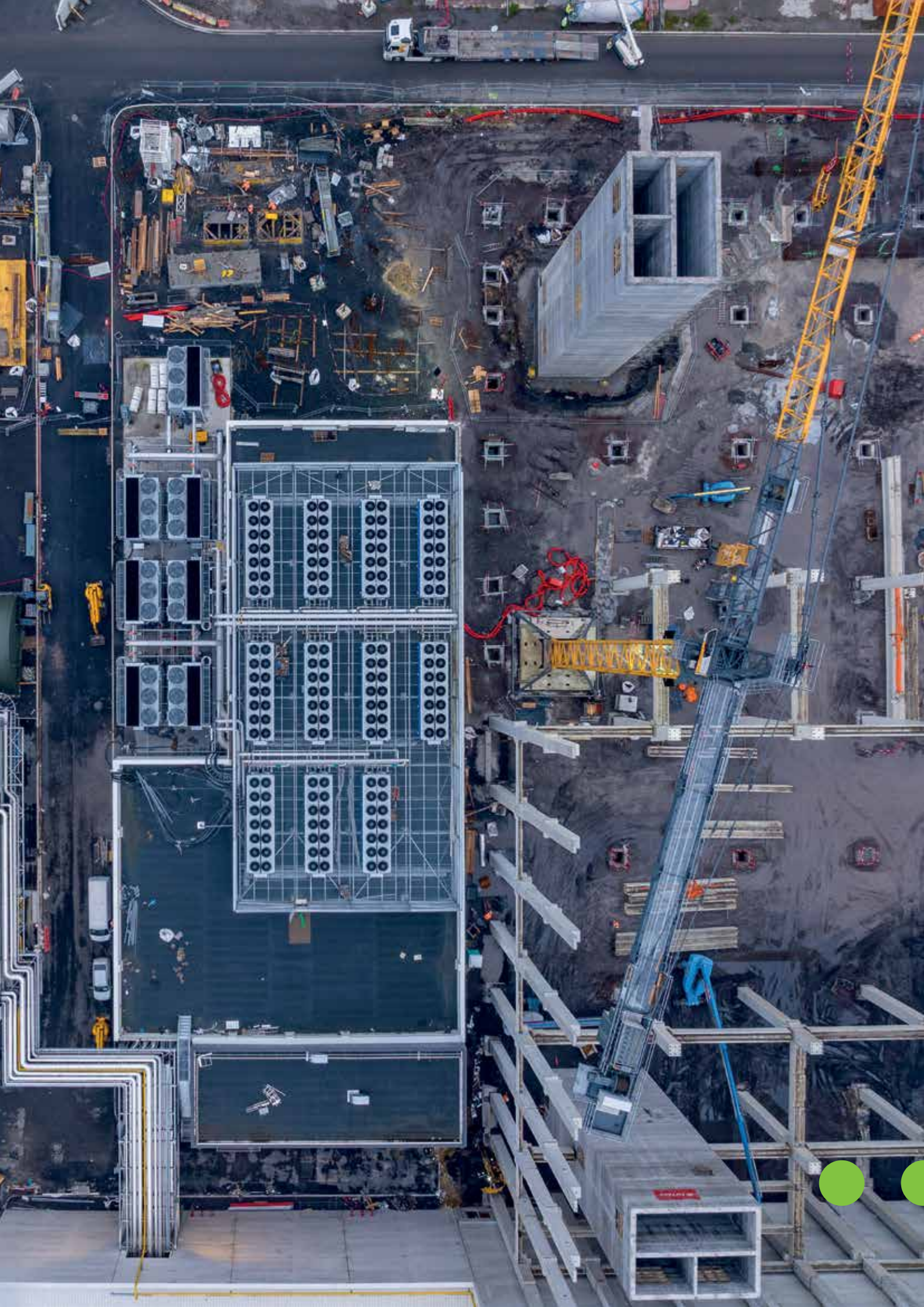




AUTOMOTIVE CELLS Co

CSR REPORT 2023

**ACCELERATING
SUSTAINABLE
MOBILITY
FOR ALL**



2023

A Landmark Year for Automotive Cells Company (ACC)

"2023 marked a decisive milestone for ACC, with the inauguration of our first Gigafactory and the start of series production less than three years after our foundation. This achievement symbolises our determination to shape the future of sustainable mobility and to contribute to European sovereignty in the strategic battery industry.

The challenges of climate change continue to intensify, as evidenced by the latest warnings from the IPCC, which has identified the electric vehicle as one of the priority solutions to mitigate climate change. Against this backdrop, while demand for our batteries continues to grow, we face intense competition, making it imperative to develop a European response that combines performance with respect for the environment, employee health and safety, and the highest ethical standards.

To meet these challenges, we doubled our workforce from 600 to over 1,300 by 2023, many of them working in R&D to develop future generations of batteries and innovative manufacturing processes.

CSR has always been at the heart of what we do at ACC. This year we introduced a stronger governance structure, overseen by the deputy CEO in charge of Strategy and Development to support our sustained growth. We aim to become a "native CSR" industry. This second CSR report is an opportunity to celebrate our teams' unfailing commitment. They work day in, day out, to make ACC a pillar of European sovereignty in the battery industry.

Building on our achievements, we will continue to relentlessly pursue our efforts to push back the technological boundaries, reduce our environmental footprint and promote responsible practices at every level of the value chain. We will meet these challenges by drawing on the talents of our teams and their 45 different nationalities, never forgetting that we all want to play an active role in building a more sustainable future for everyone."

Yann Vincent,
Chief Executive Officer

03

2023: a landmark year

Automotive Cells Company
by Yann Vincent, CEO

05

Foreword...

Background and challenges
Manifesto
Business model
The highlights of 2023
Listening to our Ecosystem
CSR Approach
Ethics and Anticorruption

16

Pillar 1
Eco-design & Innovation

Eco-design and Innovation
Reducing our Carbon Footprint

26

Pillar 2
Responsible Sourcing & Manufacturing

Sustainable Sourcing
Responsible Manufacturing
HSE Policy
Inauguration of the Gigafactory

42

Pillar 3
An Engaging Working Environment and
People Development

How Does ACC Develop New Talent?
Sustainability in Motion: our Daily Commitment to CSR
CSR Champions: our Internal Ambassadors

52

Pillar 4
European Industrial and Academic
Battery Ecosystem

Exploiting the Potential of Existing Industrial Sites

58

Conclusion

Table of Key Indicators and Figures for 2023

Foreword...



Marisa Baldo,
Chief Sustainability Officer
and Head of Investor Relations

"2023 marked a new stage in integrating corporate social responsibility (CSR) at ACC. All aspects of our company have experienced rapid growth and change.

Against this backdrop of rapid change, and following up a year and a half devoted to defining and implementing our approach to corporate social responsibility, we have initiated projects that will shape the future: materiality assessment, updating our stakeholder mapping, defining our Due Diligence in the Supply Chain programme and anticipating the application of the European regulation on batteries, published in July 2023.

These initiatives have led us to rethink our organisation to meet the many challenges ahead: rolling out our carbon footprint reduction roadmap, preparing for extra-financial reporting obligations (European Corporate Sustainability Reporting Directive), setting up an environmental and social management system in line with the World Bank's IFC standard, promoting synergies between central CSR and business teams

on our major challenges (responsible sourcing and the environment), future obligations on traceability and due diligence in the supply chain (European regulation on batteries, 2023).

We took a major step forward in November by creating a dedicated CSR Department under my responsibility, reporting to the Deputy CEO, Strategy and Development. This department, a veritable ecosystem of expertise, is organised around several areas: climate and carbon, global environmental issues, internal coordination of our CSR approach - the "Sustainability in Motion" programme - and its external promotion, sustainability reporting and responsible sourcing. This new structure encourages collaboration between all parts of the business and very regular interaction, particularly with the Legal, Supply Chain, HR and R&D departments.

With this strengthened organisation and our determination to integrate CSR into every aspect of our business, we are more ready than ever to meet the challenges posed by our ambitious expansion."



The Origins of ACC

SITUATION

23%

Transport is responsible for almost a quarter of the EU's greenhouse gas emissions and is the main source of urban air pollution.
Source : Eurostat 23.2%.



10%

Today, Europe produces only 10% of the world's batteries and the European Union produces only 1% of the raw materials.



85%

of the battery manufacturing and production chain is currently in Asia.



THE BIRTH OF ACC

IPCEI*

IPCEI*: In 2019, the European Commission launched IPCEI, a research and innovation project in the field of batteries involving seven member states, including France. These countries provide financial support for 17 innovative projects led by national companies.

ACC is one of them. This is the only project involving the construction of battery cell production plants.

In 2020, Saft and Stellantis launched a joint venture, ACC. Mercedes-Benz joined them in 2022.



AMBITION



To be competitive and produce batteries for electric vehicles that are more affordable.

To become a European leader in cells and modules for accessible, sustainable mobility.

To create job opportunities, developing skills and the economic fabric.

To act sustainably, ethically and with respect for the environment.

To be an innovative, high-tech centre of excellence.

*Important Project of Common European Interest / Projets Importants d'Intérêt Européen Commun. Definition in the glossary p.58.



Challenges facing the sector



Heavy pressure on strategic raw materials for battery manufacturing



The social, societal and environmental impacts of extracting and processing these metals (pressure from stakeholders to set up responsible supply chains)



Gradual restriction of the use of internal combustion vehicles



A battery represents, on average, 40% of the cost of the electric vehicle



From the mine to the battery pack, battery production consumes a significant amount of water and energy



End-of-life and recycling of batteries are major concerns (second life and recovery of raw materials)



In the specific case of ACC, an obligation to account for the way it uses public subsidies



A contribution to the re-industrialisation of Europe

Our Manifesto

How do we enable every European citizen to access sustainable, high performance and European made mobility? ACC was born out of high-profile industrial and political stakeholders' desire to answer this question in an ambitious and tangible way.

We believe that, to succeed, CSR* must be at the heart of what we do. Working in response to sustainability issues forces us to be responsible at all times, specifically at every stage of our product manufacturing lifecycle. Our approach takes in the ethical, social and environmental requirements of our procurement policy, continuous optimisation of our energy consumption, eco-design and recyclability, plus people development, showing the strength of our convictions and our ongoing commitment to everyone.

ACC bases this "native-CSR" industrial vision on a key value: the collective – internally, of course, but also with regard to stakeholders. Faithful to the IPCEI** spirit that created it, ACC makes knowledge-sharing and partnership development catalysts for building an industrial and academic European responsible battery ecosystem. This makes ACC an important regional player in the energy transition, creating direct and indirect jobs with high added value.

Given the challenge represented by the vital power increase of electric mobility "made in Europe", ACC's staff know they must take on the requirements of the contributory enterprise. They are working on it already.

The Men and Women of ACC

*Corporate Social Responsibility.
**Important Project of Common European Interest. Definition in the glossary p.58.



OUR RESOURCES



1,339

employees by the end of 2023/45 nationalities



3

Gigafactories in 2030



€900M

equity

€1.3bn

French and German public aid

€4.4bn

debt in 2024

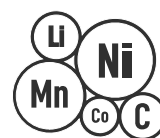


43

patents filed

32%

of ACC teams at the end of 2023 dedicated to innovation and R&D



5

strategic metals (Cobalt, Nickel, Manganese, Lithium, and Graphite)

OUR RESULTS AND OUR OBJECTIVES



2,800

jobs created by the end of 2024, including subcontractors

7,000

jobs created by the end of 2030



120 GWh

in 2030



320 GWh

secured

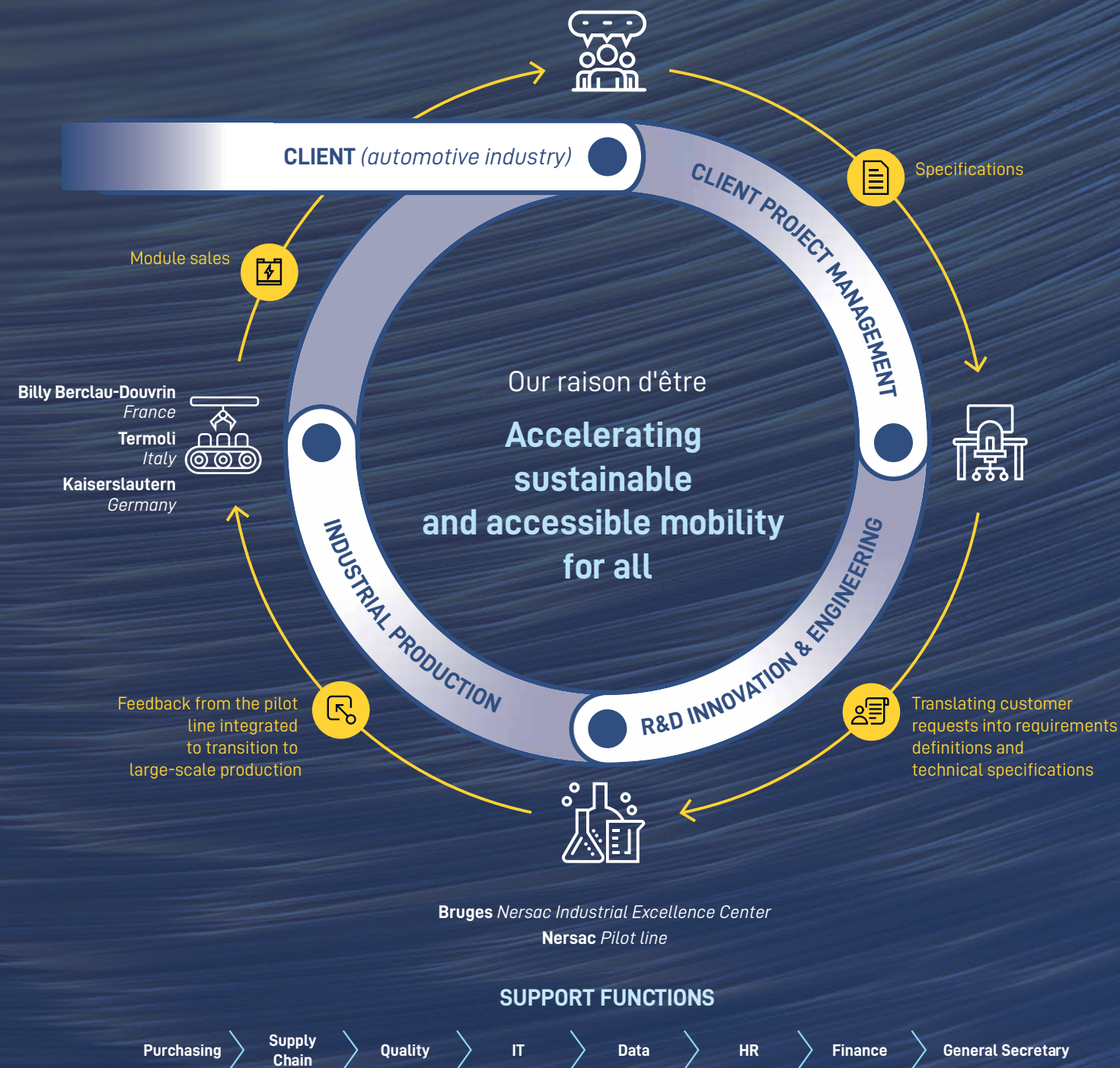
Social progress:

- **European technological sovereignty and knowledge sharing** (e.g. long-term funding of five PhDs each year).
- **30 to 40 million tonnes of CO₂ equivalent avoided** (electric vehicles equipped with ACC batteries).*

- **Conversion of existing industrial sites:** support for the industrial transformation of three automotive sites impacted by the energy transition.
- **Locating 70% of direct suppliers** (Bill of Materials) **in Europe by 2025.**
- **Development of new training and skills.**

*Internal calculation based on key assumptions from reference bodies - Carbone 4 (energy consumption for electric vehicles in kWh/100km, CO₂ emissions from battery production, battery pack power), Ademe (diesel and petrol emission factors), EEA (electricity emission factors for France, Germany and Italy), as well as ACC volume projections to 2030 for nine blocks at full capacity. Emissions relating to changes in land use (for fossil fuel production), production (except for battery packs) and end-of-life are excluded from the calculation.

Our Business Model



2023 Highlights



Our first Gigafactory started production:

Strong recruitment, installation and testing of equipment, inauguration, setting up the supply chain, the **start of production**, second public enquiry (doubling the capacity of the first production block, application for authorisation to build and operate the second block).

Organising the first seminar for new comers

which concludes the onboarding process for new recruits at the end of a **six-month programme** designed to ensure our employees are as well-prepared as possible to take up their duties.



HSE Essentials

A key step in formalising our workplace safety policy.

This year, we defined **10 Safety Essentials** at our sites to prevent accidents, especially serious ones, by identifying and prescribing the rules and requirements to be followed for our major risks.



Formalising our approach to due diligence in the supply chain

for deployment in 2024.

80



is the number of employees who, in 2023, will have profited from the training programme and obtained the CQPM (Certificat de Qualification Paritaire de la Métallurgie), the metallurgy industry certificate in production management for components and battery cells for electric vehicles to work at the Gigafactory in Billy-Berclau Douvrin.



15

CSR events in 2023:



Throughout the year, we organise events around different CSR themes. These involve a large proportion of our employees. We discuss this in more detail in the 'Sustainability in Motion' section.



5th June 2023

A memorable date: publication day of our **first CSR report**.

32%

of ACC teams dedicated to innovation and Research & Development in 2023. This plays an essential part in ACC's success. ACC has a strong ambition to become the benchmark for equipment manufacturers in Europe, with a determined, committed, and international team made up of the best talent from all over the world!

We're listening to our ecosystem



The importance of a European player in the battery industry for the transition to electric mobility

Pascal Canfin,
Member of the European Parliament and Chairman
of the European Parliament's Committee on the Environment,
Public Health and Food Safety

Why is the development of a major European battery champion/player like ACC crucial to the success of the transition to electric mobility in Europe?

Developing a European battery industry is not only key to making a successful transition to electric mobility and creating new green jobs, but it is also **essential to breaking Europe's dependence on imported fossil fuels**. Deploying electric vehicles is both a climate agenda and an economic and industrial sovereignty agenda. Against the backdrop of a race to localise decarbonisation value chains, particularly in the face of China and the American IRA*, the European Union has adopted new rules to support "Made in Europe" and thus ensure the industry's competitiveness in the 27 member countries.

How do you assess the potential impact of the ACC project on European industry and its competitiveness?

Just five years ago, we were virtually unknown. Today, Europe has dozens of battery gigafactories, including four in France. **The ACC project shows the extent to which the European Union is the**

right scale for the emergence of industrial champions. Thanks to cooperation instruments such as the projects of common European interest (IPCEI) from which ACC has benefited, the EU 27 will be able to compete with their American and Chinese competitors and achieve their objective of becoming the world's second-largest producer of batteries by 2025.

Aside from support for industrial projects, what other levers are available at the EU level to speed up the deployment of electric vehicles, which is vital if we are to achieve our climate objectives?

Alongside the challenge of deploying a European battery industry, the European Union must make progress in **supporting the transition to electric vehicles**. For example, the social leasing of electric cars has been hugely successful in France. This practice is good for the environment, socially fair and practical for people's everyday lives. At the European level, we need to find new ways of moving forward and new methods, not to call into question environmental objectives but to achieve them.

*IRA: Inflation Reduction Act



An opportunity for the ecological transition, the region and employment

Frédéric Motte,
Chairman of the REV3 Mission
and Regional Councillor delegated
to the economic transformation of
the Hauts-de-France Region

In Hauts-de-France, we call it REV3: sustainable development that reconciles the economy, ecology and jobs.

To achieve this, **we must collectively rethink how we produce, consume and travel!**

Xavier Bertrand often says, "It's not elected representatives who create jobs but companies". It is up to us, as elected representatives, to create the right environment. He also supports the ACC gigafactory project.

This first in France is an opportunity for the ecological transition, for the region and for employment.

It is also a source of pride for employees and local residents.

Stakeholder map:



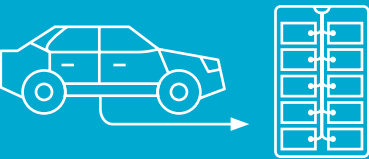
A permanent link with project stakeholders

From the beginning of the project, ACC has endeavoured to **establish regular dialogue with its stakeholders to consider their expectations and facilitate the creation of partnerships**. This dialogue helps us to address potential stakeholder concerns about the project's environmental and social issues.

Stakeholder engagement is an iterative process that extends throughout the project life cycle. It **fosters the development of relationships based on regular discussion, listening, sincere communication, and responsiveness**.

As a player in a brand-new European industry, ACC **is also committed to involving the regions where it is based** - financial contributors to the project, particularly through the re-industrialisation of sites historically dedicated to internal combustion engines, which would otherwise have been forced to close.

ACC's CSR approach



ACC has developed its Corporate Social Responsibility (CSR) approach to meet the challenges of creating a new European battery industry that complies with the highest environmental, social and ethical standards. This involves identifying the issues with the most significant impacts, which internal and external stakeholders may perceive as positive or negative.

Based on ACC's ambition and its raison d'être, this approach is structured around the following 4 pillars:



We sponsor the CSR approach at the highest level through our CEO and his Executive Committee colleagues, who fully support it.

Agnès Huguet,
CSR Culture and Social Impact Manager

Materiality analysis

In 2023, ACC updated its materiality analysis to take account of **financial and environmental impact** in line with the European directive on extra-financial reporting. 37 employees divided into 10 thematic groups assessed the pre-selected issues according to several criteria, while 19 external contacts were interviewed to

gather their perceptions and expectations regarding ACC's CSR issues.

21 issues were identified as "material", i.e. deemed important enough to influence the decisions of stakeholders or to have a significant impact on the company's performance and reputation. They cover **environmental, social and governance issues and are linked to our supply chain.**

Our "code of ethics" and our "anticorruption code of conduct"

ACC has introduced a code of ethics and an anticorruption code of conduct to promote fair business practices in all its operations.

These rules, inspired by our quest for excellence and our commitment to the environment, apply to all our employees and partners. We apply the highest standards of ethics, human rights, health and safety and strive to minimise our environmental impact. We also have a zero-tolerance policy towards fraud and corruption.

This policy is overseen by a Compliance Officer, who ensures compliance with the codes and associated procedures, including whistleblowing. This is particularly true for our relations with other organisations and government agencies, which comply with the highest standards.



Our purchasing is also carried out to the highest ethical and professional standards. We seek to advance respect for human rights throughout our supply chains, from our component suppliers to the mines. We are working to put in place a due diligence process that complies with OECD principles and international standards.



Can you explain the main measures and guidelines in your code of conduct to prevent corruption and promote integrity within our company?

Awareness-raising campaigns, training and skills-building for employees and managers, transparency and the introduction of severe penalties for any acts of corruption are the main tools we have adopted at ACC to combat corruption and reduce its negative impact on society.

Fernando Abbondanza,
Group General Counsel



OUR GOAL

Achieve a carbon footprint per cell of less than 40kg eqCO₂*

OUR CHALLENGES

- Optimise the energy-intensive and solvent-using manufacturing process.
- Improve product recyclability.
- Contribute to conserving resources, particularly strategic metals, used to make cells (Lithium, Nickel, Manganese, Cobalt, Graphite).
- Optimising and reducing battery volume and weight to reduce their environmental footprint.
- Optimise battery performance - range and recharge speed - to encourage the transition to electric vehicles.
- Improve electric vehicle battery safety.

*According to T&E's 2022 study, the carbon footprint of batteries for electric vehicles in the European Union in 2022 was between 48 kg eq CO₂/kWh for the supply chains with the lowest impact and 78 kg eq CO₂/kWh on average, compared with 75 kg eq CO₂/kWh and 105 kg eq CO₂/kWh respectively in China. 2022 T&E study: [https:// www.transportenvironment.org/wp-content/uploads/2022/05/TE_LCA_Update-June.pdf](https://www.transportenvironment.org/wp-content/uploads/2022/05/TE_LCA_Update-June.pdf)

Eco-design

Innovating through eco-design



KEY FIGURES



176
R&D recruitments
in 2023

- R&D employs
- 32%** of the ACC workforce and represents
- 20%** of recruitments in 2023



43
patents were filed in 2023

- **12 more** than in 2022

OUR COMMITMENTS

- Design manufacturing processes and products that perform technically better and better and are increasingly environmentally friendly.
- Develop a circular model with products that can be repaired, reused, or recycled. Include an ever-increasing proportion of recycled materials and work to extend product lifetimes.

ACTION AREAS

- Use more sustainable materials and optimise the chemistry.
- Optimise our products' design to use fewer raw materials and reduce our modules' weight and volume.
- Adopt more virtuous manufacturing processes.
- Make products that last.



- + +
- + **Improving battery energy density will deliver better performance and make electric vehicles more affordable**

Alain Raposo,
EVP of Product & Process Engineering

Why was 2023 an important year for the R&D teams?

AR.: 2023 was an intense year for staff increase and client development. Two major organisational changes accompanied this growth. First, the R&D teams outlined their ambitions and defined five priorities, one focusing on well-being in the workplace and staff development. The **technology roadmap has also been finalised.** In this context, initial work has been carried out on chemical families to meet car manufacturers' needs. We have also been working on technological building blocks, products and manufacturing processes **to ensure our competitiveness until 2030 and beyond.**

Tell us about your ambition and the technological roadmap you will follow to achieve them.

AR.: Our ambition is clear: **by 2028, we want the ACC R&D team to have established itself as a benchmark for European vehicle manufacturers,** able to offer its customers cell technologies that are both pioneering

and the best in their league. In doing so, it will attract the best talent from around the world.

To achieve this goal, we have built our roadmap around **3 main areas:**

- Developing the next generation of nickel-manganese-cobalt (NMC) chemistry cells, offering significantly higher energy density and recharging capacity than current standards;
- Evaluating the performance of a more economically competitive alternative chemistry to NMC to anticipate market developments and meet future client demands;
- Making significant progress on "solid-state" technology to further improve the energy density and safety of cells.

In addition, we are focusing on **developing innovative manufacturing processes to improve our cell production efficiency while reducing environmental impact.** For example, we are working on solvent-free electrode manufacturing using our dry process, which reduces emissions and energy consumption.



The Dry Process: an innovative method

Our R&D process teams are working on the **Dry Process**, a new way of manufacturing electrodes. It eliminates the use of NMP (the solvent used for cathode production) and the oven-drying phase. This means that **Gigafactories' energy consumption can be reduced by 40%, and their footprint can be reduced by 10%.**

This process also reduces manufacturing costs, making electric mobility more accessible. The project team is also investigating recycling waste materials directly within the Gigafactories and has demonstrated greater capacity for rapid charging on a laboratory scale. This technology will also be applicable to "solid-state" batteries.



Elodie Malka,
Environment Manager



Eco-design priorities
for new ACC products

"Reducing our carbon footprint has been one of ACC's main objectives from the outset, as we aim to contribute to the energy transition in the transport sector. We are **continuously reducing the energy requirements of our Gigafactories right from the design stage** by implementing energy efficiency measures.

At the same time, we are working closely with our purchasing team to select materials with a lower environmental impact, optimise the design of our products to reduce their size and weight while improving their energy density (e.g. CO₂ Scope 3) and relocate our suppliers to Europe.

We take a **circular approach to our production process, reducing waste and recycling materials back into our production**. We aim to gradually increase the proportion of recycled materials we use and, eventually, use only recyclable materials to reduce the pressure on raw materials."



What does the Applied Research department do?

The Applied Research team **identifies and evaluates new technologies, materials and processes that fit ACC's technology roadmap and CSR objectives**.
The aim is to develop these innovations to a sufficient level of technological maturity (TRL 3-4*) before transferring them to the Advanced Technology teams. These activities include monitoring and supervising PhDs with academic and industrial partnerships.



Julien Bréger,
Applied Research Department Manager

Our Applied Research Department is
improving the safety and environmental
footprint of products and processes

"In October 2023, ACC established the Applied Research Department with an ambitious mission: **to conduct an upstream technology watch and initiate research into disruptive materials and manufacturing processes in the context of advanced lithium-ion and/or solid electrolyte batteries**. The team of 18 talented international staff works upstream of the innovation and engineering teams on TRLs* 1 to 3 and is working on industrial applications after 2030, in line with the ACC technology roadmap.

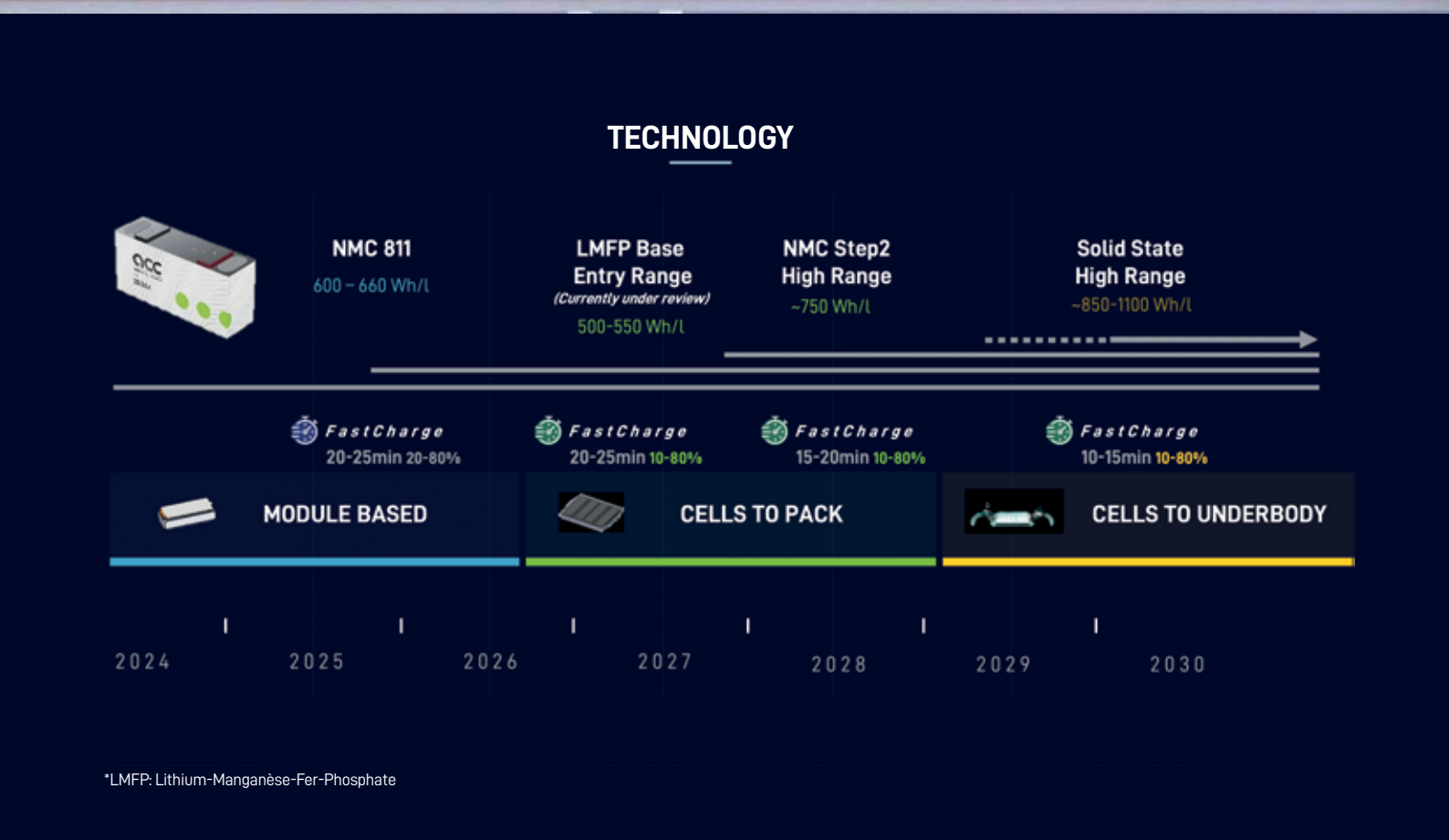
This lets us **develop and accelerate our academic partnerships and fund the PhDs that are IPCEI*** commitments**. We have two in progress, one in France and one in Italy.

We are also developing industrial and academic partnerships including joint development agreements and joint R&D programmes with suppliers, customers and/or institutes.

The team's objectives, beyond the technological, cost and performance aspects, also focus on **improving the safety and environmental footprint** of our products and processes:

- Drastically reduce energy consumption through new manufacturing processes, in particular the dry process, which is solvent-free, and others that we are studying in conjunction with the dry process teams on the Advanced Technology side;
- Substitute and avoid as far as possible the use of dangerous substances like CMR*** and PFAS****;
- Reduce the weight, volume and quantity of the materials we use."

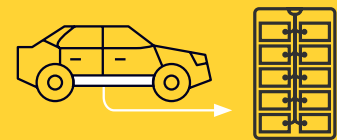
*Technology Readiness Level. **Important Project of Common European Interest. Definition in the glossary p.58. *** CMR: Carcinogenic, Mutagenic, Reprotoxic. ****PFAS: Per and Polyfluoroalkyl substances.



*LMFP: Lithium-Manganèse-Fer-Phosphate

Reducing our carbon footprint

KEY FIGURES



50% of the carbon footprint of an electric vehicle comes from its battery.

90% of our first products' total footprint comes from our suppliers (estimate for the production of the first cells in France today).

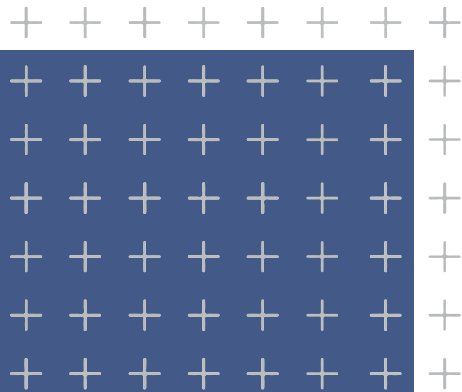
75% NMC powder + aluminium + energy to produce cells and modules = 3/4 of the battery's carbon footprint according to international benchmark studies.

The challenges of the carbon footprint of batteries: an ACC in-depth analysis of the value chain

Transport is the main cause of greenhouse gas emissions in France and Europe. Only 100% electric engines can fully meet the zero emissions in use objective. However, around 50% of an electric vehicle's carbon footprint comes from manufacturing its battery.

The carbon footprint calculation is based on an accurate mapping of the value chain, which identifies all the materials used in the batteries and the associated mining, refining, and manufacturing processes. **The aim is to quantify greenhouse gas emissions at each of these stages.** The impact of battery production on the climate can vary greatly depending on the location of raw material suppliers, manufacturing processes and the energy source used. So, accurately calculating the carbon footprint of batteries is a real challenge.

ACC draws on its product and manufacturing expertise to calculate its battery modules' carbon footprint. So, to calculate the associated greenhouse gas emissions, we began by quantifying our own energy needs. We then turned our attention to the impact of our raw materials, working in partnership with our suppliers to accurately quantify the emissions associated with their production.



The main components of the carbon footprint of batteries

What are these active materials?

The cathode is a powder called NMC made from nickel, manganese, and cobalt. Mining and refining it require large amounts of energy. For anodes, we use natural and artificial graphite..

What are the other key items?

Aluminium, which makes up the cell casing, in particular. It is the third-largest emitter at the module level.

And what about your factories?

Cells and battery modules are manufactured using energy-intensive processes. Emissions linked to energy consumption vary greatly depending on the location of industrial sites. That is why reducing energy consumption is a key issue for ACC.

At ACC...

... we manufacture lithium-ion battery cells that we assemble into modules. This technology is based on exchanges of lithium ions between two electrodes (the cathode and the anode). The active materials used to produce these electrodes account for over 60% of the modules' carbon footprint.



Reducing carbon footprint through innovation and optimisation: major advances in our processes and plants

As part of our continuous improvement drive to reduce our carbon footprint as much as possible, we have already succeeded in reducing the energy consumption of certain parts of our processes and our future plants through innovations and optimisations, which are presented in part in the pages of this report.

THESE INCLUDE:

- efficiency gains on the electrical formation stage of our cells, which was highly energy-intensive,
- the redesign of our first plant block at Billy-Berclau Douvrin to produce 13.4 GWh of cells a year instead of 8 GWh on the same footprint,
- reducing the electricity and gas consumption of blocks 1 and 2 of the future Termoli plant compared with the first block at Billy-Berclau Douvrin,
- choices made for rigorous management of cleanliness and humidity in the clean rooms and dry rooms of our second wave of plants,
- the compactness of the second wave of plants: the compactness performance indicator has been improved by 15 to 25% compared with the Billy-Berclau Douvrin site in the first wave.

Our various levers for reducing the carbon footprint of our products and factories

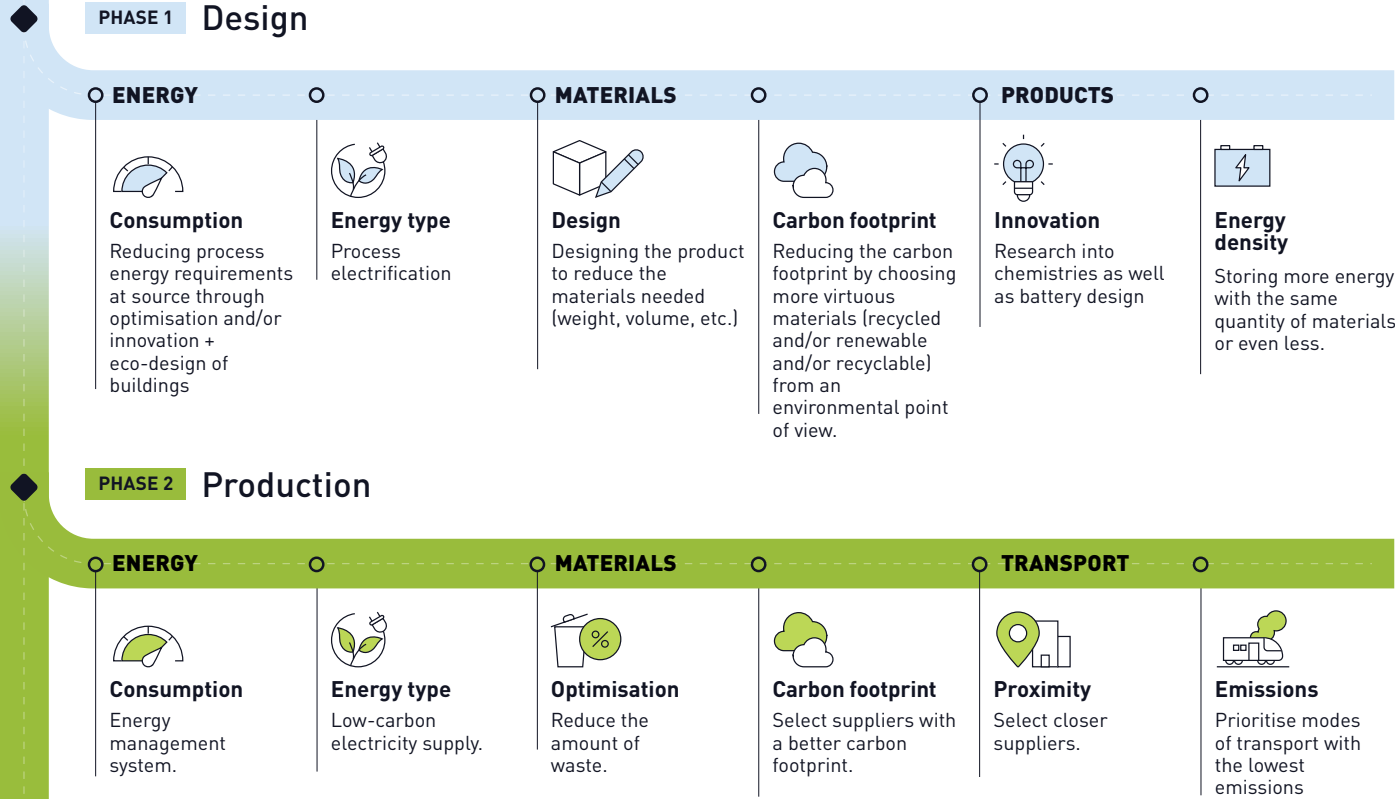
ACC aims to minimise and continually reduce the carbon footprint of its products through innovation, raw material sourcing and operational control.

Reducing our environmental impact at source is one of our core concerns, which is why ACC applies eco-design principles to its products, processes and facilities. Our teams optimise **energy consumption and electrification processes right from the design stage of our buildings and production lines**. Our emphasis is on improving the energy density of our products while exploring ways to replace materials with lower-emission renewable or recycled raw materials.

The supply of components, from the extraction to the production of the materials used to manufacture the cells, is our biggest source of greenhouse gas emissions. **ACC plans to gradually relocate its suppliers to Europe, with 70% of direct purchases in Europe by 2025**. We will also work with our Tier 1 suppliers to obtain accurate carbon footprint data and set improvement targets.

We continuously monitor energy consumption and manufacturing waste at our production sites. This scrap is recycled, and we are working with the treatment centres to set up a circular economy.

What we are doing to reduce our carbon emissions



What process optimisations have we already achieved?



Electrical activation of cells

During manufacture, the cells must be charged and discharged according to precise protocols defined by the manufacturer to activate them electrically. The details of these protocols (duration, current applied, and temperature) constitute the "recipe", which is crucial because it determines the future performance of the cells. These charging/discharging operations are energy-intensive due to the current applied and the heating of the chambers. The product and process experts have optimised the activation recipes, **resulting in a 46% reduction in energy consumption and 25% savings in heating costs.**

Using machine learning, through the analysis of cycle data by an algorithm developed by the data, process and product teams, has halved the cycling time for capacity tests, **while reducing energy consumption by 50%.**

Energy recovery

In the Gigafactories electrical activation workshop, some cells store energy while others simultaneously release it. Optimising the flow of energy between these cells using a recirculation solution

between the charging and discharging processes has resulted **resulted in a 22% reduction in energy consumption.** This result is the outcome of close collaboration between the manufacturing and utilities engineering teams. Deployment is scheduled for our second wave of plants.

Technological advances in equipment between the first block at Billy-Berclau Douvrin and the second wave of plant blocks

The energy delivered to the cells by the electrical activation machines is controlled by the equipment's "power modules". The cells' electrical activation processes require several conversions of the electrical current from alternating to direct current at the level of these power modules.

Joint work with the supplier, underpinned by technological improvement, has saved on AC to DC conversion, **translating into energy efficiency optimisations of 6% on charging and 20% on discharging.**

2 Responsible Sourcing and Manufacturing

A

Ensuring a sustainable supply chain



OUR GOAL

To have 100% of our suppliers considered as priorities in terms of sustainability issues - certified to at least EcoVadis Gold Medal level by 2025.

- China currently controls most of the refining of the raw materials essential to battery manufacture (lithium, cobalt, natural graphite) and mostly uses coal and other fossil fuels to power its factories.
- Extracting and refining raw materials presents challenges for both the environment and human and labour rights.

OUR CHALLENGES

- The supply chain accounts for between 80% and 90% of ACC products' social and environmental impact.

B

Contributing to responsible manufacturing

OUR GOAL

Achieve ISO 14 001 certification by 2025 and ISO 50 001 certification for our Gigafactories.

- Reducing and optimising the carbon footprint of energy-intensive production by using low-carbon energy sources as much as possible and preparing for ISO 50 001 certification.
- Optimising consumption of resources other than energy (raw materials, water, etc.)
- Reducing, reusing or recycling waste from our industrial activity wherever possible.
- Deploying an internal safety at work culture by involving external subcontractors working on our sites.

OUR CHALLENGES

- Limiting the environmental impact and emissions of our plants as far as possible.

A

Ensuring a sustainable supply chain

KEY FIGURES

Li

Ni

Mn

Co

C

5

strategic materials

→ Lithium, Nickel, Manganese, Cobalt, and Graphite

100%

of our direct suppliers are systematically assessed on CSR criteria during calls for tenders



OUR COMMITMENT

→ To set up and guarantee a fair, transparent and sustainable supply chain to continuously reduce our environmental impact.

ACTION AREAS

- Define CSR criteria for ACC and its suppliers through the Sustainable Supply Chain Charter and traceability and environmental CSR questionnaires for suppliers.
- Plan improvement with suppliers following the CSR assessments carried out by EcoVadis at the end of 2022. Support them in boosting their skills and ensure they perform to our CSR standards.
- Selection committees take our CSR requirements into account.
- Define a "Due Diligence in the Supply Chain" programme for progressive deployment from 2024.
- In time, audit supplier sites.

Committing to a responsible approach for a more virtuous supply chain

ACC's success is based on its value creation model and its ability to innovate.

Our **suppliers** play a key role in achieving our sustainability objectives: reducing CO₂ emissions over the entire life cycle, improving resource efficiency and focusing on ethical and responsible business practices. **By working with them all along the value chain** - from mining to equipment manufacturing to recycling - we can **create a sustainable transformation of the automotive industry and electric mobility** based on collaboration and consistent CSR commitments from all stakeholders.

In 2021, ACC formalised **the CSR standards for its direct suppliers**, i.e. the suppliers of components used in the composition of ACC products, in its Sustainable Supply Chain Charter. These focus mainly on responsible business practices (ethics, anticorruption, worker health and safety, traceability of ores and raw materials) and the environment and promote a transparent, respectful and socially responsible supply chain. This charter is being revised, and the new version will be published in the fourth quarter of 2024.

We aim to **build a value chain with our suppliers that respects the highest social, environmental, and ethical standards by ensuring the traceability of raw materials right back to the mines.**



Ensuring that the supply chain complies with the highest CSR standards

Camille Lefort,
Upstream supply chain sustainability analyst

"ACC has implemented a **supplier evaluation process** based on our Sustainable Supply Chain Charter, a documentary audit by EcoVadis and a CSR, environmental and raw material traceability criteria evaluation system ACC has developed.

This assessment covers their **compliance with the ethical, environmental and social standards** of the EcoVadis Charter and reference framework, as well as the **origin and traceability of the raw materials** used to make our cells. Suppliers wishing to work with ACC must undergo this process to assess their maturity and compliance with our CSR requirements."



What is a responsible supply chain?

The vast majority of ACC's environmental and social impact comes from its supply chain. Therefore, mobilising and involving suppliers in our CSR approach through a selection process that incorporates social, ethical, and environmental performance factors is essential.





Promoting good supplier compliance practices in the supply chain

Supplier compliance is a major challenge for ACC. Suppliers' maturity in terms of responsible practices can vary widely.

ACC develops **demanding codes of conduct** (Code of Ethics, Sustainable Supply Chain Charter) with which suppliers must comply. It also carries **out regular assessments** and works closely with suppliers, particularly helping **them calculate their CO₂ emissions**. These actions aim to guarantee the availability of data in accordance with the European regulatory timetable and **increase suppliers' CSR maturity**.

Due Diligence in the Supplier compliance Chain programme

Anticipating future European regulations

In the first quarter of 2023, ACC commissioned an analysis of what had already been implemented regarding due diligence in its supply chain in anticipation of future European regulations on this subject (particularly the battery regulation published in July 2023 and the so-called "CS3D" directive).

This has allowed us to identify the key actions to implement to establish a **solid system** that complies with future transparency and traceability requirements, a priority issue for ACC. The aim was also to **define the 2024 action programme** and beyond, with the main stages and tasks to be completed.

THE ACTION PLAN IS STRUCTURED AS FOLLOWS:

- **Continue updating risk mapping through strategic materials** and implementing a monitoring system for each,
- **Extend and adapt** the existing alert mechanism to the new regulations,
- **Define a remediation mechanism,**
- **Update the Sustainable Supply Chain Charter to incorporate new regulatory requirements,** reference to ACC policies, inclusion of indirect purchases and a specific section on responsible sourcing of raw materials,
- **Deploy the "Circular" traceability system,**
- **Update supplier questionnaires** in line with the updated Charter.



Ensuring traceability back to the mines

Chehrazed Ahcine,
Supplier Performance Manager

At ACC, **traceability and transparency** mean knowing the geographical origin of the components in our products, as well as their technical and quality information, particularly with a view to the future battery passport provided for in the European regulation of the same name, published in July 2023.

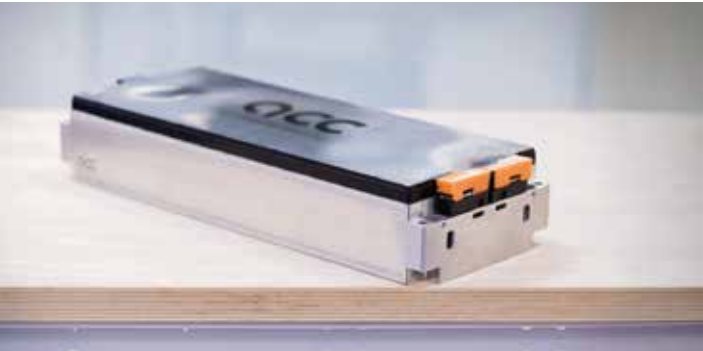
"For us, it's about ensuring that not only our direct suppliers but also the entire supply chain right back to the mine meet our CSR standards formalised in the Responsible Procurement Policy," explains Chehrazed Ahcine.

"As soon as we issue Request for Quotation (RFQ)", we ask our suppliers to provide information on the traceability of raw materials. **Following a test in 2022, ACC has decided to reinforce this system in 2023 using the Circular platform.**

"With Circular, a platform specialising in traceability, we want to enhance what we already do by going all the way back to the mine," continues Chehrazed Ahcine, who is in charge of the project in the Supply Chain team. "The system will provide the data required for the battery passport, with the provenance card and carbon footprint per batch."

The Circular platform allows each supplier to enter their information (suppliers, products purchased, quantities, percentage recycled, batch number, etc.) in a way that can never be modified by a third party.

Comparisons of available information and material balances make it possible to **increase transparency about the origin of materials** and quickly identify any inconsistencies between suppliers. The information will be more reliable. "Our 2024 objective is to start integrating our suppliers using the highest-stake mining products (Cobalt, Nickel, Manganese, Lithium, and Graphite) to provide traceability for our clients from 2025," she concludes.



Traceability and transparency: major issues

What is due diligence in the supply chain?

Due diligence is an ongoing risk management process that allows companies to proactively identify and mitigate their environmental and human rights impacts so that they can conduct their business responsibly. This process is based on the following reference frameworks: OECD guidelines, United Nations guidelines, ILO conventions, the US Dodd-Frank Act, and European regulations.

B

Contributing to responsible manufacturing



KEY FIGURES

20%

less energy is required to manufacture a module between the initial site authorisation application and the current configuration of the first Gigafactory.

1/3

the reduction in our projected water consumption at the Billy-Berclau Douvrin Gigafactory, for a production of 13.4 GWh instead of the 8 GWh initially forecasted.

Between 15 and 25%

improvement in the compactness (in m2/ GWh produced) of our next plants compared with the first Gigafactory.

OUR COMMITMENT

→ Actively and continuously reduce the environmental impact of cells and battery modules at every stage in their life cycle.

ACTION AREAS

- Apply eco-design principles to products and industrial processes.
- Reduce and optimise energy consumption.
- Reduce the environmental impact of transport and logistics.
- Reduce the environmental impact of raw materials and activities.
- Preserve water resources.
- Reduce waste and adopt a circular model.

Ensuring our production scraps are recycled

As a committed player in the battery industry, ACC recognises the crucial importance of recycling and managing its production scraps responsibly. Our commitment to recycling and sustainable production is more than a compliance obligation; it is a fundamental part of our mission.

We have taken **concrete measures** to **manage our production waste**: all our scraps are recycled. To achieve this, we have contracted with two partners who specialise in recycling and are equipped with special technologies for processing this specific waste, extracting and recycling strategic metals.

Although we manage our production process to minimise scrap rates, there are still challenges to be overcome. The most important issue is the current state of the recycling infrastructure for lithium batteries in Europe. The industry is still in its infancy, and potential constraints can be expected over the next three to four years.

At ACC, we are already assessing the industrial roadmap. We are reviewing **tomorrow's project technologies and players in Europe** to choose the best suppliers once the recycling offer has matured. In the meantime, we are concentrating on monitoring and continually improving our manufacturing processes to minimise our manufacturing waste.



Raising our employees' awareness of environmental issues

Jennifer Rossetti,
Waste expert

We run regular environmental awareness campaigns for our employees throughout the year, and subjects include waste management and recycling, which represent a major challenge for a manufacturer like ACC. We have devoted a number of articles and events to waste management and recycling, particularly to mark World Recycling Day, World Cleanup Day, and European Waste Reduction Week.



Energy efficiency and carbon footprint reduction: Significant improvements are planned for our second wave of Gigafactories!

One of the main objectives in the design of the second wave of Gigafactories, i.e., the second plant block at Billy-Berclau Douvrin, the first block at Kaiserslautern and Blocks 1 and 2 at Termoli, is to reduce the energy consumption and carbon footprint of these plants.

Two of the main energy consumption factors in a Gigafactory are the dry rooms and the process of drying the cells after coating, so we are focusing on those key areas. To reduce energy consumption, rigorous management of cleanliness and humidity is one of the main factors considered in the design of "clean" and "dry" rooms.

Battery production requires a high level of quality, with control over particles and humidity levels. Metallic particles larger than 200 microns within the cells (twice the diameter of a human hair) can cause thermal heating, while proper management of the cleanliness of electrode surfaces can increase their lifespan by 40%. Excessive water will reduce the performance and life of the battery.



What is the difference between a clean room and a dry room?

THE CLEAN ROOM

This room is designed to maintain specific conditions, including extreme cleanliness, controlled temperature and humidity, and constant air pressure. These conditions are necessary to prevent contamination and to guarantee the quality of the products manufactured or the experiments carried out in the clean room..

THE DRY ROOM

This is another type of controlled environment but with a different purpose. Unlike the clean room, the dry room is designed to maintain a very low level of humidity, even close to zero. It is used in electronics, optics and scientific research, where high humidity can damage sensitive components. The dry room helps prevent corrosion, oxidation and other moisture-related problems.



What we have defined for our future plants:

- **Technical solutions** are in place to control cleanliness and humidity by using **air handling units (AHUs)** to manage humidity, temperature, and particles. So, in the second wave of our plant blocks, the solution is to combine the air filtration and dehumidification systems. The AHU has a return air intake from the workshop, and the filtration levels have also been adjusted to the bare minimum necessary to **filter two times less air volume to save energy.**
- **The configuration of the workshops** (the "ballroom" concept) **has been reviewed** to limit the impact of humidity generated by the operators' breathing.

For a reduced carbon footprint:

As part of the drive to reduce our carbon footprint, and in addition to the measures taken to optimise the efficiency of our clean rooms and dry rooms, we have reviewed our energy sources, in particular by using electricity instead of gas to supply the AHUs with energy and thus retaining the option of purchasing green electricity.

In addition, we are currently trialling using electric boilers instead of gas to produce steam for the drying process, notably for the Termoli Gigafactory.

Workshop floor space is also a key factor in energy consumption. As part of a continuous improvement approach, a special effort has been made with the design of the "Second wave Gigafactories":

- The compactness performance indicator (in m2/GWh produced) **has improved by 15 to 25% compared with the first block at Billy-Berclau Douvrin, which already met the highest standards.** Approximately 4,000 m2 are required per GWh of production capacity and per year, making ACC one of the most compact plants (up to 40% more compact than the best competitors).
- In other words, **it takes less than 2,500 m2 of workshop space - the equivalent of half a football pitch - to produce 1 million cells a year.**



Deploying an occupational health and safety policy

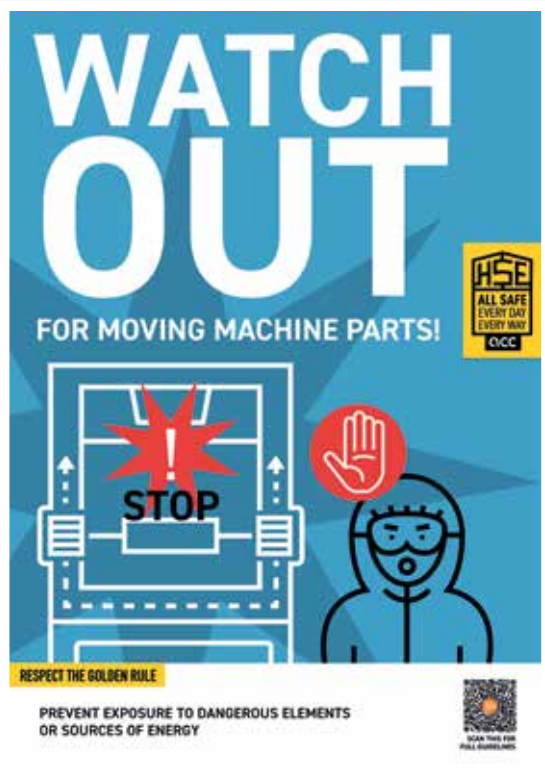
At ACC, we consider safety an absolute priority and our collective responsibility. To achieve this, we are implementing a safety culture throughout our organisation through specific, practical measures.

Everyday routines and regular team training are some of the measures we have put in place. The principal aim is to report untoward events, exchange ideas, and to inform and raise awareness among all our teams and the external contractors present on our sites constructing our plants and helping us implement our industrial processes.



Safety at Work week

To mark the World Day for Safety and Health at Work at the end of April 2023, we organised an awareness-raising week dedicated to safety at work across our sites. The Nersac site brought together around twenty employees to discuss employee safety. In collaboration with Delahaye Industrie, employees in the logistics, mixing, coating and cleaning sectors received in-depth training on what to do in the event of a chemical spill. This initiative focused on good practice, rules, and what you need to know to create a safe and responsible working environment.



The key actions in our HSE (Health, Safety & Environment) roadmap:

- 1



Publish the HSE policy
Since the autumn, this policy has been accompanied by the gradual roll-out of "HSE Essentials" - 10 essential on-site safety rules and 38 critical requirements.
- 2



Define and deploy the HSE Essentials
The Essentials have been defined to prevent accidents, especially serious ones, by identifying and prescribing the rules and requirements to be followed for our major risks. These have been identified through our high-risk activities, ACC's experience of material and accidental events and lessons learned from the industry. In the HSE Essentials, there is a **golden rule, critical requirements and operational requirements**. Communication posters are displayed on our sites.
- 3



Adopt a reporting tool
This makes it easier to follow up on on-site inspections and to study performance in terms of safety at work and the environment.
- 4



Mobilise site management
Each site's management committee spends an hour every month sharing discrepancies, performance, and action plans. This practice, already in place at our Nersac site, is being extended to all suppliers, promoting a collaborative approach to safety.
- 5



Mobilise site managers
We consider them to be key in applying the HSE programme effectively. HSE training has been launched for site managers as part of this initiative. This training aims to reinforce their knowledge of workplace safety rules so that they can enforce them. Training sessions have already been held in Bruges and Nersac, and others are planned for Billy-Berclau Douvrin. From this year, the training will be extended to all managers, as well as the Executive Committee.
- 6



Day-to-day awareness raising for teams in the field
Examples of everyday reinforcement of a safety culture include Prevention Walks and Safety Minutes. The Prevention Walks assess safety practices in the field, identify risks and implement preventive measures. And the Safety Minutes encourage discussion on relevant safety-related topics.
- 7



Onboard external companies working on our sites
ACC wants to pre-qualify companies working on its sites based on their HSE performance. This will be one of the evaluation criteria for calls for tender. We are also finalising a comprehensive HSE charter that all subcontractors will sign. Penalties for non-compliance will also be introduced. This is all part of our ambitious Contractor Improvement Programme, designed to help our subcontractors improve their HSE performance. Subcontractors' HSE performance will be measured monthly. Companies at the bottom of the ranking will meet with their site manager and HSE director to discuss their score and how they can improve their practices to comply with the ACC rules. This and the HSE Essentials are our two flagship measures for improving working conditions in an international construction context.
- 8



For a safe working environment: preventing and dealing with "near misses"
Managing working conditions within an international team made up of employees from different cultures and external contractors, as well as co-activity (manufacturing on one part of the site and a construction site on another), is crucial, particularly regarding safety. Even some seemingly innocuous behaviour can present risks and should be avoided! That is why we have introduced the Near-misses programme: to prevent seemingly minor irregularities that have not led to an incident or injury but could have had serious consequences. The aim is to identify and eliminate the root cause of these potential accidents and guarantee our employees' safety.

The Billy-Berclau Douvrin Gigafactory, a key step towards 2023

The launch of production at Billy-Berclau Douvrin in 8 key stages



Photo taken as part of ACC Tuesdays in September 2023.

A progressive installation

In January 2023, the site employed 100 people. A recruitment process was launched, leading to 500 people joining the company throughout the year. Our operators have benefited from unique and specialised training to prepare them to work in this brand-new industrial environment.

We launched "ACC Tuesdays" in March 2023 to inform the public and present our **recruitment plan**. As the name suggests, these public meetings and encounters with job seekers take place every Tuesday. We have also established **partnerships** with France Travail (formerly Pôle Emploi) and other local employment and training bodies to offer training programmes for plant operators and maintenance jobs to jobseekers.

Inauguration of the Billy-Berclau Douvrin Gigafactory: a turning point for sustainable mobility

On 30 May 2023, 700 guests, including 6 ministers from 3 different countries, 2 ambassadors, 3 CEOs including 2 from CAC 40 companies, and 100 accredited journalists attended the inauguration of the Billy-Berclau Douvrin Gigafactory.

The event, which took place in a plant over 650 metres long and 100 metres wide, was a founding act for sustainable mobility in France and Europe. Guests were able to find out more and take part in themed workshops. These workshops, led by ACC employees, covered a range of topics, including a general presentation of the project, how batteries work, the Gigafactory's local roots, employment opportunities and training, and the environmental impact of the Gigafactory's activities.



Photo taken during the inauguration of the Gigafactory on 30 May 2023.



++
+ Doubling production capacity without doubling environmental impact: a major challenge

Sébastien Mussa-Perretto,
Environmental Engineer at Billy-Berclau Douvrin

ACC has started increasing the capacity of its first plant block from 8 to 13.4 GWh and building a second block.

"Can you tell us about the improvements that have allowed you to almost double the production capacity of your first plant block while keeping environmental impact under control?"

Our approach is to reduce environmental impact at source and to continually improve our methods. We have adopted the best available techniques, and we follow the ARC approach: Avoid, Reduce and Compensate for environmental impacts.

We have optimised flows and atmospheric emissions to minimise the impact on the environment and our workers. The studies carried out for the second licence application

in 2023 confirmed that there was no risk to the population nearby.

Our plant is committed to reducing its environmental footprint, so we aim to **achieve IATF16 949, ISO 9 001, and ISO 14 001 certification**. We also aim to **reduce our water consumption**, which is estimated to be 5 to 10 times lower than that of a standard car plant. To this end, even before the Gigafactory came on stream, **we reduced our forecasted water consumption by a third for a production of 13.4 GWh by relying on adiabatic towers**.

Finally, **we have optimised the plant's layout to double our cell production in the same space**, reducing our energy consumption and taking a significant step towards sustainable production.

Preserving the local environment: a core concern for the construction of our site

Locating the ACC Gigafactory on an existing industrial site significantly limits the impact of our project on natural ecosystems.

We have taken specific measures to **preserve biodiversity** at our Gigafactory site in Billy-Berclau Douvrin. During the preliminary environmental studies, two protected plant species were identified: **the Jersey cudweed, a small herbaceous plant that is endangered in the Nord and Pas-de-Calais regions, and the Ophrys bee orchid, which is also protected**.

Compensatory measures have been taken to avoid any impact on these species. The **specimens present were transplanted and reseeded** in several suitable areas nearby. Thanks to the attentive care of our partner ecologists, the Jersey cudweed has already grown back on the compensatory sites. More needs to be done to ensure the species have adapted completely, but the initial results are encouraging.

As part of the **public enquiries in 2021 and 2023**, the detailed impact study and its non-technical summary, presenting the conclusions on biodiversity and the planned measures, were made available to the public so they could find out more about **the project's environmental approach**.



Controlling industrial risks: an absolute priority for ACC

Our Gigafactory at Billy-Berclau Douvrin is classified as a "high threshold SEVESO" site (SEVESO is a directive requiring EU Member States to identify high-risk sites and maintain very high prevention standards) because of the quantities of Nickel Manganese Cobalt (NMC) powders stored on the site. These powders are used to **manufacture the inks for the positive electrodes of our battery cells**. This classification implies **strict requirements in terms of industrial risk prevention and environmental protection**.

It is important to note that the new studies carried out before applying for authorisation in 2023 to increase the capacity of the first block and to build the second block confirmed that **the project would not present a risk for the surrounding population and did not identify any major accident risks**.

A rigorous approach to risk management

Guaranteeing a high level of industrial safety is a priority. This is why we have carried out an in-depth analysis of all the potential risks associated with our business. Based on this, we have implemented **technical and organisational measures** to control and reduce these risks from the design stage of our buildings and industrial processes. These measures were drawn up in collaboration with the fire brigade and Saft experts.

Our approach is based on strict compliance with the SEVESO directive and feedback from other manufacturers. We ensure our activities in this area meet the highest standards.



Photo taken in Billy-Berclau Douvrin in March 2024.

Our technical and organisational safety systems

Our main risk prevention and management measures are based on:



Fire walls with smoke extraction and sprinkler systems that meet the most stringent standards.



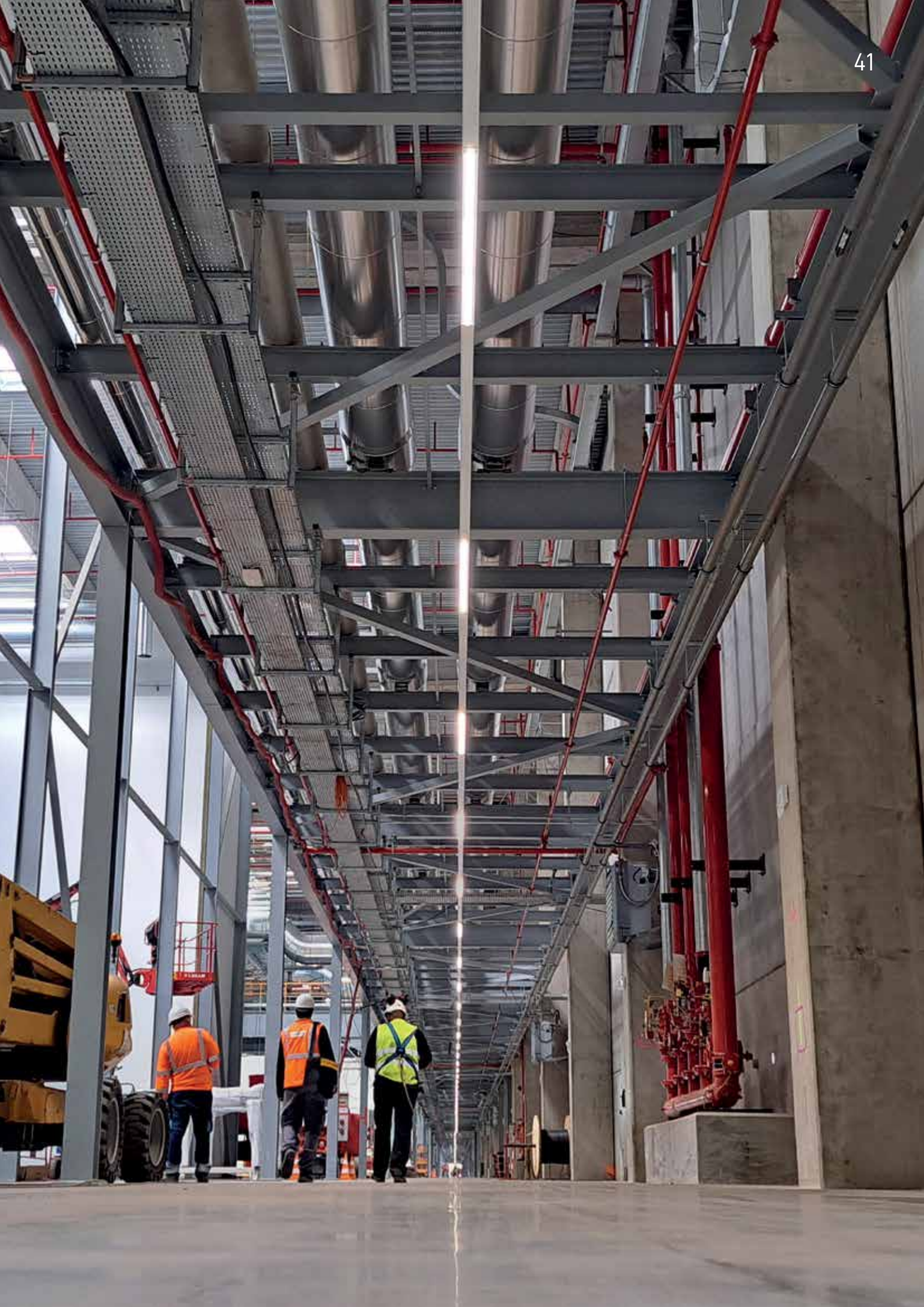
Enhanced security for industrial machines and processes using high-level detection and automation systems.



A team of ACC firefighters is on-site 24 hours a day.



Staff and firefighters on-site are trained in the types of risks specific to the plant, the various preventive and remedial safety measures, etc.





OUR GOAL

Obtain Great Place To Work certification

OUR CHALLENGES

- Attracting talent to our plant production teams, our Innovation and Projects teams, and all the other functions needed to develop our business against a backdrop of job vacancies.
- Supporting the transition of employees from the automotive sector by training them in the specific working environment of battery production (dry room, for example).
- Ensuring high-quality recruitment, induction and rapid onboarding of new talent.
- Our sector employs a low proportion of women. We must attract more female talent to our plants to achieve a higher recruitment rate than the rest of the industry.

03

An engaging working environment and people development

How does ACC develop new talent?



KEY FIGURES



715

people recruited in 2023

1 339 (headcount at end December 2023)

624 (headcount at end December 2022)

3 people recruited per day
ACC employees only



26.6%

women on
31st December 2023

over 45 nationalities

94/100

gender equality index (this result, up 2 points on last year, comes at a time of significant growth in the company's workforce).

Information published in 2024 for the year 2023.

OUR COMMITMENTS

- Support employee skills development through specific training programmes, giving them the expertise they need to produce batteries.
- Foster motivation and an environment conducive to commitment for our employees.

ACTION AREAS

- Deploy ACC skills matrices for each professional area to structure our recruitment and HR development activities.
- Train everyone in the basics of corporate life (CSR, anticorruption, safety, etc.) and offer specific training to meet the needs of individual roles and managers.
- Deploy and regularly enhance an online training platform.
- Continue developing company agreements with employee representatives on all work and company-life topics.
- Carry out an employee satisfaction survey in early 2023. This will be repeated annually.



ACC's vision for human resources and talent management

Patrick Houry,
Vice-President of Human Resources

"ACC is a European champion for electric batteries to accelerate sustainable mobility and support employment in Europe.

To achieve this, we will attract the best talent and build diverse teams committed to creating a more environmentally friendly future."



Onboarding: the crucial stage in integrating, motivating and retaining staff

Sylvain Colas,
Group Talent Acquisition Manager

Several studies* estimate that around 80% of new recruits decide to stay with the company within the first 6 months. **Employees who follow a complete induction and integration programme are 58% more likely to stay with the company.** For a company as fast-moving as ACC, it was **imperative to have a robust and differentiating integration programme in place quickly.**

The programme ensures new recruits are rapidly brought up to speed on the company's key issues and connected with their main professional contacts.

We conduct anonymous **satisfaction surveys** after one month and six months with ACC. The results show that our employees are satisfied with their integration, with a higher satisfaction rate than their previous induction experiences. We use the suggestions from these surveys to continuously improve the employee experience.



For ACC as an employer, successful integration quickly boosts the employee's independence and performance.

*<https://blog.workelo.eu/les-chiffres-cles-de-lonboarding/>



A pathway to excellence for plant operators

Training plant operators is crucial for ACC. We have set up a **three-month training programme** for our new recruits in this role. The programme begins with a four-week stint at the Battery Training Centre (BTC) in Douvrin, also known as the "technical platform." This facility includes a "dry" room with work-related simulations and online training modules.

Our colleagues then spend **seven weeks in our pilot plant at the Gigafactory or in our R&D centre near Bordeaux for a completely immersive experience.** The course concludes with a week in which they take the **CQPM** (Certificat de Qualification Paritaire de la Métallurgie), the metallurgy industry certificate in production management for components and battery cells for electric vehicles. This certificate

ensures professional recognition by companies in the metallurgy sector at a national level and validates the professional skills required for this role.

By 31th December 2023, more than 80 employees had benefited from this scheme or were currently receiving training.



A specialised training programme for plant operators

We have developed training courses for manufacturing roles, including production, maintenance, logistics and quality. The Manufacturing Training Programme has three key objectives:



Define and develop essential skills for the battery industry in ACC's factories.



Develop these skills to meet ACC's industrial requirements through an effective skills development programme.



Develop a toolkit to speed up the launch of production in the future Gigafactories plant sections, drawing on the knowledge acquired in the existing sections at the Billy-Berclau and Nersac sites.

We are working to make our pilot plant at Nersac the benchmark training centre for operators of ACC's three Gigafactories in the four manufacturing areas.

The pioneers of each Gigafactory (around 50 people per plant block) will be trained on the ground in Nersac.

For example, training for a plant operator lasts three months, while that for a maintenance technician extends over four to six months.

At the end of the training course, the operators' skills are validated in the workplace. This ensures their autonomy and safety at work.



The Pow'Her Network: actively supporting diversity and career advancement of women

In September 2021, ACC launched **Pow'Her, our internal women's network**, which is also open to our male colleagues.

The network aims to contribute to ACC's excellence through a community of women and men who want to make our company **a supportive and friendly place to work and develop and where diversity and women's professional advancement are actively supported.** This is achieved through cross-cutting initiatives that benefit everyone, collective intelligence, mutual support, exchanging experience and advice, and mentoring.



Working together to accelerate the transition to sustainable mobility

To achieve our goals - we have many assets, starting with our current and future employees!

As a committed company created to contribute to the energy transition, ACC attaches **great importance to the recommendations** of the Shift Project and the Pour un réveil écologique collective, as well as its presence on the benchmark platforms JTMS (Jobs That Make Sense) and WTTJ (Welcome To The Jungle), which are aimed at people who want to put their skills to good use in impactful businesses and activities. These signals are essential to attract talent, both young and more experienced.



At ACC...

We're looking for the best talent to join our team!

Our five most sought-after profiles:

- Installation pilots
- Maintenance technicians
- Quality technicians
- Logistics professionals
- Production supervisors and team leaders



MOST WANTED PEOPLE



Awareness of everyday sexism in the workplace

Lucille Gouton,
Mechanical Process Industrialisation Engineer - Chair of the ACC Women's Network

In 2023, in addition to monthly meetings, the Pow'her programme focused on **themes such as caring and inclusion and raising awareness of diversity (neurodiversity) and disability.**

We also surveyed the specific needs of women in our network to launch an internal mentoring programme. The programme will start in 2024 with a monthly open lunch where all employees who wish to attend can share their experiences. The "1,000 steps" game* initiative, designed to raise awareness of everyday sexism in the workplace, attracted 50% male participants! Finally, together with our Communications team, we have been **promoting the industrial professions to women**, an initiative that makes sense in view of the different occupations at ACC.

*<https://millepaslejeu.fr>

Sustainability in Motion: putting CSR culture at the heart of ACC



OBJECTIVES

- Ensure that all employees are made aware of CSR at least once during their first six months at ACC.
- Ensure that everyone shares the same minimum level of knowledge and understanding in terms of:
 - CSR basics,
 - The issues, impact and contribution of ACC to CSR,
 - ACC's CSR approach - policy, priorities and objectives.
- Make employees aware of what is expected of them to help achieve ACC's CSR objectives.
- Encourage everyone's engagement and involvement at their level: Ensure every employee feels involved in achieving ACC's CSR objectives and priorities.
- Encourage new ideas and initiatives.
- Systematically integrate CSR issues into the various entities' projects and decision-making processes.

CSR at the heart of ACC's activities

To **develop an in-house CSR culture** in which **anticipating the environmental, social, and societal impacts of what we do and incorporating them into our decision-making becomes a reflex for everyone**, we have developed a number of initiatives aimed at different internal audiences.

First, employees complete CSR training modules as part of their induction and integration process. We organise **events, workshops and environmental challenges throughout the year**, following an editorial schedule and communication plan.

These activities are an excellent opportunity for employees to work together across departments and create a community committed to our **Sustainability in Motion** CSR programme.

We also run our **network of CSR correspondents**, the CSR Champions. These are employees who volunteer to take these issues to their teams and sites. We also offer an annual CSR awareness campaign for top management.



The Inno Chimie team, winner of the Ma Petite Planète en 2023 challenge.

KEY FIGURES

15 new CSR Champions joined our team in 2023

Nearly 160 participants completed **2,120** challenges during the "Ma Petite Planète" challenge

2023 was a year packed with CSR events. We ran cooperative, interactive and fun workshops and activities, including:

- **Climate Fresks:** every month, **highly-trained in-house facilitators run climate fresks**. These are workshops where anyone working at ACC can stay up to date about the Intergovernmental Panel on Climate Change (IPCC) and **learn more about the causes and consequences of climate change**.
- **The Digital Collage:** to uncover the **environmental impact of digital technology**. Members of our Simulation and Data departments took part in these workshops.
- **The MyCo2 workshop:** Carbone 4 led this inspiring interactive workshop to help people **learn about our collective and individual carbon footprint**
- **World CleanUp Day:** The aim is to **make our employees aware of the importance of keeping our environment clean** and to encourage them to take concrete action against pollution caused by litter.
- **Octobre rose:** October is all about **raising awareness of breast cancer prevention**. Numerous events and activities highlighted all the issues surrounding cancer in general.

And lots more besides! "Inventons nos vies bas carbone" low carbon living workshop, "Bataille de la Tech" tech battle with the Latitudes association, "1,000 Steps" game co-organised with Pow'Her.

The year 2023: an eventful year!

MARCH	APRIL	MAY	JUNE	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<ul style="list-style-type: none">• Training to run the Climate Fresk• "Low Carbon Lives" workshop• My CO2 interactive workshop in French and English, attended by over 100 participants• Digital collage	<ul style="list-style-type: none">• Occupational Health and Safety Week at the Bruges and Nersac sites	<ul style="list-style-type: none">• The "Ma Petite Planète" ecological challenge, a game in which players take on environmental challenges, had nearly 160 participants over three weeks.• May by bike - at the Bruges, Nersac and Billy-Berclau sites	<ul style="list-style-type: none">• Quality of Life at Work Week, with a range of events around well-being and switching off held at the Bruges site	<ul style="list-style-type: none">• World Clean Up Day, in which all our sites in France and Germany took part	<ul style="list-style-type: none">• Octobre rose, the breast cancer awareness month, included participating in charity walks and runs, our traditional "pink day", and employees wearing pink ribbons throughout the month, among other activities organised at the Paris, Bruges, Nersac and Kaiserslautern sites	<ul style="list-style-type: none">• The Bruges and Paris sites organised a moustache challenge to mark Movember, men's cancer awareness month	<ul style="list-style-type: none">• Toy donation at the Nersac site



Our ACC CSR Champions*



Jia Bonce,
Supply chain standardisation
and processes manager

Being a CSR Champion means ensuring that each Supply Chain working group considers ACC's CSR objectives and priorities in everything it does and **proactively raising awareness of these important issues.**

My team has defined **various short— and long-term action plans focused on reducing the carbon and wider environmental footprint of our logistics and sourcing activities,** locating suppliers as close to our factories as possible, and promoting gender diversity within our team. For example, we surveyed the women on our team to measure their well-being and worked with the recruitment team to attract more female talent.

I'm proud of my role in helping the team implement effective actions and in helping them understand the issues and impacts of a complex value chain. This provides a clear vision of ACC's overall strategy.



Jérémie Bureau,
Head of data analytics
and artificial intelligence

Becoming a CSR Champion was the logical consequence of my recognising the urgency of climate change and the importance of ACC's actions to help tackle climate change. **When I joined ACC, I saw a unique opportunity to contribute significantly to our responsible innovation mission and make a tangible difference in the transport sector,** a key area for reducing greenhouse gas emissions. It was a logical step for me to **become the spokesperson for these issues within the data teams.**

In 2023, we focused on raising awareness of GreenIT (responsible digital technology), for example, by organising a Digital Collage for the Data team and Data4Good (using data to serve the public interest). We have chosen "data minimisation**" as our focus. The increase in data represents a major challenge in the electric vehicle battery industry, where reducing the ecological footprint is paramount. The accumulation of data leads to increased demand for storage and processing infrastructure, which can be at odds with sustainability goals.

In 2024, we are rolling out a series of webinars on the last Friday of every month to familiarise all our employees with the issues surrounding data. These discussions will also include CSR issues (ethical, social, environmental and governance issues). In addition, we will be launching R&D programmes on data minimisation. Of course, we are continuing to raise the team's awareness of GreenIT and digital sobriety, and we will be involved in setting up a CSR reporting system to provide quantitative data to monitor and steer the deployment of our sustainability strategy.

*Volunteers who take these issues forward within their teams and sites.
**Data minimisation is one of the key principles of personal data processing. Article 5.1.c. of the GDPR defines this measure as follows: "Personal data must be adequate, relevant and limited to what is necessary for the purposes for which they are processed". In other words, organisations must collect and process only the data essential to achieving a specific objective or process.



04

European industrial and academic battery ecosystem

OUR GOAL

Achieve at least 70% of our direct purchases in Europe by 2025



OUR CHALLENGES

- Develop research and knowledge, and relocate battery production and its value chain within Europe.
- Support the conversion of automotive production sites that currently manufacture internal combustion engines.
- Develop training for the professions in this new industrial sector and make them attractive to a range of target groups (young people, women, people undergoing retraining), as well as to people in general.
- Access suppliers in Europe capable of designing and producing the components and equipment needed to manufacture batteries and recycle them.

NB: 86% of lithium-ion batteries are produced in Asia, just 10% in Europe. This imbalance poses significant challenges for Europe's industrial and technological sovereignty.

Strengthening the European industrial and academic battery ecosystem



KEY FIGURES

4 PhDs funded,
one in Italy and three
in France

4 -year
partnership
to accelerate ACC's R&D
with CEA Liten

OUR COMMITMENTS

- Contribute to the reindustrialisation and development of a responsible European battery ecosystem.
- Share all knowledge not protected by intellectual property with industry and the scientific community.

ACTION AREAS

- Construct our three Gigafactories on existing automotive combustion engine industry sites that are due to close - see opposite page.
- Relocate the supply chain in Europe.
- Contribute to peoples' training and employability in the areas where we operate.
- Share knowledge with the scientific community, particularly the results of our R&D that are not covered by intellectual property rights.

Exploiting the potential of existing industrial sites: the ACC approach

All our Gigafactories follow this approach. For example, the Gigafactory at Billy-Berclau Douvrin was built on **an existing industrial site** previously used by Stellantis' "La Française de Mécanique" to manufacture internal combustion engines. Similarly, the Gigafactory in Kaiserslautern will be built on an Opel site that is being decommissioned and that previously produced stamping, sheet metal parts and engines for General Motors. The Termoli Gigafactory will be built on an existing Fiat Chrysler site that manufactures internal combustion engines. **This approach reduces the consumption of agricultural land and natural areas, preserves the environment and reduces the carbon footprint.** It also offers advantages like shorter implementation times, lower investment costs and access to skilled labour.

Redeveloping and converting industrial sites to new activities represents **a valuable opportunity for ACC,**

reusing existing assets and creating local jobs, as well as jobs for the areas concerned. Although this approach presents challenges, it aligns with our values, and we are proud of our commitment.



2023, a landmark year financially supported by the French State and regional Authorities

Hosting the IPCEI annual General Assembly on batteries in Bordeaux in 2023

Last November, as part of the **IPCEI General Assembly** on batteries, we welcomed representatives from the Nouvelle-Aquitaine Region, the Ministry of the Economy, Finance and Industrial and Digital Sovereignty and the Directorate General for Enterprise, as well as representatives from the six other Member States

involved in the IPCEI (Germany, Italy, Spain, Finland, Sweden, Belgium and Poland) and IPCEI member companies for a visit to our Centre of Expertise in Bruges.

This was an opportunity to **present some of the ACC project's achievements and overall progress.** Over the last three years, the French government has provided financial support through the Direction Générale des Entreprises and the BPI. Visitors then had the opportunity to discover the laboratories and the protoline.

A look back at the success of the second edition of Battery Innovation Days in Bordeaux

The second in-person Battery Innovation Days event took place on 14 and 15 November in Bordeaux. ACC, as an **IPCEI stakeholder** and elected representative of the participants, contributed to **organising the event and choosing the speakers**.

Battery Innovation Days **promote dialogue between the research community, policymakers, industry players and end-users to stimulate research and innovation in the field of batteries in Europe**.

The event focused on increasing knowledge and encouraging discussion about using cutting-edge technologies in battery materials, cell design, manufacturing and recycling. Awards, including the Battery Young Researcher Award, were also presented.

The aim of the event? To increase understanding, develop collaboration and create a successful roadmap for the European battery market together.

A partnership to increase electrical testing capacity

At the beginning of 2024, we signed a **six-year strategic partnership with SERMA Group for battery testing**. SERMA will carry out electrical and abuse testing of products developed by the Bruges Expertise Centre for ACC, reinforcing a collaboration that has lasted over two years.



Photo taken at Battery Innovation Days in Bordeaux, November 2023.

Training talent for tomorrow's automotive industry

The French government has launched a call for expressions of interest for "Skills and professions of the future" to meet the needs of businesses in terms of training and new skills for the professions of the future in the sectors supported by France 2030. The winners include **two key projects for ACC, Electro'Mob and BATTENA**.

The Electro'Mob project

The aim of the project, launched in **collaboration with 40 partners**, including key players in the automotive industry and academic institutions based in the Hauts-de-France region, is to train more than 8,000 people in the new skills required by the automotive industry between now and 2030. **The project is worth €25 million, including €14.2 million in state subsidies.**

The BATTENA project

This initiative in New Aquitaine **aims to train 35,000 people in the region's automotive industry and services**. These courses cover a range of levels, from high school to doctorate, and were made possible through an investment of 20 million euros.

The aim?

Support retraining for employees and training new talent to meet the needs of emerging sectors.

SUMMARY OF KEY ACC INDICATORS AND FIGURES OVER 2023

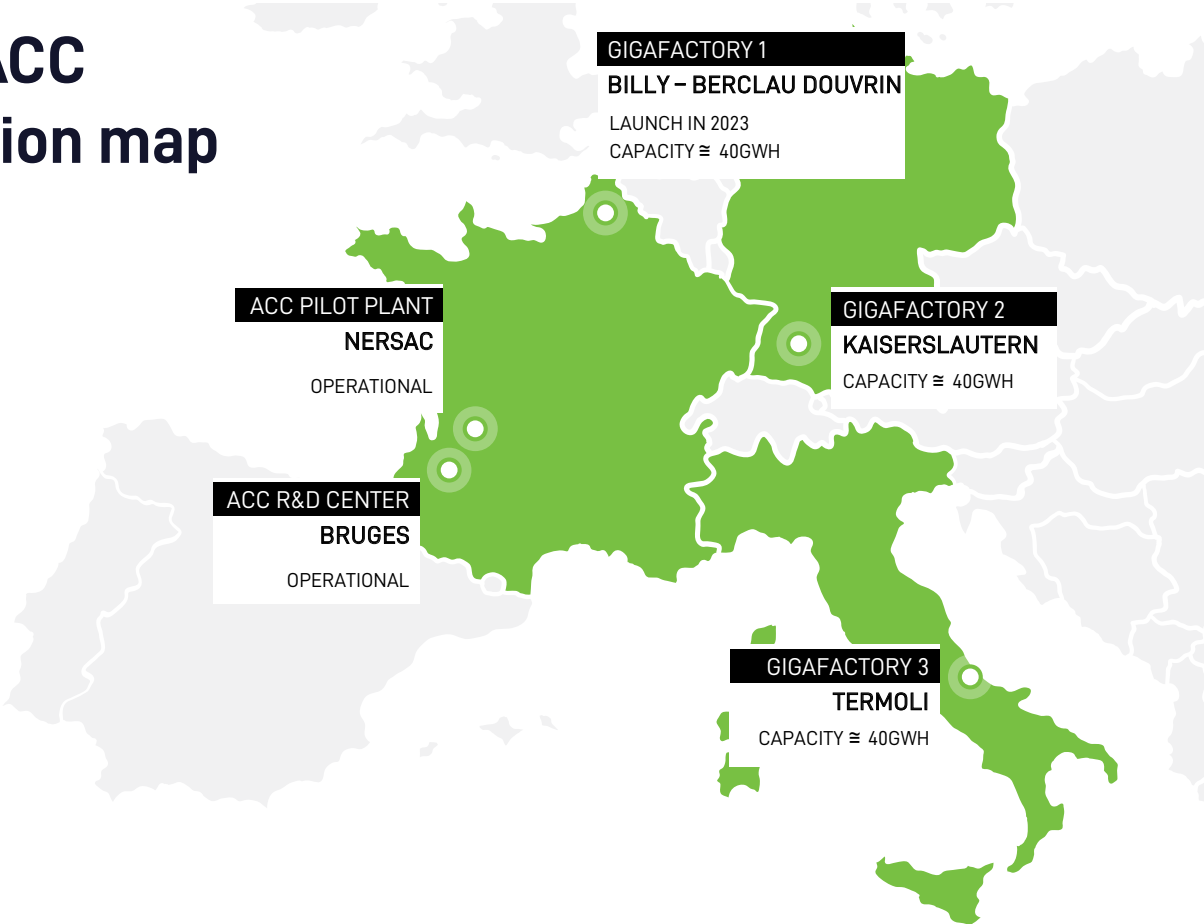


Glossary

Anode: Negative electrode.
Cathode: Positive electrode.
Calendering: The calendering stage gives electrode strips the desired thickness and porosity.
Cell: The basic element of a battery, consisting of electrodes, electrolyte and separator. Cells are assembled in modules within a battery.
VOCs: Volatile Organic Compounds (VOCs) are substances made up of at least one carbon atom and one hydrogen atom. They are found as gases in the atmosphere.
Electrolyte: Substance with conductive properties due to the presence of mobile ions. Electrolytes can be liquid or solid.
Coating: Cell production stage where ink (made up of active material powders, additives and solvents) is applied to an aluminium sheet for the cathode and a copper sheet for the anode.
Steaming: The "drying" operation during cell production that reduces the residual moisture content as much as possible.
GHG: Greenhouse Gases are gaseous components that absorb infrared radiation emitted by the Earth's surface and, in doing so, contribute to the greenhouse effect.
GWh: Symbol for gigawatt-hour, a unit of energy exchanged over a period of time equivalent to the power of one gigawatt running for one hour.
Module: A module contains several cells. A vehicle maker assembles several modules to make a battery pack.
IPCEI: Important Projects of Common European Interest (IPCEI) are a European promoting innovation in strategic and promising industrial areas through transnational European projects. The mechanism allows Member State public authorities to fund initiatives beyond the limits typically set by European State aid regulations.
Slitting: Coated sheets are cut to achieve the desired electrode

strip width during slitting.
Cleanroom: According to ISO 14 644, a cleanroom is a room where the concentration of particles is highly controlled. The aim is to have controlled environments (or controlled atmosphere zones) where contamination levels are strictly regulated and constantly monitored. The air is stirred and highly filtered. Temperature, humidity and pressure can be regulated and maintained at controlled levels according to specifications.
Dry room: A dry room is generally a clean room with a controlled atmosphere in terms of temperature and humidity and a relative humidity of less than 20%.
Stacking: The stage where the active part of the battery is assembled by stacking electrodes, combining the positive and negative electrodes isolated by a separator. The form and technology depend on the cell's dimensional parameters.
TRIR: Total Recordable Injury Rate is the rate of recorded incidents per million hours worked with or without lost time.
TRL: Technology Readiness Level is a measurement system used to assess a technology's level of maturity. First developed and used by NASA in the 1970s and 80s, TRLs are now widely used. The scale has nine maturity levels (from 1 - low - to 9 - high); the higher the level, the more secure the technology is for market launch as a product (e.g. a software application) or as a component to be integrated into a system.

The ACC location map



Preparing for the global transport revolution

Founded in 2020, we are a fast-growing high-tech company. We work on battery technology for electric vehicles.

We are the fruit of an initiative led by Stellantis and TotalEnergies - with its subsidiary Saft - joined by Mercedes-Benz and strongly supported by France, Germany and the European Union. Our new R&D centre is already up and running in Bruges (Bordeaux), along with a state-of-the-art pilot plant in Nersac, France (Nouvelle Aquitaine). Our first Gigafactory started production at the end of 2023 in Billy-Berclau Douvrin, Hauts-de-France.

Two more Gigafactories are planned in Germany at Kaiserslautern and Termoli in Italy. This represents a total investment of €7 billion and is just the beginning. We are establishing ourselves long-term around the world, with a global network of R&D associates, industrial partners and suppliers.

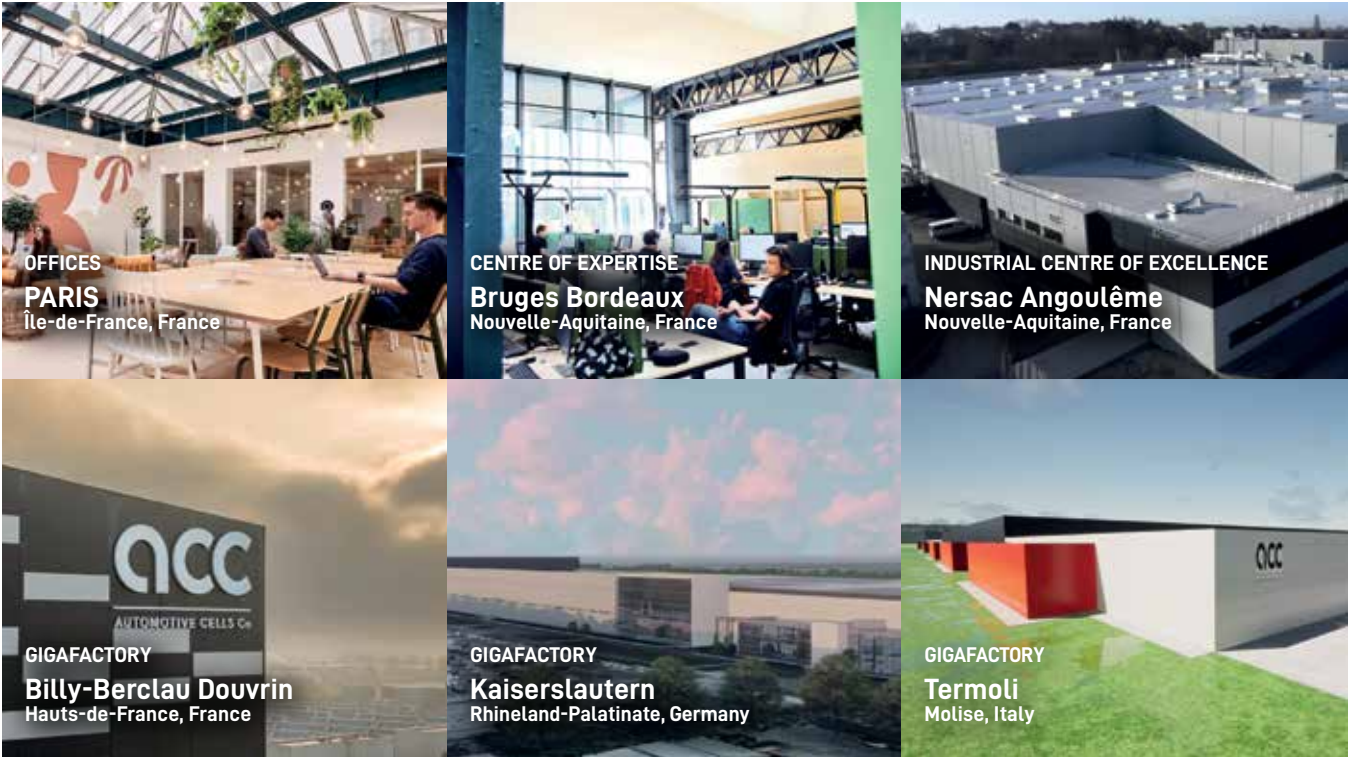
Our shareholders

We are honoured by the confidence shown in us by some of the biggest players in the energy and automotive sectors. They have been involved with ACC from the outset and brought a wealth of complementary experience and skills to the table.

With shareholders of this calibre, ACC has a solid foundation on which to achieve its major ambitions.



Our sites





AUTOMOTIVE CELLS Co

www.acc-emotion.com



**ACCELERATING SUSTAINABLE
MOBILITY FOR ALL**