



Sustainability report

2022

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Smart battery systems for sustainable electromobility

We can mitigate climate change with sustainable, zero-emission electromobility.

Forsee Power was created in 2011 with the firm belief that there was a strong need for robust power technology to support the energy transition in the transport markets.

Present in Europe, Asia, and North America, we employ 638 people worldwide and operate four production sites and three R&D centers. We design, manufacture, and sell smart battery systems to equip all kinds of vehicles – from 1 to 4 wheels – worldwide, enabling cleaner transport by road, rail, or water.

At Forsee Power, sustainability is at the heart of everything we do. We not only manufacture sustainable products, mitigating transport's impact on the climate, but are also committed to having a positive impact on people and the environment.



Vision

We believe that intelligent battery systems can mitigate climate change by promoting sustainable, zero-emission electromobility.

Our values



Operational excellence

Leading by example internally and externally; taking personal responsibility on issues relating to the success and reputation of the Group; encouraging your colleagues to act in accordance with the Group rules.

Purpose

We contribute to the fight against climate change by offering the most complete range of batteries and services to enable sustainable electromobility.



Respect

Showing respect in everything we say and do; respecting others and accepting differences.



Innovation

Demonstrating an innovative approach to working methods and ideas; being curious about the world around us, both in our working environment and externally.



Customer focus

Being attentive to customer requirements and seeking at all times to deliver customer satisfaction internally and externally; behaving adaptively and flexibly; being sincere and open in your communication.

Forsee Power at a glance

638 employees end
of 2022

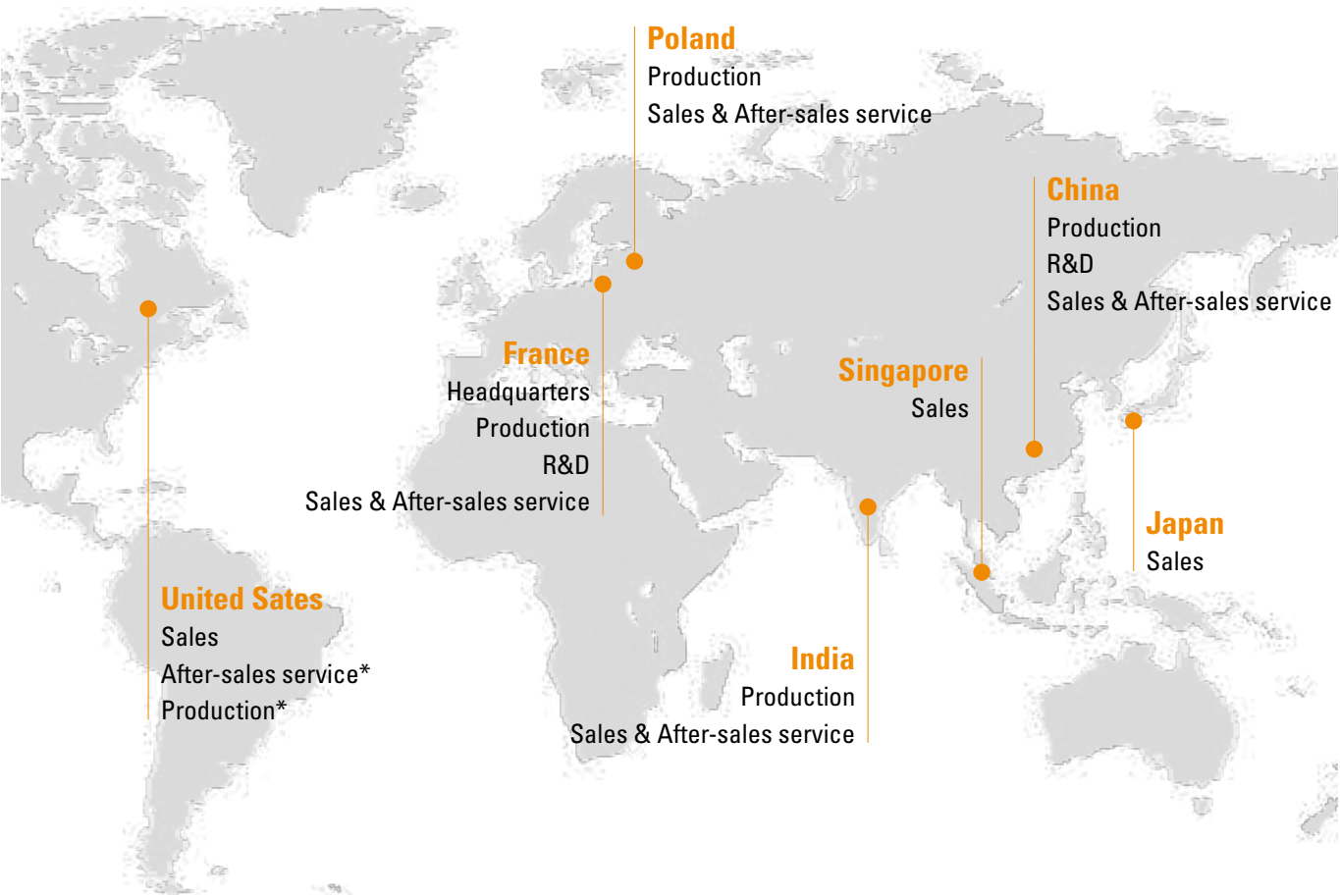
5 production sites

111 M€ revenues

5 repair & maintenance
centers

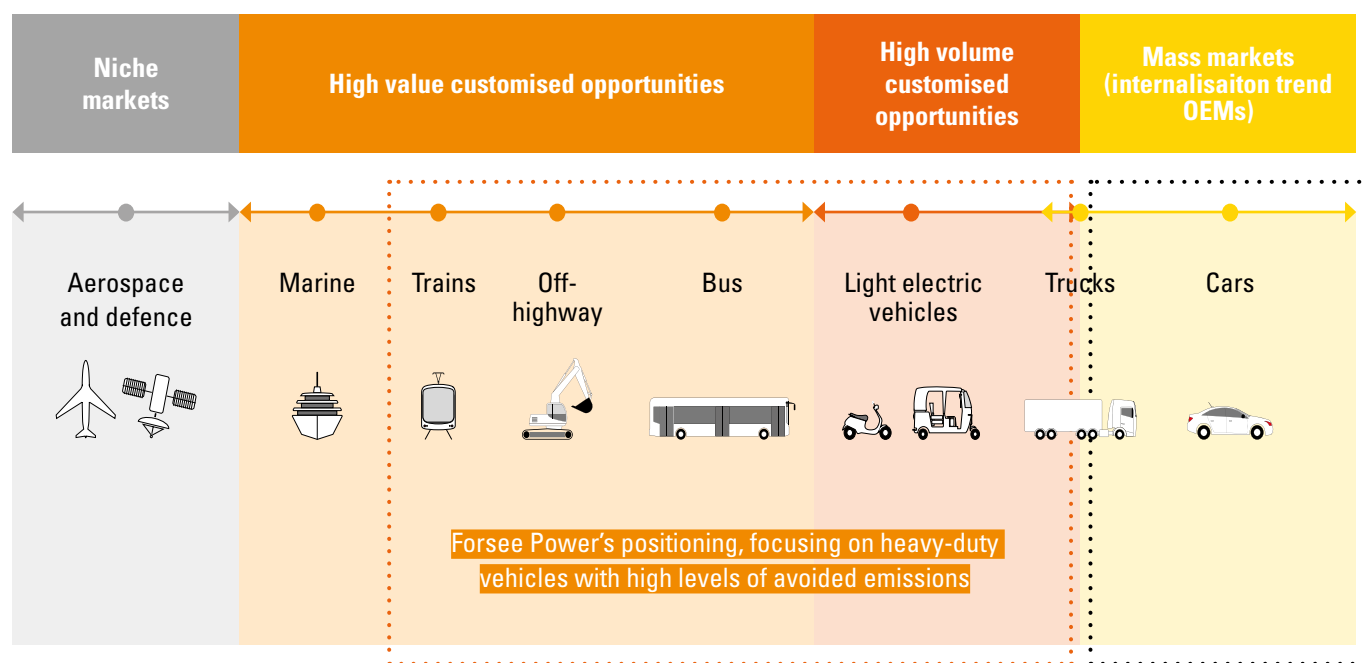
3 R&D centers

~3 GWh production
capacity



*End of 2023

Optimal positioning in high value-added sustainable mobility market segments

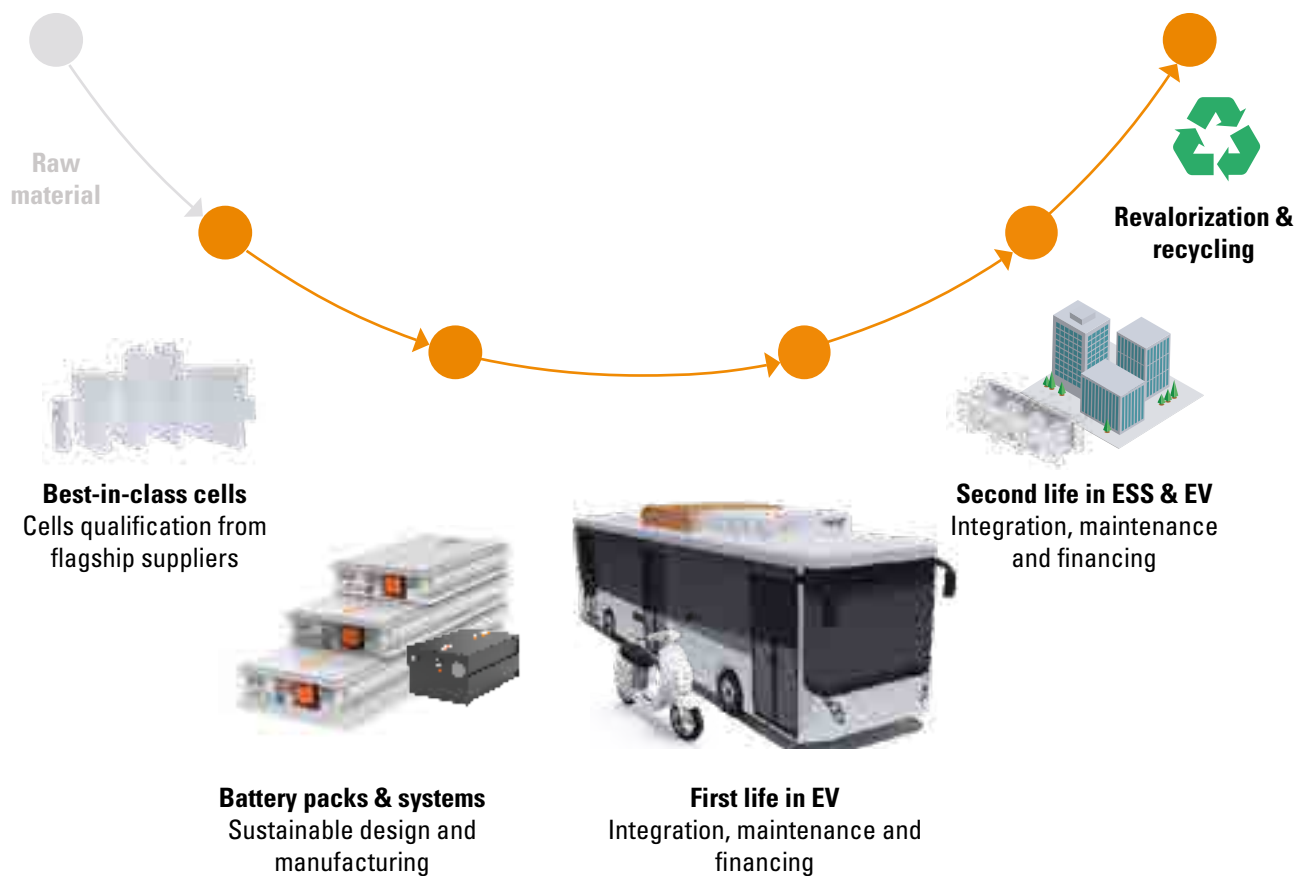




Electrify heavy-duty segments for greater impact



A sustainable approach across the battery value chain



Our solutions include services with a technical and economic approach. We offer financing solutions to deliver mobility as a service and accelerate the energy transition with our affiliate NIoT Capital.

We are also developing partnerships with global players to advance the performance of electrification systems, whether 100% battery, hydrogen or thermal.

Financial statement

Key figures from the consolidated financial statements

In €m - IFRS	2022	2021	Change (%)
Revenues	111.0	72.4	+53%
Adjusted EBITDA	(13.9)	(14.4)	+4%
Adjusted EBITDA margin	(13%)	(20)%	+7pts
Operating income	(30.1)	(26.8)	-12%
Operating margin	(27%)	(37)%	+10pts
Financial result	(1.7)	(11.2)	NA
Net consolidated income	(32.6)	(38.1)	15%

Consolidated cash flow

In €m	2022	2021	Change (%)
Cash flow from operating activities	(24.5)	(18.3)	-6.2
Cash flow from investing activities	(9.1)	(10.2)	+1.1
Cash flow from financing activities	(6.0)	87.9	-93.9
Change in cash and cash equivalents (excluding the impact of exchange rates)	(39.6)	59.5	-99.0

Message from Sophie Tricaud,

Vice president, Corporate Affairs

2022 was marked by the war in Ukraine and its consequences on the energy market and the economy as a whole.

Motivated by recent inflation and the consequences of two years of pandemic, governments have implemented a series of measures to reduce energy consumption, decarbonise and relocate production. These unprecedented measures and plans – such as the Inflation Reduction Act with its nearly \$370 billion budget – will likely accelerate CO₂ emissions reductions with the goal of reaching a Net Zero scenario by 2050.

More than ever, we are convinced of the impact of zero-emission mobility and the importance of developing products that are as carbon-free as possible, through eco-friendly design and a more virtuous supply chain, driven by our IMPACT sustainable development strategy.

Forsee Power's impact is all the more significant as the Group's technologies target collective mobility applications (bus, train) and light mobility, most of which operate in intensive commercial use (public transport, shared fleets, urban and agricultural work), thus significantly reducing emissions compared to the use of private cars or heavy-duty thermal vehicles. Industrial sovereignty issues are omnipresent, and we are pleased to have had the most local approach possible since the Group was created.

Not only do we contribute to the development of local technological and industrial sectors, but we also strive to



“ More than ever, we are convinced of the impact of zero-emission mobility and the importance of developing products that are as carbon-free as possible.

develop local supply chains that will ultimately enable us to decarbonise our products and the battery sector.

During 2022, Forsee Power strengthened its supply chain control processes. We developed an ESG questionnaire for our suppliers, based on best practices, and launched our first third-party ESG audit of an electrochemical cell supplier. We consolidated our product lines by offering additional eco-designed zero-emissions solutions with increased energy density and lifespans. Retrofitting, i.e. converting combustion engine vehicles into electric vehicles, has also emerged as a real accelerator for decarbonisation of transport, and the Group has positioned itself with several players to supply suitable battery systems.

The teams have invested in improving environmental management systems with significant progress on reducing waste at production sites, working with our suppliers and our customers to maximise the use of reusable packaging.

The French sites of Ivry-sur-Seine and Chasseneuil-du-Poitou have also obtained ISO 14001 certification, in addition to our already certified sites in Poland and China. All the sites recorded very satisfactory results in terms of safety; regular and collaborative training and information operations have helped increase skills and maturity.

Finally, our sustainable development performance was recognised by a Gold medal from the EcoVadis rating agency and by an exemplary level awarded by Ethifinance.

2022 is a transition year for non-financial reporting

with the introduction of alignment with the European Green Taxonomy, the results of which we publish in this report. The publication of the CSRD by the European Commission at the end of 2022 will also allow us to prepare our reporting processes to comply with the new regulation, with the monitoring of new indicators from 2023.

In 2023, we will determine the guidelines of our decarbonisation roadmap and define the new IMPACT sustainable development roadmap. We will also focus on employee satisfaction, the representation of women in management positions, strengthening our duty of care, while supporting the United States in the start-up of the operations scheduled for the end of 2023.



Sophie Tricaud
Vice president, Corporate Affairs

Our sustainability strategy to make a positive impact

In 2019, Forsee Power defined its sustainability strategy with priority areas and including a roadmap with targets towards 2025.

In 2021, the Group has revised the structure of this strategy. Henceforth named IMPACT, our sustainability strategy is structured around three pillars.

“policies”, the first pillar covers all the material issues, risks and opportunities associated with governance. The Group is committed to two strategic axes: implementing a solid and transparent governance system and integrating ethical, environmental and social issues into strategy, policies and decision-making processes.

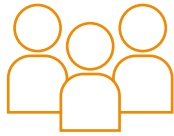
“people”, focuses on creating value, both for our employees and for the communities in which we operate. It focuses on promoting diversity and developing a strong health and safety culture.

“planet”, concerns actions to maximize the contribution and limit the environmental impacts, including the carbon footprint and the contribution of products and services to climate change mitigation. It includes the following two axes: developing products with an optimized environmental footprint that contribute to the decarbonization of transport and adopting smarter consumption behaviors.

In 2023, we will launch a new IMPACT roadmap towards 2030, with even more ambitious goals.



We support the United Nations' sustainable development goals and, through our operations, contribute to 5 of them (see p. 39).



people

Create value and protect our people, everywhere we operate.



planet

Contribute to the decarbonization of transport and adopt smarter behaviors towards our consumption.



policies

Put in place a robust and transparent governance system.

impact roadmap 2025

Main objectives	KPI	2019	2020	2021	2022	2025 objective
people Reduction in absenteeism and accidents at work	1. Absenteeism rate	5.80%	4.49%	3.01%	3.14%	3.8%
	2. Injury severity rate	0.21	0.17	0.05	0.02	0
people Better representation of women in the organization	3. Rate of women on the Board of Directors	0%	0%	46%	46%	40-60%
	4. Rate of female managers	-	-	20%	23%	40-60%
policies More responsible purchasing management	5. Supplier Code of Conduct policy in place	no	available	available	available	available
	6. Rate of production components suppliers who sign the policy	-	77%	85.5%	89.9%	100%
planet Better consumption and better recycling of waste	7. Weight of waste / kWh produced	-	-	1.89 kg	0.79 kg	0.60 kg
	8. Rate of waste sent to recycling or revalorization	72%	69%*	74%	72%	100%
planet Reduction of CO ₂ emissions	9. Rate of air transport among purchasing transport	-	27.69%	24%	23%	5%
	10. Share of renewable energy in energy consumption	6.51%	14.69%	19.80%	5.23%**	50%

* With the COVID-19 pandemic, many recycling options were not functional, which contributed to the reduction in the percentage of waste recycled in France and Poland.

**The significant change in this indicator in 2022 is explained by a refinement in the methodology, taking into account only renewable energies from green energy contracts and the production of renewable energies.

A magnifying glass with a black handle and a silver rim is positioned on a yellow background. To the left of the magnifying glass, there are several white puzzle pieces scattered in a loose cluster. The background is a solid yellow color with a subtle gradient.

Materiality matrix

Definition

Materiality defines issues that can have a significant impact on a business, its activities, and its ability to create financial and extra-financial value for itself and its internal and external stakeholders.

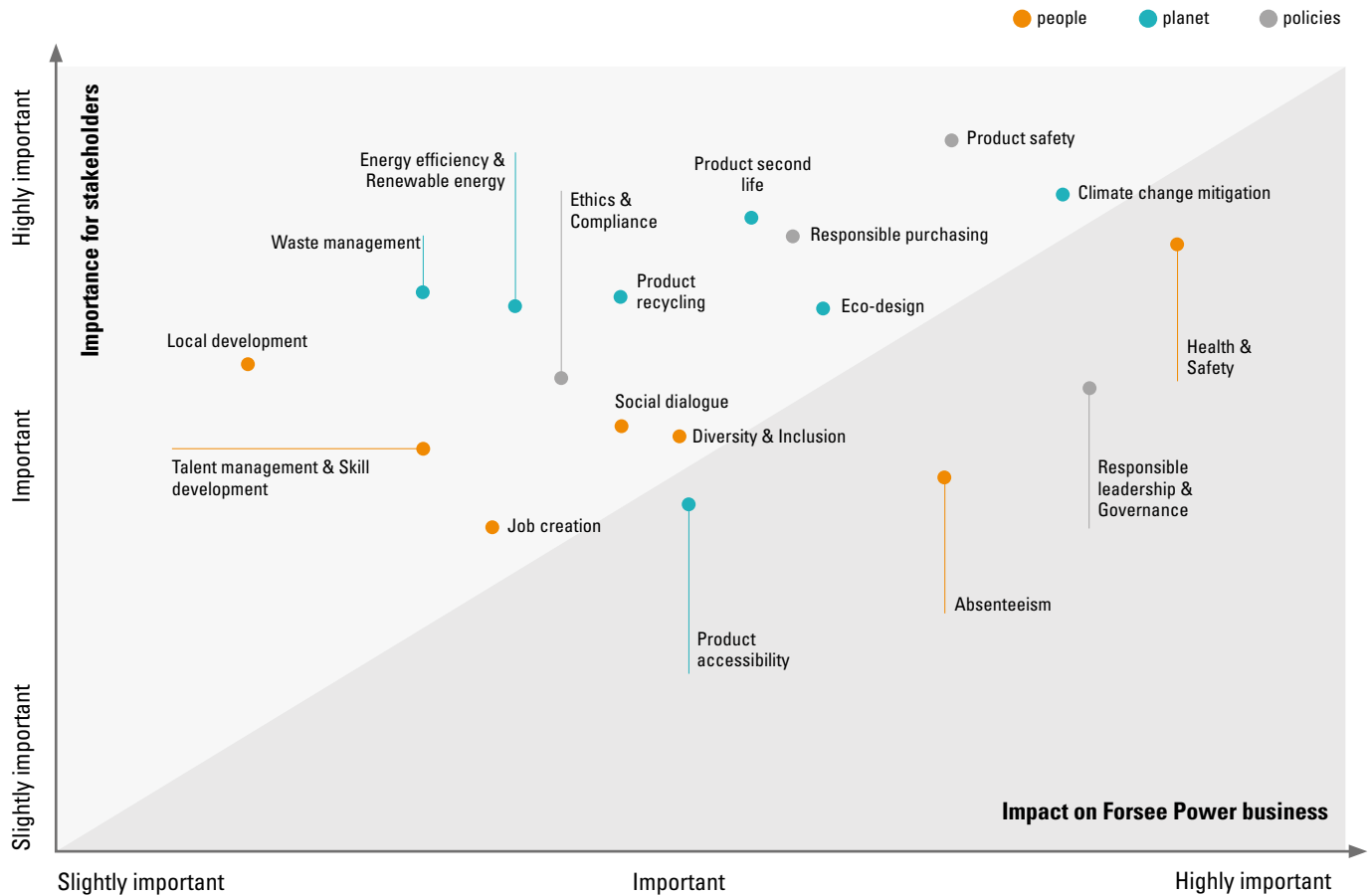
Methodology

In 2020, we have developed the materiality matrix internally. The process followed the identification of the relevant stakeholders within the Group.

The Sustainability team evaluated and selected 18 main points under the three pillars (Policies, People and Planet), as defined in our sustainability strategy.

Thereafter the evaluation took a quantitative turn as we designed a survey in the form of an online questionnaire to be filled by all the relevant stakeholders and executive committee members.

Through the matrix, we try to gain a better understanding of our current state while assessing and aligning our strategies, goals, metrics and reporting on each material issue identified.



Health & Safety: Promote a healthy and safe work environment to achieve operational excellence

Absenteeism: Reduce absenteeism and LTIs (Lost-Time due to Injury)

Diversity & Inclusion: Encourage a diverse and inclusive workplace

Social dialogue: Promote dialogue with our employees and other stakeholders

Job creation: Improve attractiveness as an employer and recruit more talent

Talent management & Skill development: Retain talent through skill development and training

Local development: Facilitate local economic development

Climate change mitigation: Achieve climate mitigation, zero-emission mobility and reduction in carbon footprint

Eco-design: Encourage product innovation through Eco-design

Product second life: Adopt the circular economic approach through second life applications of batteries

Product accessibility: Increase access to electromobility through financing solutions (battery rental)

Product recycling: Adopt recycling and revalorization practices for our products

Energy efficiency & Renewable energy: Promote consumption of renewable energy

Waste management: Reduce waste by efficient production and decreased consumption

Responsible leadership & Governance: Establish a robust and transparent governance system

Responsible purchasing: Build a responsible and sustainable supply chain

Ethics & Compliance: Improve business ethics and compliance

Product safety: Improve safety standards for product use



policies

Put in place a robust and transparent governance system

80%

employees with user
accounts trained to
cybersecurity

89.90%

suppliers of production
components have signed
the Supplier Code of
Conduct

100%

employees signed the
business Code of conduct



Forsee Research & Development Policy

Forsee Human Resources Policy

In 2022, we have formalized our commitments
by developing our policies.

Governance is the foundation of our sustainable development strategy. An institutional framework based on global ethics that will ensure effective leadership and a robust system.

Thus, governance can positively impact the company's strategy and vision for the future, help increase board level accountability and improve external disclosure.

Our vision towards a sustainable future

We have established a framework which recognizes all the elements required for a sound approach to governance and responsibility. The Executive committee, comprised of senior executive members and led by the CEO, uses this framework to set and monitor responsible objectives, identify opportunities for improvement and ensure that all activities are aligned with the business standards.

The executive committee determines the Sustainability strategy of the company. It sets up objectives and goals for each year and formulates the business plan that specifies key developments towards the strategic objectives aimed at achieving the 2025 goals; it also reviews the Sustainability performance of the company twice a year.

Further, the company engages with external and internal stakeholders to evaluate the relevant financial, ethical, environmental, and social issues that may have an effect over Forsee Power's operations.

Policies that reflect our commitment to impact

In 2022, we have formalized our commitments by developing our policies. Based on material issues for our Group, but also for our stakeholders, we strive to make commitments that meet these expectations and push our ambitions beyond them.

These commitments, supported by governance and

conveyed within each of our sites, allow us to build a strong and responsible corporate culture towards our employees and the planet. They support our vision of developing intelligent battery systems for sustainable electromobility.

Supplier Code of Conduct

One of the goals of the 2025 Roadmap was formulating the Supplier Code of Conduct, which was achieved in 2020.

The primary objective is to ensure strict adherence and compliance to the Code which includes a set of principles that are aligned with Forsee Power's sustainable objectives in the fields of labor and human rights, environment, and governance.

In 2022, we intensified the scope of our actions to verify compliance with our suppliers' sustainability commitments. We have deployed a questionnaire for suppliers, focusing in particular on the traceability of raw materials, and environmental, social and governance policies and actions. We also carried out our first ESG audit of a major cell supplier in China. It was carried out by an independent third party (Bureau Veritas), guaranteeing reliability and transparency.

In 2023, the Group will deploy its questionnaire and continue to conduct ESG supplier audits to strengthen its due diligence.

Business ethics

To achieve an ethical, transparent, and responsible work environment, Forsee Power put together several regulations and guidelines in place for employees and other external stakeholders.

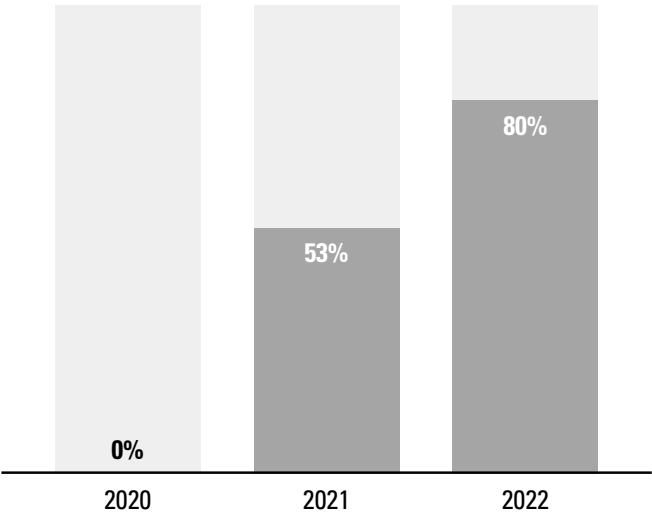
The Business Code of Conduct is handed out to all the employees across our offices in France, China, Poland, and India. It is mandatory for all the employees to sign and comply with the Code of Conduct. We believe that it not only serves as a set of internal policies and procedures

but also as an external statement of corporate values and commitments.

In 2021, we also developed our Responsible Purchasing policy, built around 8 bilateral commitments, applicable to Forsee Power and to its business partners, to ensure and promote a responsible attitude throughout the supply chain.

Following on from the anti-corruption and IT security policies formalized in 2020, in 2021 we set up a virtual classroom to train employees in cybersecurity issues. These actions implemented in 2021 continued to be rolled out in 2022, enabling the training of a total of 339 employees.

Share of employees with user account trained to cybersecurity



Extra-financial ratings

Yearly, Forsee Power is assessed on its environmental, social and governance (ESG) practices and performances by extra-financial agencies, its shareholders BPI France and Eurazeo, as well as its customers upon request.



Silver 2021 $+10$ Gold 2022

We received an overall score of 70/100, in the top 2% of companies in the battery sector assessed by EcoVadis.
Environmental 80/100
Social & human rights 70/100
Ethical 60/100
Responsible purchasing 50/100



Advanced 2021 $+5$ Exemplary 2022

We obtained a score of 77/100, placing Forsee Power at an “Exemplary” performance level on EthiFinance’s ESG maturity scale.
Governance 80/100
Environment 82/100
Social 75/100
External stakeholders 70/100



Operator of heavy-duty vehicle batteries production line, in China.

The European Taxonomy

As part of its carbon neutrality objective by 2050, the European Commission has identified several levers through its action plan called “Green Deal”.

One of these pillars, sustainable finance, has defined in 2020 a classification system of business activities to identify economic activities considered as sustainable: the European taxonomy. This tool promotes transparency and a long-term vision in economic activities, and allows capital flows to be directed towards sustainable investments.

While last year’s exercise focused on the eligibility of the company’s activities in terms of the environmental objectives of mitigating and adapting to climate change, this year it has been strengthened by integrating the alignment of eligible activities.

Forsee Power’s contribution to a sustainable European economy

In this context, Forsee Power has carried out an analysis of its investments and its current expenses in order to identify the list and proportion of its activities eligible under the climate change adaptation and mitigation objectives.

In 2022, eligibility analyses confirm that 98% of revenues and 94% of CapEx are eligible. As OpEx are insignificant (less than 5%), we have not carried out any analysis of them.

We then reviewed these activities against the criteria of substantial contribution, Do no significant harm (DNSH) and minimum guarantees in order to define aligned activities.

Alignment analyses have shown that Forsee Power’s core business, battery manufacturing, meets all these criteria, with the exception of the non-pollution DNSH, for which our analyses are still in progress.

The European Commission clarified the DNSH pollution criterion in its FAQ of December 2022. It considers that, for

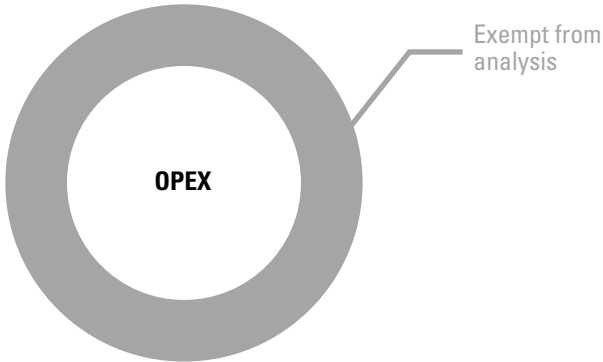
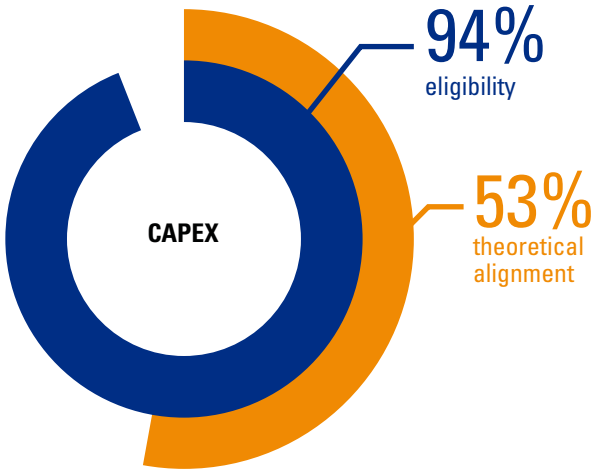
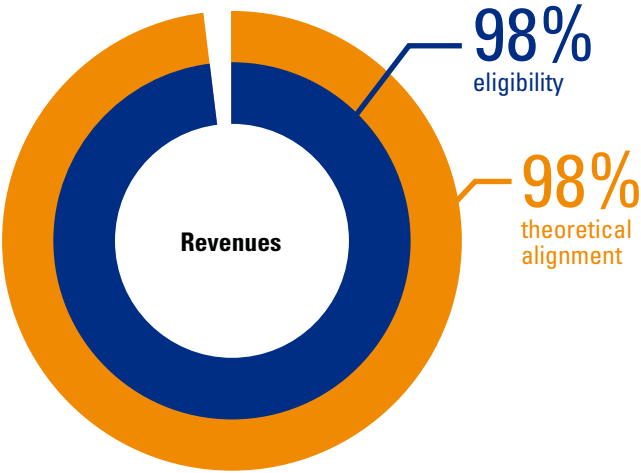
an activity to meet this non-pollution criterion, it must not use any of the substances covered by the REACH regulation, nor any of the substances currently being examined for possible inclusion in the list of substances covered by the REACH regulation, which concerns several thousand substances.

Given the thousands of substances to be covered, including those essential to battery manufacture, we have chosen to adopt a cautious approach and consider that our activities are not aligned with the Taxonomy.

As Forsee Power does not use any of the substances covered by the REACH regulation, if we were to exclude the list of substances currently being assessed for possible inclusion in the REACH regulation, then 98% of revenues and 53% of CapEx would be aligned.



Automatic production line in Chasseneuil-du-Poitou.





people

**Create value
and protect
our people,
everywhere we
operate**

42% is the proportion of women at
Forsee Power

22 nationalities in 8 countries

638 employees at end of 2022



Operators of heavy-duty vehicle batteries production line, in Chasseneuil-du-Poitou.

Since it was founded, the whole company has been transforming at a very fast pace, welcoming people from different backgrounds, sharing the same vision for sustainable, zero-emission mobility.

Recruiting and developing people

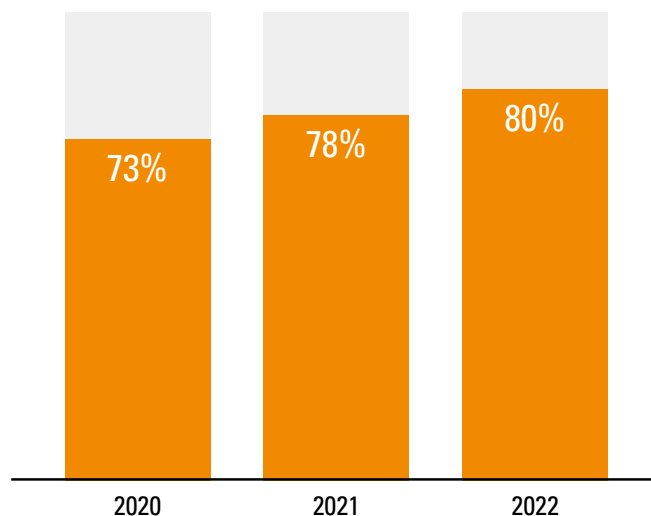
In 2022, we recruited 68 permanent employees to strengthen the teams at our Chinese production site in Zhongshan, those at our head office in Ivry-sur-Seine, and those at our production site in Poitiers, which started operations in 2018 and continues to expand.

We recruit people so they can stay with us for the long term. Thus, we look for personalities first. Then, we provide the right training to operate our production line, with a strong focus on electrical authorization.

The Group has strengthened its training actions, notably through a training plan based on the needs and wishes reported in the context of performance assessments. In 2022, 112 training courses were delivered on the subjects of management, safety and cybersecurity, and quality. As a result, 63% of employees benefited from one or more trainings throughout the year.

In terms of development, the Group is also focusing on internal mobility and promotion in 2022. Over the year, 46 employees benefited from internal mobility opportunities, with a total of 27% of the positions in 2022 filled by people already employed at Forsee Power.

Share of employees on permanent contracts



Onboarding of new employees

We believe that successfully welcoming new employees is a key factor in their integration. We offer newcomers an integration program that includes HR, HSE and IT induction. They are given a presentation of the company and its activities from their very first days, making it easier for them to understand how the company works and to take up their new positions.

The Great Place To Work satisfaction survey also showed that the induction programme is one of the company's top 10 strengths, with 74% of employees considering that new employees are very well received.

Promoting diversity and inclusion

We make sure we offer an inclusive workplace, valuing diversity and respect the first Forsee Power value at all levels.

Diversity is a guiding principle in our human resources policy. We believe in balancing genders, ages, origins, and levels of education to build a strong corporate culture reflecting the society. To that end, during the year we promote the

employability and integration of women, seniors, young graduates, and disabled individuals through international days as well as internship programs, mentorship programs and partnerships with schools and universities. In 2022, we welcomed 29 interns and 9 new work-study students.

Promoting social dialogue

At every site we regularly engage in social dialogue with employees and are attentive. Since 2017, we have organized an annual Global Employee Survey that reached 87% participation level in 2022 and a satisfaction rate of 60%. Despite a higher participation rate than in 2021, the global satisfaction rate slightly decreased.

Forsee Power worked on subjects of Quality Work Life (QWL), environment and issues faced by the employees. Following discussions, the Group created in 2021 the QWL Commission, which meets regularly to address internal issues and propose solutions.

In 2022, in order to meet employee expectations, an action plan based on the results of the satisfaction survey was deployed around 5 pillars: strengthening HR policy, clarifying organization, supporting managers, ritualizing the feedback culture and involving employees in action plans, and initiating a culture of continuous improvement.

Various information meetings were held throughout the year, particularly on HR policy, internal mobility and the training plan. In addition, organizational charts have been made available on the Group's intranet to make it easier for employees to understand the Group's structure. Also, a management seminar was held in October to communicate the strategy to all Group managers.

Quality Work Life (QWL)

11 Forsee Power employees from the 3 sites in France, participate in the QWL commission since 2021.



Building a strong Health, Safety and Environment (HSE) culture

The health and safety of our people and stakeholders is our number one priority.

As a young company operating in a quite new industry, we place a strong emphasis on training material and programs to develop a culture of operational excellence that goes beyond the workplace.

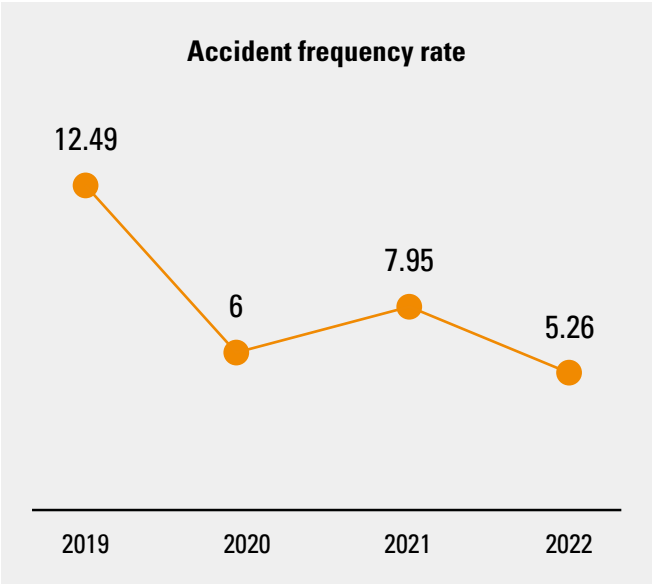
Each of our sites implements an HSE program supported by monthly actions and poster campaigns designed to amplify the reach of our message. In Poland, training was provided in quality control, welding and general operations. Employees have also been trained in first aid and fire-fighting procedures. By 2022, 79 people within the Group are trained in first aid and can provide support if necessary.

Our employees perform technical and sometimes physical jobs in our facilities. As their posture and work-tools are key elements to their well-being at work, we worked on preventing Musculoskeletal Disorders (MD) by improving the ergonomics of our facilities equipments.

In 2022, the occupational medicine department intervened on the Ivry-sur-Seine site to train employees in the correct gestures to adopt in order to prevent MD linked to their activity.

For example, the Group has improved the ergonomics of forklift trucks, lifting equipment, as well as workstations. At the same time, we have developed our internal prevention plan for the use of handling equipment such as pallet trucks and stackers, which are often the cause of accidents.

These actions have led the Group to strengthen its HSE performance, resulting in an accident frequency rate of 5.26 and a severity rate of 0.02 in 2022.







planet

**Contribute to the
decarbonization
of transport and
adopt smarter
behaviors
towards our
consumption**

557 184
tCO₂eq

avoided over the
lifetime of vehicles
equipped with Forsee
Power batteries in 2022

1073
tCO₂eq

is the total of Scope 1
and 2 emissions in 2022

72%

of waste was reused
or recycled



Nearly 90 employees took part in the climate fresk at the 2022 management seminar.

Contribute to the decarbonization of transport

In 2022, the transport sector is the third most emissive, accounting for 23% of global greenhouse gas emissions. While each transport segment or country has its own agenda, since the Paris Agreements, stakeholders have been taking increasingly stringent measures to mitigate climate change.

In 2019, India launched the FAME 2 government plan to boost electric transport in the country, which has over 20 million two-wheelers.

In 2020, Europe approved the Green Deal, which sets targets for reducing CO₂ emissions from transport by 90% by 2050.

In 2021, at the inauguration of the Virtual Climate Summit, the President of the United States of America Joe Biden pledged on April 22 to reduce U.S. greenhouse gas emissions by 50% by 2030 compared to 2005 levels.

A few days before COP26 held in Glasgow in November 2021, Xi Jinping President of China announced his new climate commitments, including reaching peak emissions by 2030 and carbon neutrality by 2060.

In a regulatory context that encourages decarbonization, Forsee Power plays a key role: by being actor in the acceleration of a zero-emission energy transition, we contribute to limiting the impact on climate change, thanks to innovative products and services and responsible corporate behavior.

Innovating efficient and sustainable technologies, helping our customers and cities reduce their carbon footprint

The transition to electromobility only makes sense if the battery systems are sustainable and sustainability is a key driver in our R&D efforts. Based on 25+ years of battery expertise, we develop technologies to answer any power and energy need, for a bus as for a scooter.

Eco-design is at the heart of product innovation, setting targets for longer life cycles, higher performance, and higher safety standards.

This is made possible through a deep and broad combination of engineering expertise at every step of the process, including electrochemistry and cells testing, electronics, mechanical and thermal design, modelization and pack testing.

Extending the battery life cycle with second-life applications

Did you know that at the end of their first life in vehicles, battery systems still have 80% of their energy capacity after 10-15 years?

The Forsee Power team develops batteries with a circular-economy approach, ensuring that the mechanical and electrical design enables an easy integration into containers

Thus, another life can take place in:

- + a vehicle with less ambitious operations,
- + stationary storage applications to optimize smart grid,
- + autonomous storage system coupled with renewable energy production, such as solar panels or turbines.

Battery systems for second-life applications

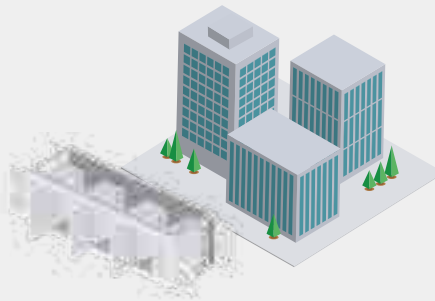
100%



10-15 years

After its first life in a vehicle, a battery system still contains around 75-80% of its capacity.

75%



>10 years

Maximizing the economic value of batteries and reducing their environmental footprint is possible by reusing packs in a stationary energy storage system.

>50%



Nearly 95% of the battery can be recycled.

Accelerating the ecological transition through retrofit deployment

Retrofitting enables combustion-powered vehicles to be converted to electric or hydrogen engines, thereby extending their useful life and reducing costs.

Components such as the combustion engine, exhaust and fuel tank are removed and replaced with an electric motor and battery, or a fuel cell for hydrogen retrofit. These conversions enhance the vehicle's efficiency, safety and durability.

As an expert in smart battery systems for sustainable electromobility, Forsee Power has all the technical solutions needed to transform combustion engine vehicles into 100% battery or hydrogen electric vehicles.

We work on several retrofit projects for trucks and other industrial vehicles, all over the world. Retrofitting is an alternative to the purchase of new vehicles to accelerate the energy transition of fleets.

Tembo

Forsee Power will equip Tembo's conversion kits with ZEN 8 SLIM to convert 4,000 commercial vehicles to electric power in Kenya.



Greenmot

Forsee Power to supply 49 ZEN SLIM battery systems to equip the school buses to be converted to electric power by French company GREENMOT for the Rouen Metropolis.

Normandy. This is the first public order for electrically converted school buses in France.

The retrofit



Reducing the environmental impact of batteries throughout their life cycle

In 2022, to reinforce our commitments and reduce the environmental impact of our batteries, an eco-design network was launched.

Four eco-design tools were selected and formalized:

- + The 6RE :
 - rethinking the product and its functions,
 - repair the product,
 - replace hazardous substances with healthier ones,
 - reuse the product by making it easy to disassemble and reuse its component parts,
 - reduce energy and material consumption, as well as environmental and socio-economic impacts,
 - recycle the product, choose recycled and/or recyclable materials.
- + Battery-tailored checklists,
- + Product carbon footprints (Life Cycle Assessments),
- + Product recyclability rate.

Bringing together employees from the QHSE, R&D, Product, Purchasing, Industrialization and Sustainable Development teams, this network enables us to share eco-design best practices and reinforce our approach by accelerating our actions.

Eco-design network

QHSE, R&D, Product,
Purchasing, Industrialization
and Sustainable Development.



Offering financing solutions to accelerate the energy transition in transport

The total cost of ownership (TCO) of electric buses has been competitive with thermal vehicles since 2018. However, the cost of the electric vehicle itself is still more expensive than ICE's and it sometimes makes it more difficult for cities to transition to zero emission mobility.

Thus, Forsee Power offers battery rental solutions by NEoT Capital of which the Group is a shareholder. The financing can also extend to the vehicle and the charging infrastructure and includes maintenance, warranties, and the management of batteries' second life or end of life. Just what cities need to accelerate their transition to clean public transport!

Taking action to reduce our carbon footprint

Battery pack assembly represents less than 25% of the battery's carbon footprint (excluding product use). But while our impact on the overall carbon footprint is indeed limited, we are actively committed to implementing sustainable practices to reduce our own footprint.

Scope 1

In France, we have successfully installed the new state-of-the-art insulation system at our Chasseneuil-du-Poitou plant. Insulation is done according to RT 2012 standards to limit energy consumption for heating, ventilation and air conditioning. We also built the roof to make maximum use of daylight, thus limiting the use of artificial lighting. Besides, no combustion takes place, reducing emissions of polluting molecules to zero. These advances have helped us to maintain a lower carbon footprint.

Scope 2

Energy efficiency is one of our ambitions. Thanks to equipments that require less energy, we are optimizing our energy consumption. We are also committed to adopting a more sustainable consumption, and have therefore set a target of 50% share of renewable energies in our total energy consumption by 2025. In December 2022, we installed a solar power plant at our French production site in Chasseneuil-du-Poitou, which will supply around 20% of its energy consumption.

Scope 3

Cells, the heart of our battery systems, are shipped to Forsee Power manufacturing sites mainly from Japan, South Korea and China. They represent most of the weight of total sourced components, and are a significant contribution to Scope 3 emissions. As part of our 2025 Roadmap, we are committed to

optimizing road, rail and sea transport, which consume less energy than air transport.

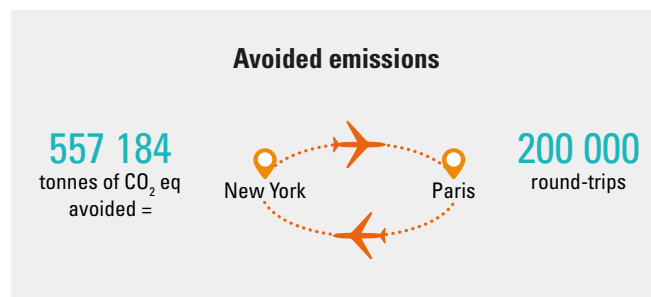
We encourage zero-emission transport among our employees. To support them, initiatives have been deployed, such as the introduction of a sustainable mobility package for employees in France in 2022, or a shuttle service in China. Since the international health crisis made it possible to develop home office, Forsee Power has adapted to the circumstances and taken advantage of them to develop work flexibility, a better QWL. By limiting commuting and adopting soft mobility are helping to reduce Scope 3 emissions.

Finally, we strive to produce as little waste as possible throughout the manufacturing process, and to recycle as much as possible those that could not be avoided.

Avoided emissions

In addition to the emissions generated by Forsee Power's activities and throughout its value chain, we help to avoid other emissions. Forsee Power contributes to the reduction of GHG emissions by equipping vehicles with its products.

For example, by equipping heavy-duty vehicles (HDVs) and light electric vehicles (LEVs) with our systems in 2022, 557,184 tonnes of CO₂ equivalent will be avoided over their lifetime. This underlines our contribution to the decarbonization of transport, while improving air quality in cities.



Forsee Power carbon footprint

CH₄ CO₂ N₂O HFCs PFCs SF₆

Scope 1:

emissions directly generated
by the company

Scope 2:

indirect energy-related
emissions

Scope 3:

indirect emissions (upstream
and downstream) from the
company's value chain

Scope 3

940

tons CO₂ eq

133

tons CO₂ eq

calculation
in progress

Upstream activities

Forsee Power

Downstream activities

Adopt smarter behaviors towards our consumption

A sustainable industry should produce little to no waste or greenhouse gases. From procurement to deliveries, in the office or at the production site, we aim at reducing our environmental footprint.

Developing management procedures

Measuring, managing, and reducing our environmental impact are essential steps in being a responsible corporate player. Progressively, we are implementing robust management systems across the organization.

At the beginning of 2022, our Chasseneuil-du-Poitou and Ivry-sur-Seine sites embarked on the ISO 14001 certification process, leading to their certification. As a result, four of our sites are now ISO 14001 certified, including three out of four manufacturing sites, Zhongshan in China, Wroclaw in Poland and recently Chasseneuil-du-Poitou in France.

Sites certified ISO 14001 in 2022

67%

certified sites

75%

production sites



Reducing our consumption and optimizing the energy efficiency of our facilities

Forsee Power employees are keen to reduce single-use consumption and challenge management to take positive actions. Everywhere we operate, we endeavor to eliminate the consumption of single-use material.

We have also reduced digital waste by using less cloud storage and digitizing company documents so that anyone can access them through our intranet site, from a computer or a smartphone, including operators. By sharing documents instead of storing multiple versions on our servers, we can decrease energy use in server rooms. Overall, we are digitalizing communications and limiting printing through code-based identification on the machines.

Managing waste and improving recycling rates

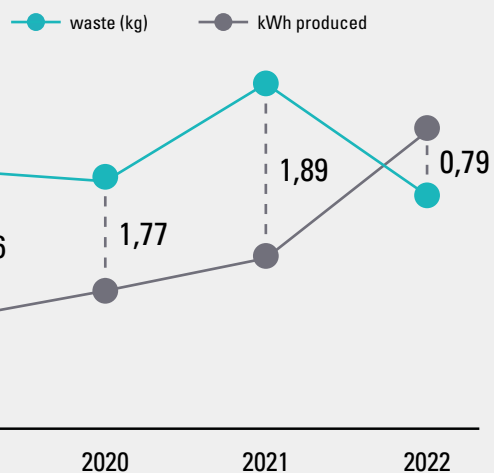
Our objective is to recycle everything that can be. Our goal is 100%. To achieve that goal, we must engage with the right recycling partners, assessing recycling and revalorization methods to fit our needs.

To reduce our environmental footprint, we should also aim at reducing production waste. Thus, we have set a roadmap to favor purchases with less packaging and potential waste, explore reuse options and also work with our suppliers and customers to optimize packaging material.

Finally, sorting waste is a key factor in recycling efficiency, and we have organized waste sorting within the production area at most sites, so we ensure a smooth process to guarantee successful results.

In 2022, thanks to a successful waste management action plan, the Group produced less waste than it generated kWh.

Ratio waste per kWh produced



Decarbonizing our activities

As part of a continuous improvement approach to our practices for a more sustainable business, Forsee Power is working in 2023 to set a “Net Zero” roadmap.

The decarbonization plan will then be submitted to the Science Based Target initiative (SBTi) to validate the alignment of targets with the Paris Agreement.



In December 2022, the Chasseneuil-du-Poitou production site began construction of a solar power plant with 432 photovoltaic panels, providing around 20% of the site's energy consumption.



Aligning Forsee Power's sustainability strategy with the UN's Sustainable Development Goals (SDG)



Forsee Power contributes to the achievement of target 5.5 by promoting a diverse and inclusive workplace, encouraging a growing share of women in managerial positions.



Forsee Power contributes to the achievement of target 8.8 by developing a strong HSE culture and ensuring monitoring workplace accidents and their causes



Forsee Power contributes to achieving target 11.6 by improving air quality by equipping vehicles with its batteries.



Forsee Power is helping to achieve this goal by offering eco-designed products and services to decarbonize mobility.



Forsee Power contributes to the achievement of target 12.5 by reducing waste production through a high recyclability rate for all its products.

Summary of extra-financial performance indicators



policies

KPI	2019	2020	2021	2022
Number of independent board members	0	1	7	7
Rate of independent board members	0%	20%	54%	54%
Number of women on the board	0	0	6	6
Rate of women's representation on the board	0%	0%	46%	46%
Rate of employees sensitised to the Code of Conduct	100%	100%	100%	100%
Rate of employees who signed the Code of Conduct	-	-	100%	100%
Rate of employees sensitised to cybersecurity	-	-	100%	100%
Rate of employees with user accounts trained in cybersecurity	-	-	52%	80%
Rate of production components suppliers who sign the Supplier Code of Conduct	0%	77%	85,5%	89,9%
Signatory to the United Nations Global Compact	-	oui	oui	oui



planet

KPI	2019	2020	2021	2022
Rate of CAPEX eligible to European taxonomy	-	-	100%	94%
Rate of OPEX eligible to European taxonomy	-	-	100%	0%
Rate of revenues eligible to European taxonomy	-	-	99,8%	98%
Rate of CAPEX aligned with European taxonomy	-	-	-	0%
Rate of OPEX aligned with European taxonomy	-	-	-	0%
Rate of revenues aligned with European taxonomy	-	-	-	0%
Recyclability rate of ZEN 35 product	-	-	-	73%
Number of ISO 14001 certified sites	2	2	2	4
Share of ISO 14001 certified sites	50%	40%	33%	67%
kWh of energy consumed per kWh produced	10,98	10,12	11,10	7,73
kWh of energy consumed per FTE	2 998,09	4 356,14	3 871,57	3 913,24
Total energy consumption in MWh	1 403,10	1 533,36	2 145,39	2 327,91
Share of renewable energy in energy consumption	6,51%	14,69%	19,80%	5,23%
Weight of generated waste in tons	275,60	268,66	364,44	256,46
Weight of waste per kWh produced		1,77	1,89	0,79
Rate of waste sent to recycling or revalorization	72%	69%	74%	72%
Weight of generated hazardous waste in tons	0,865	3,118	63,474	42,619
Rate of recycled and revalorized hazardous waste	71%	87,7%	97,24%	98,50%
Scope 1 in tCO ₂ eq	-	64	107	133
Scope 2 in tCO ₂ eq	-	623	850	940
Scope 1 in tCO ₂ eq per FTE	-	0,1	0,2	0,2
Scope 2 in tCO ₂ eq per FTE	-	1,1	1,5	1,5
Avoided emissions in tCO ₂ eq	237 698,80	281 522,90	441 152,90	557 183,70
Share of CO ₂ emissions from air transport in total purchasing transport	-	27,69%	24%	23%



KPI	2019	2020	2021	2022
Number of employees	468	519	602	638
Number of new hires	231	72	176	171
Employee turnover rate	-	-	27%	25%
Number of employees who received a performance and career development review	-	-	458	500
Amount invested in training in euros	106 455	158 456	226 261	328 943
Rate of trained employees during the year	36%	39%	57%	63%
Number of training hours	-	-	5 781,5	10 569,6
Number of average training hours attended during the year by the employee	-	-	18	28
Share of women in the Group	46%	43%	43%	42%
Rate of female managers	-	-	20%	23%
Rate of executive women	-	-	23%	19%
Rate of women among permanent contracts	-	-	38%	39%
Professional equality index	-	79/100	75/100	79/100
Number of nationalities	14	19	22	22
Number of trainees	2	3	4	29
Number of long-term trainees	9	8	16	14
Rate of young employees under the age of 25	9%	6%	7%	7%
Rate of disabled employees	-	-	2%	2%
Number of collective agreements signed during the year	-	-	3	4
Participation rate in satisfaction survey	74,2%	86,5%	68,3%	87%
Employee satisfaction rate	64%	62,9%	63,6%	60%
Absenteeism rate	5,80%	4,49%	3,01%	3,14%
Accident frequency rate	12,49	6	7,95	5,26
Accident severity rate	0,21	0,17	0,05	0,02

Forsee Power

Forsee Power is a French industrial group specializing in smart battery systems for sustainable electric transport (light vehicles, off-highway vehicles, buses, trains).

A major player in Europe, Asia and North America, the Group designs, assembles, and supplies energy management systems based on cells that are among the most robust in the market and provides installation, commissioning, and maintenance on site and remotely.

More than 2,000 buses and 100,000 LEV have been equipped with Forsee Power's batteries. The Group also offers financing solutions (battery leasing) and second-life solutions for transport batteries.

Forsee Power and its 650 employees are committed to sustainable development and the Group has obtained the Gold medal from leading sustainability rating agency EcoVadis.



www.forseepower.com

