SUSTAINABILITY REPORT

2024

VERKOR

CONTENTS

Introduction

Presentation of this report

Photo: Adrien Tanghe

Born of the drive to decarbonise mobility in Europe,

Verkor is committed to sustainable development by helping advance electric mobility in a responsible way.

This report presents the company's performance on environmental, social and governance topics, highlighting the related impacts, risks and opportunities, as well as the actions taken to address them.

In line with the requirements of the Corporate Sustainability Reporting Directive (CSRD), we have integrated as many criteria as possible to bring us closer to full regulatory compliance by 2028 for the 2027 reporting year. The CSRD strengthens Environmental, Social and Governance (ESG) reporting standards to improve the transparency and comparability of corporate information. By aligning our reporting with these standards, we are demonstrating our commitment to transparency and our motivation to operate sustainably.

This report covers the following aspects:

CORPORATE GOVERNANCE

Company management and our sustainability commitments; material topics, impacts, risks and opportunities (IROs) that the company has identified and must consider in its strategy, as well as stakeholder expectations.

CLIMATE CHANGE AND ENERGY

Our efforts to reduce our carbon footprint and adapt to climate change; energy and greenhouse gas (GHG) key performance indicators (KPIs), together with the progress we have made to hit our targets.

RESPONSIBLE VALUE CHAIN

Our initiatives to improve working conditions, promote human rights and mitigate the environmental impacts of our value chain.

OUR PEOPLE

Our workforce and our action plans to ensure health and safety, improve working condition and increase diversity, equity and inclusion.

COMMUNITIES AND PARTNERS

Relationships with the communities in our value chain, and with consumers and end-users; our involvement in projects to develop the battery industry in Europe; the yearly assessment of the Ecole De La Batterie (EDLB).

RESPONSIBLE BUSINESS

Our governance framework, including the policies and procedures we have put in place to ensure ethical and responsible business conduct, as well as cybersecurity and data protection.

By publishing this report, we reaffirm our commitment to make a responsible contribution to the energy transition.

We are convinced that continuous improvement is essential for Verkor's long-term success.
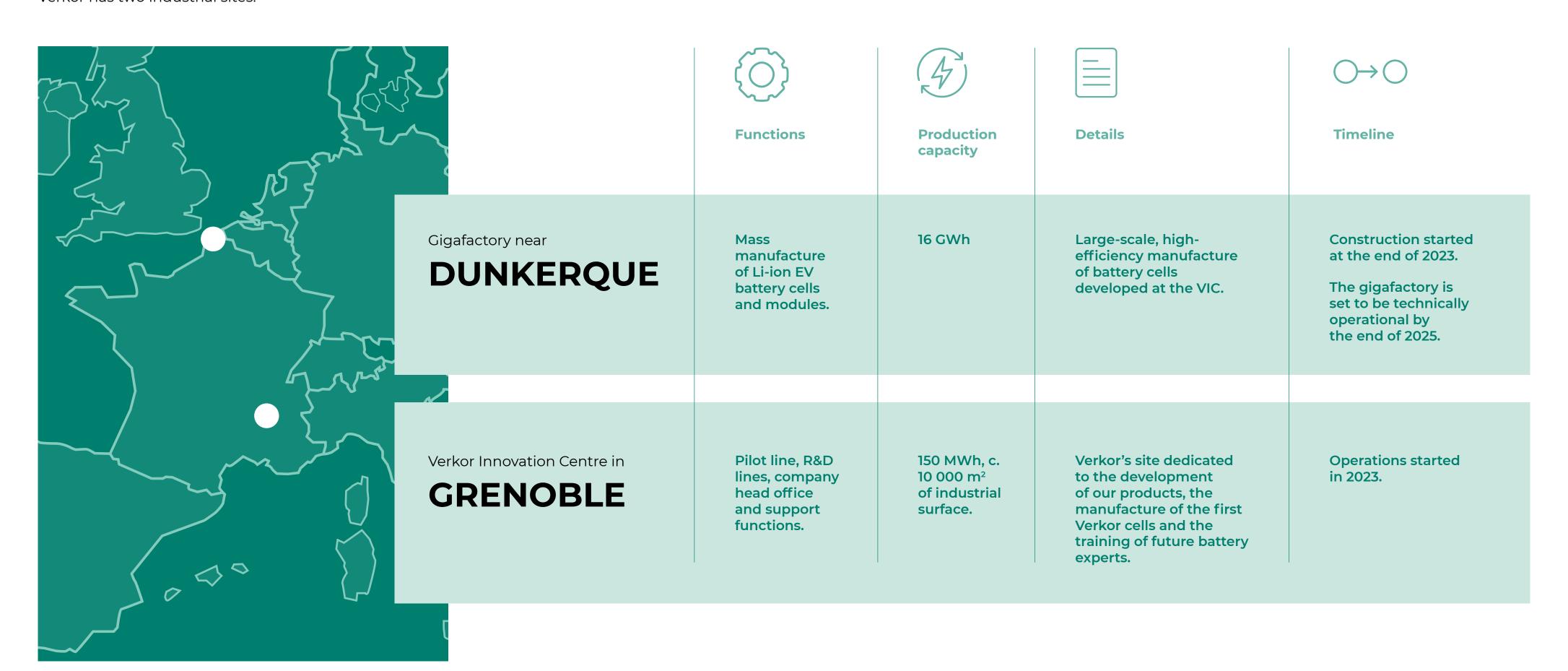
We invite our stakeholders to support us in this approach and to challenge us to deepen our ESG commitment.

Photo : Adrien Tanghe

Our company

Operations and sites

Verkor specialises in the production of lithium-ion battery cells and modules. Thanks to its expertise and commitment to innovation and sustainability, Verkor aims at becoming the trusted cell manufacturer, a recognised player of electric mobility and energy storage in Europe.

Verkor has two industrial sites:

		Functions	Production capacity	Details	Timeline
Gigafactory near **DUNKERQUE**		Mass manufacture of Li-ion EV battery cells and modules.	16 GWh	Large-scale, high-efficiency manufacture of battery cells developed at the VIC.	Construction started at the end of 2023. The gigafactory is set to be technically operational by the end of 2025.
Verkor Innovation Centre in **GRENOBLE**		Pilot line, R&D lines, company head office and support functions.	150 MWh, c. 10 000 m² of industrial surface.	Verkor's site dedicated to the development of our products, the manufacture of the first Verkor cells and the training of future battery experts.	Operations started in 2023.

Verkor aims to manufacture low-carbon batteries at a high-efficiency production plant using innovation and digitalisation.
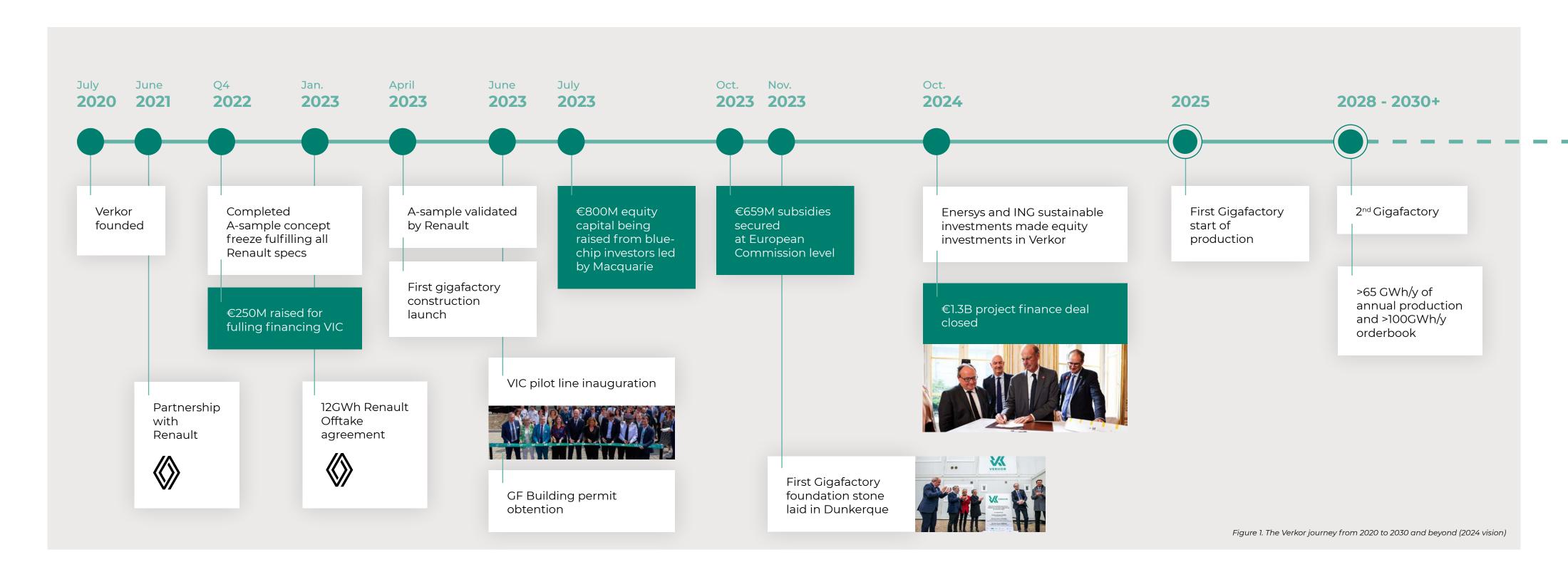
Thanks to its location in France, the company benefits from the country's low-carbon electricity mix.

Verkor recognises that a sustainable approach must encompass the entire value chain, beyond its direct operations. That is why we are committed to reducing our carbon footprint and promoting responsible practices at every stage of the lithium-ion battery lifecycle.

As such, the company, beyond its own operations acts throughout the value chain to create a positive impact.

- **Upstream value chain: Verkor strives to create a responsible supply chain by selecting suppliers who respect human rights and the environment.**
- **Downstream value chain and circular approach: Verkor contributes to the development of the European recycling industry with other partners, to minimise the environmental impact of end-of-life batteries, creating a circular value chain**

In short, Verkor strives to become a trusted and engaged European leader in the manufacture of lithium-ion batteries, combining innovation, sustainability and responsibility to contribute positively to the environmental transition.

Timeline:

- **July 2020** — Verkor founded
- **June 2021** — Partnership with Renault
- **Q4 2022** — Completed A-sample concept freeze fulfilling all Renault specs; €250M raised for fulling financing VIC
- **Jan. 2023** — 12GWh Renault Offtake agreement
- **April 2023** — A-sample validated by Renault; First gigafactory construction launch
- **June 2023** — VIC pilot line inauguration; GF Building permit obtention
- **July 2023** — €800M equity capital being raised from blue-chip investors led by Macquarie
- **Oct. 2023** — €659M subsidies secured at European Commission level
- **Nov. 2023** — First Gigafactory foundation stone laid in Dunkerque
- **Oct. 2024** — Enersys and ING sustainable investments made equity investments in Verkor; €1.3B project finance deal closed
- **2025** — First Gigafactory start of production
- **2028 - 2030+** — 2nd Gigafactory; >65 GWh/y of annual production and >100GWh/y orderbook

Figure 1. The Verkor journey from 2020 to 2030 and beyond (2024 vision)

Market context and business model

Electric vehicle (EV) battery market growth

Despite a slowdown in growth in 2023, the market for electric vehicles in Europe continues to expand on the back of technological innovations, European regulation and rising demand for more sustainable transport solutions. The last Global EV outlook released by the International Energy Agency (IEA) expects the world demand for EV batteries to increase from 1 TWh in 2023 to more than 3 TWh in 2030. In Europe, the demand should reach over 790 GWh in 2030, compared to 180 GWh in 2024[1].

As part of its national low-carbon strategy (SNBC), France expects that 66% of new cars sold in 2030 will be electric[2], rising to 100% in 2035, which should increase the proportion of electric vehicles on the road from 2.2% at the beginning of 2024[3] to 15% in 2030[4]. The government is responding to that need by working to step up EV and battery manufacturing in Europe. The installed battery production capacity in Europe increased by 10% in 2024, and committed projects — i.e. those that are either under construction or have reached a final investment decision — should quadruple Europe's capacity by 2030.

Challenges and opportunities

Strong European ambitions — such as the Net-Zero Industry Act (NZIA), which targets 40% European production capacity for zero-net technologies by 2030, and the mobility decarbonisation trajectory, which targets 100% zero-emission vehicles sold by 2035 — provide a supportive legislative framework for the development of the battery sector.

However, challenges remain. Europe needs to overcome obstacles related to battery production, access to raw materials and secure associated value chain, international competition and recycling to effectively support the transition to electric vehicles. This also presents a huge opportunity for European players to develop projects ranging from battery component manufacturing, recycling, to training in the battery industry.

For the European electric automotive sector, 2024 was a year marked by deep uncertainty. The political context was unstable, with changes in the European Commission, the dissolution of the French National Assembly, the dissolution of the German Parliament and the end of German market subsidies for EVs in late-2023.

The European battery sector hit a bumpy road in late 2024 when Northvolt, Europe's homegrown first mover battery maker, filed for Chapter 11 protection in the United States. This led the investors to be more cautious. In addition, controversies surrounding electric vehicles in Europe point to an ongoing need to educate the public to support massive EV adoption. There are however lessons to be learnt from this journey.

Finally, aggressive competition from Chinese battery and EV manufacturers remains a clear challenge for the European industry. There should be support mechanisms to ensure a level competitive playing field.

Despite these headwinds, in 2024 Verkor continued to grow, closing a major debt financing deal and finalising investor processes in October and adding a new customer to its portfolio. These two events reinforced the strength of the Verkor model.

1. www.iea.org/reports/global-ev-outlook-2025

2. www.auto-infos.fr/article/le-gouvernement-souhaite-66-de-vehicules-electriques-dans-les-ventes-en-2030.284547

3. www.statistiques.developpement-durable.gouv.fr/393-millions-de-voitures-en-circulation-en-france-au-1er-janvier-2024

4. www.auto-infos.fr/article/le-gouvernement-souhaite-66-de-vehicules-electriques-dans-les-ventes-en-2030.284547

RESOURCE INPUT

830 employees
(FTE) at the end of 2024

150 MWh/year
pilot line capacity (VIC)

16 GWh/year
designed capacity for the GF

14.7 GWh
of electricity consumption at the VIC in 2024

741 tonnes
of raw materials purchased in 2024

7,170 M³
of water withdrawal at the VIC

29 investors
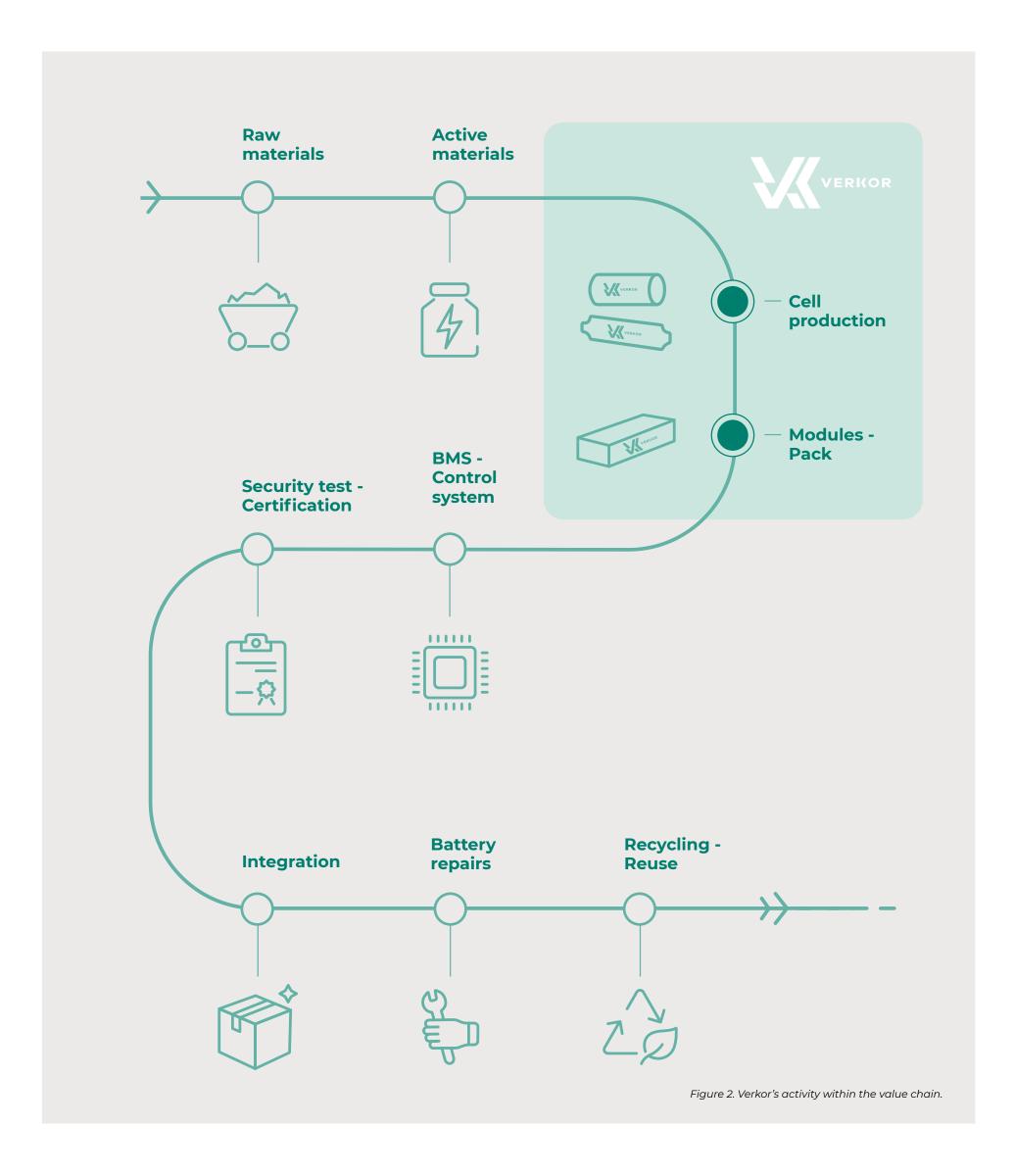including 20 industrial partners

€800m
min. equity C Series fundraising

€659m
subsidy commitments secured

€1.3 bn
dark green loan closed

VERKOR'S VALUE CHAIN

Raw materials

Active materials

VERKOR

Cell production

Modules - Pack

Security test - Certification

BMS - Control system

Integration

Battery repairs

Recycling - Reuse

Figure 2. Verkor's activity within the value chain.

VALUE CREATED

LOW-CARBON & SAFE

battery cells

+30,000 cells produced and delivered in 2024

30 patents filed in 2024
68 since the company's creation

59 battery training **modules** created or adapted at EDLB

487 jobs
created in 2024

3,000+ people
trained at EDLB in 2024

12+ project contributions
European and French
(see Projects and Partners section)

80 %
of total waste recycled

Highlights in 2024

Photo: Flavien Grincourt

BUILDING THE CORE AND SHELL OF THE GIGAFACTORY

After its foundation stone was laid and foundations built in 2023, in 2024 the Gigafactory made groundbreaking progress in its construction.

The production and support infrastructure was developed, with the construction of the production plant, utility buildings, offices, logistics warehouse and boiler room. The HVAC, electrical and plumbing systems were installed, ensuring the proper operation of the facilities.

Additional living quarters were also built to house the increasing number of Verkor's employees and site contractors, offering optimal working conditions. To facilitate employees' access to the site, a bus service is provided between the Gigafactory and the city of Dunkerque.

Connection to the high-voltage electricity grid was completed four months ahead of schedule, thanks to the commitment of France's grid operator RTE, and a 225 kV high-voltage substation was installed. The high-voltage transformers, delivered to the Port of Dunkerque in February 2024, were integrated into the Gigafactory electrical system.

The arrival of production equipment and machinery by ship at the port of Dunkerque marked a crucial stage in the plant's deployment.

RECRUITMENT CAMPAIGN

Verkor's recruitment campaign officially launched as planned, with the goal of hiring 1,200 permanent staff by 2027 at the Gigafactory — including 300 hired in 2024.

In September 2024, in partnership with the USDK Handball Dunkerque club, Verkor organised its first 'job dating' event in Dunkerque to present 200 career opportunities in production, maintenance, quality, supply chain and support functions. The day was a success thanks to our partners Alliance Emploi, Entreprendre Ensemble, France Travail and GEIQ — the local employment associations we work with to create job opportunities. Of the 1,200 people who attended, 400 left with an appointment to continue the recruitment process.

In addition to the job dating, Verkor took part in a large number of events to promote jobs in the battery industry, such as the Fabulous Factory as part of Dunkerque's industry week.

From the outset, Verkor has promoted a culture of diversity and inclusion from the recruitment phase. This is reflected in the variety of profiles of its team members. At a time when women account for less than 30% of employees in the industrial sector, Verkor wants to shift the paradigm to better integrate women in roles at the heart of tomorrow's industry. Refer to the Diversity, Equity and Inclusion section of this report.

DARK GREEN LOAN

Verkor secured more than €1.3 billion in green financing with the support of 16 commercial banks and three public banks. These amounts will go directly towards financing the construction of Verkor's first Gigafactory, in Dunkerque. This new transaction brings the total amount of financing secured by Verkor for its first Gigafactory and the Verkor Innovation Centre to more than €3 billion.

After a complex two-year process, with the impetus provided by lead banks (European Investment Bank, Bpifrance, ING BANK N.V, and Banco Santander) and financial advisors (Diadamante, Société Générale and Macquarie Capital), Verkor secured support from new public and private players. The company is therefore meeting the financing needs of its first Gigafactory and creating a robust financial ecosystem to support the company's growth.

As proof of the environmental quality of its project, Verkor received a 'Dark Green rating — the highest on the green financing scale — from independent agency Standard & Poor's. This rating reflects excellence across all the environmental criteria assessed, which will be regularly audited and measured to ensure the project's ongoing compliance and commitment to the environment.

Message from the CEO

Verkor's fundamental raison d'être - the core purpose of our engagement - is to advance the climate transition by accelerating the shift to electric mobility.

A word from Benoit Lemaignan, Chief Executive Officer (CEO)

We do this by stepping up the manufacture of low-carbon batteries in Europe and France, executed with the highest consideration for environmental and societal impacts, building in an ambitious circular value chain. We believe that the European ecosystem provides and must maintain a solid framework to build a sustainable industry — and this is of the utmost strategic importance. It is in this direction that we are working, despite the immense effort and dedication required to achieve responsible and competitive battery solutions in Europe. This is the way to unlock a reduction of over 30% in CO_2 emissions in Europe, while keeping our important automotive and trucks industrial footprint, by reshoring the battery value chain (more than 40% of the value of a car or truck).

Our vision encompasses the entirety of the value chain and ecosystem to deliver a complete sustainable solution. The value chain, from mining operations to end-of-life, and the ecosystem as a whole, are in the early days of development. They still need to gain in maturity in responsible sourcing possibilities, recycling facilities and talent development. It is part of Verkor's duty to work hand-in-hand with its stakeholders to push in that direction.

As our company is in full growth, it is imperative to remain focused on our objective: to manufacture, and to manufacture in the right way. It is a real challenge that we embrace, one step at the time, with transparency and humility. As such, our moto is to focus on our mission-critical items for 2025: ramp up the VIC and secure the start-of-production of our Gigafactory, and serve our partner and customer, the Renault Group.

We are proud of our achievements so far, and we are eager to reach the next steps, fully committed, humble, and arm-in-arm with our teams, stakeholders and shareholders.

Company sustainability management

The Supervisory Board - Eight members and three observers

Benoît Lemaignan
CEO & Co-Founder, Verkor

Bart de Beer
CFO, InnoEnergy – Chairman

Philippe Brunet
SVP Powertrain & EV Engineering, Renault Group

Victoire de Margerie
Independent

Chris Archer
EMEA Director, Macquarie

Timothée Pradier
Infrastructure Equity Manager, Crédit Agricole

Matthieu Muzumdar
Deputy CEO, Meridiam

Nicolas Dubourg
CEO, FSP

Observers
Chloé Schiaffino
Senior Investment Director, SPI (Sociétés De Projets Industriels) funds, Bpifrance

Observers
Guyve Sardari
Partner, Executive Director Europe Meridiam

Observers
Mathias Miedreich
Member of the Board of Management ZF Group

Its role is to define the overall strategy and supervise the general management of the company. The Supervisory Board provides guidance on strategic direction and policies, assesses risks and opportunities, and approves the targets and outcomes. It advises the Executive Committee.

The Supervisory Board has five sub-committees:

Project Finance & Construction (PFCC)

Technology & Growth

Audit & Risk

Nomination & Compensation

Workplace Health Safety & Environment (WHSE)

The Supervisory Board plays an important role in the sustainability process. Through the quarterly WHSE and Audit & Risk committees, it closely monitors ESG targets, action plans and outcomes and risk management. Its role is to ensure that the company operates sustainably while mitigating risks and seizing opportunities.

The Executive Committee

The Executive Committee comprised seven members in 2024:

Benoît Lemaignan
Chief Executive Officer (CEO)

Laurent Debrue
Chief Operating Officer

Christophe Mille
Chief Technical Officer

Edouard Desautel
Chief Sales Officer

Cedric Goarant
Chief Financial Officer

Cecile Zuber
Chief People Officer, Sustainability, Internal Communication

Thierry Figeac
Chief Sourcing Officer, VIC Managing Director

The Executive Committee is in charge of applying the strategy defined by the Supervisory Board and operating the company.
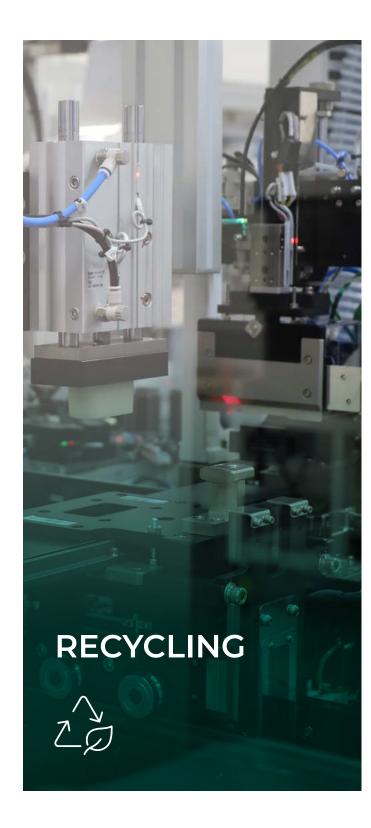
It is advised by two of the company's co-founders:

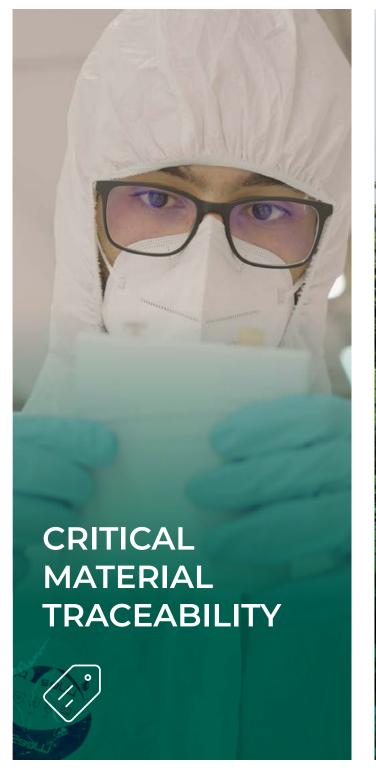- **Gilles Moreau**, on sustainability, innovation and communication matters,

- and **Philippe Chain** on strategy and customer matters.
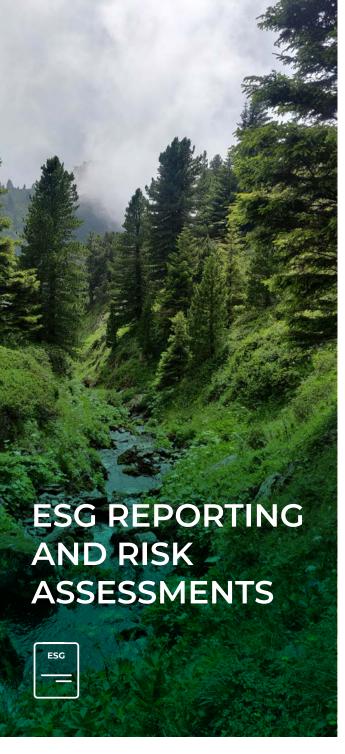
The automotive background of many of its members is a key asset for company management. Overall company policy is signed by the entire Executive Committee, and its application is monitored by the Supervisory Board.

Figure 3. Verkor Executive committee in 2024
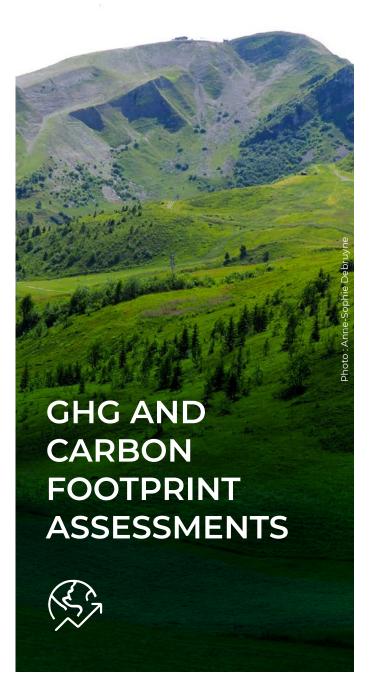
The Sustainability Team

Headed by Raphaële Thevenin, reporting to Cécile Zuber, the Sustainability Team oversees matters related to sustainability, such as:

RECYCLING

CRITICAL MATERIAL TRACEABILITY

ESG REPORTING AND RISK ASSESSMENTS

Photo: Anne-Sophie Debruyne

GHG AND CARBON FOOTPRINT ASSESSMENTS

The team supervises the ESG policy and action plans. They define the targets and roadmaps for approval by the Executive Committee.

Sustainability oversight

SUPERVISORY BOARD

- Ensures that policy deployed by the company meets shareholder expectations
- Reviews sustainability-related risks and opportunities in Verkor's strategy
- Adjusts and approves strategic guidelines on a quarterly basis

EXECUTIVE COMMITTEE

- Supervises and guides ESG strategy
- Ensures that targets are reached and that the expectations of the Supervisory Board are met
- Arbitrates on actions and outcomes

SUSTAINABILITY TEAM

- Defines the targets and roadmaps for Executive Committee approval
- Monitors actions and outcomes
- Coordinates sustainability policies and actions

360°C MEETINGS

Twice-monthly meetings between the Executive Committee, and top and middle managers to avoid silo working.

- Exchange on important ongoing topics in the different teams
- Sustainability roadmap, targets and outcomes can be presented during these meetings

AUDIT & RISK COMMITTEE

Analyse and review all risks at company level and mitigations in place.
It includes all ESG-related risks, such as those related to climate change or social and environmental risks in the supply chain.

WHSE

- Reviews and approves the WHSE policy matters securing the sustainability and environmental strategy of the company
- Supports Verkor's executives in their effective management of health, safety and environment issues in line with the guidance provided by the HSE Team

VERKORERS' COMMITTEES

Care & Culture Committee (CCC), Mobility Team, Climate Fresk Team

Committees initiated by employees to promote sustainability values inside the company.

- **CCC**: promotes diversity, equity and inclusion.
- **Mobility Team**: helps employees opt for low-carbon commutes by gathering their needs and expectations and finding solutions with the management team.
- **Climate Fresk team**: a team of Verkorers trained to run the Climate Fresk serious game. It works with the HR department to deploy it to all employees.

VERKORERS

- Deploy the sustainability action plans in every department
- Give feedback (via employee surveys and at all-hands meetings)
- Raise the alert on ESG issues: unethical behaviour, environmental incidents, high-risk situations, harassment, etc
- Raise ideas, help the Sustainability Team identify drivers
- Embrace the sustainability culture: respect the code of conduct, participate in ESG training, CCC events, etc

STAKEHOLDERS

- Share their needs and expectations on sustainability issues
- Give feedback on the company's results
- Raise the alert on any ESG issues they might detect

Table 1. Sustainability steering.

Highest person responsible for ESG topics

The CEO is responsible of and involved in ESG topics, the responsibilities are then split amongst the Executive Committee members as follows.

ENVIRONMENT

- Cécile Zuber is in charge of scrap recycling and carbon footprint..
- Cécile Zuber and Thierry Figeac for environmental issues in the supply chain.
- Laurent Debrue is in charge of pollution, energy and water management and biodiversity in our operations.

SOCIAL

- Cécile Zuber is responsible for working conditions, diversity, equity and inclusion, and training.
- Cécile Zuber and Laurent Debrue are responsible for health and safety.
- Cécile Zuber and Thierry Figeac are responsible for social impacts on workers and communities in our supply chain (human rights, working conditions, etc).
- Edouard Desautel is responsible for customer relations.

GOVERNANCE

- Cedric Goarant and Thierry Figeac are responsible for business conduct (anti-corruption, anti-bribery, payment practices, data protection, etc.)
- Laurent Debrue is in charge of cybersecurity.

Climate-related incentives

Verkor does not have any plans in the short term to implement climate-related incentives into the management team's compensation. However, this subject recognised as an effective lever for achieving sustainability targets and will therefore be reviewed at a later stage

Conflict of interest

Verkor condemns any form of conflict of interest and promote transparency and ethical business conduct. Conflict of interest is part of the company code of conduct and its anti-corruption policy. More details are available in the business conduct section of this report.

Double materiality assessment and IROs

Risk management and internal controls over sustainability reporting

Verkor applies a strict risk evaluation and management policy inspired by ISO 31000.

Sustainability risks are integrated into the global risk management system. Verkor identified and assessed its main sustainability risks, using the company risk assessment methodology, considering probability, impact and visibility criteria. For each risk, a mitigation solution is identified and followed with a target completion date and status. The risk register is updated every half year.

Verkor identified several types of risks and is using specific methods to address them:

Operational risks	Financial risks	Compliance risks	Strategic risks
Risks impacting operations (manufacturing, resource and machinery use, cybersecurity, product compliance, delays, etc.)	Interest rates, inflation, etc.	Laws and regulation across the supply chain and Verkor's various partnerships	Changes in the market and business environment, geopolitical risks, customer uncertainty, etc.).
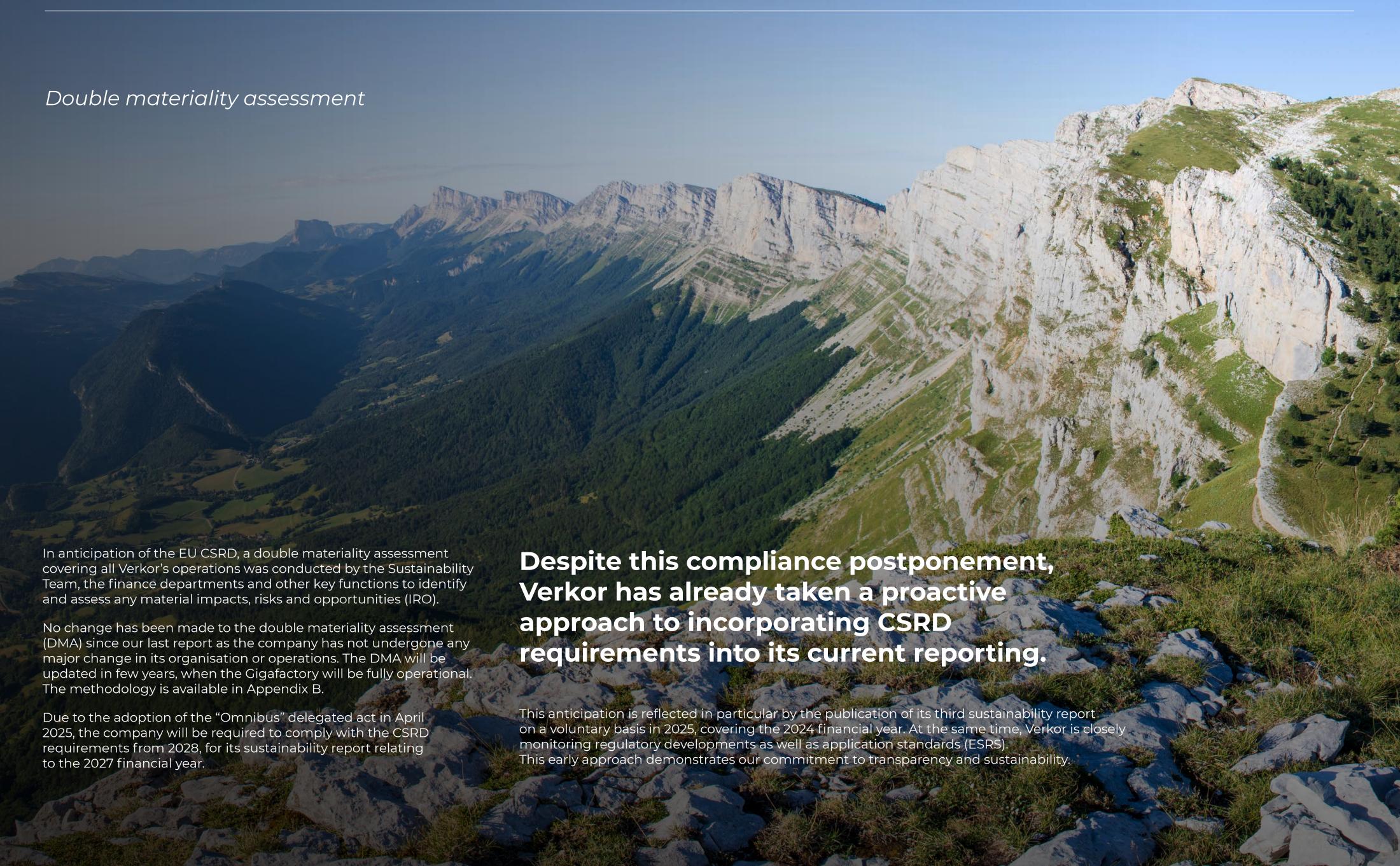
Photo: Adrien Tanghe

The risks management is closely monitored by the Supervisory Board through the quarterly Audit & Risk committee meeting.

There is a dedicated process for supply chain risks to assess, mitigate and eliminate them. More information is available in the responsible sourcing section of this report.

To ensure data consistency, our sustainability reporting is subject to internal controls. These are detailed in the Sustainability reporting protocol.

Double materiality assessment

In anticipation of the EU CSRD, a double materiality assessment covering all Verkor's operations was conducted by the Sustainability Team, the finance departments and other key functions to identify and assess any material impacts, risks and opportunities (IRO).

No change has been made to the double materiality assessment (DMA) since our last report as the company has not undergone any major change in its organisation or operations. The DMA will be updated in few years, when the Gigafactory will be fully operational. The methodology is available in Appendix B.

Due to the adoption of the "Omnibus" delegated act in April 2025, the company will be required to comply with the CSRD requirements from 2028, for its sustainability report relating to the 2027 financial year.

Despite this compliance postponement, Verkor has already taken a proactive approach to incorporating CSRD requirements into its current reporting.

This anticipation is reflected in particular by the publication of its third sustainability report on a voluntary basis in 2025, covering the 2024 financial year. At the same time, Verkor is closely monitoring regulatory developments as well as application standards (ESRS).
This early approach demonstrates our commitment to transparency and sustainability.

RESULTS OF THE DOUBLE MATERIALITY ASSESSMENT

This first double materiality assessment identified 14 material topics for Verkor, presented in the matrix below:

IMPACT (y-axis) / **FINANCIAL** (x-axis)

MATERIAL FROM AN IMPACT STANDPOINT

MATERIAL FROM BOTH AN IMPACT AND FINANCIAL STANDPOINT

- Human rights in the supply chain
- Working conditions in the supply chain
- Circularity of our batteries and materials

Energy and climate change

Pollution management

Health and safety

Community involvement and development

Water management   Human development

- Ethical affairs : transparency, anti-corruption - Responsible relationships in the supply chain
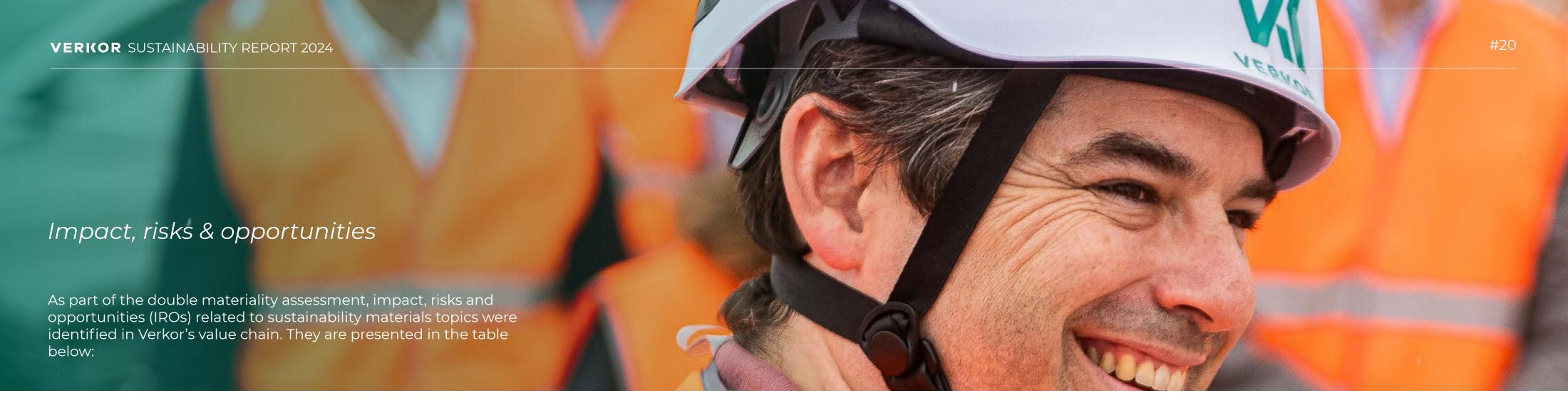- Impacts on biodiversity and ecosystems

_Equal treatment and opportunities for all

Consumer and end-user issues

Ecosystem development "shift to a new / sustainable mobility model"

_Working conditions (work-life balance and social dialogue)

Sustainable culture

NOT MATERIAL

MATERIAL FROM A FINANCIAL STANDPOINT

Colorful backgrounds : area where topics are material

● Social topics   ● Environmental topics   ● Other stakeholder topics

Figure 4. Double materiality assessment results.

Impact, risks & opportunities

As part of the double materiality assessment, impact, risks and opportunities (IROs) related to sustainability materials topics were identified in Verkor's value chain. They are presented in the table below:

OUR PEOPLE

VERKOR SUSTAINABILITY ISSUES	WHERE IT IS MATERIAL ON THE VALUE CHAIN	ESRS	NATURE OF IRO	MATERIAL IROs	TIME HORIZON • SHORT-TERM • MEDIUM-TERM • LONG-TERM	STAKEHOLDERS CONCERNED
Health and safety	At Verkor	S1	**R RS1.1**	Insufficient training in health, safety, and environmental (HSE) practices could result in a higher incidence of workplace accidents and occupational illnesses, exposing Verkor to legal liabilities, including fines and compensation claims, as well as potential operational disruptions and reputational damage.	ST	Employees
			RS1.2	The outbreak of an epidemic or pandemic could significantly disrupt operations by reducing workforce availability and production capacity, leading to substantial revenue losses over the long term.	LT	Employees
			I- IS1.1	Risks to the physical and mental health of employees related to industrial working conditions (the use of hazardous machines or substances, the rapid growth of Verkor and the resulting psychosocial demands).	ST	Employees
			I+ IS1.2	Improved safety and well-being at work through digitalisation (Industry 4.0), best practice training and quality of working life (QWL) mental and physical health initiatives (programmes encouraging sports, meditation and mindfulness practices).	ST	Employees
Human development	At Verkor	S1	**I- IS1.3**	The lack of sufficient investment in the development of employees' skills can lead to a mismatch with technological and industrial developments, thus limiting Verkor's contribution to the reindustrialisation (sovereignty) and climate transition of Europe.	MT	Employees
			I+ IS1.4	By investing in the training, learning and professional development of its employees, Verkor strengthens the availability of local skills adapted to sustainable technologies, thus supporting the ecological transition, social inclusion and employability in its ecosystem.	MT	Employees

VERKOR SUSTAINABILITY ISSUES	WHERE IT IS MATERIAL ON THE VALUE CHAIN	ESRS	NATURE OF IRO	MATERIAL IROs	TIME HORIZON • SHORT-TERM • MEDIUM-TERM • LONG-TERM	STAKEHOLDERS CONCERNED
Working conditions the supply chain	Upstream	S2	**R RS2.1**	Risk of supply disruptions or production downtime due to strikes, protests, or other forms of labour unrest in upstream supply chain regions where poor working conditions persist. These direct events may interrupt production schedules and reduce revenues.	MT	Supply chain workers
			RS2.2	Risks of increased costs of raw materials to meet stakeholders' expectations and Verkor's ambitions of social high standards.	MT	Supply chain workers
			I- IS2.1	Verkor's sourcing strategy can contribute to precarious working conditions for workers in the value chain (low wages, unsafe environments, forced or child labour), especially in countries with lower social policies and regulations.	MT	Supply chain workers
			I+ IS2.2	By integrating social criteria into its sourcing strategy and conducting audits and corrective actions, Verkor improves working conditions at its suppliers, promotes respect for human rights and supports a more responsible supply chain.	MT	Supply chain workers
Human rights in the supply chain	Upstream	S2	**R RS2.3**	Reputational risks and a potential loss of clients, investors and talents due to human rights violations in the supply chain (lack of ethics, poor working conditions in the supply chain leading to accidents at work).	MT	Supply chain workers
			I- IS2.3	Verkor's procurement activities, particularly upstream in the mining sector or the transport of materials, can contribute to human rights violations (forced or child labour, degraded living and hygiene conditions, discrimination), particularly in areas with low social protection.	MT	Supply chain workers
			I+ IS2.4	By actively monitoring its suppliers and developing programs to promote human rights, Verkor encourages the adoption of responsible practices in its supply chain, contributing to the protection of workers and overall socio-ethical development.	MT	Supply chain workers

OUR PLANET

VERKOR SUSTAINABILITY ISSUES	WHERE IT IS MATERIAL ON THE VALUE CHAIN	ESRS	NATURE OF IRO	MATERIAL IROs	TIME HORIZON • SHORT-TERM • MEDIUM-TERM • LONG-TERM	STAKEHOLDERS CONCERNED
Energy & climate change	Whole value chain	E1	**R RE1.1**	Weather events (e.g. droughts in supplier regions, floods, heavy rainfall) could impact the extraction of raw materials (e.g. lithium, the extraction of which is water-intensive) and disrupt Verkor's own operations and increase costs.	MT	All stakeholders
			RE1.2	Risk of increased costs linked to the implementation of actions to achieve the carbon footprint objectives of battery cells (direct reduction or offset projects).	MT	All stakeholders
			O OE1.1	Increase in market share due to low environmental impacts of Verkor's batteries as well as government and European incentives.	MT	All stakeholders
			I- IE1.1	Greenhouse gas (GHG) emissions and high energy consumption throughout the value chain.	LT	All stakeholders
			I+ IE1.2	Contribution to the decarbonisation of the automotive sector by producing batteries for electric cars which emit fewer GHG emissions than internal combustion engine (ICE) cars + producing lower carbon batteries than standard batteries to reduce GHG emissions from manufacturing.	LT	All stakeholders
Pollution management	Upstream	E2	**R RE2.1**	Emerging long-term regulations on pollution from end-of-life battery processing may increase direct downstream operational costs.	MT	Supply chain stakeholders
			I- IE2.1	Air, water and soil pollution due to the extraction and processing of raw materials, as well as end-of-life product treatment.	ST	Supply chain stakeholders
			I+ IE2.2	Reduced of air pollution through the substitution of ICE cars. Increase recycled content results in less extraction and therefore a smaller environmental impact.	ST	Supply chain stakeholders
Water management	Upstream	E3	**I- IE3.1**	Pressure on water resources in areas where raw materials are extracted, with risks of degradation of aquatic ecosystems (due to deep-sea tailings).	ST	Supply chain stakeholders
			I+ IE3.2	Through corrective action plans in the supply chain: improvement of water management systems (e.g. closed loop) and water discharge quality.	MT	Supply chain stakeholders

VERKOR SUSTAINABILITY ISSUES	WHERE IT IS MATERIAL ON THE VALUE CHAIN	ESRS	NATURE OF IRO	MATERIAL IROs	TIME HORIZON • SHORT-TERM • MEDIUM-TERM • LONG-TERM	STAKEHOLDERS CONCERNED
Impacts on biodiversity and ecosystems	Whole value chain	E4	**R RE4.1**	Emerging stricter environmental regulations to protect biodiversity and ecosystems in countries where mines are located could increase the direct cost of sourcing critical raw materials.	MT	All stakeholders
			I- IE4.1	Degradation of ecosystems, deforestation and loss of biodiversity caused by mining (lithium, cobalt, nickel and graphite).	MT	Supply chain population and environmental organisations
			I+ IE4.2	Reduced pressure on terrestrial ecosystems through increased use of recycled materials in batteries.	LT	Supply chain population and environmental organisations
Circularity of our batteries and materials	Whole value chain	E5	**R RE5.1**	New regulations such as the EU Battery Regulation are increasing capital and production costs by enforcing stricter sourcing requirements and minimum recycled content thresholds in batteries.	MT	Suppliers and partners
			RE5.2	Insufficient circular practices, such as recycling and reuse, increase exposure to raw material shortages, posing risks to production continuity, cost efficiency, and sustainable resource use.	MT	Suppliers and partners
			O OE5.1	By integrating recycled battery components into its production, Verkor reduces costs and mitigates supply risks amid rising demand for EV materials like lithium and cobalt. This approach aligns with EU goals to cut reliance on foreign raw materials and offers a faster, more sustainable alternative to opening new mines.	MT	Suppliers and partners
			I- IE5.1	Generation of hazardous waste and energy consumption related to current battery recycling technologies.	ST	Suppliers and partners
			I+ IE5.2	Market : reducing dependency on raw material-producing countries.	LT	Suppliers and partners
			I+ IE5.3	Environmental : avoid opening other mines either in Europe or elsewhere in the world by using more recycled material, thereby decreasing the associated negative social and environmental impacts.	LT	Suppliers and partners

OUR STAKEHOLDERS & SOCIETY

VERKOR SUSTAINABILITY ISSUES	WHERE IT IS MATERIAL ON THE VALUE CHAIN	ESRS	NATURE OF IRO	MATERIAL IROs	TIME HORIZON • SHORT-TERM • MEDIUM-TERM • LONG-TERM	STAKEHOLDERS CONCERNED
Ethical affairs: transparency, anti-corruption	Whole value chain	G1	**R RG1.1**	Ethical controversies, accusations of anti-competitive practices, revelations of corruption or bribery, failure to safeguard whistleblowers, conflicts of interest in lobbying activities and other factors can damage Verkor's reputation, resulting in a loss of investors and clients.	MT	All stakeholders
			I- IG1.1	Loss of work for employees and partners in the event of litigation. Instability in the company's organisation due to a change in governance.	MT	All stakeholders
			I+ IG1.2	Strengthening the sector's ethical practices through exemplary and transparent governance.	MT LT	All stakeholders
Responsible relationships on the supply chain	Whole value chain	G1	**R RG1.2**	If suppliers fail to meet ESG standards or Verkor's local sourcing ambitions, this may lead to reputational and operational risks, reduce access to capital, and weaken leverage in negotiations. Including local suppliers in RFQs is key to building a responsible, resilient, and regionally anchored supply chain.	MT LT	Partners and social and environmental organisations
			I- IG1.3	Putting suppliers in economic difficulty as a result of discriminatory practices that cause them to lose business income (payment deadlines, selection of calls for tender, etc.)	MT	Partners and social and environmental organisations
			I+ IG1.4	The introduction of ESG criteria in the selection and evaluation of suppliers to minimise the risk of non-compliance with environmental and social requirements.	ST	Partners and social and environmental organisations
Our stakeholders & society	Whole value chain	S3	**R RS3.1**	Loss of credibility due to failure in achieving its objectives as a contributor to the low-carbon transition.	LT	All stakeholders
Community involvement and development	Whole value chain	S3	**I- IS3.1**	Degradation of ecosystems and pressure on natural resources that can compromise the livelihoods and cultural rights of local or indigenous communities, as well as their health due to the pollution generated.	MT LT ST	Communities on the value chain
			I+ IS3.2	Creation of local jobs, stimulation of the economic fabric via local suppliers and skills development (e.g. École de la Batterie) — Gigafactory Dunkerque.	ST	Communities on the value chain
Consumer and end-user issues	Downstream	S4	**R RS4.1**	Deficiencies in battery safety or performance (e.g. range issues) could result in product recalls and loss of consumer confidence, leading to reduced demand, client attrition, and decreased revenues.	MT	Consumers and end-user

Table 2. Verkor's material Impacts, Risks and opportunities.

Stakeholder engagement

Stakeholder management responds to IROs

RS3.1	IS3.1	IS3.2

Stakeholder matrix

Verkor closely monitors the expectations of its various stakeholders to address them effectively. The company has categorized its stakeholders into six groups, presented in , and assessed each stakeholder's level of influence on the company, as well as Verkor's level of impact on the stakeholder. Updated annually, the matrix enables the prioritisation of stakeholders so that the appropriate communication and management strategies are implemented for each group.

Photo: Flavien Grincourt

Clients
- Business customers
- Business leaders
- Consumer and end-user groups

Partners
- Suppliers
- Partners in cooperation/innovation projects and joint-ventures
- Start-ups
- Professional associations
- Contractors
- Education bodies
- Business networks

Employees
- Employee representatives
- CSE
- Trade unions
- Top management

Social and environmental organisations
- Social and environmental NGOs
- Research and training partners on environmental impacts

Institutions - Civil society
- Representatives of local communities
- Lawmakers, public authorities
- Local administrations
- Residents living near sites
- Civil society associations and NGOs
- Press

Financial community
- Shareholders and other investors
- Financial and SRI analysts
- Banks
- Insurance companies

Figure 5. Verkor's stakeholders

Stakeholder involvement

Based on the stakeholder matrix, Verkor integrates the expectations of its impacted stakeholders when defining its ESG policy. For example, its most significant and representative stakeholders from the six categories have been included in its double materiality assessment, as presented in the DMA section.

Verkor's stakeholders include members of the Supervisory Board and are therefore directly involved in the definition of the ESG policy, objectives and actions.

The other stakeholders are kept informed via regular meetings and the public annual sustainability report. Verkor ensures that this report is accessible to everyone, through its website and internal and external communication campaigns. Verkor's alert platform is available to all internal and external stakeholders, who can use the platform to report any problematic situations they may encounter. The alert policy is detailed in the dedicated section of this report. Verkor plans to improve dialogue with its stakeholders, especially with local communities, through consultations on policies and targets, double materiality assessment updates every few years, and satisfaction surveys.

Sustainability strategy and policies

Sustainability has been a core value guiding the company's direction since its founding.

In our commitment to sustainable and responsible business practices, we have implemented a comprehensive ESG policy that addresses our material supply chain issues and related IROs. Topics covered include respect for human rights, working conditions, pollution, water management, biodiversity, and business ethics.

Verkor's sustainability strategy stands on four pillars: social (external, internal), impact on climate and the environment, ESG issues in the supply chain, and recycling. These pillars are underpinned as presented on the right.

By focusing on these four pillars, we aim to create long-term value for our stakeholders while contributing positively to society and the environment.

Low-carbon products

We aim to manufacture batteries with a carbon footprint three times smaller than the average of those produced today.

30 kg CO_2e/kWh of cell capacity by 2032

A responsible supply chain

We are dedicated to ensuring that our supply chain adheres to the highest standards of ethical and sustainable practices through full traceability. This includes rigorous supplier assessments, continuous monitoring, and working with suppliers to improve their ESG performance.

100% traceability of Verkor's critical raw materials supply by 2027

Recycling

Maximise recycling and adopt a closed-loop approach with partners — manufacture new batteries using end-of-life batteries.

Recycle 95% of our waste by 2027

Working conditions and training

We are committed to ensure good working conditions, providing a safe environment, ongoing training for our employees and fostering a diverse and inclusive workplace. We also want to develop battery-related professions by training talents and creating vocational training paths through the Ecole de la Batterie.

Train 1,600 talented people every year by 2026/2027 through EDLB

Verkor goes further than its four objectives

And also acts on other environmental and social topics such as water management and quality, air pollution, biodiversity, workers health and safety and diversity, equity and inclusion are all part of its responsible production strategy. Verkor presents all these objectives in its dedicated ESG policy.

The table below gathered all the ESG objectives of the company:

Policy	Scope	Objective/Actions	Targets	KPIs	Highest hierarchical level in charge of validating
Climate change mitigation	Whole value chain	**Limit our CO_2 equivalent emissions in our value chain (Scope 1,2 & 3)**	30kg CO_2 /kWh cell by 2032	Scope 1, 2 & 3 GHG emissions	ExCo
Climate change adaptation	Verkor operations (GF)	**Be prepared for climate risk in our operations**	Finalise a complete Climate Change Risk Assessment (CCRA) in the next two years, including a financial study	1 CCRA study carried out in 2023	ExCo
Circular economy	Whole value chain	**Maximise the recycling of production scrap, with a closed-loop approach**	95% of scrap recycled by 2027 (at Dunkerque GF)	Quantities of production scrap Quantities of scrap sent to recycling Scrap pre-processing efficiency	ExCo
Water discharge quality	Verkor operations (VIC+ GF)	**Compliance with the local and national regulation and minimise, abate and monitor water release**	Respect discharge limits defined in the environmental permit (discharge flow and concentration)	Concentration and flow of chemical and biochemical oxygen demand (COD, BOD5), suspended solid (SS), nitrogen and phosphorus	ExCo
Air emissions	Verkor operations (VIC + GF)	**Compliance with the local and national regulation: atmospheric emissions are collected at the source, canalised, abated and monitored**	Respect air emission limits defined in the environmental permit (air emission concentration and flow)	Concentration and flow of dust, metals, volatile organic compounds (VOCs), N-Methyl-2-pyrrolidone (NMP), etc.	ExCo
Water consumption	Verkor operations	**Limit the quantity of water withdrawal**	Not a material topic as water consumption is very limited Respect withdrawal defined in the environmental permit	Quantity and flow of water withdrawal	ExCo
Biodiversity	Verkor operations	**Prevent or minimise impact on biodiversity during the implementation of the Verkor Dunkerque Gigafactory project and during operations**	GF: Minimise, mitigate, and offset any adverse impacts on biodiversity resulting from the Dunkerque Gigafactory project VIC: No key biodiversity IROs, lower environmental authorisation level required	Avoidance, reduction, offset measures managed by the Port of Dunkerque (GPMD) and Verkor	ExCo
Responsible supply chain	Supply chain	**Ensure full traceability throughout the supply chain**	100% traceability of Verkor's critical raw material supply by 2027	· Number of suppliers identified in the CRM supply chain · Percentage of on-site CRM audits performed	ExCo
Training talent in battery-related professions	Whole value chain	**Training talents for the battery jobs of tomorrow**	1,600 talents trained every year by 2026/2027	· Number of talents trained · Number of trainers trained · Number of training modules created or adapted · Number of companies interviewed · Number of people reach and awareness campaigns	ExCo
Quality of work life	Verkor's operations	**Policy in progress**	Targets to be defined	KPIs to be defined	ExCo
Governance	Whole value chain	**Prevent, detect and respond to any risks of corruption and bribery**	Zero-tolerance towards corruption of any kind Zero-gift policy for the sourcing team	· Number of corruption and bribery incidents · Percentage of employees trained in ethics · Number of gifts and invitations declared · Number of conflicts of interests declared	ExCo

Table 3. Verkor's ESG policies, targets, measures and KPIs.

Climate change and energy

Photo: Anne-Sophie Debruyne

Tackling climate change and reducing fossil energy dependency is core to Verkor's raison d'être

and substantiated in its ESG policy. We are committed to reducing all possible sources of GHG emissions in all our operations, in alignment with the reason Verkor was founded.

The first essential step is to identify the precise sources of emissions so that we can map our direct and indirect emissions from manufacturing, and from transporting or purchasing materials. We then calculate our Scope 1, 2 and 3 emissions to determine actions to reduce the carbon footprint of our operations.

To meet the demands of our customers and shareholders and comply with the thresholds of the European Battery Regulation (EUBR), Verkor has chosen to set itself a target of 30kg CO_2e/kWh of cell capacity by 2032 for cells manufactured at the Gigafactory.

The climate change policy addresses IROs   RE1.1   RE1.2   OE1.1   IE1.1   IE1.2
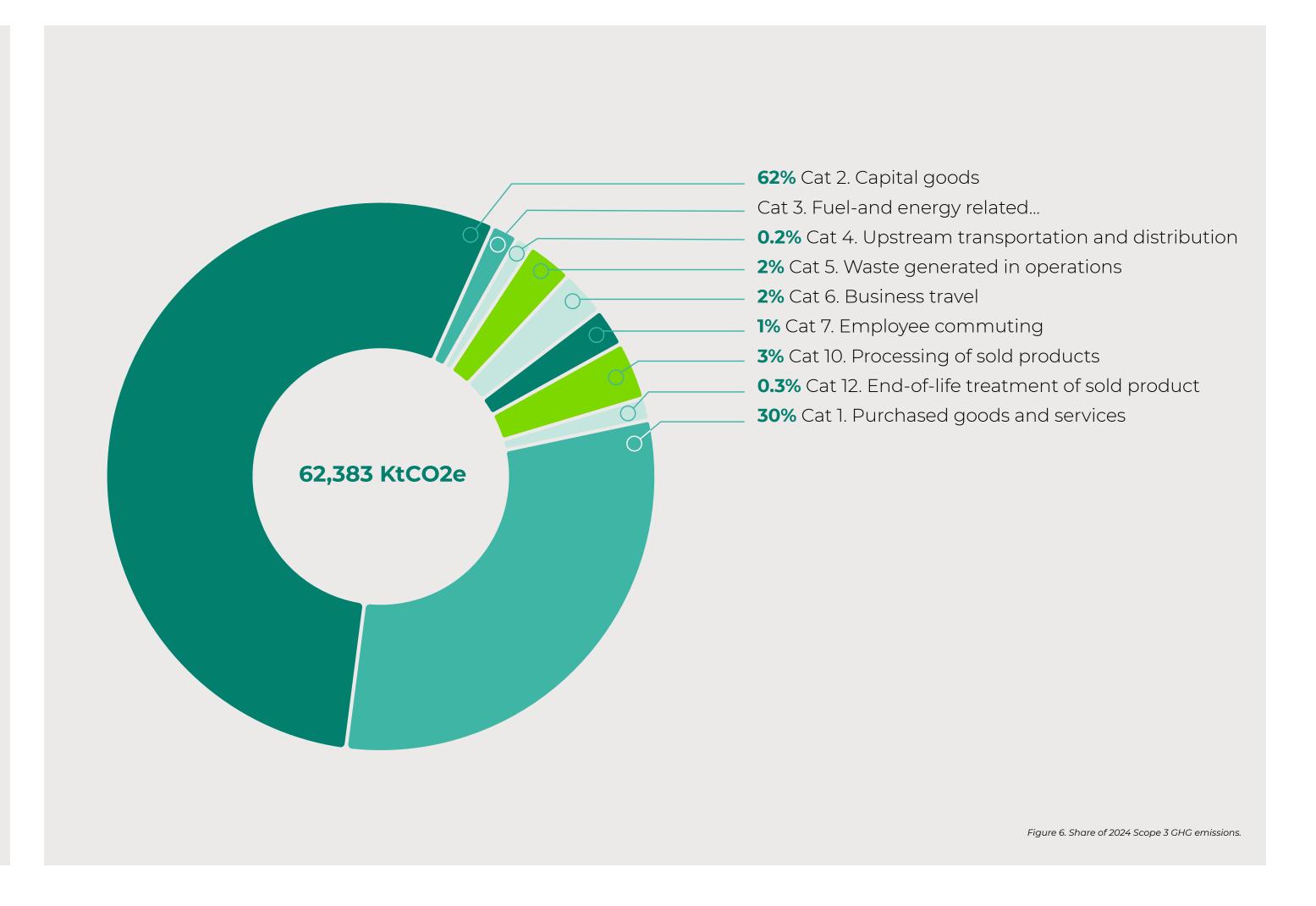
The actions taken contribute to reducing our GHG emissions and increase Verkor's resilience against climate change events.

Greenhouse gas assessment 2024

GHG emissions for Scopes 1, 2 and 3

	Units	2024	2023
Scope 1	tCO$_2$ eq.	0.84	0.10
Scope 2 location based	tCO$_2$ eq.	612	301
Scope 3	tCO$_2$ eq.	62,383	20,884
Upstream	tCO$_2$ eq.	60,512	20,884
Downstream	tCO$_2$ eq.	1,871	0
Total	**tCO$_2$ eq.**	**63,996**	**21,186**

Table 4. GHG emissions for scopes 1, 2 and 3.

62,383 KtCO2e

- **62%** Cat 2. Capital goods
- Cat 3. Fuel-and energy related...
- **0.2%** Cat 4. Upstream transportation and distribution
- **2%** Cat 5. Waste generated in operations
- **2%** Cat 6. Business travel
- **1%** Cat 7. Employee commuting
- **3%** Cat 10. Processing of sold products
- **0.3%** Cat 12. End-of-life treatment of sold product
- **30%** Cat 1. Purchased goods and services

Figure 6. Share of 2024 Scope 3 GHG emissions.

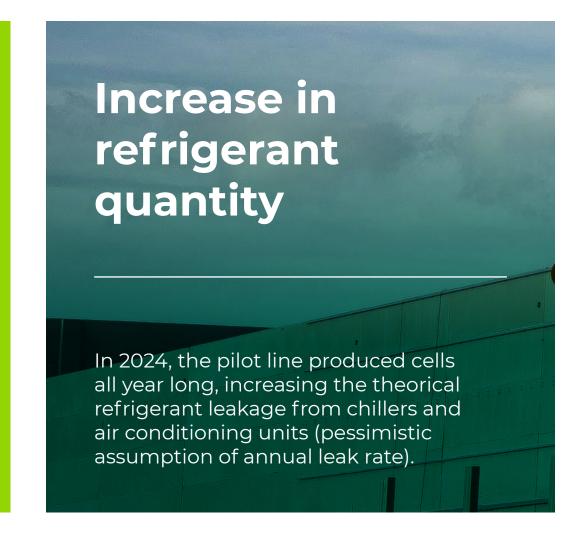**Scope 1 changes
between 2023 and 2024**

Between 2023 and 2024, we observed a significant increase in Scope 1 GHG emissions due to the introduction of new emission sources and additional cooling devices.

Natural gas consumption

Natural gas is consumed on a seasonal and occasional basis to heat the HVAC (Heating, Ventilation, and Air Conditioning) hot water circuit when the waste heat recovery is not sufficient. The small amount of gas used contributed to an increase in our direct CO_2 emissions.

Degassing cells

Another significant new source of emissions identified in 2024 is degassing, a process for releasing of GHG trapped in materials during formation. The process is complex and not yet fully understood, with limited studies available on the subject. Verkor is working to better understand and evaluate these emissions.

Increase in refrigerant quantity

In 2024, the pilot line produced cells all year long, increasing the theorical refrigerant leakage from chillers and air conditioning units (pessimistic assumption of annual leak rate).

**Scope 2 changes
between 2023 and 2024**

In 2024, the VIC pilot line operated at full production capacity for the entire year, compared to only a few months of production in 2023. This substantially increased its electricity consumption, which in turn contributed to higher Scope 2 emissions.

The assessment for 2024 includes the electricity consumption of the temporary offices installed at the Gigafactory to accommodate more employees. It also takes into account the company EVs provided to employees.

**Scope 3 changes
between 2023 and 2024**

Scope 3 emissions represent the largest share of Verkor's total GHG emissions. The main source is the purchase of raw materials, industrial equipment and machinery, the need for which has increased significantly with the expansion of production activities at the VIC and the construction of the Gigafactory.

Note: the GHG emissions from the construction of the gigafactory were excluded from the Scope 3 assessment. A separated assessment will be carried out once the Gigafactory is finished.
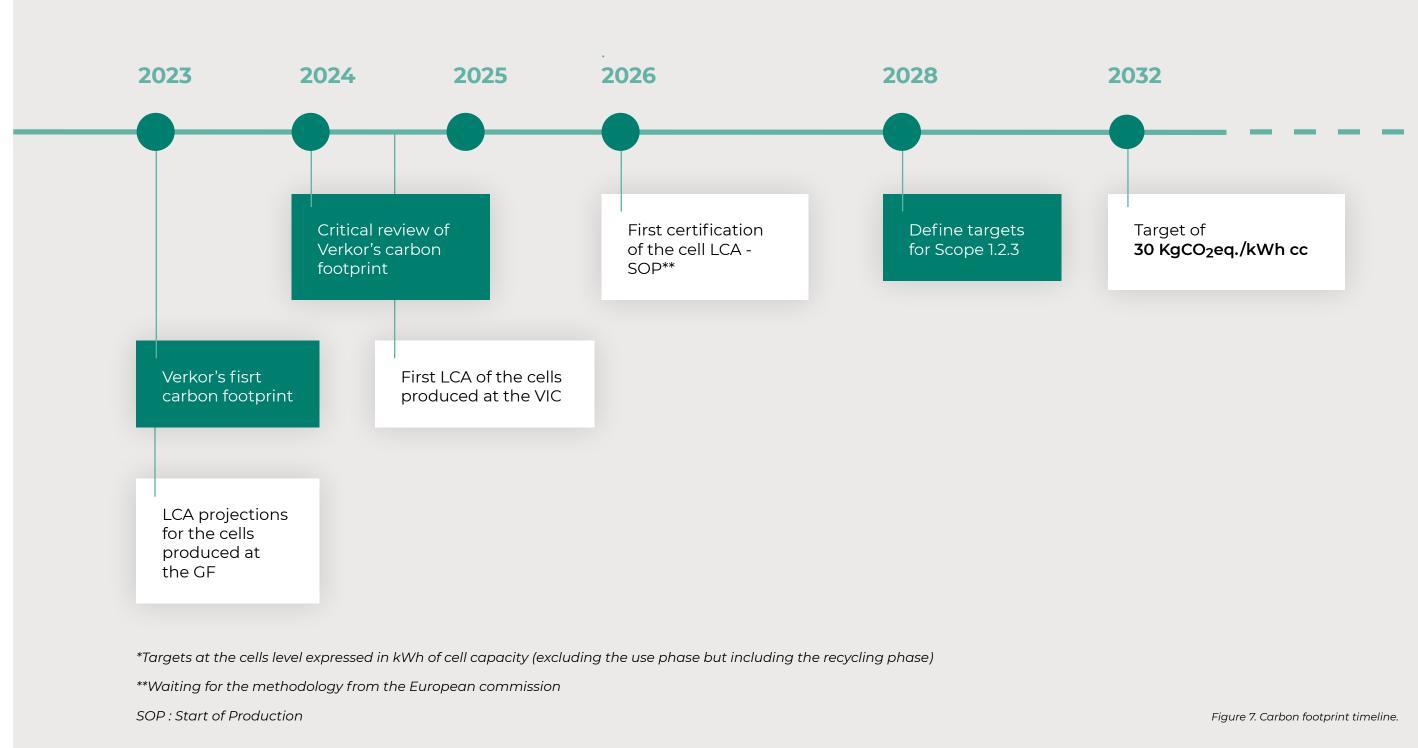
GHG assessment methodology

The GHG assessment was carried out in accordance with the GHG protocol for Verkor's two sites — the VIC and the Gigafactory — from the 1 January 2024 to 31 December 2024.

We used a mix of primary and secondary data for quantitative and emission factors, depending on the emissions category. No baseline year or cut-off criteria were defined for 2024, as the year was not representative of the company's operations (no production at the Gigafactory). The baseline year will be the first year of full production at the Gigafactory, and the cut-off criteria will be defined on that basis.

Limits

We used a high volume of secondary data, as emissions factors for certain raw materials and other products were not always available. We are working with our critical raw material suppliers to obtain more reliable emission factors and therefore more primary data.

The full methodology and the limits are available in the GHG assessment report.

GHG emissions are annually updated and communicated to our different stakeholders.

Targets

We are waiting for the first full year of production to assess the base line and determine targets for reducing Scope 1, 2 and 3 emissions.

Until then, Verkor is working to achieving its cell carbon footprint target of 30 kg CO_2e/kWh of cell capacity by 2032. As presented in the section below, we calculated this target on the basis of four drivers along with assumptions that we consider both ambitious and achievable.

Carbon footprint of our battery cells

Verkor calculates the carbon footprint of its battery cells based on the ISO 14044 and ISO 14067 standards and guidelines.

For regulatory compliance, we are awaiting the final methodology of the Commission Delegated Regulation (EU) supplementing Regulation (EU) 2023/1542 of the European Parliament and of the Council for the calculation and verification of the carbon footprint of electric vehicle batteries. The regulation was due in 2024, but postponed to 2025. Once the methodology is released, the model developed by Verkor in LCA for Experts and the life-cycle assessment of the cells produced at the VIC will be audited by an independent third party.

Pending the methodology's publication, in 2024 we calculated the carbon footprint of the cells produced and the first modules assembled at the VIC, and estimated the carbon footprint of other cell technologies. These projections are essential for guiding our decisions and ensuring that we uphold our low-carbon commitment.

2023

2024

2025

2026

2028

2032

Critical review of Verkor's carbon footprint

First certification of the cell LCA - SOP**

Define targets for Scope 1.2.3

Target of
30 KgCO$_2$eq./kWh cc

Verkor's fisrt carbon footprint

First LCA of the cells produced at the VIC

LCA projections for the cells produced at the GF

*Targets at the cells level expressed in kWh of cell capacity (excluding the use phase but including the recycling phase)

**Waiting for the methodology from the European commission

SOP : Start of Production

Figure 7. Carbon footprint timeline.

Photo : Adrien Tanghe

Action plan

We have identified four drivers for reducing the carbon footprint of our cells:

- Leverage a low-carbon raw materials supply chain
- Supply with low-carbon energy
- Close the loop with closed loop recycling
- Optimise process efficiency

Driver 1: Low-carbon raw materials

We aim to use low-carbon raw materials, knowing that we will achieve the most impact on nickel, lithium and natural graphite. Supporting the use of low-carbon raw materials will require working together with our suppliers to strengthen and accelerate their decarbonization roadmap, setting GHG emissions limits for our Tier 1 suppliers. To reshape the upstream supply chain beyond Tier 1, we are integrating suppliers with high ESG standards and a lower carbon footprint. We are also actively encouraging our suppliers to establish their operations in Europe, aligning with EU regulations and benefitting from the region's legal framework that promotes decarbonisation and, environmental and social best practice.

Driver 2: Low-carbon energy

Verkor can rely on the French energy mix to power its facilities with low-carbon electricity. Starting in 2026, the Gigafactory will be supplied through long-term, low-carbon power purchase agreements, covering more than 70% of its electricity consumption by 2030.

In 2024, the VIC's electricity consumption totalled 14.7 GWh. According to the French transmission system operator RTE, 67.1% of this electricity was nuclear-generated and 27.8% came from renewable energy sources. Therefore 94.9% of the electricity we used in 2024 was low-carbon. We will report on the electricity consumption of the Gigafactory once production starts.

Finding a low-carbon heat source for the Gigafactory is a bigger challenge than finding low-carbon electricity. We plan to connect the plant to the industrial waste heat network. But because this project is dependent on external factors, there is a significant risk for Verkor. To mitigate this risk, we are exploring alternative low-carbon heat solutions, such as RDF boilers or SMRs. Until the waste heat network or other solutions are operational, we will start production using electricity and gas boilers.

Driver 3: Recycling

With a lower carbon footprint than virgin raw materials, using recycled materials can help us reduce the GHG emissions of our product as recycling is less energy-intensive than refining virgin raw materials. We aim to integrate more recycled materials in our cells. In 2024, we aligned targets with those imposed by the European Battery Regulation.

We will define our KPIs once the relevant methodology for quantifying the share of recycled material in the cells produced becomes available.

Driver 4: Process efficiency

With efficient processes, we can use less energy and fewer materials for the same quantity of cells produced. We have implemented an energy management system at the VIC and we plan to do so at the Gigafactory.

The Gigafactory is moreover designed to reach an ambitious yield.

Our goal for 2025 is to achieve ISO 50001 certification at the VIC.

Climate change risk assessment

Verkor performed the first climate change risk assessment for its Gigafactory project in 2023.

It identified three physical risks and six transition risks.

For the physical risks, Verkor analysed its vulnerability to climate-related hazards depending on different global warming scenarios at short, medium and long terms. Mitigations measures are in place for the three risks identified.

We identified our transition risks by analysing two scenarios: a "net-zero emission" scenario aligned with the Paris Agreement; and a "backpedalling" scenario, reflecting insufficient improvement in policy and consumption habits. Six risks were identified, each with a corresponding mitigation measure.

METHODOLOGY APPLIED

Physical risks	Transition risks	
Selection of time horizons (short, medium and long terms) and scenarios Risks have been assessed by time horizon (short term, medium term, long term) and scenarios, which are based on assumptions regarding regulations, decarbonisation efforts, etc.	**Define climate-related scenarios** Scenarios defining the context in which Verkor will evolve in the timeframe considered. They are based on four categories:	• Climate ambition • Regulations • Economic parameters • Technologies
Identification of relevant hazards A list of relevant hazards has been drawn up based on the EU Taxonomy list of climate-related hazards and their relevance for Verkor's activity.	**Identify all potential transition risks** Workshop to map risks over entire value chain and to sort it according to risk type (Policy and Legal, Market, Technology, Reputation).	
Assessment of the physical exposure to hazards and associated vulnerability For each relevant hazard, we perform an assessment of the physical exposure of the GF location, and of its vulnerability to these hazards.	**Score identified risks** Qualitatively score transition risks for each scenario and to identify low, medium and high risks.	
Identification of mitigation measures to prevent main risks The mitigation measures against the hazards to which the GF is vulnerable have been listed.	**Implement mitigation measures** List mitigation measures to prevent the highest risks identified.	

Table 5. Methodology applied for assessing physical and transition risks.

Physical risks, hazards with high vulnerability

Transition risks

1. Flooding

Mitigation: There are waterways designed to evacuate water towards the North Sea to prevent flooding.

2. Sea level rise

Mitigation: A coastal risk prevention plan is in place. The project site is not affected by the risk of marine submersion (with and without taking climate change into account) for a 100-year event.

3. Temperature variability

Mitigation measures aim to reduce water consumption:

- Use of rainwater for sanitary purposes and green spaces
- Replacing cooling towers with dry coolers where temperature conditions allow
- Mechanical scraping for piping and dry pre-cleaning of pumps/filters/coater heads
- Recycling of condensate waste from dehumidification installations
- Recycling of test water from fire hydrants to supply fire protection reserves

Net Zero Emissions Scenario:

4. Limited access to strategic raw and active materials

Multiple negotiations with suppliers to diversify our supply chain. Contract terms ensuring our suppliers commit to deliver the necessary volumes over time. Integration of our customers' raw material suppliers in addition to our suppliers' own value chain.

5. Increased costs and supply shortage for refined products

Monitoring of raw material price fluctuations and back-to-back agreements with customers. Securitization of supply through long-term contracts with main suppliers. Commitment from key suppliers to reshore to Europe to increase the resilience of the supply chain.

6. Reluctance of investors due to human rights violations and/or environmental impacts in raw material extraction

Verkor pays close attention to human rights and environmental impact of its supply chain by:
- carrying out ESG and DDMS due diligence on Tier 1 suppliers and their critical raw materials value chain
- setting up a traceability solution to map the critical raw materials supply chain.

7. Loss of market share due to failure to achieve sustainability targets

Reporting system with KPIs to monitor supply chain transparency and ESG commitments, and highlight remaining efforts to achieve the targets. An ESG impact report and roadmap is published every year in the interest of transparency.

Backpedalling Scenario:

8. Loss of revenue due to increased competition

Verkor has a stepped approach to manufacture proportionally as demand increases. Investment in new lines will only be committed, once Gigafactory_1 has started and customer contracts have been secured. Verkor plans to differentiate itself through low-carbon cells.

9. Decrease in battery demand due to an unexpected political decision

Verkor has a stepped approach to manufacture proportionally as demand increases and has secured its production volume through contracts with carmakers. Verkor is well integrated in the battery/electric vehicles ecosystem, which includes policy makers, helping it to anticipate market changes.

Photo : Ludovic Chaumaz

Table 6. Physical and transition risks identified for the Gigafactory project.

Next step

A complementary assessment will go further in detail and assess the climate physical risks for Verkor's Gigafactory and Tier-1 suppliers. Planned for 2026, the assessment will (i) update the physical risk assessment for the Gigafactory with a focus on flood risk; (ii) ensure that the Gigafactory is resilient and adapted to changing climate conditions; and (iii) assess the vulnerability of key suppliers to climate change to identify those most at risk and prioritize regions for a potential diversification strategy.

Building a responsible value chain

The environmental impact of our operations

Verkor takes action to reduce the environmental impacts of its operations at the VIC and the Gigafactory. Impacts concern air emissions, water discharge quality, water consumption, waste management, soil pollution and biodiversity. Our overarching ESG policy outlines our commitments to address these impacts, and our actions and KPIs are detailed in our HSE improvement action plan.

Verkor's ESG policy aims to reduce the risk of environmental incidents and maintain pollution below regulatory thresholds, thereby addressing IROs

On pollution

| RE2.1 | OE2.1 | IE2.1 | IE2.2 |

On water management

| IE3.1 | IE3.2 |

On biodiversity

| RE4.1 | IE4.1 | IE4.2 |

Mitigation measures are in place at the VIC and are being implemented at the Gigafactory to limit the environmental impact of Verkor's construction and operations.

The main environmental challenges we face relate to our supply chain, as presented in the Responsible Sourcing section.

THE ENVIRONMENTAL IMPACTS OF OUR OPERATIONS

POLICY	OBJECTIVES/ACTIONS	TARGETS	MATERIAL IROs
Air emissions	Compliance with local and national regulations: atmospheric emissions are collected at the source, canalised, abated and monitored.	Respect the air emissions limits defined in the environmental permit (air emission concentration and flow).	**Concentration and flow of dust, metals, VOCs, NMP, etc.**
Water discharge	Compliance with local and national regulations: minimise, abate and monitor water release.	Respect the discharge limits defined in the environmental permit (discharge flow and concentration).	**Concentration and flow of chemical and biochemical oxygen demand (COD, BOD5), suspended solid (SS), nitrogen and phosphorus.**
Water consumption	Limit the quantity of water withdrawal.	No significant topic as water consumption is very limited Respect the withdrawal limit defined in the environmental permit.	**Quantity and flow of water withdrawal.**
Biodiversity	Prevent or minimise the impact on biodiversity during the implementation of the Dunkerque GF project and during operations.	GF: Minimise, mitigate and offset any adverse impacts on biodiversity resulting from the Dunkerque GF project. VIC: No key biodiversity IROs, lower environmental authorization level required.	**Avoidance, reduction and compensation measures managed by the Port of Dunkerque (GPMD) and Verkor.**

Table 7. Verkor's environmental policy.

Photo: Anne-Sophie Debruyne

Pollution (air, water, soil) and waste

At the VIC

At the VIC, we have implemented and run different abatement systems on air emission equipment (solvent recovery systems, dust collectors, air treatment units). We have also established a periodic plan that includes analyses by an approved laboratory to ensure the site remains compliant with its environmental permit.

Regarding water discharges, the site in connected to single public water sewage system for its road runoff, sanitary and utility discharges. Process-related water discharges are treated as waste.

Discharge quality control complies with the requirements of the Grenoble Alpes Métropole wastewater agreement.

The management of hazardous waste is essential and mandatory to prevent any risk of soil contamination. The site is built on a liquid-tight floor, and a waste management system is in place to minimise risks. For example, liquid waste is stored in retention areas.

In 2024, the VIC plant was certified ISO 14001 for its environmental management.

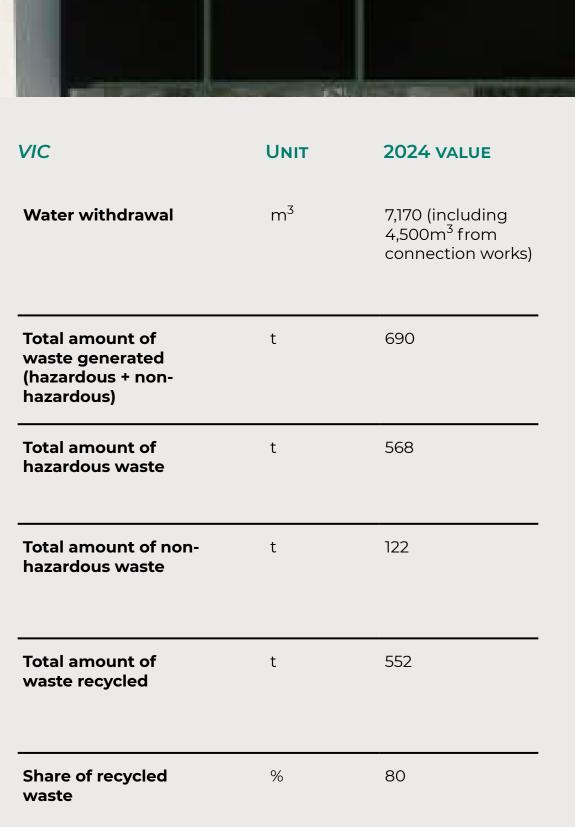| Objective	Action	Status 2024
GF support	Regulatory Compliance / FAT-SAT status	Ongoing
	Environmental authorisation (PAC)	Ongoing
	Safe installation & commissioning	Ongoing
Env. control improvement	Health impact study	Postponed 2025
	Filtering improvement for dust	Ongoing
	Anode cleaning waste to filter and inject in sewer	Commissioning in 2025
	Dangerous waste KPI update and target (link to cells output)	Done

Table 8. 2024 Environmental roadmap.

VIC	Unit	2024 value
Water withdrawal	m^3	7,170 (including 4,500m^3 from connection works)
Total amount of waste generated (hazardous + non-hazardous)	t	690
Total amount of hazardous waste	t	568
Total amount of non-hazardous waste	t	122
Total amount of waste recycled	t	552
Share of recycled waste	%	80

Table 9. 2024 Environmental KPIs at the VIC.

At the Gigafactory

In 2024, Verkor drew up a series of management plans to mitigate environmental risks at the Gigafactory during operations.

AIR QUALITY

The measures to be taken to prevent or minimize air pollution.

CHEMICALS

Concerns the identification of hazards, exposure assessment and the control of dangerous goods and substances that are transported, used or manufactured as part of Verkor's operations. It has been reviewed against the General Guidelines (Section 1.5) of the International Finance Corporation (IFC) and adapted to the Gigafactory site.

ENERGY

The measures taken to monitor, control and optimise energy consumption during the project's implementation.

WASTE

The management of waste at the Gigafactory site.
This management plan covers waste identification and waste management, including minimising, recycling, collecting, storing, treating and eliminating waste during construction and operations.

Objective	Actions implemented in 2024	Roadmap for 2025
Air and water emissions	Construction of the micro wastewater treatment plant for sanitary water.	• Setting up monitoring contracts for wastewater discharges and air emissions • Ensuring that measurement equipment for air emissions and wastewater discharges is installed and commissioned properly • Monitoring the natural environment around the GF: measuring air and groundwater quality to ensure that there is no impact from the plant • Implementing solutions for air treatment (dust and VOCs) and industrial wastewater (settling basin) • Constructing stacks to properly release our atmospheric emissions in accordance with our operating license
Waste treatment	Setting up a hazardous waste management contract to complement the existing non-hazardous waste contract.	Construction and development of our storage solutions (warehouse, racks)
KPIs	KPIs monitored: • Tonnes of waste per category and treatment • Waste recovery rate	New KPIs to monitor: • Quality of air emissions (dust, VOCs, gases) • Quality of water discharges (hydrocarbons, nitrogen, mercury, phosphor, chrome, etc.) • Energy consumption (kWh) • Carbon footprint in the energy supply mix • Cradle-to-gate cell carbon footprint per kWh of cell capacity (methodology to be specified by Verkor) • Estimated associated GHG emissions avoided (tCO_2e)

Table 10. 2024-2025 environmental roadmap for the Gigafactory.

The Gigafactory's highlights in 2024 were the creation of the HSE team, the update of the prefectural order regarding environmental impact, and the management of construction waste.

In 2025, the focus will be on implementing our action plans to comply with the prefectural order with respect to air, water and waste treatment, monitoring, etc. From 2026, once the plant is fully operational, we will turn our focus on improvement projects.

Stakeholders

In 2024, Verkor created a matrix to gather the needs and expectations of its stakeholders. For each stakeholder, we identified a communication channel and quantified the stakeholder's impact on Verkor and Verkor's impact on the stakeholder. The HSE department uses the matrix to identify our most critical stakeholders and ensure that their expectations are met.

Biodiversity

Verkor's activities are not located near any sensitive natural areas and are not subject to specific environmental regulations.

We are nevertheless committed to mitigating and offsetting our environmental impact

— particularly at the Gigafactory, which is located in an agricultural area.

A Zone Grande Industries (ZGI) was created with consideration of environmental impacts for which the Grand Port Maritime de Dunkerque (GPMD) has implemented avoidance, reduction and offsetting measures. These include recreating habitats for protected species, landscaping and creating ecological ditches.

Impacts on wildlife — primarily habitat loss and construction disturbances — have been mitigated through measures including temporal avoidance, site demarcation near sensitive areas, no pesticide use, controls on invasive species, amphibian defence systems, and the preservation and planting of local flora.

A quarterly monitoring program conducted by an external company tracks changes in flora species on the site. The assessment includes a flora inventory and identifies invasive exotic species and heritage species. This monitoring focuses particularly on invasive species. In 2024, a campaign was carried out to eradicate one such invasive species.

Currently, no specific indicators have been defined. The quarterly reports serve as guidelines for Verkor's biodiversity strategy. At this stage, our goal is to follow and implement the recommendations of the external company.

Actions implemented in 2024 at the GF

Quarterly assessment of fauna and flora: removal of an invasive species following recommendations.

Actions planned for 2025

- Preparation of the site for planting indigenous trees and species.
- Keep following the recommendations of the quarterly assessment.

Table 11. Biodiversity measures at the Gigafactory.

Taxonomy

An initial European Taxonomy assessment was carried out for the Gigafactory project at the end of 2023. As the facility is not yet operational, the assessment serves as a forward-looking evaluation of potential compliance depending on the Gigafactory project details and data.

The project is expected to meet the substantial contribution criteria under Activity 3.4 Manufacture of rechargeable batteries. To achieve full alignment with the Do No Significant Harm criteria (DNSH) and the minimum safeguards, we have identified actions that must be implemented.

No red flags have been identified, and compliance with the EU Taxonomy requirements appears achievable.

Additional actions are ongoing and a new taxonomy assessment will be performed — once the Gigafactory becomes operational — to confirm alignment.

OVERVIEW OF TAXONOMY SCREENING OF VERKOR'S GIGAFACTORY

The Project business activity

Verkor is a digital, smart and low-carbon battery manufacturer, developing a 16 GWh battery Gigafactory to be built from 2023, scaling up to 50 GWh by 2030.

EU Taxonomy activities

3.4 Manufacture of batteries

Substantial contribution

Manufacture of rechargeable batteries ✓

ENVIRONMENTAL OBJECTIVES

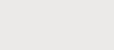**Do no significant harm**

| Climate Change Adaptation | Water and marine ressources | Circular Economy | Pollution prevention and control | Biodiversity and ecosystems |

Minimum safeguards

Minimum safeguards criteria

✓ Based on the documents reviewed the criteria is met

! At present, the Project is partially compliant based on the documentation reviewed

Figure 8. Taxonomy screening of Verkor's Gigafactory.

Responsible sourcing

Critical raw materials

To manufacture its battery cells, Verkor sources critical raw materials including lithium, cobalt, natural graphite, and nickel. These materials are associated with environmental and social risks, such as forced labour, child labour, poor working conditions, air, water and soil pollution.

To mitigate those risks, Verkor has implemented a responsible sourcing policy.

Our responsible sourcing policy is linked to IROs

OS2.1	RS2.1	IS2.1	IS2.2	RS2.2
RS2.3	IS2.3	IS2.4	RE2.1	OE2.1
IE2.1	IE2.2	IE3.1	IE3.2	

Legal framework

Verkor aligns its practices with those of the European Battery Regulation, and with the OECD guidelines, the UN Guiding Principles, the IFC Performance Standards, the ILO Conventions and the Equator Principles.

As part of Verkor Environmental & Social Management System (ESMS), the company focuses on identifying all stakeholders involved into its supply chain, understanding their needs and interests, and defining means of communication and management with them. A stakeholder matrix has been developed to list this information, and local stakeholders from the supply chain are being added to it.

Responsible Sourcing Programme

Verkor has established a Responsible Sourcing Programme for its critical raw materials sourcing. The programme includes risk-based, third-party on-site audits throughout the entire critical raw materials supply chain.

The programme allows Verkor to trace its critical raw materials by establishing a chain of custody (CoC). It also assesses the ESG performance and due diligence management systems of suppliers from Tier 1 to Tier N.

Audits include social and environmental impact assessments. Based on audit findings, corrective action plans (CAP) are put in place for each supplier and are monitored by third-party auditors and by Verkor.

On social topics, actions may relate to (i) labour & working conditions (child labour, forced labour, non-discrimination, working hours, remuneration, freedom of association, health and safety), (ii) community development, and (iii) business and human rights (indigenous people).
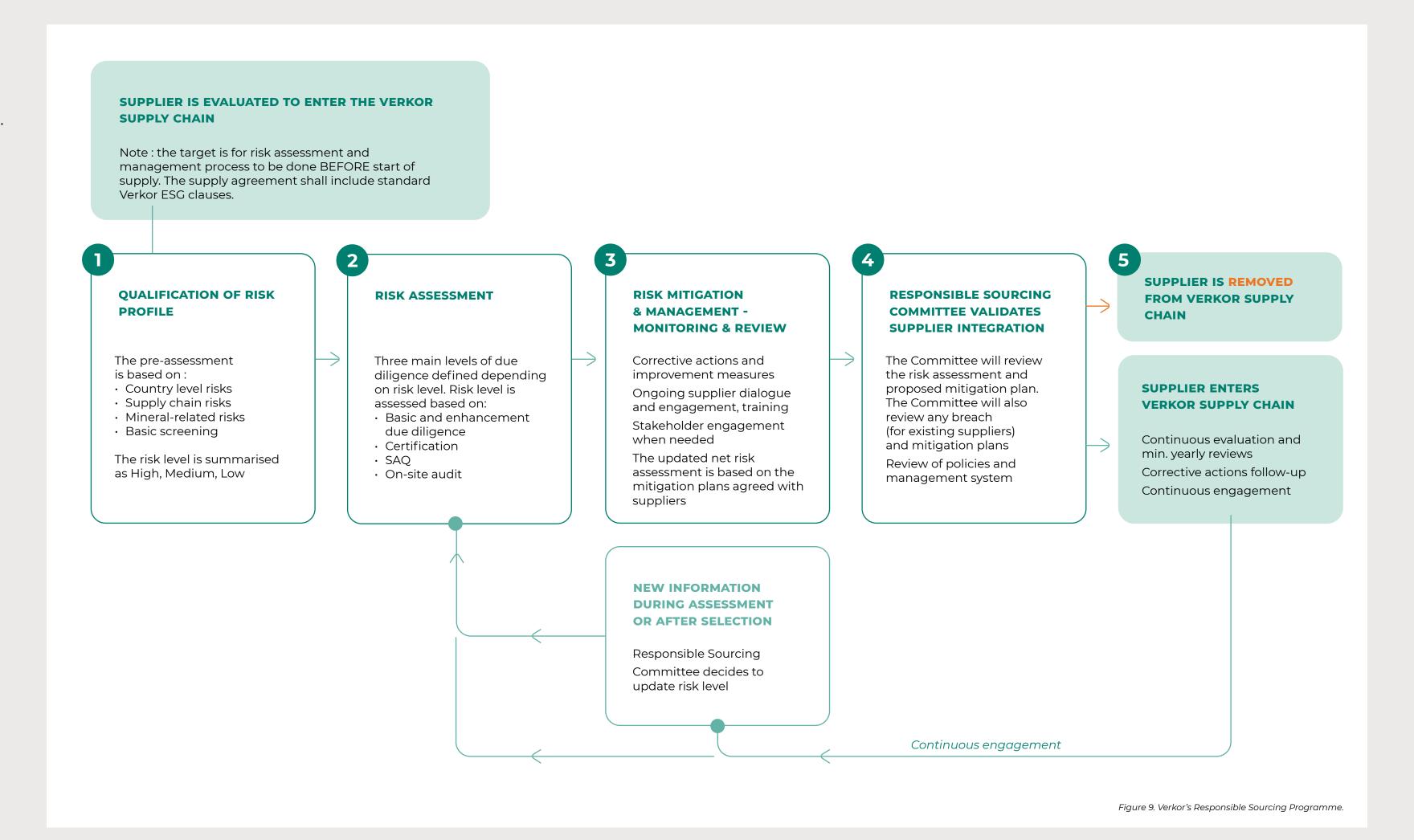
On environmental topics actions may address (i) biodiversity, (ii) water management and quality, (iii) air emissions, (iv) deforestation, and (v) soil pollution.

The scope of these actions is outlined in the on-site audit framework. Each CAP includes a timeline for resolution, with a limit of 180 days for closing out an action.

Resources:

The human and financial resources allocated for monitoring corrective actions plans (CAPs) are detailed in the Responsible Sourcing budget. No capital expenditure (CapEx) was included in the Responsible Sourcing budget in 2024.

SUPPLIER IS EVALUATED TO ENTER THE VERKOR SUPPLY CHAIN

Note : the target is for risk assessment and management process to be done BEFORE start of supply. The supply agreement shall include standard Verkor ESG clauses.

1

QUALIFICATION OF RISK PROFILE

The pre-assessment is based on :
· Country level risks
· Supply chain risks
· Mineral-related risks
· Basic screening

The risk level is summarised as High, Medium, Low

2

RISK ASSESSMENT

Three main levels of due diligence defined depending on risk level. Risk level is assessed based on:
· Basic and enhancement due diligence
· Certification
· SAQ
· On-site audit

3

RISK MITIGATION & MANAGEMENT - MONITORING & REVIEW

Corrective actions and improvement measures

Ongoing supplier dialogue and engagement, training

Stakeholder engagement when needed

The updated net risk assessment is based on the mitigation plans agreed with suppliers

4

RESPONSIBLE SOURCING COMMITTEE VALIDATES SUPPLIER INTEGRATION

The Committee will review the risk assessment and proposed mitigation plan. The Committee will also review any breach (for existing suppliers) and mitigation plans

Review of policies and management system

5

SUPPLIER IS REMOVED FROM VERKOR SUPPLY CHAIN

SUPPLIER ENTERS VERKOR SUPPLY CHAIN

Continuous evaluation and min. yearly reviews

Corrective actions follow-up

Continuous engagement

NEW INFORMATION DURING ASSESSMENT OR AFTER SELECTION

Responsible Sourcing Committee decides to update risk level

Continuous engagement

Figure 9. Verkor's Responsible Sourcing Programme.

2024 assessment

Due diligence and ESG risk assessment:

- A supplier due diligence and ESG risk assessment process is in place for critical raw materials

- All procurement teams are trained on the supplier code of conduct, self-assessment questionnaire (SAQ) and risk assessment process

- 22 visits to Tier N suppliers have been conducted by third party auditor and Verkor

ESG performance strategy on the supply chain:

- ESG Criteria have been included in the supplier selection matrix.

Indicator	*2024 value*
Procurement team training rate (on CoC, SAQ, risk assessment process)	**100%**
Number of suppliers identified in the CRM supply chain (excl. traders)	**55**
Percentage of on-site CRM audits performed	**37%**

Table 12. KPIs for critical raw materials responsible supply in 2024.
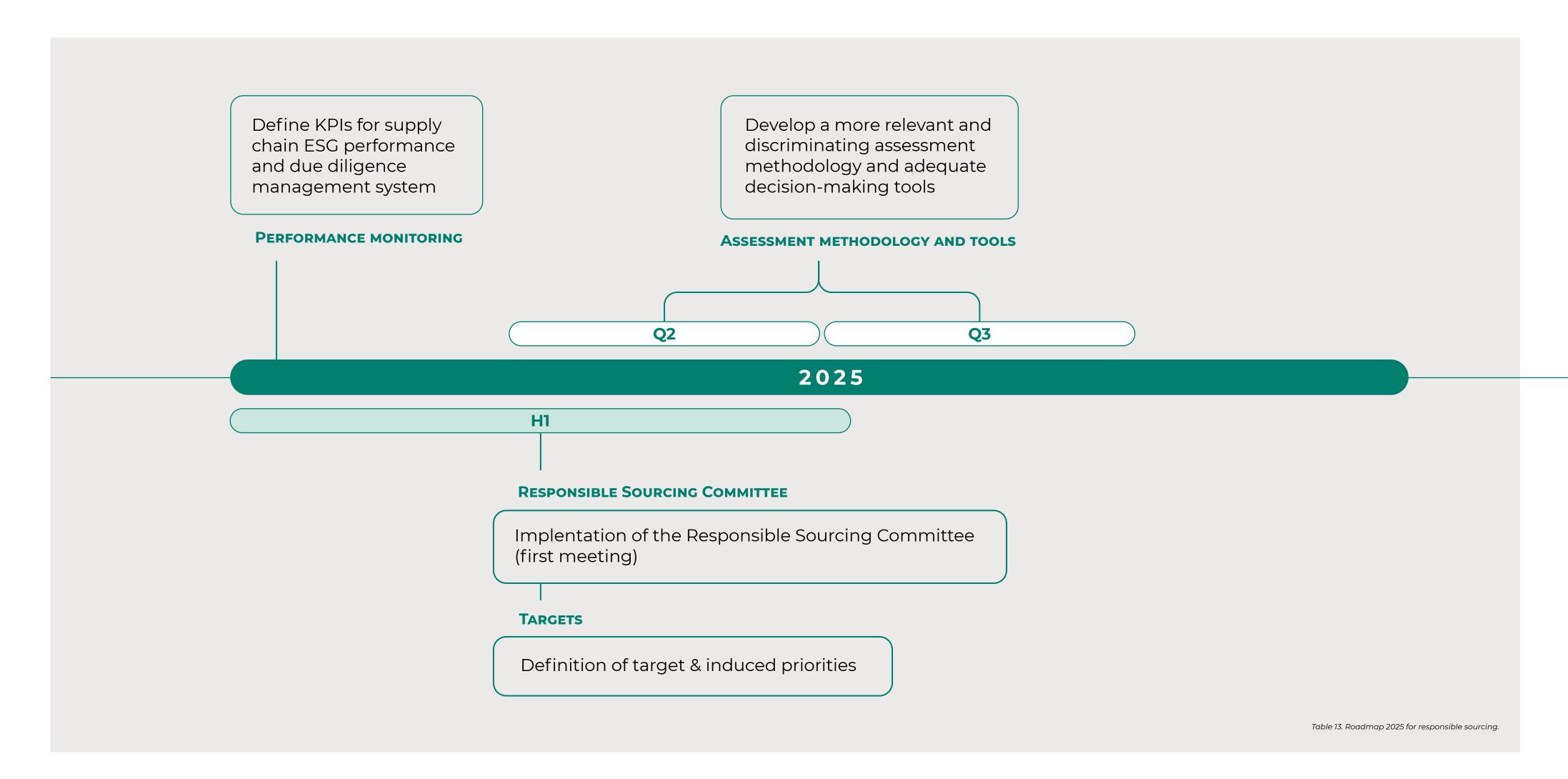
Roadmap for 2025

Main objectives for 2025 and details

Define KPIs for supply chain ESG performance and due diligence management system

PERFORMANCE MONITORING

Develop a more relevant and discriminating assessment methodology and adequate decision-making tools

ASSESSMENT METHODOLOGY AND TOOLS

Q2

Q3

2025

H1

RESPONSIBLE SOURCING COMMITTEE

Implentation of the Responsible Sourcing Committee (first meeting)

TARGETS

Definition of target & induced priorities

Table 13. Roadmap 2025 for responsible sourcing.

Responsible Sourcing Committee

The Responsible Sourcing Committee aims to:

- **Report** on responsible sourcing objectives

- **Inform company's management** about Verkor supply chain risks & opportunities from a responsible sourcing perspective

- **Inform the audience** about upcoming regulation, technology, alliance, benchmark process, in relation with battery supply chain activities

- **Decide** on inclusion / exclusion of suppliers from responsible sourcing perspective.

It reports to the Audit & Risk Committee, a sub-committee of the Supervisory Board.

Supervisory Board

Executive Committee

AUDIT & RISK COMMITTEE

Ensures the board's fulfillment of supervisory responsibility in relation to audit, accounting and financial reporting, control, compliance, sustainability and risk.

WHSE COMMITTEE

Ensures the board's fulfillment of supervisory responsibility in relation to HSE topics.

Upstream scope

RESPONSIBLE SOURCING COMMITTEE

Chief Strategic Sourcing Officer
Head of Sustainability
Head of Compliance.

- Tier 1+n ESG Risks
- Tier 1+n LCA Assessments
- Approves/rejects high risk suppliers from a responsible sourcing perspective

OPERATIONAL - HSE COMMITTEE

Chief Operations Officer
Head of Sustainability
Head of Compliance

- VK operational risk (HSE incl. climate risk on own assets)
- VK Sustainability and Compliance (effectiveness of systems evaluation)

Proposed risk reporting scheme
- **Monthly:** in Responsible Sourcing Committee
- **Quaterly:** in Audit & Risk Committee + ExCo
- **Annually:** to Board & lenders

| Sourcing Teams *Lead contr.* | Compl Teams | Sust. Teams | Public Affairs |

| Ops - HSE Teams *Lead contr.* | Compl Teams | Sust. Teams |

Figure 10. Responsible Sourcing Committee organisation chart.

Photo: Adrien Tanghe

The circular economy

Reducing and recycling our production scrap

Verkor recognises the substantial environmental and societal effects of mining raw materials, especially for battery metals.

Recycling is part of our ESG policy. Through efficient waste management and recycling strategies, we aim to recycle and upcycle the waste generated by our operations. We are developing techniques to minimize production waste, improve recycling and better reintegrate recycled materials into our production process. Verkor is dedicated to meeting the EU Battery Regulation's recycling targets and strives to exceed regulatory standards in maximizing recycled content.

The recycling strategy of Verkor aims to mitigate IROs

RE5.1	RE5.5	OE5.1	IE5.1	IE5.2	IE5.3

RECYCLING PROCESS

1

Production scrap

Anode
Cathode
JR
Wet cell

2

Pre-treatment

Copper
Aluminium
Blackmass

3

Metal extraction

Nickel
Cobalt
Lithium

Figure 11. Production scrap recycling process.

Measures implemented

Actions and targets	2024 status and timeline
By 2027, 95% of Gigafactory production scrap recycled.	In 2024, 97% of VIC production scrap was recycled.
Gradually implement a closed-loop strategy to develop a supply chain that includes more recycled materials.	**Ongoing: Partners for closed-loops in Europe have been identified. Technical and economic terms are being discussed.** **The loop should be operational after 2030.**
Real-time defect detection system	Ongoing. To be finalised in Q1 2025.

Table 14. Recycling actions and targets.

Photo : Hagop Dolmadjian

Main achievements in 2024

Less production scrap

The Real-Time Defect Detection System combines all data from production and monitoring systems to accurately detect and identify in real time any defects in products and cells. The system is in place at the VIC and will be deployed at the Gigafactory once production starts. By pinpointing where and when on the production line a defect appears we can significantly reduce our scrap volume.

Implementing a closed-loop recycling strategy

Supported by the Critical Raw Materials Act (CRMA), Verkor has been able to identify European projects aimed at creating a closed-loop recycling system in Europe. The CRMA is a legislative initiative by the European Commission designed to secure and diversify the supply of critical raw materials vital to Europe's strategic industries. Projects included in the CRMA benefit from simplified administrative procedures and improved access to financing to support their development. A fully-functional closed-loop recycling system is expected to be in place after 2030. Until then, Verkor prioritises European recycling partners for processing its production scrap. Any surplus exceeding the capacity of these partners is sent to other OECD-based recyclers.

Photo : Ludovic Chaumaz

Working with industrial recyclers

Verkor is actively engaged in several industrial collaborations to develop battery recycling. For example, we are involved in a project for recycling graphite — a key component in lithium-ion batteries. The goal is to improve the quality of the recycled graphite to be eligible for battery cell manufacturing. We are working on alternative flowsheets for recycling Cathode Active Materials (CAM), helping us improve lithium recovery and lower the cost of the process.

Roadmap 2025

Recycling our production scrap	Move from a contractual to an operational model with European recyclers
	Continuous improvement to facilitate the recycling of production scrap, focusing on packaging and transportation
	Reduce the cost of recycling in Europe
Reducing our production scrap	Improve yield
	Improve traceability of scrap
Increase the recycling content of our cells	Methodology from the European Commission expected in 2025
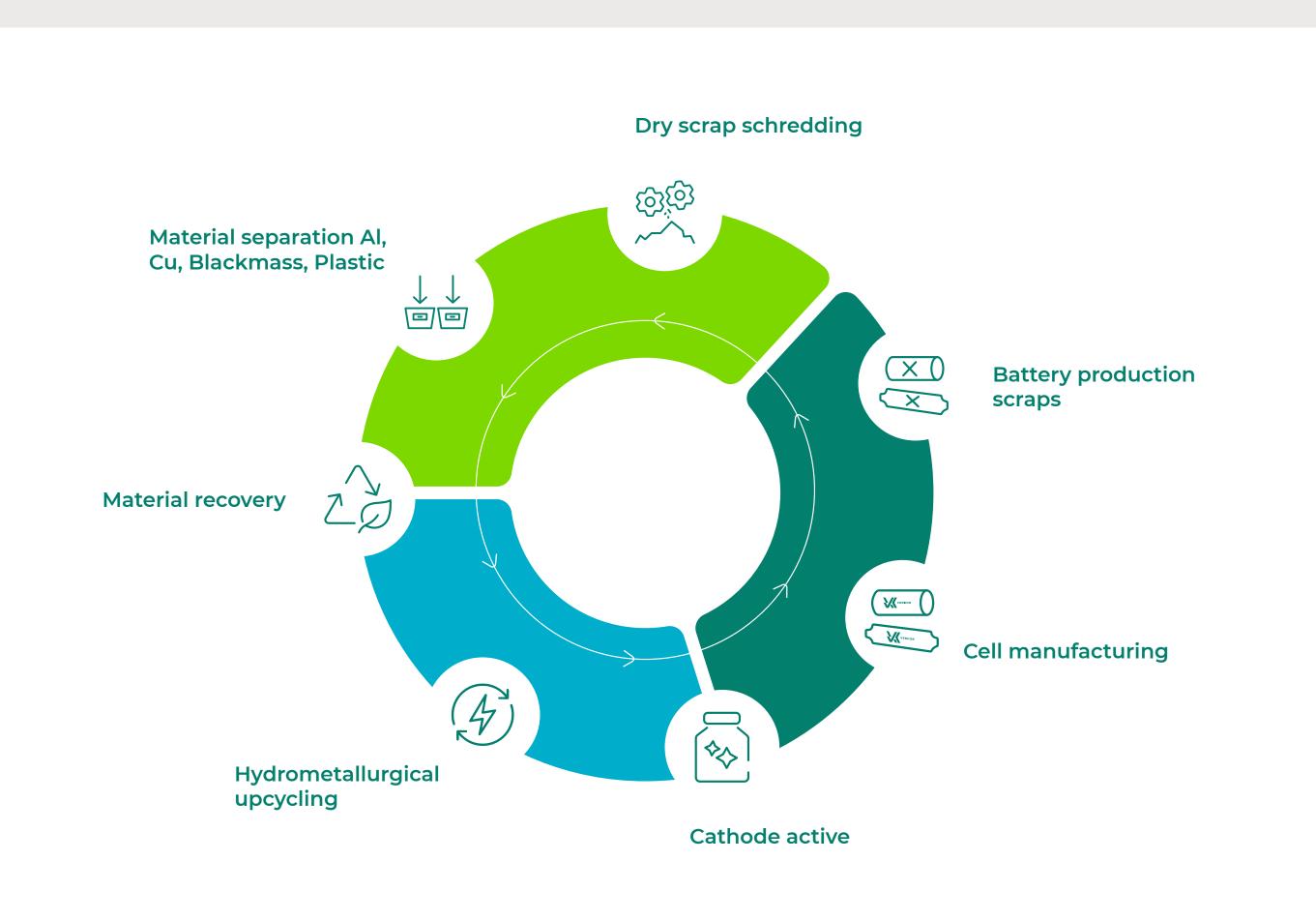
Table 15. Recycling roadmap for 2025.

There are two main challenges for 2025:

- **Initiating the implementation of our recycling strategy with European partners**

- **Reducing the volume of production scrap from the VIC**
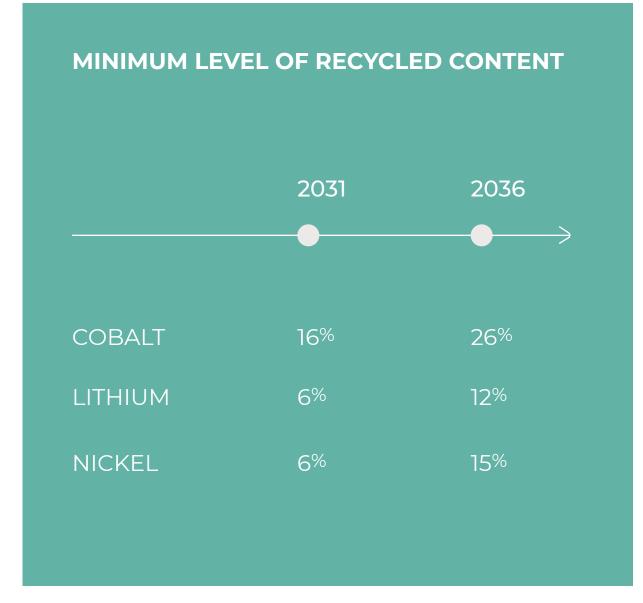
The longer-term goal is to close the loop and integrate the recycled materials from the production scrap from the VIC and the Gigafactory into our cells.

Dry scrap schredding

Material separation Al, Cu, Blackmass, Plastic

Battery production scraps

Material recovery

Cell manufacturing

Hydrometallurgical upcycling

Cathode active

Figure 12. Verkor's closed-loop recycling plan
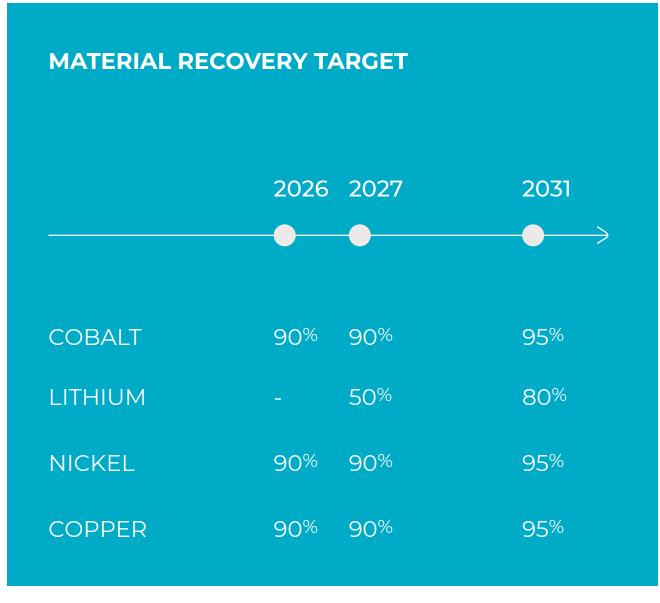
European Battery Regulation requirements

Verkor is subject to the EUBR and has aligned its recycling targets accordingly.

The EUBR targets on recycled content, material recovery and recycling efficiency are presented below.

MINIMUM LEVEL OF RECYCLED CONTENT

	2031	2036
COBALT	16%	26%
LITHIUM	6%	12%
NICKEL	6%	15%
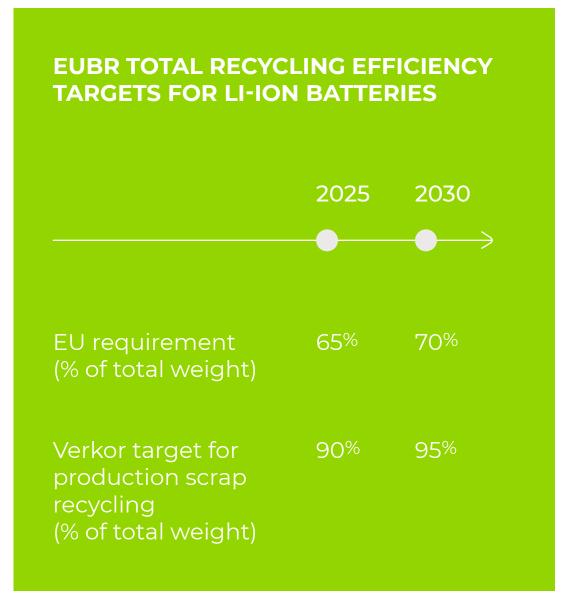
Table 16. EUBR minimum level of recycled content.

MATERIAL RECOVERY TARGET

	2026	2027	2031
COBALT	90%	90%	95%
LITHIUM	-	50%	80%
NICKEL	90%	90%	95%
COPPER	90%	90%	95%

Table 17. EUBR material recovery targets.

EUBR TOTAL RECYCLING EFFICIENCY TARGETS FOR LI-ION BATTERIES

	2025	2030
EU requirement (% of total weight)	65%	70%
Verkor target for production scrap recycling (% of total weight)	90%	95%

Table 18. EUBR recycling efficiency targets.

Our people

Presentation of our workforce
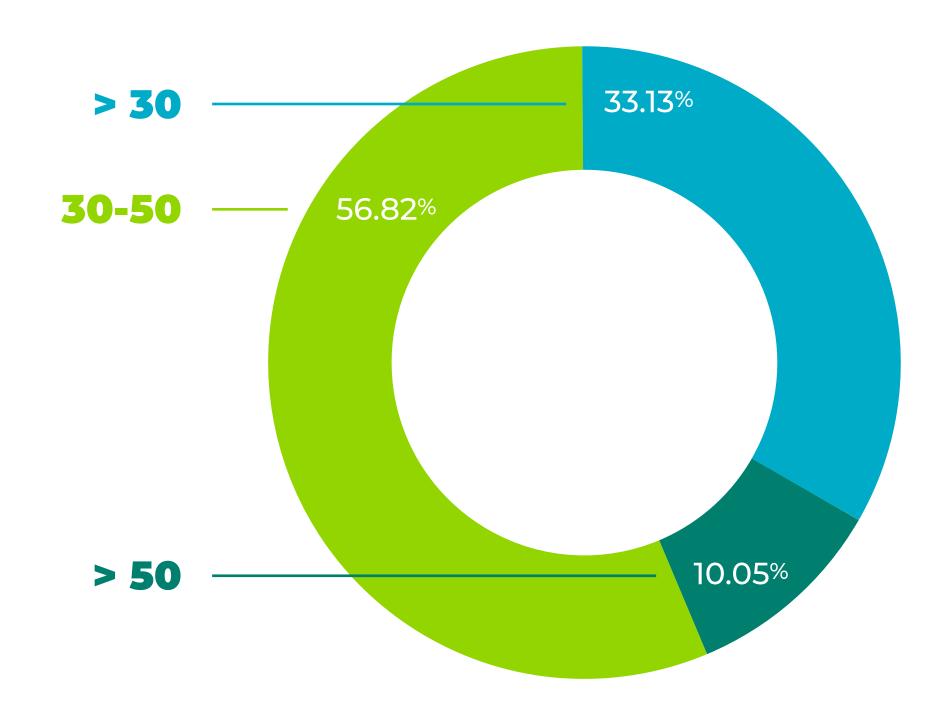
Verkor is multicultural company, with around 50 nationalities, men and women, working directly on the production line or in the support functions. To manage and cultivate this diversity, Verkor implemented a dedicated policy, presented in the Diversity, Equity and Inclusion section of this report.
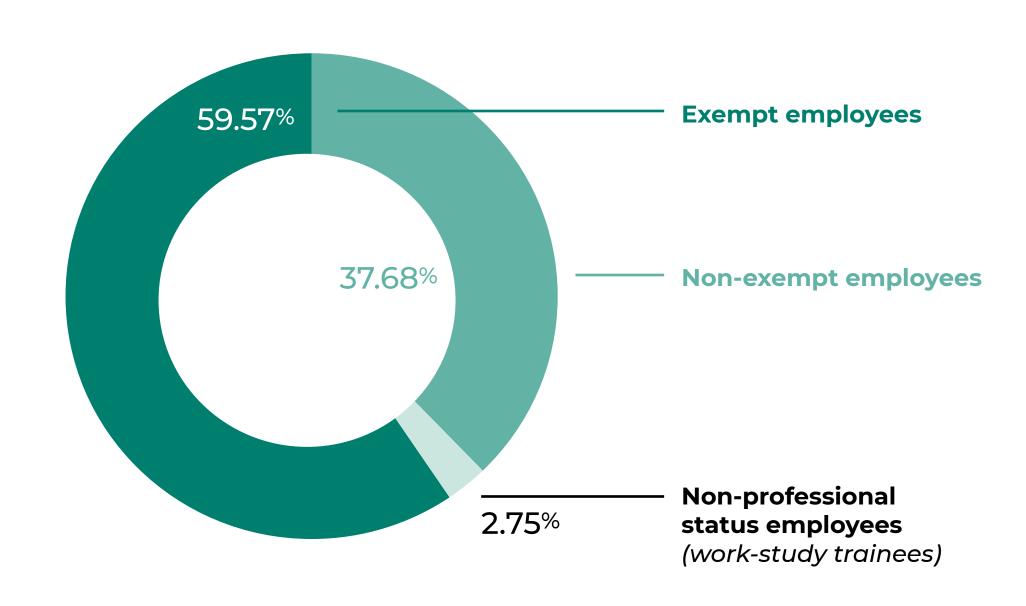
Description	Perimeter	Unit	2024	2023
Organic net new hires	Verkor SAS	#	487	165
Attrition rate	Verkor SAS	%	1%	
Total number of FTE	Verkor SAS	#	830	393
Total number of FTE permanent staff	Verkor SAS	#	811	383
Total number of FTE permanent male staff	Verkor SAS	#	589	276
Total number of FTE permanent female staff	Verkor SAS	#	222	107
Total number of FTE non-permanent staff	Verkor SAS	#	19	10
Total number of FTE non-permanent male staff	Verkor SAS	#	10	4
Total number of FTE non-permanent female staff	Verkor SAS	#	9	6
Ratio of female employees	Verkor SAS	%	28%	29%
Number of working days performed by temporary workers during the reporting period	Verkor SAS	#	597	258

Table 19. Verkor's workforce indicators by 31/12/2024 and 31/12/2023.
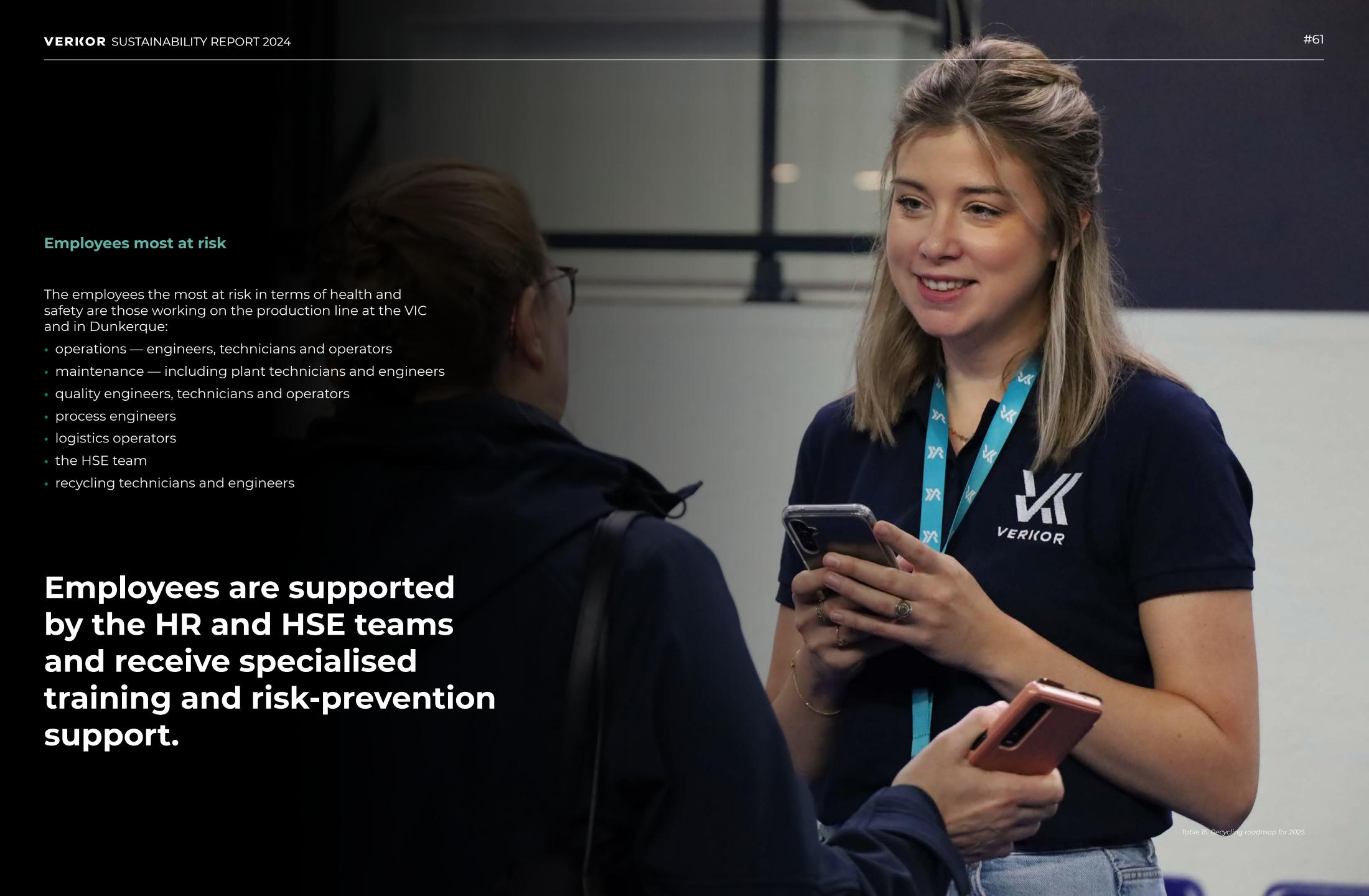
SHARE OF EMPLOYEES BY AGE GROUP

SHARE OF EMPLOYEES BY STATUS

> 30 — 33.13%

30-50 — 56.82%

> 50 — 10.05%

Exempt employees — 59.57%

Non-exempt employees — 37.68%

Non-professional status employees *(work-study trainees)* — 2.75%

Table 20. Employee distribution by group age and status by 31/12/2024.

Employees most at risk

The employees the most at risk in terms of health and safety are those working on the production line at the VIC and in Dunkerque:

- operations — engineers, technicians and operators
- maintenance — including plant technicians and engineers
- quality engineers, technicians and operators
- process engineers
- logistics operators
- the HSE team
- recycling technicians and engineers

Employees are supported by the HR and HSE teams and receive specialised training and risk-prevention support.

Table 15. Recycling roadmap for 2025.

Health and safety

Workplace health and safety are central to our Quality, Health, Safety & Sustainability (QH2S) policy and ESG policy. QH2S outlines the health and safety objectives for both Verkor sites for meeting the expectations of its stakeholders:

- **Compliance** with the legal and regulatory requirements applicable to our products and operations

- **0 accident**

- **Permanent efforts** to prevent and reduce all risks, including technological risks
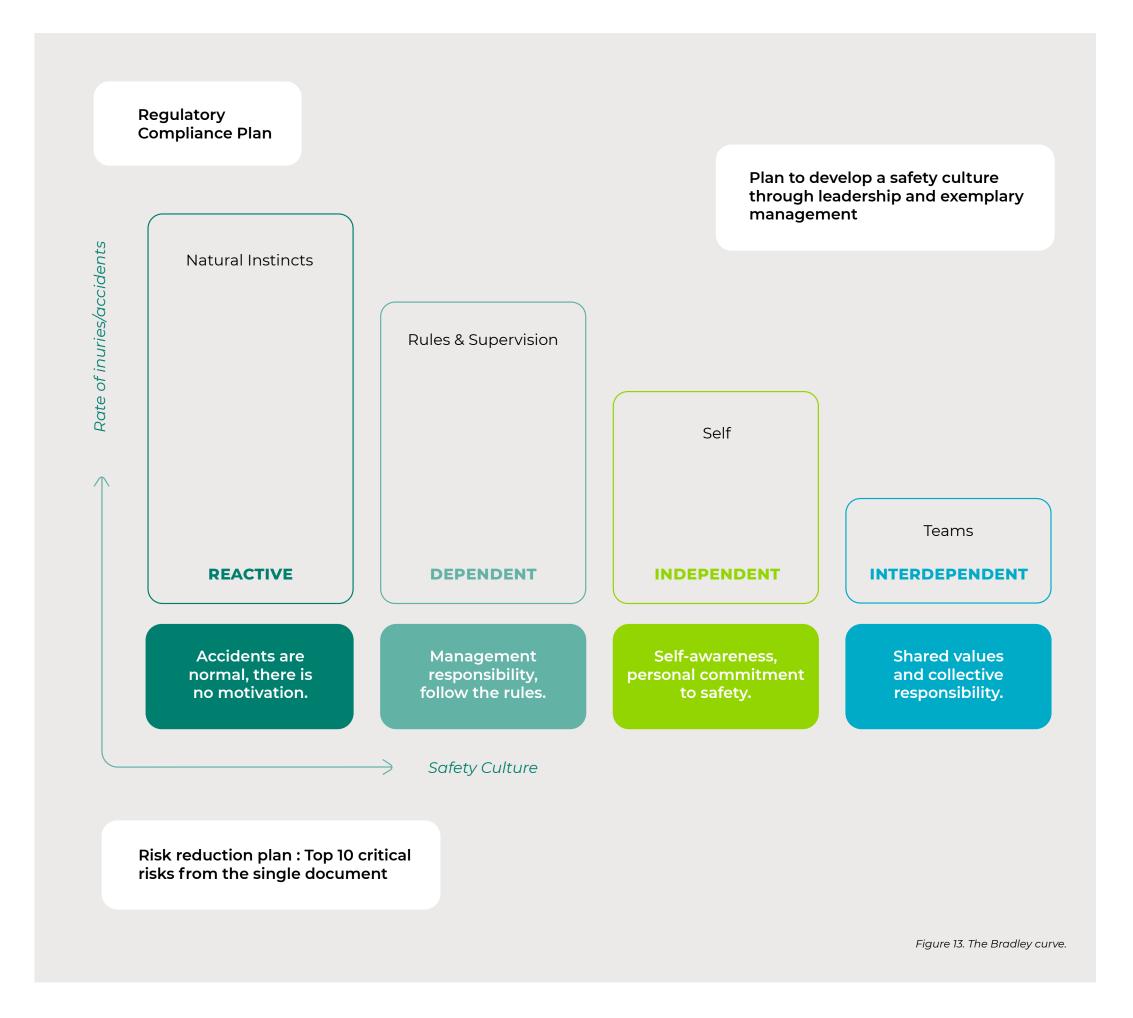
Our QH2S policy tackles IROs

RS1.1	OS1.1	IS1.1

IS1.2

- Regulatory compliance with stringent regulations (French labour code, EC directive, etc.)

- Risk assessments — the basis of our workplace health and safety management system

Verkor is driven by its "zero accident ambition" to develop a safety culture through leadership and operations management that prioritises safety.

Today, at the start of its journey, Verkor's path to achieving its objectives is inspired by the Bradley curve.

Regulatory Compliance Plan

Plan to develop a safety culture through leadership and exemplary management

Rate of injuries/accidents

Natural Instincts

Rules & Supervision

Self

Teams

REACTIVE   **DEPENDENT**   **INDEPENDENT**   **INTERDEPENDENT**

Accidents are normal, there is no motivation.

Management responsibility, follow the rules.

Self-awareness, personal commitment to safety.

Shared values and collective responsibility.

Safety Culture

Risk reduction plan : Top 10 critical risks from the single document

Figure 13. The Bradley curve.

Measures implemented

We are committed to ensuring the health and safety of all workers on our sites.

We have implemented a comprehensive range of measures to deliver on this commitment.

Employee health and safety risk assessment

We conduct thorough risk assessments to identify and mitigate potential hazards, ensuring a safe working environment for all employees. The risks identified are listed in our risk assessment document (DUER in French). The risk reduction plan is extracted from this assessment to mitigate the critical risks.

Health and safety emergency action plan

Our emergency management, defined in our internal operational plan (POI), outlines clear procedures for responding to emergencies, ensuring quick and effective action during critical situations.

Employee training

We provide training for both internal and external workers on health and safety risks and best working practices. This ensures that all workers have the proper knowledge to maintain a safe workplace. The critical HSE training rate in 2024 was 90%, higher than in 2023 (80%) but still below the target of 100%. This training rate concerns employees most at risk and basic safety training.

Safety incident report

As part of its prevention mindset, Verkor requires near-miss incidents and situations to be reported to reduce the risk of accident, following Bird's triangle (Figure 13 below). Employees can report occupational health and safety incidents, risks, and concerns through multiple channels, including a QR code and phone numbers.
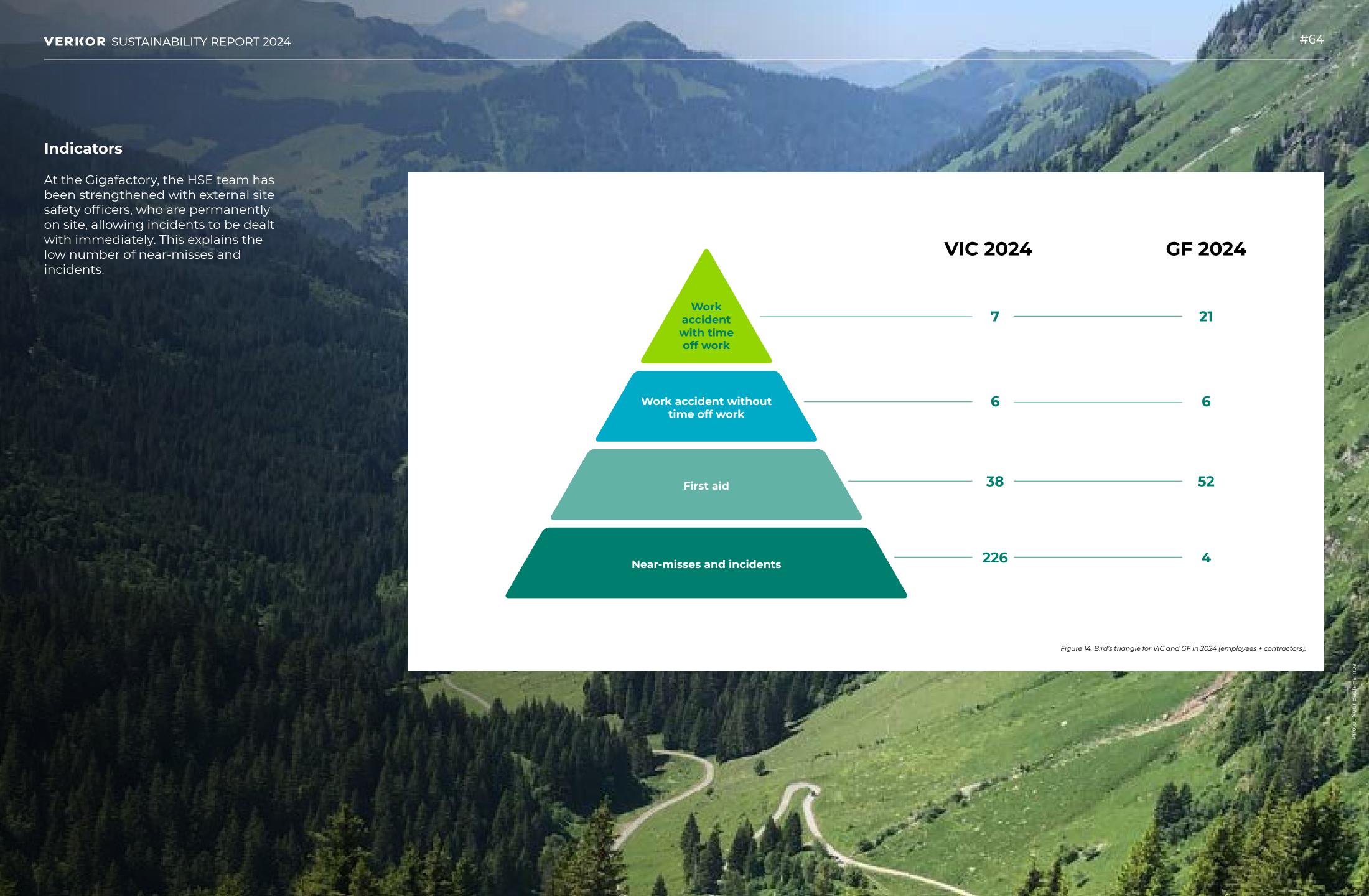
Preventive actions for repetitive strain injury (RSI)

We have implemented measures to prevent RSI, promoting ergonomic practices and reducing the risk of musculoskeletal disorders among our workforces.

Prevention and communication

Communication is essential to risk prevention. The HSE Department communicates frequently through different channels: townhall meetings, all-hands meetings, email or posters. Shareholders receive quarterly updates at the WHSE committee meetings.

Indicators

At the Gigafactory, the HSE team has been strengthened with external site safety officers, who are permanently on site, allowing incidents to be dealt with immediately. This explains the low number of near-misses and incidents.

	VIC 2024	GF 2024
Work accident with time off work	7	21
Work accident without time off work	6	6
First aid	38	52
Near-misses and incidents	226	4

Figure 14. Bird's triangle for VIC and GF in 2024 (employees + contractors).

Photo: Noé Baechlamba

	2024	2023
Number of on-site injuries during the reporting period (employees)	14	7
Number of on-site injuries during the reporting period (contractors)	26	9
Number of lost-time injuries (employees)	7	5
Number of lost-time injuries (contractors)	21	3
Number of on-site fatal injuries during the reporting period	0	0
Frequency rate of work-related accidents during the reporting period	6.8	9
Number of workdays lost to injuries, accidents or illness	3 148	66
% of workforce (employees + non-employees) covered by the company's health and safety management system	100%	100%
Health and safety training rate	90%	80%
Number of employees at the Gigafactory by the end of the year	270	17
Number of employees at the VIC by the end of the year	560	376
Number of contractors at the Gigafactory by the end of the year	995	177

The number of employees and contractors rose sharply in 2024 due to the development of Verkor operations and the construction of the Gigafactory. The best means of comparison between 2024 and 2023 is the frequency of work-related accidents. The lower frequency reflects a decrease in the number of accidents per work day in 2024 (relative to the number of employees).

Table 21. Health and safety KPIs 2024 (VIC + GF).

Action plan follow-up

Objective	Site	Action	Status end of 2024
Emergency management	VIC	Aging and warehouse sprinkler	Ongoing
	VIC	Emergency planning	Ongoing
	GF	Internal Operating Plan (POI)	Done
	VIC GF	Fire drills (firefighter training platform)	Done
ISO Certification	VIC	ISO certification project	Done
0 accident ambition	VIC	DUER action plan (priority risks)	Ongoing
		Safety culture	
	VIC GF	Manager training: Legal, HSE manager roles and responsibilities	Done
	VIC	Management of near-miss accidents	Done
	VIC	Safety campaign (safety talks and walkdowns, safety day, "HSE champions", etc.)	Postponed to 2025
	VIC	Manager safety culture training	Postponed to 2025
	GF	HSE contractors supporting the HSE team's actions on construction site	Done

Table 22. 2024 Health and safety assessment.

Objective	Site	Action
Reduce safety risks	VIC	Critical risks action plan included in DUER
	GF	Safe start of production
	VIC GF	Safety culture deployment: - Manager training (roles & responsibilities) - HSE campaign (HSE talks and walkdowns, Safety Day, etc.)
Reduce environmental impacts	VIC GF	Online monitoring of atmospheric emissions
	VIC	Cathode SRS improvement
	VIC	Health risk assessment NMC NMP
Reduce waste quantity	VIC	Anode cleaning filtration unit
Improve treatment/recycling	VIC	Cathode treatment
Energy efficiency	VIC	ISO 50001
Regulatory compliance	VIC	Compliance action plan
	VIC	Insurance standards
Technological risk prevention	VIC	Operational emergency team (ESI) VIC
	VIC	Dust collectors ATEX risk
ISO standards	GF	ISO 14001 45001

Table 23. 2025 health and safety roadmap.

Quality of working life

Verkor believes that a healthy and safe work environment also means improving working conditions, which is covered in its broader company pillars. 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.

Moreover, in a challenging context, nurturing a highly motivated and energetic team full of grit is crucial to building a Gigafactory in Europe. This can only happen if Verkorers' well-being needs are met.

Verkor also acknowledges that as Gigafactories are being implemented across 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 **improving working conditions** for all Verkor's employees

Eliminating hazards and reducing health and safety risks in the workplace

see Health and Safety section

Promoting flexibility in working time

Respecting everyone's private life and preventing any intrusive or inappropriate behaviour

Ensuring that **projects align with employees' expectations**

Being vigilant and proactive in preventing and **remedying harassment, isolation and overwork**

Legal

Our legal framework includes employer's health and safety obligations. Verkor has based its corresponding strategy:

- Rebsamen law, enacted on 27 August 2015, which establishes the principle of mandatory annual negotiations on professional equality and quality of working life with one or more union sections of representative unions

- El-Khomri law, enacted on 8 August 2016, which focuses on securing career paths, work-life balance, work organisation and the right to disconnect

- The National Interprofessional Agreement (ANI) for remote work, signed on 26 November 2020.

For Verkorers & Verkor

Our work is complex, conducted in a high-pressure environment, and significantly impacts human well-being and motivation. We emphasise boldness and performance, as they drive motivation. We foster togetherness to build a positive social climate and a collective mindset. We take responsibility for our employees' well-being, as it is Verkor's duty to care for them.

Measures

Over the past year, we have implemented several initiatives to ensure that our employees enjoy optimal working conditions.

Two-way communication

Several times a year, our management team organises general meetings, known as Townhalls or All-Hands meetings, for sharing information and addressing employee questions. Employees can submit their queries before the meeting through a dedicated form or during the Q&A session, ensuring that their voices are heard and their concerns are addressed.

Compensation for extra or atypical working hours

In 2024, we signed a new working time agreement, with the support of the Works Council. This agreement ensures that employees are fairly compensated for any additional or irregular hours they work, promoting a balanced work-life dynamic.

Family and friends programmes

Verkor adheres to the metallurgy collective agreement, which includes comprehensive Family and Friends programmes. These programs offer support for maternity leave, paternity leave and care for sick children, among other benefits to support employees' personal and family needs.

Flexible work organisation

We recognise the importance of flexibility in the modern workplace. Verkor offers remote work options allowing employees to balance their professional and personal responsibilities effectively.

Health care coverage

The health and well-being of our employees are paramount. All Verkor employees are covered by a comprehensive health insurance scheme provided by the company, in compliance with French law. This ensures that our employees have access to quality healthcare services when they need them.

Employee satisfaction survey

To continuously improve our work environment, two satisfaction surveys have so far been conducted. They gave us valuable insights into the employee experience and helped us identify areas for improvement. A third survey will be performed to assess the results of the psycho-social risk (PSR) project currently in progress.

Employee remuneration and stock ownership plan

The remuneration policy is governed by the collective agreement for the metallurgy industry and has been adjusted to reflect regional benchmarks. Verkor offers competitive gross salaries.

We believe in empowering our employees and fostering a sense of ownership within the company. Verkor has implemented an employee stock ownership plan that is offer to all employees. This initiative allows all employees to share in the company's success and aligns their interests with those of the organisation.

2024 assessment and roadmap

In 2024, the main action was on psycho-social risks (PSR). Verkor launched its PSR diagnostic with the support of an occupational psychologist. The first step was to create an PSR steering committee trained by the psychologist. The steering committee will subsequently be responsible for overseeing the implementation of the defined action plan.

The first collective interviews were carried out. The groups interviewed comprised randomly-selected employees from the same function. These anonymous interviews, hosted by the psychologist and an HR external consultant, aim at evaluating Verkor's PSR.

In 2024, five of the nine collective interviews planned were carried out.

On other QWL topics, Verkor held its first QWL week for employees. It featured workshops and conferences on working conditions. Through these events, employees could discover and learn good practices to enhance physical and mental health. The topics covered were repetitive strain injury (RSI), mental load, burn out, sedentary lifestyle at work and sleep quality. Exercises classes were organised, such as yoga and cardio-training.

A QWL awareness and information session was held for the Executive Committee on the QWL context, legal framework, pillars, objectives and strategy.

The next milestone of the QWL roadmap is to finalise the psychosocial risk assessment, establish Verkor's QWL diagnosis, define objectives and develop action plans before 2025. Verkor can then draft its QWL agreements with the works council.

Diversity, equity and inclusion

As an international company from the outset, diversity, equity and inclusion (DEI) form part of Verkor's ESG policy. Our multidisciplinary team brings together talents from around the world to build an innovative project on a European scale. Diversity and inclusion are vital to our success and are core values that we will continue to uphold. With DEI comes challenges that we are committed to addressing by:

Upholding **Verkor's values** to ensure they are embodied in all operations

Zero tolerance for any form of **discrimination**

Establishing **transparent pay scales** and evaluating them regularly

Being proactive in including **minorities** and **disadvantaged individuals**, and working with local authorities

Treating everyone **equally**, with **respect and kindness**, both within and outside the organisation

Promoting **diversity** through dedicated actions to foster an inclusive work culture

DEI is integrated in our internal rules. In accordance with the French Labour Code and Criminal Code, Verkor condemns moral and sexual harassment, sexist behaviour and discrimination.

VERKOR SAS IN 2024

Ratio of female employees

28%

29% in 2023

Ratio of female employees in **top management**

11%

16% in 2023

Ratio of female employees in **middle management**

33%

N/A in 2023

Number of **members** in the first decision-making body (ExCo)

7

7 in 2023

Number of **women** in the first decision-making body (ExCo)

1

1 in 2023

Gender equality index

90%

81% in 2023

Average **unadjusted gender pay gap**

(fixed and variable compensation)

8.8%

13.5% in 2023

Number of **women among the 10 highest-paid employees** of the company over the reporting period

2

2 in 2023

Number of **nationalities** represented

48
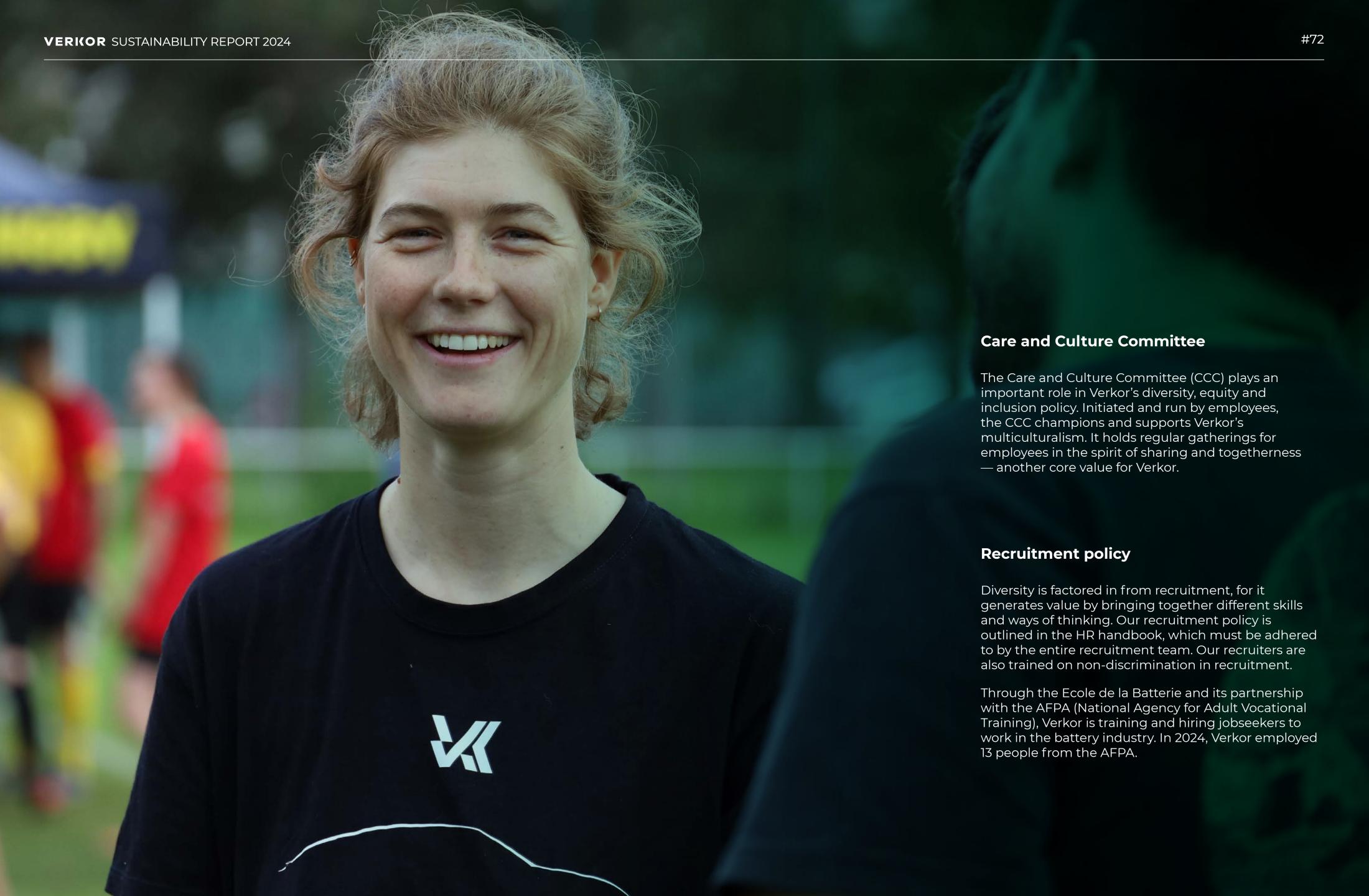
40 in 2023

Employees with **disabilities**

Not yet monitored

Table 24. Diversity, equity and inclusion KPIs.

Care and Culture Committee

The Care and Culture Committee (CCC) plays an important role in Verkor's diversity, equity and inclusion policy. Initiated and run by employees, the CCC champions and supports Verkor's multiculturalism. It holds regular gatherings for employees in the spirit of sharing and togetherness — another core value for Verkor.

Recruitment policy

Diversity is factored in from recruitment, for it generates value by bringing together different skills and ways of thinking. Our recruitment policy is outlined in the HR handbook, which must be adhered to by the entire recruitment team. Our recruiters are also trained on non-discrimination in recruitment.

Through the Ecole de la Batterie and its partnership with the AFPA (National Agency for Adult Vocational Training), Verkor is training and hiring jobseekers to work in the battery industry. In 2024, Verkor employed 13 people from the AFPA.

Social dialogue

The Works Council (CSE) ensures that employee interests are both represented defended. It serves as a bridge between management and the workforce by facilitating communication and consultation on matters such as working conditions and economic decisions that impact employees.

In 2024, the Works Council, together with company representatives, finalised and signed a first working time agreement that entered into force at the end of 2024. It also contributed to the PSR project as one of the interviewed entities. The Works Council reports to management on a monthly basis.

Through the Health, Safety & Working Conditions Committee (CSSCT) and together with EHS team, the Works Council performed regular walkdowns to identify areas for improvement in the working environment.

Through its advisory and consultative functions, the Works Council helps foster a collaborative and inclusive workplace culture, and contributes to employee well-being by addressing their concerns.

At the end of 2024, the Works council resigned to trigger new elections and resize its representation to fit the new reality of the company.

2024

Employees covered by a collective bargaining agreement on labour policy

100%

Employees covered by representatives

100%

Table 25. Social dialogue indicators.

Training

IS1.3   IS1.4

2024 assessment

In 2024, we focused our training on safety and started to systematically accompany all production employees through an ambitious six-month training plan, allowing them to spend about 25 weeks at the VIC, in Grenoble, and take advantage of on-the-job training (OTJT) sessions.

In total, more than 80 employees have been upskilled. This represents more than:

46,500 hours

about 26 years!

As well, newcomers to the VIC shopfloor are required to complete basic workstation safety onboarding, or risk assessment training. Managers also receive dedicated safety training on roles and responsibilities.

These safety training sessions are mandatory and essential to instil safety culture at all levels.

We also successfully implemented the onboarding week at the Gigafactory. Over the course of a week, newcomers are trained on topics including batteries, health and safety, product and processes, cybersecurity and quality. They also participate in a half-day Climate Fresk.

Indicator

2024 value

Total number
of training hours*

17,448

Average number of training
hours per employee

28.5
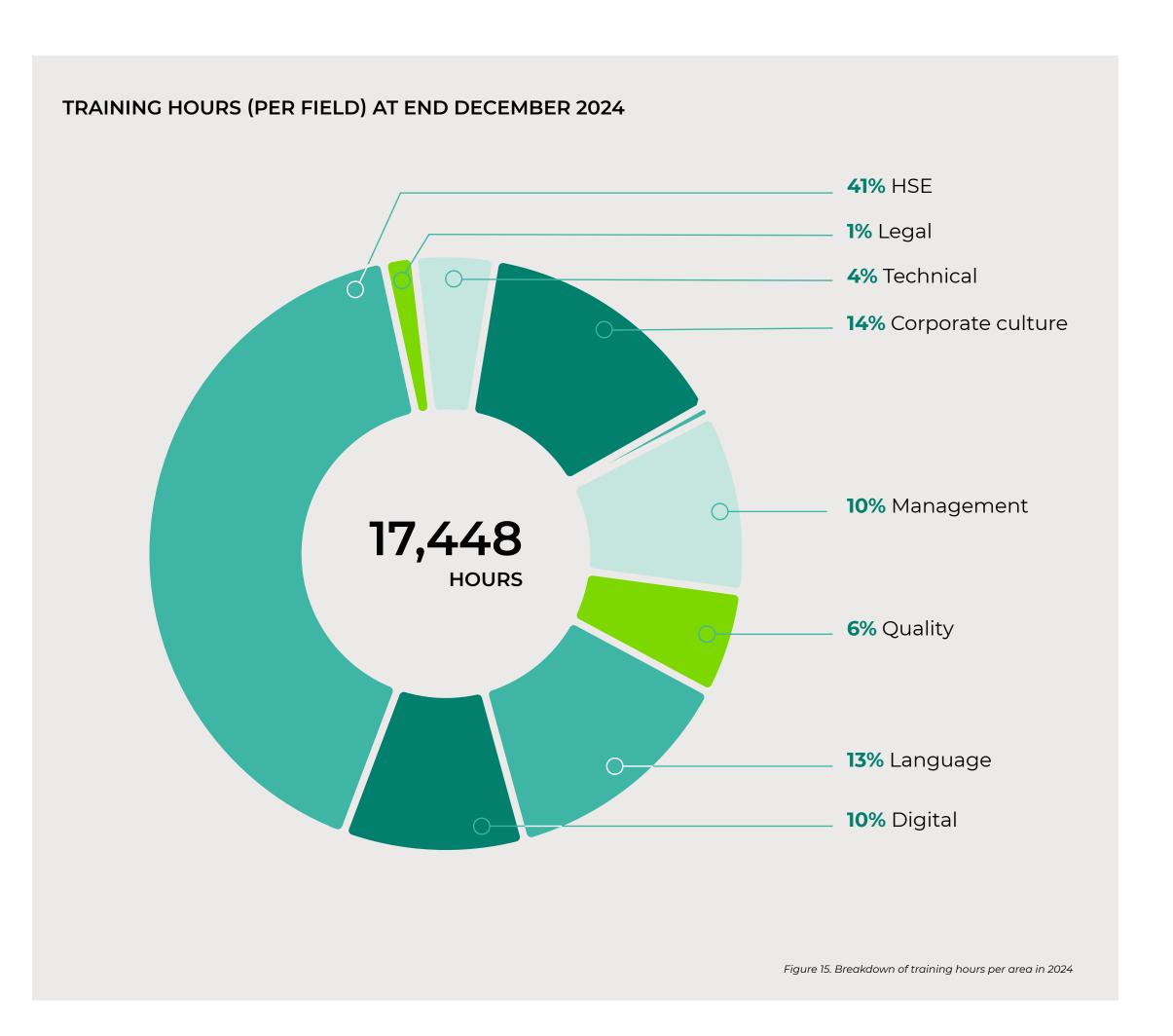
Critical HSE training
completed

90%

% of employees that participated in regular
performance + career development appraisals.

NA

* excluded: On-the-job Training

Table 26. Training KPIs for 2024

TRAINING HOURS (PER FIELD) AT END DECEMBER 2024

17,448
HOURS

41% HSE
1% Legal
4% Technical
14% Corporate culture
10% Management
6% Quality
13% Language
10% Digital

Figure 15. Breakdown of training hours per area in 2024

Roadmap for 2025/2026

Our strategic priorities are clearly defined:

Ensuring the Gigafactory's ramp-up:

focus on up-skilling operators and technicians in the production, and maintenance teams.

Ensuring necessary competencies and skills

for future needs through knowledge transfer.

Our 2025/2026 roadmap stands on four main pillars :

- **Newcomers:** delivering a best-in-class first week and sharing Verkor's culture;

- **Health & Safety:** ensuring priority and regulatory training;

- **Learning by doing:** tutoring, shadowing and learning with internal experts (OTJT);

- **Equipping our managers** with management fundamentals (performance, collaboration, communication, etc.).
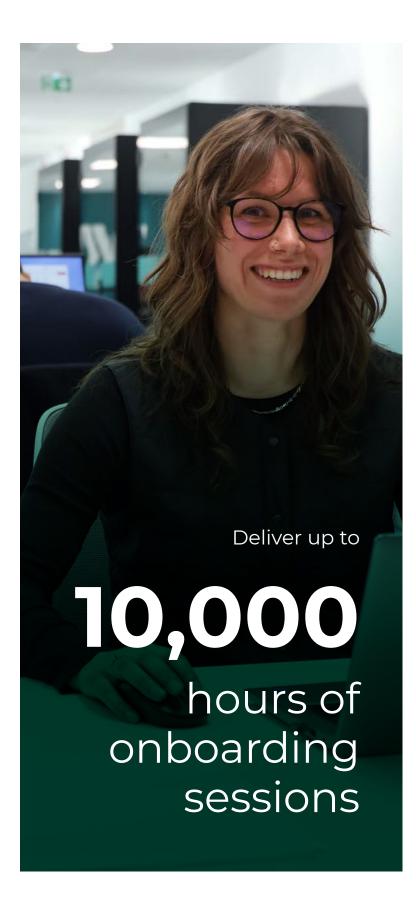
These will be supported by a consistent training approach that can be summarised as follows:
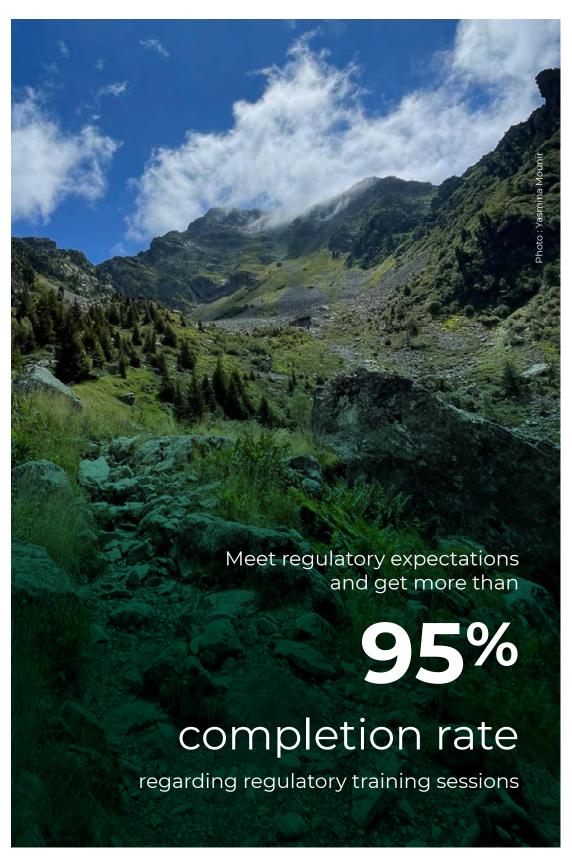
70% On the job Experience	20% Informal Learning	10% Formal Learning
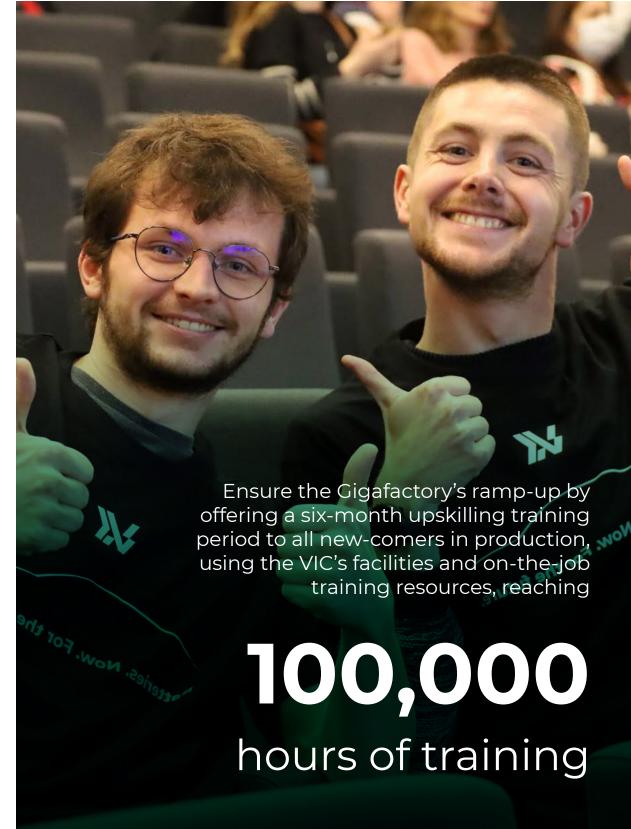
Figure 16. Pedagogical approach for employees training

Our ambitions in 2025:

Deliver up to

10,000

hours of onboarding sessions

Photo : Yasmina Mounir

Meet regulatory expectations and get more than

95%

completion rate

regarding regulatory training sessions

Ensure the Gigafactory's ramp-up by offering a six-month upskilling training period to all new-comers in production, using the VIC's facilities and on-the-job training resources, reaching

100,000

hours of training

Communities and partnerships

Communities

IS3.1 **IS3.2**

We consider all communities affected by our value chain in our sustainable development approach.

Our responsible sourcing practices include actions concerning communities in our supply chain.

For communities impacted by our operations, we foster synergies through job creation, training (through EDLB) and shared-interest projects in the battery industry (see below for section on projects and partners). We strive to protect these communities from any potential pollution generated by our industrial activities.

Affected communities can report any problems, including pollution, harassment and corruption, using our alert platform, which is accessible on the Verkor website and in our annual reports. We include our code of ethics in all contracts.

Consumers and end-users

RS4.1

Verkor places great emphasis on the health and safety of its consumers and end-users.

To ensure the highest standards in this regard, we have implemented an ISO 9001 certified Quality Management System. It aims to go further by obtaining the automotive industry standard IATF 16949.

Measures implemented to guarantee customer safety include:

- Detailed information on the **safe use and storage of products** ("safe handling guidelines")

- Safety datasheets providing the **chemical and physical properties of products**, as well as the potential health and safety hazards to which users are exposed

- A system for collecting **feedback on product issues**, including a procedure for complaints and compensation, and a dedicated phone number provided on every safety datasheet

- An assessment of the **customer's health and safety risks**

Ecole de la batterie (EDLB)

The École de la Batterie aims to advance the growth of the French battery industry by providing a suitably trained and qualified workforce.

Created in 2022 with the financial support of the France 2030 programme, EDLB and its 15 private and public partners work to meet the urgent needs of the industry via cutting-edge training programmes.

Through this initiative, Verkor addresses IROs

IS1.3   IS1.4

2024 assessment

MAPPING

+3
companies interviewed

TRAINING OF TRAINERS

+50
trainers and teachers trained (x9.5 above the total target for 2022 to 2024)

2
training-of-trainers courses created

TRAINING

+3,000
people completed training (+3% above the total target for 2022 to 2024)

59
training courses adapted or created

ATTRACTIVENESS

+4,400
people reached (x18.4 above the total objective from 2022 to 2024)

+40
awareness-raising initiatives

Roadmap 2025

Training more people in all professions

The main objective is to continue adapting and creating courses to train 1,600 people per year, from vocational diplomas to engineering degrees, masters and doctorates. Eventually, the courses will cover all the needs of the industry: how to make, use, maintain, store and even recycle batteries. Socio-environmental issues (sovereignty, circularity, life-cycle assessment) will be built into the training offer.

Working hand-in-hand with the value chain

The school will be working even more closely with companies, including new large-scale plants such as Verkor, Orano, Renault, SSW and CMA-CGM, as well as their suppliers in France. The aim is to meet short-term needs, by offering ongoing training that closely reflects the work environment and the job, as well as to meet medium- and long-term needs with freshly-trained candidates who have the prerequisites. To achieve this, we are checking the relevance of the 81 training courses that have already been adapted. Apprenticeships, internships, short training and job-preparation training are assessed for their effectiveness. Secondly, we will also involve more companies in our development committees to create dialogue between companies and training organisations.

Working better together in France and opening up to Europe

The various battery training centres based in France will strengthen their collaboration through a dedicated working group under the French PFA/DGE support scheme. This will involve sharing best practice, joint communication campaigns, shared resources and the development common reference frameworks. In addition, the École de la Batterie will start working with other European countries (Italy, Germany, etc.) to make it easier for students and trainers to travel and to fill vacancies in each other's networks. The École de la Batterie aims to become a benchmark in Europe.

Innovating and preparing for the future

The school will continue to develop innovative teaching methods as part of its work. These will include new technical platforms and the development of links between trainees (interdisciplinary, inter-level). For example, we will encourage cross-fertilisation through the Formula 1 competition, where higher education students learn by creating their own electric racing vehicle. We will also continue to work on the definition of EDLB's future business model going forward. Finally, we will seek new sources of funding to support the investment and running of EDLB.

Projects and partners

Projects

Verkor is involved in several projects at both national and European levels. These projects span the entire battery value chain. At European level, Verkor is part of two battery manufacturing projects: GIGABAT, improving process efficiency to enhance product quality and reduce costs; and BATTwin, improving production efficiency through digitalisation and the creation of a digital twin. On the digital side, Verkor takes part in the European AID4SME project, which helps SMEs develop AI solutions for automating production.

On product development and safety, Verkor is involved in the EU-funded INERRANT project, dedicated to developing safer and more sustainable materials. Furthermore, Verkor is involved in two French projects: HD SEPACK, for the development of more resilient battery packs; and MATICS, for the development of safer and more heat-resistant batteries.

Verkor is also contributing to developing the battery recycling sector through regional projects such as SCRAPCO2MET, which focuses on recycling production scrap, and at European level, with BATMASS, aimed at creating and implementing a circular economy chain. Finally, Verkor is involved in REVITALISE, a project focused on developing more cost-effective technologies for the pretreatment of end-of-life batteries.

In decarbonisation, Verkor is contributing to the Dunkerque pilot activity: Net-Zero Urban-Industrial Growth (NZUIG) project. The NZUIG project aims to reconcile carbon neutrality goals with economic development by placing mobility at the heart of the Dunkerque Urban Community's ecological transition. As a key local industry, Verkor's Gigafactory aims to serve as a model factory in a net-zero region.

Developing France's battery industry requires specialist skills and expertise. That it why we firmly believe that training is a key step toward industrial sovereignty. Drawing on our experience via EDLB, we take part in various training projects in France: Electromob for battery industry training in the Hauts-de-France region; Cédécidé for training related to decarbonisation, near Dunkerque; and La Tête Dans Les Nuages, in Grenoble, specialised in digitalisation of the industry.

Associations

Verkor is an active member of several associations dedicated to developing, promoting, and advocating for the battery industry in Europe.

- **Upcell Alliance**
  Cofounded by Verkor and Schneider Electric, bringing together all players on the battery value chain, including industry, universities, machinery and equipment vendors.

- **RECHARGE**
  The advanced rechargeable battery association, bringing together all industry players in different battery technologies.

- **European Battery Alliance (EBA)**
  Founded by the European commission to create a battery value chain in Europe.

These associations bring together stakeholders from across the entire battery value chain, cultivating a collaborative ecosystem that drives innovation and growth.

Our involvement in these associations provides us with valuable opportunities to:

- **Network with industry peers**
  Engage with other key players in the battery industry, fostering partnerships that strengthen our market position.

- **Exchange knowledge**
  Share insights and best practices with industry leaders, enhancing our operational strategies and technological advancements.

- **Strengthen our strategies**
  Harness collective expertise to refine and consolidate our business strategies.

- **Policy influence**
  Amplify our voice and advocate for policies that support the growth and sustainability of the battery industry. Through these associations, we have a direct channel to engage with the European Commission, influencing regulatory frameworks that shape our industry's future.

We are a member of various associations in the Grenoble and Dunkerque regions where we operate (see map below).

FRENCH
associations

Mouvement des Entreprises de France MEDEF Vienne

FRANCE DIGITALE

Mouvement des Entreprises de France MEDEF Vienne

Sesame

uniden
UNION DES INDUSTRIES UTILISATRICES D'ÉNERGIE

EUROPEAN
associations

upcell
Alliance

EUROPEAN BATTERY ALLIANCE EBA250

RECHARGE

Cleantech for Europe

eit InnoEnergy

Figure 17. Association memberships in 2024.

Responsible business

Business conduct

RG1.1	IG1.1	IG1.2	RG1.2

OG1.1	IG1.3	IG1.4

At Verkor, we are committed to upholding the highest standards of ethical business conduct. Our dedication to integrity is not just a policy, but a fundamental part of our corporate culture. To ensure exemplary conduct, we have implemented robust policies in anti-corruption, whistleblower protection and human rights, as well as a code of ethical conduct for suppliers and employees. A due diligence policy is planned for 2025. These documents are available in French and in English on verkor.com, except for the internal code of conduct which is for employees only and available on the intranet platform. By fostering an environment where ethical conduct is paramount, we aim to build trust with our stakeholders and contribute positively to society.

Verkor's Executive Committee is responsible for defining policies and actions plans, and is accountable for results (hereafter the "Programme"), and promoting a culture of integrity throughout the organisation. The Compliance & Regulatory Officer is responsible for the Programme's proper deployment and compliance therewith on a day-to-day basis, and reports to Verkor's Executive Committee.

The definition and deployment of the Programme are approved and periodically reviewed by the Audit & Risk Committee. Revisions are made as necessary. The Audit & Risk Committee provides regular updates to the Supervisory Board.

Anti-corruption

At Verkor, we believe that corporate sustainability starts with a culture of honesty and integrity. Along this line, we do business in accordance with all applicable laws, rules and regulations and maintain a zero-tolerance policy towards corruption of any kind.

The anti-corruption policy, released in 2024, sets out our commitments with regards to anti-corruption and lays a framework for compliance with all applicable anti-corruption laws. This policy has been approved by senior management and is regularly reviewed to ensure ongoing compliance with all applicable laws. The policy applies to the workforce of Verkor SAS Grenoble, Verkor SAS Dunkerque and Verkor Giga Immo. It addresses, amongst others, corrupt practices (including facilitation payments), actual, potential or perceived conflicts of interest, due diligence on business relations, gifts and invitations, interest representation activities and expenditures, sponsorships and charitable donations, fraudulent behaviour, and retaliation against whistleblowing, in order to prevent, detect and respond to any risks of corruption and bribery.

To allow a more practical understanding of these topics, the internal code of conduct applicable to Verkor's workforce provides examples of good practices to adopt and procedures to follow.

To apply this policy, an anti-bribery and anti-corruption programme was implemented, in line with the guidelines of 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 French Anti-Corruption Agency's Guidelines.

The Programme prevents, detects and responds to any risks of corruption and bribery.

1 FIRST PILLAR

Commitment of senior management to corruption-free performance

2 SECOND PILLAR

Risk mapping

3 THIRD PILLAR

Risk management

Prevent
- Code of conduct
- Training and awareness
- Third-party verification

Detect
- Speaking up and confidential reporting (whistleblowing)
- Accounting controls
- Second- and third-level controls

Respond
- Investigation
- Corrective measures
- Disciplinary action

Board oversight and management responsibility

Internal and external reporting

Photo : Nathan Kon

Roadmap of the anti-corruption system:

Pillar	Action	Timeline
Senior management commitment	**Dissemination of a "tolerance-zero" policy towards corruption. Build a strong compliance culture from the top**	**Before entering the scope of the Sapin II law**
	Define KPIs	**Before entering the scope of the Sapin II law**
	Create an internal audit function that conducts third-level controls	**Before entering the scope of the Sapin II law**
Risk mapping	**Set up a corruption risk register**	**Done in 2024**
	Define rules for updating the risk map	· Formalise when and in which situations an update should be carried out: **Done in 2024** · Ensure the action plan is updated when relevant and designate the people in charge of implementing the action(s): **ongoing**
Risk management	**Adopt a code of ethics that includes anti-corruption, with specific situations identified in the risk map that pose a significant risk**	· Ensure that the code of ethics is included in the Internal Rules: **Before entering the scope of the Sapin II law** · Define the conditions for updating the code of conduct: **Done in 2024**
	Implement an awareness and training programme	· Identify the employees most exposed to the risk of corruption: **Done in 2024** · Set up e-learning for all employees to raise awareness on anti-corruption: **Done in 2024** · Redefine conditions and begin e-learning follow-up: **started in 2024, to be continued in 2025**. · Define and roll out training for senior management and employees most at risk: **Before entering the scope of the Sapin II law**
	Set up an alert system	· Implement policy and provide platform: **done in 2024** · Reinforce communication: **Before entering the scope of the Sapin II law**
	Assure third party integrity evaluation	· Third party integrity evaluation for specific categories (investors, raw material suppliers): **covered since 2023** · Redefine procedure for all other categories: **Before entering the scope of the Sapin II law**
	Ensure accounting controls	· List and formalise the first-level anti-corruption controls already in place: **Before entering the scope of the Sapin II law** · Identify the transactions and operations most at risk: **Before entering the scope of the Sapin II law** · Draft a second-level anti-corruption accounting controls plan, tailored to the nature of the transaction and representative of the risks: **Before entering the scope of the Sapin II law** · Conduct audits: **Before entering the scope of the Sapin II law**
	Ensure internal controls	Develop and formalize a second-level and a third-level control plan covering all elements constituting Verkor's anti-corruption program and audit: **Prior entering law Sapin II scope**
	Have in place a disciplinary regime	Disciplinary action and proportionate sanctions when breaches of integrity and probity are identified: **continuous, no breach observed to date**

Verkor plans to finalise its anti-corruption system roadmap before entering the scope of the Sapin II law. The precise timeline is being defined.

Specific actions relating to identified corruption risks and their timeline for implementation are included in a separate roadmap for the corruption risk register.

The employees most exposed to corruption risk are:

- Members of senior management
- The sourcing team
- The Gigafactory installation & construction team
- The real estate team
- The (external) communication team
- The sales team
- All those working in recruitment, compensation and benefits, and with a delegation to engage Verkor

In addition to completing an e-learning module on anti-corruption, the above-mentioned employees will also be required to follow comprehensive in-person training tailored to their specific roles and exposed risks, with concrete examples and assessments.

Monitoring

To measure the effectiveness of the actions implemented, and in addition to the CSRD KPIs listed below, Verkor has created the following KPIs to be monitored from 2025: number of corruption and bribery incidents, percentage of people trained in ethics, number of gifts and invitations declared, and number of conflicts of interests declared. Targets will be defined in 2025.

CSRD indicator	Value reported in the alert platform in 2024
0	The number of convictions for violations of anti-corruption and anti-bribery laws
0 €	The amount in fines for violations of anti-corruption and anti-bribery laws.
0	The number of confirmed incidents of corruption or bribery.
0	The number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents.
0	The number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery.
305	The number of people trained in ethics (anti-corruption).

Table 27. Key performance indicators for the anti-corruption and anti-bribery program

The evaluation of progress is not possible since the KPIs were established in 2024.

Alert policy

Payment practices

In 2024, a basic payment policy was implemented. A more detailed policy is planned for the end of 2025.

According to the terms on the supplier creation form, the payment period is 45 days and can vary depending on the type of purchase.

Verkor is committed to open communication and encourages employees and stakeholders to report any concerns or observations regarding potential misconduct relating to its activities. To support this,

a confidential and secure alert system has been established and is available to our workforce and stakeholders.

The alert system includes the whistleblowing procedure and the grievance mechanism.

The alert system operates independently of other reporting channels within the company, such as the possibility to report to employee representatives, providing authors of an alert the choice of their preferred reporting method.

The alert system meets the legal requirements set out in:

- the **Sapin II Law of 9 December 2016 on transparency**, the fight against corruption and the modernisation of economic life, and its implementing decree
- the **Waserman Law of 21 March 2022**
- the **European General Data Protection Regulation (GDPR)**

It also serves as an operational-level grievance mechanism in accordance with the UN Guiding Principles.

Photo: Keenan Kőn

The key action in 2024 was the implementation of a dedicated alert platform :

verkor.besignal.com

It is accessible to all stakeholders via the company website, to report any situation securely and confidentially, with the possibility to remain anonymous.

All alerts are reported to the Executive Committee and the Supervisory Board via the Audit & Risks Committee.

TREATMENT OF AN ALERT

1

ALERTS TRANSMITTED

Alerts transmitted through https://verkor.besignal.com/ are received by the Compliance & Regulatory Officer (independent from management).

2

ALERT EXAMINED

Alert examined for admissibility by the Compliance & Regulatory Officer. The author of the alert is asked for additional information if needed.

3

INVESTIGATION

The whistleblower may be asked to provide additional information. External experts may be invited to provide further expertise.

4

RESPONSE

Within three months from the acknowledgement of receipt, the author of the alert will receive feedback on the investigation.

5

POSSIBILITY TO COMMUNICATE PUBLICLY

Possibility to communicate publicly on the alter if the whistleblower receives no appropriate feedback on the investigation within three months, risks to be reprimanded or if the reported facts are of grave and imminent nature.

NOT ADMISSIBLE

If the alert is not admissible: the whistleblower will receive a confirmation of its inadmissibility with the reason why.

ADMISSIBLE

If the alert is admissible: the author of the alert will be informed of its admissibility. The person appointed to carry out the investigation will sign a non-disclosure agreement to safeguard the confidentiality of the alert.

NOT CONFIRMED

If the reported facts are not confirmed: the alert will be closed and anonymised.

CONFIRMED

If the reported facts are confirmed: corrective measures will be implemented to remedy the situation at the basis of the alert. Disciplinary actions may be taken and legal proceedings may be engaged.

Table 28. Treatment of alerts procedure.

Cybersecurity and IT usage

Cybersecurity

Our cyber security guidelines are designed to ensure a high level of protection for our information systems and sensitive data.

We comply with international standards such as ISO 27001, which establishes a framework for information security management, IEC62443 for industrial aspects and the NIS2 directive, which aims to strengthen the resilience of critical entities to cyber-attacks. These standards enable us to put in place rigorous technical and organisational measures to manage risks and ensure the continuity of our activities.

It is important to note that we are discreet about our cyber security policies. This discretion is essential to prevent sensitive information being used against us by malicious actors. We firmly believe that excessive transparency in this area could compromise our security and expose our systems to unnecessary risks.

We also believe that cybersecurity is a fundamental pillar in guaranteeing the long-term future of our business. By protecting our digital assets, we avoid service interruptions that could have major environmental consequences. Indeed, a company that suffers repeated cyber-attacks risks seeing its operations disrupted, which could lead to increased consumption of resources to restore systems and compensate for losses.

Finally, a strong cyber security culture contributes to the company's reputation and the trust of our customers and partners. By investing in the ongoing training of our employees, we ensure a proactive defence against cyber threats and guarantee the security of our digital environment.
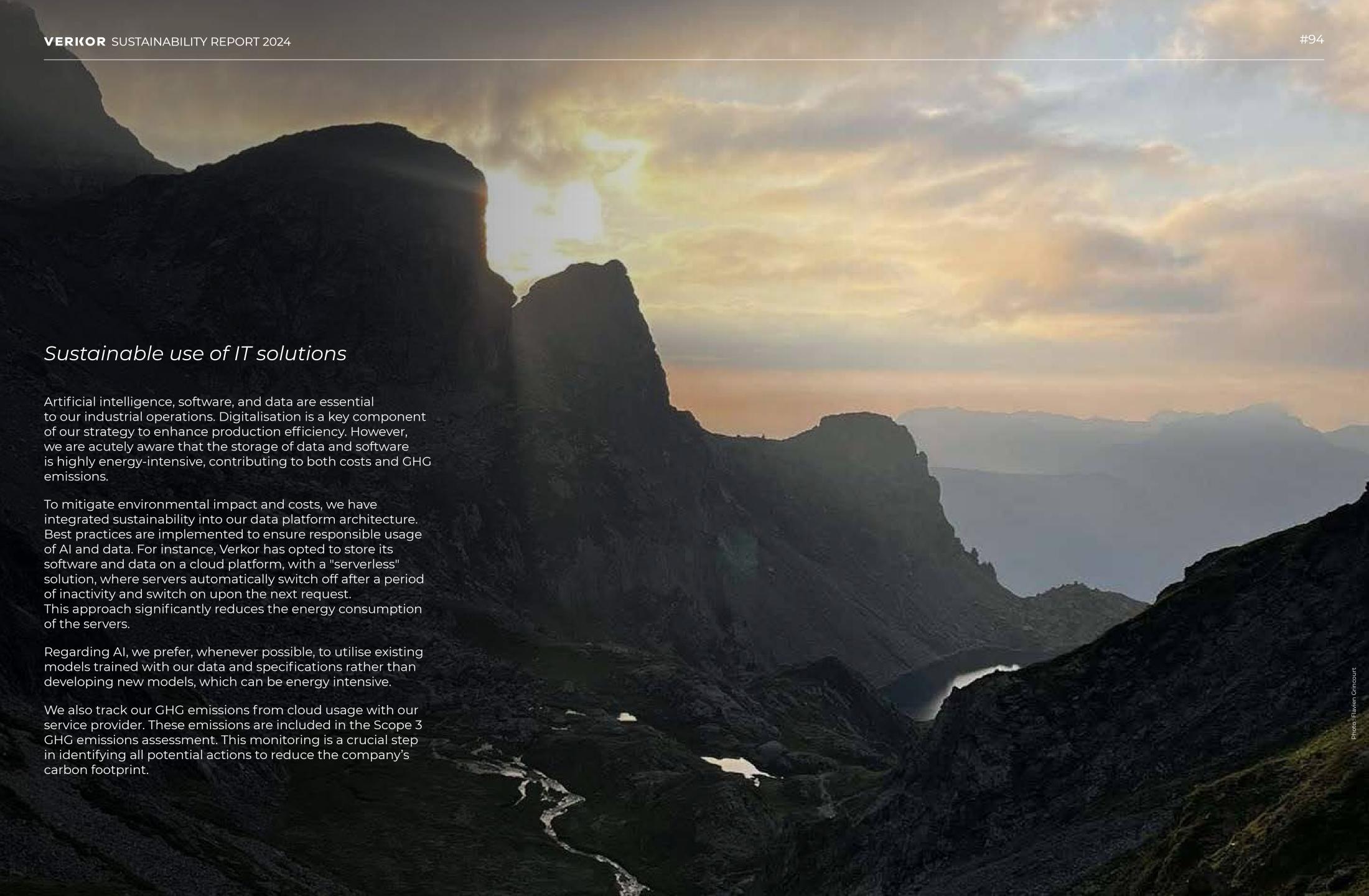
Data protection

Verkor prioritises data protection in the way it conducts business. To ensure privacy and safeguard personal data, we launched a project to comply with the French Data Protection Act of 1978 and the General Data Protection Regulation, with ongoing maintenance.

In Q3 2024, all data processing activities and existing practices were extensively reviewed. Verkor mainly processes data related to its employees, suppliers, service providers and subcontractors, as well as its participants in the activities of the Ecole de la Batterie.

Following this review, Verkor has been working with the support to strengthen the following areas.

Data security	Verkor is committed to implementing appropriate practices and controls to ensure a high level of data security, utilising both internal resources and external IT service providers.
Admissibility and proof	Verkor is committed to establishing a robust documentation system to demonstrate its GDPR compliance.
Information on rights and liberties	Verkor is committed to informing individuals that their personal data is processed in compliance with regulatory requirements. It strives to respond to requests to exercise the requestor's rights within one month, ensuring satisfactory outcomes for all concerned individuals.
Data Protection Officer (DPO)	Verkor has appointed an external Data Protection Officer. A dedicated email address (dpo@verkor.com) is available for processing any questions and exercising rights related to personal data protection.

Sustainable use of IT solutions

Artificial intelligence, software, and data are essential to our industrial operations. Digitalisation is a key component of our strategy to enhance production efficiency. However, we are acutely aware that the storage of data and software is highly energy-intensive, contributing to both costs and GHG emissions.

To mitigate environmental impact and costs, we have integrated sustainability into our data platform architecture. Best practices are implemented to ensure responsible usage of AI and data. For instance, Verkor has opted to store its software and data on a cloud platform, with a "serverless" solution, where servers automatically switch off after a period of inactivity and switch on upon the next request. This approach significantly reduces the energy consumption of the servers.

Regarding AI, we prefer, whenever possible, to utilise existing models trained with our data and specifications rather than developing new models, which can be energy intensive.

We also track our GHG emissions from cloud usage with our service provider. These emissions are included in the Scope 3 GHG emissions assessment. This monitoring is a crucial step in identifying all potential actions to reduce the company's carbon footprint.

Photo: Flavien Grincourt

Appendix

Appendix A. Reporting disclosure

The company sustainability statement is based on a double materiality approach, which considers both the impact of Verkor on the environment and society, and the influence of environmental and social issues on the company's performance.

This approach ensures that the sustainability statement is relevant to all stakeholders, including employees, investors, customers and the communities in which the company operates. It includes a discussion on the sustainability risks and opportunities facing the company

Scope of the sustainability statement

The consolidated scope of this report includes the Verkor Innovation Centre (VIC) and the Verkor Gigafactory, taking into account the entire value chain and covering the period from 1 January 2024 to 31 December 2024.

The double materiality assessment, the impacts, risks and opportunities (IROs), and the definition of material challenges are applied at a scope that takes account of Verkor's full-scale operations.

Certain elements of policy, objectives, action and measurement have been adapted according to the following filters:

- As the Gigafactory is not operational, some elements will relate only to the VIC and others to all activities. By way of illustration, the decarbonisation objectives cover a complete activity, the health and safety actions relate to the VIC and the Gigafactory, etc.

- Still in the deployment phase, Verkor is making every reasonable effort to ensure that, beyond the omission of classified or sensitive information, or specific information relating to intellectual property, the overall relevance of this publication is not compromised.

Verkor's reporting methodology

The company continuously improves its reporting tools and processes to fine-tune the quality and accuracy of its consolidated data. This enables us to manage our data collection processes more efficiently, regularly track and analyse performance at all levels, assess results against targets and implement suitable corrective measures.

Reporting scope for social indicators

Social indicators regarding human resources cover all Verkor's employees with a direct employment contract. For 2024 reporting, as the Gigafactory is not operational, indicators mainly report on the VIC scope such as the quantity of waste generated.

Reporting scope for environmental indicators

Environmental indicators regarding carbon footprint cover all Verkor's scope including the normative operational situation including the Gigafactory For 2024, on issues other than carbon footprint, as the Gigafactory is not operational, indicators mainly report on the VIC scope.

Reporting scope for governance indicators

Governance and ethical indicators regarding cover all Verkor's scope.

Time horizon

When preparing its sustainability declaration, the company adopts time intervals from the end of the reference period.

Regarding the monitoring of **performance indicators**, the updating of policies and the results of actions undertaken:

- Short-term — up to one year, in line with the fiscal period

- Medium-term — one to five years, reflecting commitments and the operational implementation of the sustainability strategy

Regarding the **assessment of Impacts, Risks and Opportunities**:

- Short-term — up to two years, insofar as major internal or external events require us to update our analyses and adjust our strategies accordingly

- Medium-term — two to five years, to adjust the ambitions set and the resources to be deployed to implement policies

- Long-term — more than five years, to anticipate transitions commensurate with the impacts analysed

Regarding the **definition and updating of progress targets**:

- Medium-term — one to five years for all progress objectives

- Long-term — more than five years for objectives requiring structural changes, including investments, with some exceptions

Regarding **environmental issues**, and specifically climate and biodiversity, Verkor has set precise time horizons of 2032, 2050 and 2100. The reference period will be the first full year of production at the Gigafactory.

Sources of estimation and outcome uncertainty

Considering that Verkor activities are still in development, the performance indicators include a certain degree of uncertainty qualified over several levels and presented in the following table:

	UNCERTAINTY LEVEL	COMMENT
Impact, risks and opportunities (IRO)	Medium	Given that the Gigafactory is not yet operational, IROs have been assessed on a theoretical basis and according to several optimistic and pessimistic scenarios, depending on regulatory, market and economic developments.
Policies	Low	The policies reflect Verkor's level of commitment and the major areas for progress reflect a high level of operational commitment, which should be maintained over the coming years and adjusted according to the pace of deployment.
Targets	Low	Verkor's commitments present little uncertainty, and their reliability is enhanced by the fact that they are made with business and financial partners.
Actions	High	Given that the Gigafactory is not yet operational, not all actions can yet be deployed. Some actions are therefore classified as 'to be implemented'.
Monitoring and performance indicators	Medium	The KPIs are relevant and reliable for VIC. For the business as a whole, which is not yet operational, they are based on theoretical assumptions. Verkor also uses metrics relating to the upstream and downstream value chains, estimated using indirect sources. For GHG emissions, technical uncertainty is measured for each scope of emissions.

Table 29. Sources of estimation and uncertainty levels.

The reporting process

The sustainability report is prepared by the Sustainability Team. The team is responsible for the collection and consolidation of data. Data is collected through several contributors in each team including HR, HSE, legal, IT, and Finance. The team also oversees data verification and quality assessment. The consolidated data is presented to management during the WHSE and 360 committees.

Appendix B. DMA methodology

The process

Verkor conducted a double materiality assessment with the support of an external consulting firm. This assessment covered both the actual and potential impacts of the company and its value chain on people and the environment (impact materiality), as well as the significant risks and opportunities for the business related to sustainability issues (financial materiality). Verkor is using these results to prepare for compliance with the CSRD requirements.

The initial step identified 17 key sustainability matters through an in-depth assessment of Verkor's social, environmental, and governance impacts across its value chain, following a life cycle approach for electric batteries to examine the significant impacts at each stage from raw material extraction to end-of-life management. The assessment included scientific publications, news articles, and interviews with ESG experts. The findings were then aligned with European Sustainability Reporting Standards (ESRS) and ISO 26000 for a comprehensive evaluation.

Impact materiality

Following the identification of sustainability matters, workshops with experts from several departments were carried out to assess the emerging impacts and map out ESG risks and opportunities. This collaborative effort enabled the identification and prioritisation of the sustainability matters critical to Verkor's operations and strategy, as well as its value chain.

Stakeholders

To comprehensively understand Verkor's ESG impacts, the consulting firm interviewed key stakeholders, including employees, investors, suppliers, clients, and environmental experts. These stakeholders provided insights into Verkor's activities' impacts on people and the environment and shared expectations for the company's ESG practices. Through structured interviews, they offered perspectives on the 17 sustainability goals, refining Verkor's impact materiality assessment and integrating stakeholder views into the company's strategy. This process underscored Verkor's commitment to transparency and inclusivity in addressing ESG impacts

Financial materiality assessment

Verkor conducted a financial materiality assessment to identify the financial implications of its sustainability matters. Based on scientific literature, news articles, and expert insights, the main risks and opportunities related to the 17 sustainability goals were identified.

The Finance Team evaluated the potential financial effects on cash flow and the business model. This assessment provided a clear understanding of how sustainability issues could influence Verkor's financial health and helped integrate sustainability into Verkor's business strategy and decision-making, aligning sustainability initiatives with business strategy and stakeholder expectations.

Appendix C. Other CSRD indicators

INDICATOR	PERIMETER	UNIT	VALUE
Outside the EEA, % of employees covered by collective bargaining agreement	Verkor SAS	%	**N/A**
% of employees entitled to take family-related leave	Verkor SAS	%	**100%**
% of entitled employees who took family-related leave	Verkor SAS	%	**100%**

Table 30. Working conditions indicators.

Appendix D. Statement on sustainability due diligence

CORE ELEMENTS OF DUE DILIGENCE	SECTIONS IN THE SUSTAINABILITY REPORT
Embedding due diligence in governance, strategy and business model	Ch. 2. I. (company sustainability management)
Engaging with affected stakeholders in all key steps of the due diligence process	Ch. 2. III. (stakeholder engagement)
Identifying and assessing adverse impacts	Ch. 2. II. (DMA and IRO)
Taking actions to address those adverse impacts	Ch. 2. IV. (Sustainability strategy and commitment)
Tracking the effectiveness of those efforts and communicating	Ch. 4. II. (responsible sourcing)

Table 31. Statement on due diligence.

Appendix E.
Cross-cutting standards
— disclosure requirements

List of data points in cross-cutting and topical standards that derive from other EU legislation: Pending the new version of the ESRS, this table is available in the Sustainability report 2023 (table 16 – Appendix C).

Appendix F.
GRI Standards Index

STATEMENT OF USE

Verkor has reported the information cited in this GRI content index for the period from 01/01/24 to 31/12/24 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

Table 32. GRI standards – statement of use.

GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 2: General Disclosures 2021	2-1 Organisational details	Appendix A
	2-2 Entities included in the organisation's sustainability reporting	Appendix A
	2-3 Reporting period, frequency and contact point	Appendix A
	2-4 Restatements of information	N/A
	2-5 External assurance	Appendix A
	2-6 Activities, value chain and other business relationships	Ch. 1. II Ch. 1. III.
	2-7 Employees	Ch. 5. (from I to VI)
	2-8 Workers who are not employees	Ch. 5. (from I to VI)
	2-9 Governance structure and composition	Ch. 2. I.
	2-10 Nomination and selection of the highest governance body	Ch. 2. I.
	2-11 Chair of the highest governance body	Ch. 2. I.
	2-12 Role of the highest governance body in overseeing the management of impacts	Ch. 2. I.
	2-13 Delegation of responsibility for managing impacts	Ch. 2. I.
	2-14 Role of the highest governance body in sustainability reporting	Ch. 2. I.
	2-15 Conflicts of interest	Ch. 7. I.
	2-16 Communication of critical concerns	Ch. 7. I. Ch. 7. II. Ch. 7. III.
	2-17 Collective knowledge of the highest governance body	Ch. 2. I.

GRI STANDARD	DISCLOSURE	REPORT SECTION
	2-18 Evaluation of the performance of the highest governance body	Ch. 2. I.
	2-19 Remuneration policies	Ch. 2. I.
	2-20 Process to determine remuneration	Ch. 2. I.
	2-21 Annual total compensation ratio	N/A
	2-22 Statement on sustainable development strategy	Ch. 1. V. Ch. 2. IV.
	2-23 Policy commitments	Ch. 2. IV.
	2-24 Embedding policy commitments	Ch. 2. IV.
	2-25 Processes to remediate negative impacts	Ch. 7. II.
	2-26 Mechanisms for seeking advice and raising concerns	Ch. 2. I. Ch. 7. I. Ch. 7. II.
	2-27 Compliance with laws and regulations	Ch. 3. II. a. Ch. 3. II. b.
	2-28 Membership associations	Ch. 6. IV.
	2-29 Approach to stakeholder engagement	Ch. 2. III.
	2-30 Collective bargaining agreements	Ch. 5. V.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Appendix B. Ch 2. II.
	3-2 List of material topics	Ch 2. II.
	3-3 Management of material topics	Ch 2. II.

Company's contribution to the economy and economic resilience

GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Ch. 1. III.
	201-2 Financial implications and other risks and opportunities due to climate change	Ch. 2. II. Ch. 3. IV.
	201-3 Defined benefit plan obligations and other retirement plans	N/A
	201-4 Financial assistance received from government	Ch. 1. II. Ch. 1. III.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	N/A
	203-2 Significant indirect economic impacts	Ch. 1. I. (Recruitment campaign) Ch. 1. III. Ch. 6. I.

Product and process environmental excellence

GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Ch. 1. II.
	301-2 Recycled input materials used	Ch. 4. II.
	301-3 Reclaimed products and their packaging materials	N/A
GRI 308: Supplier Environmental Assessment 2016	308- New suppliers that were screened using environmental criteria	Ch. 4. II.
	308-2 Negative environmental impacts in the supply chain and actions taken	Ch 2. II. Ch. 4. II.

| GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Ch. 1. II.
	302-2 Energy consumption outside of the organisation	N/A
	302-3 Energy intensity	N/A
	302-4 Reduction of energy consumption	N/A
	302-5 Reductions in energy requirements of products and services	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Ch. 3. I.
	305-2 Energy indirect (Scope 2) GHG emissions	Ch. 3. I.
	305-3 Other indirect (Scope 3) GHG emissions	Ch. 3. I.
	305-4 GHG emissions intensity	N/A
	305-5 Reduction of GHG emissions	Ch. 3. I.
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Ch. 4. I. Ch. 4. III.
	306-2 Management of significant waste-related impacts	Ch. 4. I. Ch. 4. III.
	306-3 Waste generated	Ch. 4. I. Ch. 4. III.
	306-4 Waste diverted from disposal	Ch. 4. I. Ch. 4. III.
	306-5 Waste directed to disposal	Ch. 4. I. Ch. 4. III.
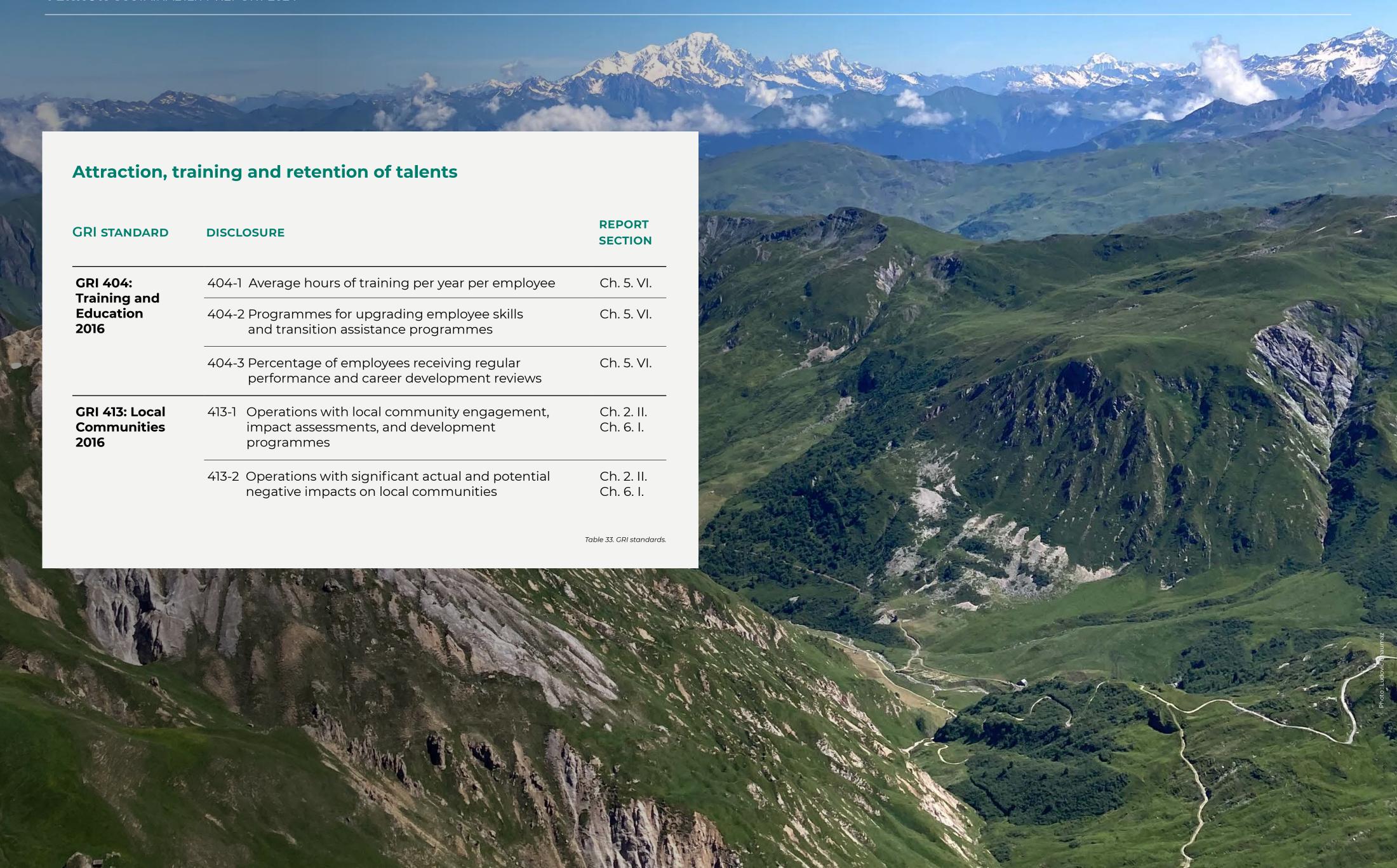
GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	N/A
	417-2 Incidents of non-compliance concerning product and service information and labelling	N/A
	417-3 Incidents of non-compliance concerning marketing communications	N/A

Responsible upstream supply chain

GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Ch. 4. II.
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Ch. 4. II.
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Ch. 4. II.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Ch. 4. II.
	414-2 Negative social impacts in the supply chain and actions taken	Ch 2. II. Ch. 4. II.

Internal ethics and governance

GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Ch. 5. I.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
	401-3 Parental leave	N/A
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Ch. 5. III.
	405-2 Ratio of basic salary and remuneration of women to men	Ch. 5. III.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Ch. 5. II.
	403-2 Hazard identification, risk assessment, and incident investigation	Ch. 5. II.
	403-3 Occupational health services	Ch. 5. II.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Ch. 5. II.
	403-5 Worker training on occupational health and safety	Ch. 5. II. Ch. 5. VI.
	403-6 Promotion of worker health	Ch. 5. II.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	N/A
	403-8 Workers covered by an occupational health and safety management system	Ch. 5. II.
	403-9 Work-related injuries	Ch. 5. II.
	403-10 Work-related ill health	Ch. 5. II.

Attraction, training and retention of talents

GRI STANDARD	DISCLOSURE	REPORT SECTION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Ch. 5. VI.
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Ch. 5. VI.
	404-3 Percentage of employees receiving regular performance and career development reviews	Ch. 5. VI.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Ch. 2. II. Ch. 6. I.
	413-2 Operations with significant actual and potential negative impacts on local communities	Ch. 2. II. Ch. 6. I.

Table 33. GRI standards.

Photo: Ludovic Maulmaz

Appendix G.
TCFD Standards Index

GRI STANDARD	DISCLOSURE	REPORT SECTION
Governance	Describe the Board's oversight of climate-related risks and opportunities	Ch. 2. I.
	Describe the Management's role in assessing and managing climate-related risks and opportunities	Ch. 2. I.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Ch. 2. II. Ch. 3. IV.
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Ch. 2. II. Ch. 3. IV.
	Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	Ch. 2. II. Ch. 3. IV.
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks	Ch. 2. II. Ch. 3. IV.
	Describe the organisation's processes for managing climate-related risks	Ch. 2. II. Ch. 3. IV.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Ch. 2. II. Ch. 3. IV.
Metrics and targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Ch. 2. IV.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	Ch. 3. I.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Ch. 3. I. Ch 2. IV.

Table 34. TCFD standards.

Glossary

Photo : Ludovic Chaumaz

Active materials

Materials that participate in the electrochemical reaction during charge/discharge of the battery. They result from the chemical transformation of raw materials.

Anode

The negatively charged electrode of a battery.

Black mass

Black powder made from crushed and shredded battery components, containing a significant number of valuable metals.

Battery cell

Electrochemical device that chemically stores energy. It is composed of positive and negative electrodes, a separator and an electrolyte.

Battery module

Combination of several cells connected in series and/or in parallel.

Battery pack

Final battery system, composed of several modules and control systems as a BMS (Battery Management System) or a cooling system.

Cathode

The positively charged electrode of a battery.

Carbon footprint

The amount of greenhouse gas emitted directly and indirectly by the activities of an individual, an organisation, a community, or a product.

Closed-loop recycling

Process by which a waste battery product/material can be reused and turned into a new battery product.

Cut-off criteria[1]

Defined in the ISO 14040 as "specifications of the amount of material or energy flow or the level of environmental significance associated with unit processes or product system to be excluded from a study".

Double materiality assessment

A two-way assessment that identifies both:
- the company's impacts on its social and natural environment
- the impacts of social and environmental issues on the company's financial performance

Due diligence[2]

Due diligence is a legal concept whereby large companies have a duty to implement measures to identify, prevent and mitigate human rights, environmental, health and safety risks throughout their value chain.

Electrode

Solid electric conductor that carries electric current into non-metallic part of a circuit.

Electrolyte

Substance that carries the ions between electrodes, generally composed of lithium salt and organic solvent.

Gender Equality Index[3]

The Gender Equality Index is a tool to measure the progress of gender equality in the EU, developed by the European Institute for Gender Equality (EIGE). Composed of 31 indicators scored from 1 to 100, it gives more visibility to areas that need improvement and ultimately supports policy makers to design more effective gender equality measures.

Gigafactory

A large battery manufacturing facility, the production capacity of which is measured in Wh/year.

---

1   ISO 14040:2006. Environmental management — life cycle assessment — principles and framework. Geneva, CH: International Organization for Standardization.

2   Corporate sustainability due diligence – European Commission (Europa.eu). https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en#:~:text=Corporate%20sustainability%20due%20diligence.%20Fostering

3   About | Gender Equality Index | European Institute for Gender Equality (europa.eu). https://eige.europa.eu/gender-equality-index/about

Global warming[4]

The estimated increase in global mean surface temperature (GMST) averaged over a 30-year period, or the 30-year period centred on a particular year or decade, expressed relative to pre-industrial levels unless otherwise specified.

Greenhouse (GHG)

Greenhouse gases are those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at specific wavelengths within the spectrum of terrestrial radiation emitted by the Earth's surface, the atmosphere itself and by clouds. This property causes the greenhouse effect. Water vapour (H_2O), carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4) and ozone (O_3) are the primary GHGs in the Earth's atmosphere.

Occupational hazard

Occupational hazard is a hazard (i.e. potential source of harm) experienced in the workplace.

Life-Cycle Assessment (LCA)

Quantitative, multi-indicator method for assessing the environmental impacts of a product over its life cycle (raw material extraction, production, distribution, usage, end-of-life).

Low-carbon

An activity or a product that has a carbon footprint smaller than the current average for the same product or activity. Management System) or a cooling system.

NMP

N-Methyl-2-pyrrolidone is an organic compound used as a solvent.

Non-hazardous waste

Any waste that causes no harm to human or environmental health.

Pilot line

Small-scale production line, used to manufacture and test in-development technologies.

Recycling as a Service

In this business model, Verkor retains ownership of Strategic Raw Materials (SRM) and pays a treatment fee to recycling partners for scrap to CAM conversion. The goal of this solution is to avoid exposure to fluctuating metal market prices while maintaining control over the SRMs.

Series C funding

The third stage of external funding received by a start-up or a company, after series A and series B funding rounds. Series C aims to pursue the company's international growth.

Scrap

Waste material produced during battery manufacturing.

Electrode

Solid electric conductor that carries electric current into non-metallic part of a circuit.

Separator

A polymer-made membrane moistened with electrolyte positioned between the anode and the cathode to prevent electrical short-circuits while enabling the exchange of lithium ions.

Yield

The percentage of compliant products in relation to the total quantity of products manufactured. Also known as the quality ratio.

4   Glossary — Global Warming of 1.5 °C (ipcc.ch). https://www.ipcc.ch/sr15/chapter/glossary/

List of acronyms

A

ANI National Interprofessional Agreement

B

BOD Biochemical Oxygen Demand

C

CAM Cathode Active Material

CAP Corrective Action Plan

CCC Care & Culture Committee

CCRA Climate Change Risk Assessment

CE Conformité Européenne — European Conformity

CEO Chief Executive Officer

CFO Chief Financial Officer

CoC Chain of Custody

COD Chemical Oxygen Demand

CRM Critical Raw Materials

CRMA Critical Raw Materials Act

CSE Comité Social et Economique – Works Council

CSSCT Commission Santé, Sécurité et Conditions de Travail — Heath, Safety and Working Conditions Committee

CSRD Corporate Sustainability Reporting Disclosure

D

DGE Direction Générale de Entreprises — Directorate General for Enterprise

DMA Double Materiality Assessment

DPO Data Protection Officer

DUER Document Uniquement d'Enregistrement des Risques — Risk Registration Document

E

EDLB École De La Batterie

ESG Environmental, Social & Governance

ESMP Environmental and Social Management Plan

ESRS European Sustainability Reporting Standards

EU European Union

EUBR European Union Battery Regulation

EV Electric Vehicle

F　**FTE**　Full-Time Equivalent

G　**GDPR**　European General Data Protection Regulation

GF　Verkor Gigafactory

GHG　Greenhouse Gases

GPMD　Grand Port Maritime de Dunkerque – Port of Dunkerque

H　**HSE**　Health, Safety and Environment

HVAC　Heating, Ventilation and Air Conditioning

I　**IRO**　Impacts, Risks and Opportunities

ISO　International Organisation for Standardisation

IT　Information Technology

K　**KPI**　Key Performance Indicator

L　**LCA**　Life-Cycle Assessment

N　**NMC**　Nickel Manganese Cobalt

NMP　N-Methyl-2-Pyrrolidone

O　**OECD**　Organisation for Economic Co-operation and Development

Q　**QWL**　Quality of Working Life

P　**PFCC**　Project Finance & Construction Committee

POI　Internal Operational Plan

PSR　Psycho-Social Risks

R　**RDF**　Refuse-Derived Fuel

RSI　Repetitive Strain Injury

S　**SAQ**　Self-Assessment Questionnaire

SMR　Small Modular Reactor

SOP　Start Of Production

SRMs　Strategic Raw Materials

SRS　Solvent Recovery System

SS　Suspended Solids

SVP　Senior Vice-President

V　**VIC**　Verkor Innovation Centre

VOC　Volatile Organic Compound

W　**WHSE**　Workplace Health Safety & Environment

Z　**ZGI**　Zone Grandes Industries — large industrial zone (Dunkerque)

VERKOR