity, water resources and other natural resources contribute to soil health protection.

For example, Verkor strictly limits the amount of soil brought in for its site requirements, giving priority to the use of soil in situ. All storage and use areas are perfectly sealed to prevent soil pollution. Groundwater quality is monitored to guarantee the absence of contamination.

Finally an Emergency Preparedness and Response Plan is set to define the activities and procedures to be implemented for the planned response to prevent emergencies in case of accidental spillage during the construction and operation phases of the project, or to minimize potential damage that may occur due to emergencies.

### Biodiversity, ecosystem degradation

Verkor is committed to preserve the ecosystems and minimize the impacts on biodiversity. The company seeks to protect ecosystems and respect protected areas related to our operations by collaborating with local stakeholders. For all these projects, Verkor applies the AVOID/REDUCE/COMPENSATE principle in compliance with regulations.

A biodiversity management plan describes the measures to be taken to prevent or minimize impact on biodiversity. A third-party biodiversity inventory was realized to evaluate unaltered biodiversity and ecosystem characteristics and indicators, included in the Environmental Impact Assessment, were defined for construction and operation periods. Invasive species are monitored during the project.

## 3. SOCIAL RESPONSIBILITY, HEALTHY & SAFE WORK ENVIRONMENT

**Respect for human rights is core to Verkor's commitments.** Verkor has thus structured its business model to support a local value chain and provide a sustainable approach to the battery life cycle that **strictly respects human rights across all business operations**. Verkor commits to respecting all fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption by **promoting a culture of integrity and care**.

Verkor's social, economic, and human rights commitments are consistent with international declarations and good practice frameworks, including the International Bill of Human Rights, the ILO Declaration on

Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, the IFC Performance Standards, and the OECD Guidelines for Multinational Enterprises. The scope of risks and commitments covered is aligned with the EU Battery Regulation, and the EU Corporate Sustainability Due Diligence Directive.

This section of the Policy lays **Verkor's key-focus on its social responsibility, including its duty to provide a healthy and safe work environment.**

## Safety

In developing and updating its health and safety strategy, Verkor follows the International Labour Organization's recommendations and the French Labor Law. Verkor places safety as the top main priority and seeks continuous improvement in the health and safety conditions it provides to reach its **zero-accident target**.

To achieve its ambitious goals in an efficient and secure way, the company deploys a **safety culture of prevention**. This safety culture is fed by the contributions of the Verkor community through a participative process which comprises:

- Eliminating hazards and reducing health and safety risks in the workplace
- Risk assessment
- Combating risks at source
- Adapting work to people
- Taking into account technical developments
- Replacing what is dangerous with what is less dangerous
- Planning prevention by integrating technology, work organisation and conditions, social relationship and the environment.
- Giving priority to collective protection measures and only use personal protective equipment to supplement collective protection if it proves inadequate
- Giving appropriate instructions to employees, meaning training and informing them so that they are aware of the risks and preventive measures:
  - Training for all employees from day one
  - High ratio of trained employees on Health and Safety at Work
  - Training for all managers
  - Safety integrated in team topics (meetings, dashboards)
  - Digitalization to promote visual management
- System for collecting, processing, and providing feedback on near misses and hazardous situations (bottom up).

## Human Rights Commitments

Verkor's Human Rights Policy further outlines Verkor's commitment to respect all human rights and responsible labour practices, including specific commitments for some human rights risks. This ESG Policy should be read and interpreted in light of Verkor's Human Rights Policy. Verkor **prohibits the use of child labour** in its own operations and does not tolerate the use of child labour anywhere in its supply chain. Verkor requires its suppliers and contractors to demonstrate their adherence to national labour laws and ensure all staff meet minimum age requirements. Following the ILO's Minimum Age Convention, Verkor will not employ any individual under the age of 15 years for general work nor will it employ any individual under the age of 18 years for hazardous work. Verkor also **prohibits all forms of forced labour** in its own operations and does not tolerate the use of forced labour anywhere in its supply chain. Verkor follows the ILO Forced Labour Convention.

## Trade Union Freedom

Verkor respects the rights of its employees to join or form trade unions, associations, or other forms of worker empowerment without fear of discrimination or retaliation. Verkor respects the principle of collective bargaining towards safeguarding working conditions, wages, and additional benefits. Verkor is committed to negotiating with representatives in good faith to foster a productive and harmonious working environment.

## Workers' rights, people development and talent growth

Verkor's most valuable asset is its human capital. Verkor's ambition is not just to be the best producer of batteries, but also a responsible and fair employer with a clear focus on employee well-being, diversity and equal opportunities, engagement and economic opportunities. Our key commitments in this area are as follow:

- Foster commitment to progress.
- Consider talents as a competitive advantage.
- Contribute to people development and talent growth.
- Use information, consultation and participation to include the team in the company development.
- Analyse company social impact.

## Diversity, Equality, and Inclusion

Verkor's team has been **international and diverse** from the start. Verkor multidisciplinary team brings together talent from around the world to build an innovative project on a European scale. Diversity and inclusion are key success factors for the company and a core value that the company will continue to foster in the future. This approach also comes with challenges which the company is committed to address through the following company values and culture:

- Uphold Verkor's values and behaviours so that they are effectively applied across all operations.
- Establish transparent remuneration scales and evaluate its reliability regularly.
- Treat everyone equally, with respect and kindness, inside and outside the organisation.
- Zero tolerance towards any kind of discrimination.
- Being proactive in the inclusion of minorities / disadvantaged people, including by working with local authorities.
- Foster this diversity through dedicated actions. Verkor has established a Care and Culture Committee to foster a respectful and inclusive workplace culture.

## Health & Well-Being

Verkor believes that a healthy and safe work environment also means improving working conditions. Verkor promotes its employees' **physical and mental well-being** by ensuring access to proper health care, fostering positive human relations within the workplace, and encouraging professional development. Verkor acknowledges that as Gigafactories are being implemented in Europe, access to talents will be key to its success. Verkor is committed to taking care of its team-members and broader community by:

- Maintaining and optimizing working conditions for all Verkor's employees.
- Eliminate hazards and reduce health and safety risks in the workplace.
- Promoting flexibility to allow each employee to adapt their working conditions to their own needs.
- Respecting everyone's private life and ensuring that there is no intrusive or other inappropriate behaviour.
- Making sure that projects worked on satisfy employees' expectations.
- Being vigilant and proactive in preventing and remedying harassment, isolation, and overwork.

## Community life and indigenous people rights



Verkor is committed to respecting the rights of local communities and indigenous peoples to decent living conditions, education, employment, social activities and the right to free, prior and informed consent (FPIC) to developments that affect them and the lands on which they live, with particular attention to the presence of vulnerable groups. Verkor recognises and respects the diversity, cultures, customs and values of the people in the communities where it operates and where its supply chain may have an impact, and takes into account their needs, concerns and aspirations regarding their heritage and traditions. Verkor is thus committed to collaborate with suppliers and local stakeholders to promote communities and indigenous people's rights in its supply chain.

## 4. GOVERNANCE/BUSINESS INTEGRITY

### Combating Bribery & Corruption

Verkor believes that corporate sustainability commands the **promotion of a culture of honesty and integrity**. Verkor's Anti-Corruption and Anti-Bribery Policy further details Verkor's commitment to comply with all anti-corruption laws and regulations applicable to its activities wherever it does business.

Verkor is committed to respecting all ethical practices in relation to the fight against corruption that are consistent with international and national declarations and good practice frameworks, including the United Nations Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Due Diligence Guidance) and the French Law Sapin II.

### Governance & Ethics

For Verkor, governance and ethics go well beyond compliance. Our vision of the company is to generate authenticity and sincerity within and outside its boundaries, which is why we:

- Include team representatives in the definition of strategy and in decision making through their participation in the company's governing bodies.
- Empower team members and provide them with autonomy, applying subsidiarity principles, with leaders being available to guide, mentor and support.
- Reach the highest standards in financial and ethical principles and run regular audits.
- Implement a structure where team members and stakeholders can easily escalate issues when they find that rules are not respected.

### Stakeholder engagement and shared value

Verkor operates in a wide ecosystem which comprises customers, technical partners, suppliers, institutions and communities. At each stage of its development, Verkor wants to make sure that converging objectives are sought, and that value is created for Verkor and its stakeholders. To achieve this value creation, our company:

- Meets regularly with major stakeholders and establishes stakeholder engagement panels for major projects.
- Communicates transparently and honestly with stakeholders and employees, particularly on difficult subjects.
- Establishes a community register to receive and facilitate the resolution of concerns related to the operation of Verkor's factory.
- Creates value for the company and its communities, making the approach integral to the company's profitability and competitive position.

## 5. RESPONSIBLE SOURCING AND VALUE CHAIN RELOCALISATION

Verkor seeks to identify, assess, avoid, mitigate, or remediate adverse impacts on human rights and the environment that it may cause through its business or contribute to through its supply chain, from the mine to the module. With that objective, the company conducts supply chain due diligence following the five-step framework of the OECD Due Diligence Guidance .

In its battery mineral supply chain, Verkor is committed to identify, assess, mitigate and remediate the risks covered in the Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and in the Annex X of the EU Battery Regulation.

Suppliers must accept and sign the Verkor Supplier Code of Conduct as part of the purchase agreement. The Verkor Supplier Code of Conduct extends our requirements and expectations in alignment to this Policy towards suppliers on their commitment to responsible sources practices. The Supplier Code of Conduct is legally binding and communicated to all suppliers.

Verkor expects its suppliers to ensure responsible sourcing in their own organizations in a manner consistent with the mentioned frameworks, all applicable laws and regulations, and the principles of the Verkor Supplier Code of Conduct.

Verkor engages in continuous process to achieve traceability of its raw materials from the mine to the module, as traceability involves having holistic knowledge about the location and methods with which raw materials and intermediate products are manufactured.

Hence, suppliers are requested to disclose the origin of materials that they supply to Verkor and have to undergo a due diligence if Verkor considers that the materials are related to potential violations of the principles outlined in this Policy and have a high-level of risks.

Where it is identified that Verkor has caused or contributed to adverse impacts on any of the ESG risks covered in this Policy or that the existence of any of the ESG risks is directly linked to Verkor operations, the company commits to providing or cooperating with relevant stakeholders to provide remediation for individuals and communities as well as contribute to initiatives that provide remedies commensurate with the gravity of the impact.

## 6. IMPLEMENTATION

### Reporting violations

Potential violations of the Policy can be reported by employees and other internal stakeholders to the Economic and Social Committee of the company (CSE).

Suppliers and other stakeholders can report potential violations of this Policy to Verkor. The complaint can be sent by email ([grievance.grenoble@verkor.com](mailto:grievance.grenoble@verkor.com), [grievance.dunkerque@verkor.com](mailto:grievance.dunkerque@verkor.com)), letter, phone, or through an online form available on Verkor's website. All complaints are registered in a specific form and addressed by the HSE team through a standard investigation and response procedure.

All complaints are handled with due respect for confidentiality and Verkor has a zero-tolerance policy against retaliation. If a violation is confirmed, it may result in disciplinary actions proportional to the gravity of the violation, up to and including termination of the contract with the employee or supplier. The investigation will lead to additional measures to prevent future non-compliance. Verkor also aims to collaborate with suppliers to support them in resolving and mitigating adverse impacts from their operations.

## Governance structure

An ESG committee is being established to develop Verkor's ESG strategy and define action plans required to achieve the Company's sustainability goals. It will be responsible for ensuring compliance with EU sustainability reporting regulations.

Furthermore, this ESG committee will be composed of members from different teams, such as representation from the sustainability, legal, quality, HSE and finance departments. The ESG committee will meet every quarter and report to the Workplace Health Safety & Environment (WHSE) committee.

The Management Committee approves the ESG Policy which is made publicly available on [verkor.com](https://verkor.com). Verkor will continuously assess the efficiency of the Policy and will ensure the Policy is reviewed and updated on a regular basis.

Verkor's environmental, social and governance material topics will be assessed using a double materiality assessment conducted in the framework of the compliance with the Corporate Sustainability Reporting Directive. The inputs from this work will be included in the next version of this policy.

This Policy is to be read in conjunction with other relevant company policies, including the Verkor Supplier Code of Conduct, the Human Rights Policy, the Anti-Bribery and anti-Corruption Policy and other relevant company policies on other ESG topics that may be adopted in the future.

## 7. CONTINUOUS IMPROVEMENT


The purpose of this Policy is to actively contribute to the performance and sustainability of Verkor based on the principles of continuous improvement and sustainable development: PLAN/DO/CHECK/ACT. After ISO 9001 certification obtained in 2024, the purpose is to certificate Verkor's plants according to international standards IATF16949, ISO 14001, ISO 45001 and ISO 50001.

## 8. RELATED AND UPCOMING POLICIES

This policy is to be read in conjunction with other relevant company policies, including the Verkor Supplier Code of Conduct and Verkor Human Rights Policy.

Benoit Lemaignan, CEO

*Benoit Lemaignan*

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