



03

Sustainability report



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About Accelleron

Accelleron is a global leader in turbocharging technologies and optimization solutions for 0.5 to 80+ MW engines, helping to provide efficient and reliable power to the marine, energy, rail, and off-highway sectors. We design, manufacture, sell and service highly customized turbochargers for original equipment manufacturers (OEM) of engines for heavy-duty applications. Our products give the engines an extra performance boost. This enhances their fuel efficiency and reduces their environmental impact by decreasing emissions. Through the recent acquisition of OMT, Accelleron develops and sells state-of-the-art injection solutions for current and future fuels to OEMs.

2,800 skilled Accelleron employees contribute to the decarbonization of the industry we serve around the world¹. With an installed base of approximately 180,000 turbochargers and a network of more than 100 service stations worldwide, Accelleron's innovative technologies and digital solutions give its customers the power to move further.

Accelleron reports its business in two segments: High Speed and Medium & Low Speed.

High Speed:

The High-Speed segment produces and services turbochargers with power outputs ranging from 500 to 5,000 kilowatt. Accelleron's High Speed turbochargers are used mainly in electric power generation (gas-fired engines for base load power, combined heat and power, balancing power, and back-up power mostly running on liquid fuels) and onshore oil and gas (mostly gas-fired engines driving compressor stations for gas pipelines), as well as in marine and off-highway applications, to a limited extent.

Medium & Low Speed:

The Medium & Low Speed segment produces and services turbochargers with power outputs ranging from 3,000 to 30,000 kilowatts. These turbochargers are used mainly in marine and related applications (e.g. merchant vessels such as container ships, bulk carriers and tankers, and passenger vessels), electric power generation applications and, to a smaller extent, in railway applications. In addition, this reporting segment includes the business activities related to digital customer solutions (e.g. the Company's Tekomar XPERT software offering) and the fuel injection business from OMT because these applications are primarily related to the Medium & Low Speed segment.

Acquisition of OMT

In July 2023, Accelleron completed its acquisition of Officine Meccaniche Torino S.p.A. (OMT) located near Turin, Italy. OMT is a leading provider of fuel injection solutions for large low- and medium- speed engines; its main focus is in the marine sector. A key strategic objective of this acquisition was to reinforce Accelleron's leading position in the development of solutions for the application of low- and zero- carbon fuels. Accelleron carried out due diligence on OMT's sustainability performance with no material adverse findings. Since OMT was only fully acquired as of July 2023, it was not part of Accelleron for the entire reporting period. Considering the limited time between the acquisition and the publication of this report, facts and figures in this section do not include OMT in their scope unless explicitly mentioned. We aim to include OMT within the scope of our future reports.

Accelleron is organized into five divisions consisting of the two product business divisions High-Speed and Medium & Low Speed, an integrated Service division, Digital Customer Solutions and a newly created division for Fuel Injection.

The Service division is an important contributor to Accelleron's success in providing spare parts and services for both High Speed and Medium & Low Speed turbochargers. Accelleron turbochargers are typically operated for up to 8,000 hours per year and can have a service life of more than 30 years. Every year, Accelleron supports more than 5,000 end customers around the globe, employing more than 500 trained service engineers at over 100 locations. They are supported 24/7 from the global spare parts center in Switzerland, which can deliver parts to any airport in the world within 48 hours.

The Digital Customer Solutions division supports Accelleron's customers with software platforms and offerings that enable them to operate their assets at optimal conditions, thereby improving fuel efficiency and reducing emissions. The division's digital capabilities are also used to enable the Service division to provide smart maintenance solutions based on the operating data received from the Company's installed base.

The Fuel Injection division was created after the acquisition of OMT in 2023. It develops and sells state-of-the-art injection solutions for current and future fuels to OEMs.

¹ The number of employees includes only here OMT.

Company values

Since its stock listing as an independent company on October 3, 2022, Accelleron has formulated a new corporate purpose, vision and values.



We are curious.

We are inclusive and learn from diversity.



We are all entrepreneurs.

We see opportunities and we have the courage to take ownership of them.



We trust each other.

We are ethical and we work with integrity.



We go further.

We are proud to exceed expectations.

Global presence

Accelleron has more than 100 locations (mostly service sites) in more than 50 countries. Our largest site, in Switzerland (representing about one third of the employees and three quarters of long-lived assets¹) houses global key corporate functions, the global service center, R&D and our main sourcing and manufacturing hub. Other manufacturing and sourcing sites are located in China and India. R&D, production and sales for the OMT fuel injection business are located in Turin, Italy.

Accelleron generates revenues throughout the world: Europe is responsible for 35.4%, Asia, the Middle East and Africa (AMEA) for 40.9%, and the Americas for 23.7%.

Value chain

Accelleron strives to take care of its customers from designing turbochargers in close coordination with engine OEMs to application engineering and delivery of the very best product for any given customer application. Once an engine is in operation, Accelleron works to maintain or enhance its performance. Through its own network, Accelleron provides turbocharger services and spare parts from a single source. This allows Accelleron to offer a full-coverage service model to its customers, including lifetime service agreements and digital offerings.

¹ Long-lived assets meaning property, plant and equipment net of depreciation.



Sustainability at Accelleron

Sustainability strategy and goals¹

In September 2015, the United Nations identified and adopted 17 global Sustainable Development Goals (SDG). These SDGs represent an urgent call to action for all countries to act as part of a global partnership. In the same year, the Paris Agreement was adopted at the 21st Conference of Parties (COP 21). Its overarching goal is to “hold the global average temperature increase to well below 2°C above pre-industrial levels” and to “pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels”.

For companies, this means taking steps to reduce their negative impact on both the environment and society. For Accelleron, sustainability means integrating environmental and social aspects into Accelleron’s business model and working towards a world achieving the goals of the Paris Agreement.

Our definition incorporates the triple bottom line approach, which considers the interconnectedness of environmental, social and economic impacts and is supported by a mature governance structure. In our sustainability strategy, we structure these elements around three pillars: “Products & Services”, “Planet” and “People”. We call this our 3P-approach.²

To realize the full potential of the 3P approach and demonstrate our ability to accelerate sustainability in the marine and energy sectors, we intend to further integrate sustainability into our business strategy. To support decarbonization, we aim to strengthen our position as the market leader in turbocharging technology by focusing on the following activities:

- Making our products compatible with the use of alternative fuels, leading to a reduction of direct CO₂³ emissions for end users
- Providing product upgrades services that result in avoided emissions for end users
- Transitioning towards a supply chain as well as delivering products and services with a lower carbon footprint, thereby also helping our customers to reduce their CO₂ emissions

We set our scope 1 and scope 2 emissions targets based on Science Based Target initiative (SBTi) as a recognized standard. Accelleron committed to SBTi in 2023.

To successfully embed sustainability in our strategy we are increasing the involvement of our customers, suppliers and employees.

Sustainability is a driving force for Accelleron, as well as for our customers. That is why we have made it a priority to further improve our social and environmental impact. As an independent company since October 2022, we have been tailoring our approach to sustainability by making it an integral part of our business strategy. Our approach is based on our former parent’s widely recognized sustainability framework. This ensures that environmental, social and governance (ESG) aspects are recognized and managed. Accelleron is committed to building a culture where all employees work together to drive sustainability and make it an integral part of our business.

At Accelleron, we set sustainability targets that are drawn directly from our business and regulatory contexts, the best available data and the pertinent requirements and standards. Currently, we have 13

key targets, including milestones, which address the top priorities identified in our materiality matrix (see “Targets” section). These targets cover the period from 2023 to 2030 and reflect our ambition to measure up to our conception of a truly sustainable company. In 2024, we will work on two additional targets related to circularity and employee development. At the same time, Accelleron has developed a roadmap to comply with upcoming regulations in the next three to six years.

Governance captures our core organizational and behavioral principles, such as our Articles of Association, Board regulations, our purpose and vision and our Code of Conduct (CoC). For example, we have clear rules and expectations related to anti-corruption, and we continuously train our people. Regarding our supply chain, we set minimum requirements to our suppliers through our Supplier Code of Conduct (SCoC), conducted supplier audits and continue to improve our processes. We are dedicated to a culture where employees and also external stakeholders are encouraged to report any potential breaches of the CoC or the law without any fear of retaliation. We offer several channels to anyone to report anonymously any suspected misconduct.

For information on Company governance structure, please see the corporate governance report on page 53.

Materiality analysis and reporting framework

In this report, we highlight our contributions to reducing greenhouse gas (GHG) emissions and creating social value. Our company is committed to transparency and providing stakeholders with a clear view of our activities.

The report is structured around 15 material topics that were identified in the first materiality analysis we conducted in November 2022. We have grouped these topics into three impact areas: products and services, people and planet. The report addresses these three areas, with a focus on how Accelleron’s governance serves as the foundation for our sustainable impact. Accelleron has determined where to act based on a structured approach inspired by the Global Reporting Initiative (GRI). Accelleron’s materiality analysis involved all relevant internal and external stakeholders, including customers, suppliers, employee and employer representatives, local communities, local government, non-governmental organizations and investors. An internal, cross-functional group conducted interviews with 40 stakeholders using a systematic approach to understand the nature of the material topics, how important these topics are and what Accelleron’s priorities should be on a scale of 1 to 5. The aim was to assess our stakeholders’ perspectives on Accelleron’s material sustainability impacts and help us to set priorities. The analysis was reviewed and validated by an external sustainability expert to ensure its credibility and objectivity.

¹ As from this section, all information concerns only Accelleron without OMT.

² As per the Brundtland commission (1987).

³ CO₂ in the report has to be considered as CO₂ equivalent.

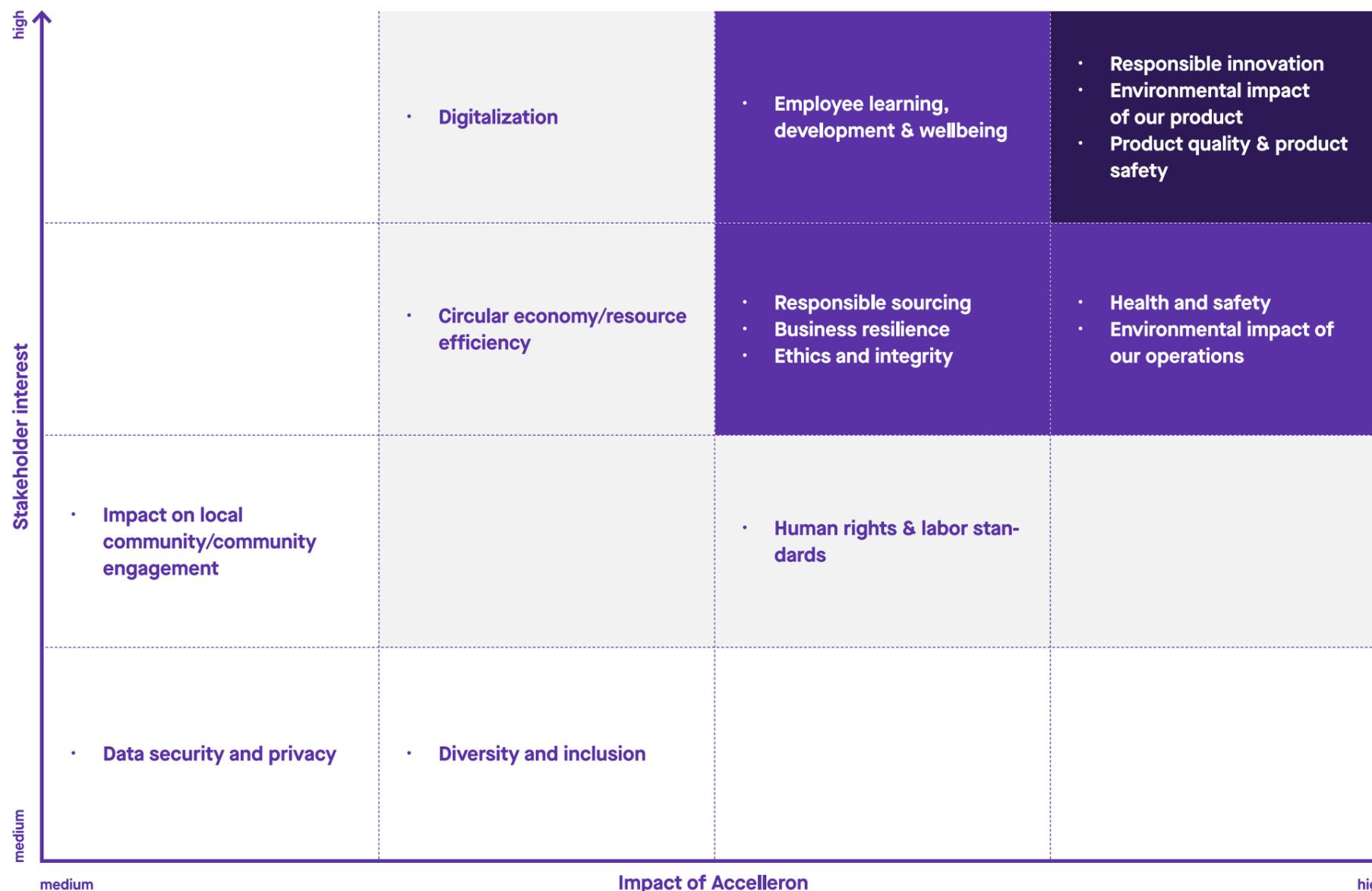
Sustainability is a journey where Accelleron wants to leave a positive impact. The reported information is the result of collaboration among cross-organizational teams (Human Resources, Health Safety and Environment, Legal & Integrity, Supply Chain, Finance, Divisions and Technology) including a four-eye principle process in data validation. For this non-financial report, we have made every effort to disclose our activities and progress in the areas addressed. In doing so, we have relied on data and information from internal and external third-party sources that have been reviewed and/or verified using current methods and knowledge. It also includes estimates which are labelled as such. The information provided may be subject to review and change in future reporting. We permanently work on improving the specificity and accuracy of the data based on exchanges with our suppliers and third parties.

One example of this is the 2022 carbon footprint numbers which have been revised and recalculated as we improved our reporting system and received more specific information from our suppliers. These new elements have therefore been used to calculate the 2023 carbon footprint. We also had our CO₂ calculation method and data collection process verified for scopes 1 and 2, and partially for scope 3, by an external party in Q4 2023. Going forward, we will continue to improve the accuracy of the provided information including by way of third-party verification.

Targets

The matrix served as a foundation for the development of our impact-based targets. Accordingly, we developed targets which can be assigned to one of our 3P categories: products and services, planet and people. These same targets also directly contribute to seven different SDG. SMART targets will be set for some of these issues and will be included in our next sustainability report.¹

Accelleron’s sustainability materiality matrix



Maturity assessment of each topic done looking at existing processes, standards, system and programs and not the performance or results.

The selected Sustainable Development Goals are:

- SDG 3: Good health and well-being
- SDG 4: Quality education
- SDG 5: Gender equality
- SDG 7: Affordable and clean energy
- SDG 9: Industry, innovation and infrastructure
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

¹ The reporting period covers the timeframe from January 1, 2023 to December 31, 2023. While Accelleron intends to meet the GRI reporting standard for sustainability reporting in the future, we currently lack some necessary data. Nonetheless, the Company used the GRI standard as a guide when developing its materiality analysis to move in that direction. Additionally, we expect that the European Corporate Sustainability Reporting Directive (CSRD) will drive sustainability reporting, and we are assessing how we implement CSRD as well as EU Taxonomy going forward. Reporting on the carbon footprint was also informed by the GHG protocol. In the future, we aim to combine as much as possible financial information and non-financial information in an integrated format which will also include data for OMT. Specific information on risks related to our materiality and reasons for actions are listed in appendix.



People

Material topic	Target	Results in 2023	Direct contribution to SDG
Health and safety	Reach LTIFR 0.2 by end of 2025.	0.52	By providing a safe work environment, we reduce the risk of accidents and injuries. We strive to ensure high safety in the workplace, thus aligning with SDG 3, which aims to promote good health and well-being for all.
Employee development	By 2026, every employee to have at least two working days as training.	New target. Progress will be reported in the next report.	By investing in training and development, Accelleron can attract and retain skilled people, leading to higher productivity and future-proof competencies and contributing to SDG 4.
Inclusion and diversity	Women make up 25% of senior management by end of 2025.	20%	A diverse, inclusive leadership team at Accelleron creates a supportive work environment and promotes a positive workplace culture. This contributes directly to SDG 4 and SDG 5 by improving gender equality and empowering all women.
Local community	Have at least one project that gives back to the community per year per local unit, starting 2027.	22 projects were completed in 2023.	This target contributes to good health and well-being (SDG 3), quality education (SDG 4), and gender equality (SDG 5). Community projects can promote health, provide valuable learning opportunities and empower women in the community.

Products and services

Material topic	Target	Results in 2023	Direct contribution to SDG
Responsible innovation	Portfolio ready for alternative fuel by 2030, scalable and ready to sell in production.	We have delivered the first products on applications that will be operated on alternative fuels and commit a substantial part of our R&D resources to optimizing our products for use with alternative fuels. In 2023, we made further steps and launched our next generation of low-speed turbochargers, our X300-L series in our Medium and Low Speed division. Additionally, the High Speed division partnered with a key player in the high-speed gas industry to engineer suitable turbocharging solutions for operating the engine with 100% hydrogen while maintaining an engine power density comparable to natural gas.	This target is in line with the SDGs of industry, innovation and infrastructure (SDG 9), and climate action (SDG 13). Improving development of alternative fuel options can help reduce greenhouse gas emissions, improve air quality, promote sustainable industrialization and innovation and combat climate change.
Responsible supply chain	100% of direct material suppliers in high-risk countries audited according to sustainability criteria by end 2028; 80% of direct material suppliers to have business continuity plans including climate risk by 2030.	One audit has been performed in 2023. We launched a survey to our suppliers representing 80% of direct material carbon emissions about climate change.	We will audit suppliers and assess their adaptation to climate risks and their mitigation plans. This aligns with SDGs 9 and 13 which promote the building of resilient infrastructure, sustainable industrialization and adaptation to climate change.
Circular economy	In 2024, provide a concept of how circularity could contribute to Accelleron's sustainability targets, further support customers while still providing a business case in line with our growth strategy.	New target. Progress will be reported in the next report.	The circular economy model corresponds with SDGs 9, 12 and 13, promoting sustainable industrialization and resource efficiency, reducing waste and environmental impact and aligning with the goal of promoting sustained economic growth.

Planet

Material topic	Target	Results in 2023	Direct contribution to SDG
Environmental impact of our operations and our products	Reduce our CO ₂ emissions by 70% (scope 1 and 2) compared to 2022 levels by 2030. Ambition to reduce our scope 3 in line with the Paris Agreement, with targets to be set in 2024.	We reduced our scope 1 + 2 by ca. 8% in comparison to 2022. We committed to SBTi in 2023.	This target also aligns with SDG 13, which emphasizes the need to take urgent and ambitious action to combat climate change.
Environmental impact of our operations	Assess our energy consumption and set energy-related targets in 2024.	We performed an energy assessment of the top 10 most consuming energy sites.	This target is connected to SDG 7, which aims to ensure access to affordable, reliable, sustainable and modern energy for all, as it promotes energy efficiency and reduces energy consumption. Achieving our target can lead to a reduction in the carbon footprint of our operations and contribute to mitigation of climate change, thus also supporting SDG 13.
Environmental impact of our operations	Zero waste to landfill and 90% waste recycling rate for non-hazardous waste by 2030. ¹	Globally, 8% of non-hazardous waste went to landfill and 80% of non-hazardous waste went to recycling.	This target is connected to SDG 13, which emphasizes the need to take urgent and ambitious action to combat climate change and its impacts, including reducing waste generation and improving waste management practices that reduce greenhouse gas emissions. Additionally, by promoting sustainable waste management practices, it can contribute to preserving ecosystems and protecting human health and well-being, which are key objectives of several SDGs, including SDG 3 and SDG 4.
Environmental impact of our operations	Assess our water footprint and set water intensity reduction target in 2024.	We assessed our water usage in the service network and have defined a guidance related to the improvement of the main industrial process using water. The guidance will help our sites to improve their equipment and processes to better use industrial water, improve working conditions and be more efficient in terms of resources and time.	The target of reducing water usage is directly connected to SDG 7 and 12, which also promote sustainable water management practices that contribute to reducing the environmental impacts of energy production and consumption. It is also connected to SDG 13, which emphasizes the need to take urgent and ambitious action to combat climate change and its impacts, which includes reducing water usage and improving water management practices. With this target we can help preserve ecosystems, protect human health and well-being and mitigate the impacts of climate change.

¹ Except US, Middle East and Africa.

We contribute directly to 7 SDGs



¹ Except US, Middle East and Africa

Products and services

How Accelleron supports the energy transition with its products, services and innovation

Accelleron's customers are facing increasingly strict requirements for lower carbon emissions and for the transition to low-carbon fuels. As a market leader in turbocharging technology and services, we work with our customers to accelerate the energy transition. Accelleron's services help customers keep their turbochargers operating at optimal performance. The high efficiency of our turbochargers and their engines means less fuel consumption and therefore lower carbon emissions. Data availability and digital solutions help enable the achievement of sustainability goals. Innovation is crucial for decarbonization: it ensures that Accelleron can provide its customers with new solutions for reducing the environmental impacts of its future products over their lifecycle. Both responsible innovation and the circular economy were important topics for our stakeholders, as identified in our materiality analysis. We believe the key to the sustainable development of our products and services is found in a supply chain with strong processes that ensure that we meet quality standards and evolving regulatory requirements.

Reducing carbon emissions

Accelleron's products are engineered to increase power density by three to four times, leading to reductions in carbon emissions of up to 20% compared to a combustion engine without turbocharging.¹ By optimizing fuel efficiency, the Company supports engine builders in their efforts to reduce carbon emissions. Thanks to the technological leadership of our company, our business benefits from the ongoing energy

transition both in the present and in the short, medium and long term. In the present, Accelleron's upgrades and retrofits enhance the efficiency of our customers' engines while concurrently decreasing their carbon emissions. In the short term, natural gas is likely to increasingly replace heavy fuel oil due to its lower carbon emissions – typically 15 to 20% fewer emissions than from diesel on tank-to-wake basis. However, natural gas is considered to be just a transitional fuel. In the medium and long term, future fuels are expected to have a lower carbon footprint but will likely be more expensive. This is where Accelleron's proficiency in energy efficiency can provide the Company and our

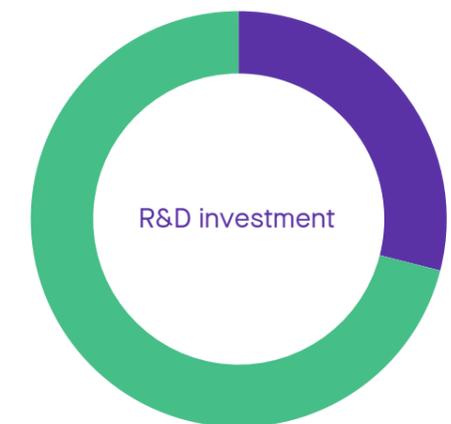
customers with an additional competitive advantage.

While the majority of our service revenues are still based on diesel engines (about three quarters vs. one quarter mainly operating on gas²), the majority (about 50-55%) of new turbochargers are applied on gas engines (vs. about 45% on diesel engines), with a small share (~1%) already applied on dual-fuel engines able to run on new decarbonized fuels like green methanol or ammonia. R&D activities³ are already focusing on decarbonized operations with about 70% of the relevant R&D investment linked, for example, to turbocharger applications designed for utilization with new fuels (e.g. methanol, ammonia, hydrogen)⁴, digital solutions for emission reduction and further innovation activities focused on decarbonization. Approximately 30% of the relevant R&D budget is spent on development or improvement of turbocharger products that for a foreseeable future will mainly be utilized with conventional fuels (diesel, natural gas)⁵.

Development activities for conventional fuels include the development of high-efficiency, low-emission turbochargers for high-speed diesel engines used, for example, in emergency power generators, where the use of zero-carbon fuels is not expected to be widespread in the near future.

- 1 As per industry standard.
- 2 In energy applications (majority are gas applications), our products are normally used with natural gas or biogas exclusively, while in marine applications, our products are also installed on dual-fuel engines that can be run on diesel and natural gas. In the near future, other alternative fuel options such as methanol and ammonia are considered relevant for dual-fuel applications.
- 3 Share of R&D budget covering product development and innovation activities excluding the part of the R&D budget covering depreciation and maintenance of test infrastructure, protection of intellectual property and development activities for the optimization of manufacturing technologies.
- 4 Normally dual-fuel engines are able to run on diesel/natural gas and one of these additional fuels. Currently due to low availability and high prices for green fuels many of these engines are run on diesel. We expect this to change once availability of new decarbonized fuels improves.
- 5 However, with the use of biofuels and synthetic fuels (e.g. biogas or synthetic diesel), these products can also be used in a low-emission or decarbonized manner.

Exposure to different fuel types and technologies in service, products and R&D (illustrative graphs)



■ Diesel ■ Gas ■ New fuels

■ Diesel ■ Gas ■ New fuels

■ Development for conventional fuels
■ Advanced decarbonization solutions

As a leading manufacturer of injection system components, especially for the two-stroke market, OMT is playing an important role in making the transition to alternative fuels a reality. The systems and components developed and produced by OMT are key for achieving net-zero in our marine markets by 2050. Injection systems are required to deliver the fuel to the combustion chamber. The volume flow, pressure and timing of the injected fuel amount are critical to achieving energy release with the lowest possible emissions and highest possible efficiency. The technical capabilities of the injection system must be adapted according to the physical properties of the used fuel type used.

Medium & Low Speed

The uptake of alternative fuel technologies has maintained its momentum in the face of more stringent regulatory frameworks. At the end of the third quarter of 2023, vessels capable of using alternative fuels accounted for around 40% of the global orderbook in terms of dead-weight tons (dwt). While liquified natural gas (LNG) dual-fuel ships dominate, methanol dual-fuel has become increasingly important for container ship newbuilds and is starting to spread to other ship segments.

Accelleron is growing disproportionately with the uptake of these greener fuels in four-stroke marine auxiliary and propulsion engines, where it is committed to providing engine designers with technical expertise and strong local support from the start of development through to full release and commercial launch.

In addition to being specified on the majority of methanol-fueled auxiliary engines, Accelleron has also been selected for the world's first methanol-fueled hybrid RoRo vessel.

For low-speed engines, the market dynamics for turbocharging have not changed. However, even for these applications, Accelleron has maintained its leading position in LNG tankers and has been specified for a prestigious ammonia-fueled tanker project, one of the first of its kind.

In this context, Accelleron has launched its next generation of low-speed turbochargers, our X300-L series. Combined with digital technologies, the series not only offers flexibility and service concepts with unique value for customers, but also lays the foundation for a potential reduction of Accelleron's scope 3 emissions. The X300-L series design allows a cartridge (rotor and bearing assembly) to be exchanged during a regular port stay while with current designs service can only be conducted during dry dock. As a result, component exchange intervals can be fully utilized leading to three instead of currently four service events. Furthermore, in combination with connectivity, cartridge exchanges can be managed from a global pool allowing better planning and potentially a change from air to sea freight for spare parts. This means that CO₂ emissions related to transport and manufacturing of the X300L new parts have the potential to be reduced by approximately 25% due to less service¹.

Overall demand in the energy market for turbochargers showed rather a weak momentum in 2023. However, as the share of renewables in global power generation increases, the demand for thermal balancing power is expected to increase significantly in the coming years. While new projects are predominantly based on natural gas, hydrogen is expected to be the carbon-neutral fuel of the future. In this context, a 25 vol% hydrogen blend was successfully tested in commercial operation with Accelleron turbochargers installed.

➤ Next steps

While Accelleron will continue to support the development and ramp-up of LNG and methanol dual-fuel engines, 2024 will see strong progress towards the commercialization of engines capable of burning ammonia as a zero-carbon fuel. Accelleron is being selected for the vast majority of development engines and engine testing is underway. By the end of 2024, Accelleron expects to have a clear understanding of the impacts on turbocharging and will develop its portfolio accordingly.

High Speed

The energy transition, electrification and digitalization have a significant impact on the high-speed market.

The dominant market trends are a growing demand for electrical power, a growing demand for backup power in the data center market, and the transition of the energy market to a carbon-free future. In this future, there will be an increasing need for balancing power to compensate for the intermittency of renewable energy sources such as wind and solar power using natural gas as a transition fuel until fossil-free fuels become widely available.

Major trends in the high-speed engine industry are increasing power density, improving engine start-up capabilities for balancing and back-up applications and the ability to operate on carbon-free fuels without compromising power density.

In 2023, we partnered with a key player in the high-speed gas industry to find suitable turbocharging solutions for operating the engine with 100% hydrogen while maintaining the engine power density comparable to natural gas. Our high turbocharger efficiency supports hydrogen combustion stability. We presented initial results in a joint paper at the ATK conference in Dresden, Germany.

By manufacturing our products at our site in China to serve the local demand, we will be able to reduce the CO₂ emissions related to transport. In 2023, we completed the localization of most relevant products sold in China.

A200-H technology is currently validated on several engine platforms, and we expect to see commercial releases within the next 12 to 24 months, supporting efficiency and power density improvements. A200-H shows a 6% higher turbocharger efficiency and enables up to 10% higher engine power density in comparison to our A 100 technology.

➤ Next steps

With a technology partner, we are currently working on field pilot installations to demonstrate that 100% hydrogen combustion is possible at an engine power density close to levels reached with natural gas.

Service

Turbochargers require regular maintenance to ensure peak condition and optimum performance throughout their entire lifecycle.

Smartly enabled services allow Accelleron to optimize turbocharger maintenance, performance and customer experience individually for application based on operating data. Using operational data, Accelleron looks at turbo analytics to identify and exploit further efficiency potential of turbochargers in operation and to develop anomaly detection models. We are also developing our digital twin capabilities. These allow us to enhance our turbocharger health analysis with predictive capabilities and further tailor our service offerings to individual customer needs. Every turbocharger that is repaired rather than completely replaced avoids producing a complete turbocharger with steel and aluminum. All service engineers are trained and certified according to Swiss quality and safety standards. This includes training in Switzerland to ensure the same high level of service globally.

¹ If we consider that a usual cartridge has to be serviced four times in its lifecycle, the X300-L series will allow to drop one service event and therefore potentially reduce the carbon footprint related to manufacturing and transport by 25%. The estimate does not take into account the additional carbon emission potential related to the reduction of air transport and the shift to air transport due to a possible better planning with customers.



Accelleron not only supplies spare parts with a high availability and within short delivery times, but also carries out the maintenance work on the turbochargers. Through the maintenance work, our service teams gain practical knowledge of the products' lifecycle and can simultaneously consult customers, learn about their needs, and demonstrate how to better use the equipment.

By keeping an axial medium-speed turbocharger operated with heavy fuel oil (HFO) in peak performance through maintenance and removal of contamination, the efficiency improvement is in the range of about 1.5 to 2.0% with a similar improvement in fuel consumption. The reduction will of course depend on the contamination, application, engine and fuel type.

Upgrades business

Accelleron's service organization has a dedicated team to develop, promote and supply product upgrades packages to customers. The key benefits to our customers are increased performance, reduced fuel consumption, lower emissions, extended component lifetime and even asset value retention to maintain emissions compliance.

Since Accelleron began calculating the carbon emissions avoided due to upgrades in 2019, there have been fluctuations in the amount of CO₂ avoided due to the specific upgrades installed. In 2023, the avoided emissions were calculated at 65,848 t CO₂. In comparison to 2022, despite similar numbers of projects and revenues, it is nearly three times more thanks to a radical derating project. Our upgrades enable the customer to meet stricter emissions legislation or support their decarbonization journey. In cases where fuel conversion is implemented, the amount of avoided emissions is higher than in previous years. This is because the upgraded system runs on cleaner-burning natural gas, which produces approx. 20% less CO₂ than diesel. This results in a greater reduction in carbon emissions.¹

The calculated avoided emissions are based on the fuel consumption reduction achieved by the upgrades, which varies between 0.6% and 4% depending on the upgrades package. In some cases, the specific utilization of the power installation is known in running hours per year and average engine power. If this information is not available, utilization parameters are assumed by our own industry experience: 85% load and 5,500 Running Hours (RH)/year for marine application, 100% load and 7,000 RH/year for stationary applications.

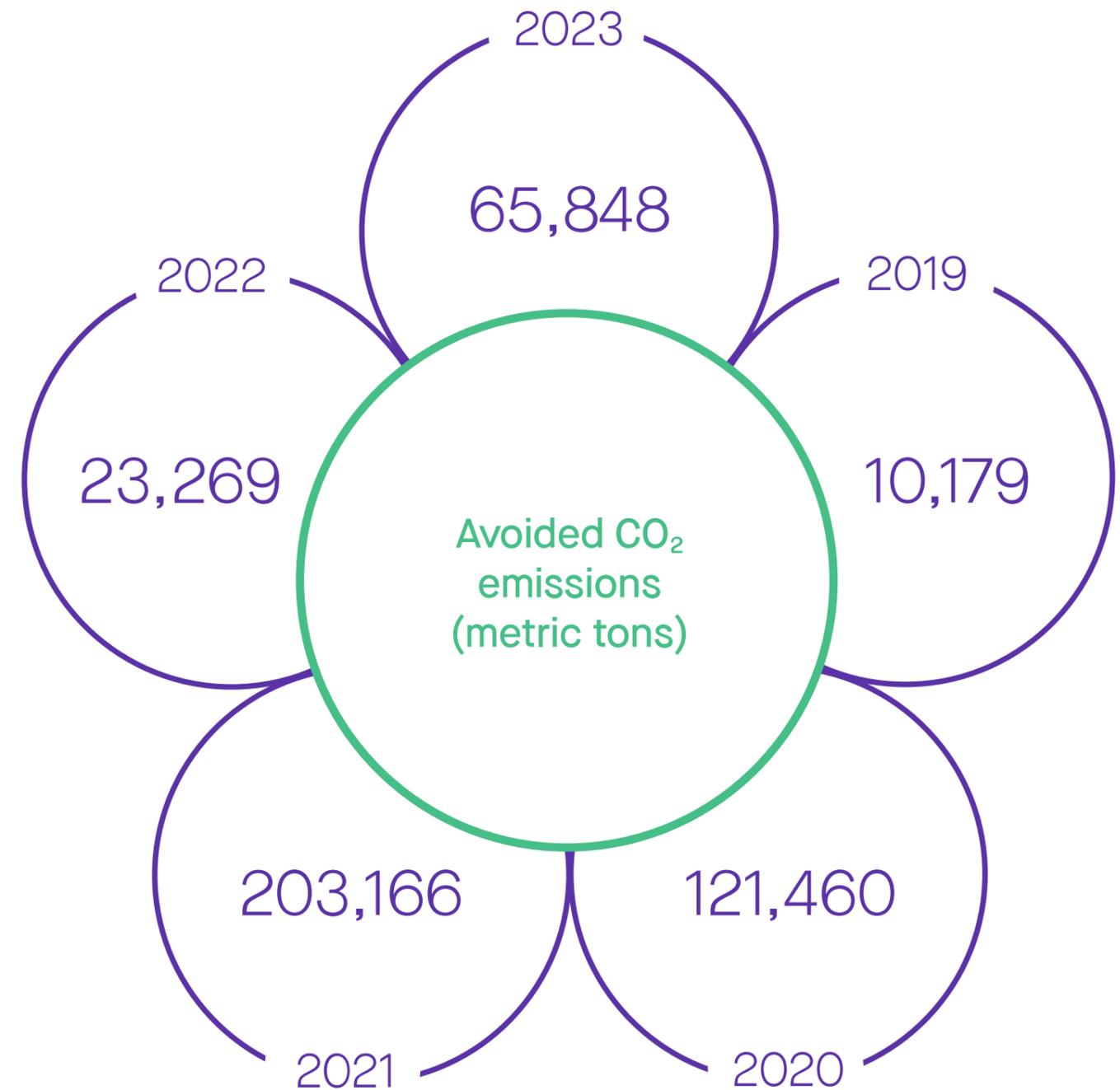
Regulatory changes and pressure from end users to decarbonize in the shipping industry (Carbon Intensity Indicator (CII), Energy Efficiency eXisting ship Index (EEXI)) is steadily increasing. Upgrades are essential to enhance performance and meet customers' GHG emissions reduction targets.

We are well positioned with a broad and strong upgrades package portfolio, which was also developed in cooperation with engines OEM to promote and capture upgrades opportunities. We have the required technical capabilities and experience to provide complete turbocharger upgrades solutions and retrofits. This can also include replacing competitor turbochargers with our products, including class certification. Remanufacturing rather than replacing is another option we provide to avoid carbon emissions.

➤ Next steps

In 2024, we continue to promote turbocharger upgrades solutions and engine part load optimization to support customers on their decarbonization journey. Our target for 2024 is to provide a concept of how circularity could contribute to Accelleron's sustainability targets, further support customers while still providing a business case in line with our growth strategy.

¹ CO₂ avoided calculation related to sold upgrades projects has been performed based on about 70% of the revenues. For the remaining 30% we did not calculate them. One of the 2023 projects is publicly available on our customer's site. More information can be found on their [website](#). In 2023, no projects were related to conversion from HFO/diesel to natural gas like in years 2020 and 2021.



Our digital solutions

Tekomar XPERT's continuous improvements in 2023 reflects our strategic focus on enhancing digital solutions in response to evolving industry needs and regulatory requirements. Tekomar XPERT offers an all-in-one marine software solution designed to enable the customer to manage environmental compliance, reduce carbon emissions and gain insights into engine performance and hull and propeller efficiency. The software optimizes fuel efficiency and engine performance through instant engine diagnostics and advisories, which are delivered automatically throughout each voyage. This enables users to make informed corrections and fully utilize their engine's efficiency potential. It also helps to monitor and improve the CII rating by providing a clear view of each vessel's current carbon emissions and predictive CII rating reports, thereby enabling the improvement of operational efficiency.

It can also address the condition of the hull and propeller. It provides critical insight into their condition and its impact on propulsion efficiency, helping to reduce fuel wastage and carbon emissions. This broad range of functionality is in line with the Company's intention to support customers in their energy transition. It offers solutions for environmental compliance and efficiency improvement.

By default, the software does not require any additional hardware installation and utilizes the customer's cloud or third-party cloud services to leverage existing sensors and signals from multiple sources on board. It functions as an evaluation system, analyzing data from existing monitoring systems and providing advisory services. Moreover, an optional function allows Tekomar XPERT to use engine data gathered by edge computing services, adding a new dimension to its monitoring, reporting and advisory capabilities.

➤ Next steps

In 2024, Tekomar XPERT will play a crucial role in helping maritime operators meet the upcoming EU ETS (Emissions Trading System) targets. The software provides rapid access to vital data essential for compliance with the new environmental regulations. Its ability to facilitate effective monitoring and management of emissions underlines its importance as a tool for the maritime industry to navigate and comply with the evolving regulatory landscape.

Products reliability

Meeting our customers' needs and expectations in all circumstances is what drives us to ensure product quality and reliability. For us, high quality means employing a skilled and competent workforce and making careful use of natural resources. We strive to deliver the highest quality products and to be our customers' first choice. To achieve our ambition, we implemented a product quality, compliance and safety management system in 1999 in our Swiss factory and in 2006 for our Chinese factory:

- The Company has an ISO9001:2015-certified management system in place. Its effectiveness is regularly assessed and confirmed by external auditors and customers.
- Accelleron complies with specific industry standards and national regulations, such as for the heavily regulated marine market, where external classification societies routinely assess the quality and reliability of our products including product safety (refer to "Product development and qualification process"). We provide ongoing training for our employees and conduct regular internal audits to guarantee the quality assurance of the services stations as well as our factories. Having established robust processes¹ and high quality standards, our sites went through
 - 48 external audits according to ISO 9001,
 - 49 external audits according to ISO 45001,
 - 17 external audits according to ISO 14001 and
 - 7 external audits according to ISO 50001.

Under the ABB framework, the management system of our service sites was owned by the country organizations. Transitioning away from this framework, we have started to move towards a global certification approach related to the ISO9001 and ISO 45001 frameworks. In 2023, we managed to bring 25 service stations under global certification. By the end of 2025, we will have nearly all of our service stations under this umbrella.² The difference between the number of sites under the certification and those not under the certification is determined by the business needs. In parallel, several service stations continue other ISO certifications schemes such as ISO 14001 and 50001 based on their local business needs. Specific numbers can be found in the appendix for each of the ISO standards mentioned.

Quality assurance through constant field monitoring

We constantly monitor the reliability of the field population through our extensive service network. We systematically analyze our products for potential improvements and act quickly on these analyses. We use the results to enhance the product design and its processes. Reporting on improvements through our database allows us to stay in touch with our field engineers 24/7.

A service report is generated for every service performed in the workshop or in the field and is shared with the customer. Our technical service actively monitors the turbocharger fleet in operation based on service reports and field statistics. Based on these monitoring activities, we derive improvement potential related to technical or safety aspects. Customers are regularly informed of best practices or adjustments in the operation and maintenance of a turbocharger through dedicated communication channels.

A Continuous Product Improvement (CPI) project is initiated whenever a specific turbocharger issue is identified in the field, which is investigated and, if appropriate, addressed through a turbocharger service procedure, design or material change.

Product development and qualification process

We are highly focus on product safety. We have stringent development processes for technology and product development³. These include extensive simulation and testing of the components and products under development. We have established, certified and continuously improved sets of test and validation procedures for our product development. These procedures cover the verification of all relevant product properties, including safety, noise, vibration, performance, durability and handling. Each product must successfully pass all these tests and validation procedures before it is released to the market⁴.

Our development process including these test and validation procedures is designed to comply with international product safety standards (such as the EU Machinery Directive), Marine Classification Society Rules, statutory requirements for ship safety and emissions (such as SOLAS and MARPOL) and appropriate relevant customer requirements. These processes ensure our product safety and compliance with all relevant type approval requirements, particularly those from classification societies⁵ and the EU Machinery Directive⁶.

¹ In 2023, 59 internal audits according to ISO 9001, 39 internal audits according to ISO 45001, 14 internal audits according to ISO 14001 and 13 internal audits according to ISO 50001 were carried out.

² Our Chinese locations will continue their specific certifications and it is currently not planned to move them under the global certification scheme.

³ Containment represents the highest type of risk during operation. This is why our safety concept ensures that in case of any burst, all elements stay in the casing and are not a source of harm for the installation, people and the environment at any moment.

⁴ Every staff member involved in these test and procedures are specifically trained and qualified.

⁵ The rules for steel ships, materials and equipment for the following classification societies: American Bureau of Shipping, Bureau Veritas, China Classification Society, DNV, Korean Register, Lloyd's Register, ClassNK, RINA. These rules incorporate the IACS (International Association of Classification Societies) Unified Requirement UR M73, which represents the minimum standard for marine equipment classification.

⁶ Machinery Directive 2006/42/EC. As a pre-machine manufacturer, our products are integrated by OEMs which oversee all safety instructions given to their customers including also our recommendations based on risk assessment and training delivered to the ship crew and power stations staff.

In 2024, we will have a full century of industrial turbocharger experience to draw on in the development of our new products. Based on this experience, we have also established a process to ensure the reliability of our products in the field. This process includes a product safety assessment approved by an external third party specializing in machinery safety. This means that we can give our customers an indication of the maximum reliable service life.

Around 180,000 Accelleron turbochargers are currently in use, and we are very familiar with the harsh conditions that characterize field operations. We use sophisticated methods and tools for design, simulation, testing and validation that allow us to optimize our products so they can withstand these conditions. In 2023, there were no product safety issues or product safety designs causing an impact on occupational health and safety or the environment.

➤ Next steps

In late 2022, Accelleron began the process of integrating its service sites, located in over 50 countries, into one global quality, health, safety and environmental (QHSE) management system. This involves replacing the current site or country-specific management systems with a global ISO-compliant integrated management system. In 2024, we expect to have 42 sites being added to the global certification umbrella. As a result, by the end of 2024, we expect to have 67 certified sites.

Innovation at Accelleron

Responsible innovation is the key to further growth at Accelleron. It ensures that we can provide our customers with new solutions to reduce their environmental impact with our future products over their lifecycle. To achieve this, Accelleron invests around 6-7% of its annual sales revenue in research and development. Approximately 185 employees, or approx. 7% of the global workforce, are involved in R&D activities. Accelleron files an average of 30 to 50 patents per year. Most of Accelleron's R&D activities are performed at the Company's headquarters in Baden, Switzerland.

Efficiency is important to customers as they seek to reduce their fuel consumption and carbon footprint. At the same time, authorities and industry organizations are introducing increasingly strict rules and regulations. Therefore, the main focus of Accelleron's innovation activities is to help customers decarbonize and implement the transition from fossil fuels to energy sources with a lower carbon footprint. The revised GHG Strategy of the International Maritime Organisation (IMO) includes an enhanced common ambition to reach net-zero GHG emissions from international shipping by or around 2050, a commitment to ensure the deployment of alternative zero and near-zero GHG fuels by 2030, as well as indicative checkpoints for 2030 and 2040.

On top of these decarbonization targets and checkpoints, the IMO has set targets in relation to a higher level of energy efficiency and a target related to the usage of alternative fuels with a lower carbon footprint than fossil energy¹. In parallel, the EU has set the tone through its Green Deal with multiple instruments including the "ETS system" and the "FuelEU Maritime initiative". With the ETS regulation effective as from January 2024, the ships above 5,000 GT transporting cargo or passengers in the EU will have to report and pay for their carbon emissions. It aims to incentivize improvements in energy efficiency and low-carbon solutions for maritime transport. The "FuelEU Maritime initiative" will come into force as of August 31, 2024². The main objective of this initiative is to increase the demand for and consistent use of renewable and low-carbon fuels and reduce greenhouse gas emissions from the shipping sector, while ensuring the smooth operation of maritime traffic and avoiding distortions in the internal market. These new regulations are considered as a business opportunity for us as they are aligned with the solutions we provide to the maritime sector.

There are several technological opportunities in dealing with emission-related challenges: for example, in the maritime industry, switching from heavy fuel oil to natural gas and other more sustainable liquid fuels like green ammonia and

methanol. In power generation, it is more about increasing the use of hydrogen. Accelleron has obtained valuable insights into turbocharging high-temperature fuel cells, theoretically improving their fuel efficiency to levels close to 70%. These turbocharged fuel cells are versatile and can play a major role in a decarbonized future by running on a broad range of fuel types, like natural gas, green ammonia, green methanol or green hydrogen.

We foster ongoing partnerships with highly renowned research institutions (e.g. ETH Zürich, Switzerland, EPF Lausanne, Switzerland; Empa, Zürich, Switzerland, Paul Scherrer Institut, Villigen, Switzerland), industry associations and organizations (e.g. International Council on Combustion Engines CIMAC, the Swiss Association of Mechanical and Electrical Engineering Industries. Verband Deutscher Maschinen- und Anlagenbau VDMA) and other appropriate partners (e.g. Sauber Technologies, Hinwil, Switzerland). The R&D-focused dialogue with these organizations contributes to our best-in-class R&D output; these collaborations also help to position the Company as an employer of choice for future talent.

In 2023, we launched a specific initiative to assess the lifecycle of our products with a cradle-to-gate approach according to ISO 14040. This initiative was applied to a real case in collaboration with a customer. The intention is to provide insight on the carbon footprint of our turbocharger groups with at least a cradle-to-gate perspective for our customers. This will help them to decrease the carbon footprint of their own products. The exercise helped us to plan a roadmap based on business needs as well as based on future regulatory needs. In the future, our approach will be verified by a third party.

¹ [2023 IMO Strategy on Reduction of GHG Emissions from Ships](#)
² [FuelEU Maritime initiative: Council adopts new law to decarbonise the maritime sector](#)





➤ Next steps

We support the engine builder energy transition with our existing products portfolio, and we want to have our product portfolio ready for alternative fuels by 2030. The products should be scalable and ready to sell in series by then.

Supply chain

As a company signatory of the United Nations Global Compact (UNGC), Accelleron is committed to responsible sourcing. We have the ambition to source our material and services in line with the principles of UNGC. The importance of responsible sourcing was selected as a material topic of medium high importance in our 2022 materiality matrix. We understand the need for greater transparency in the complex global supply chain and are committed to meeting the UN Guiding Principles for Business and Human Rights as well as the upcoming requirements such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), EU Forced Labor Ban and evolving Swiss requirements. Our clear standard of ethical commitment is set out in our strong Supplier Code of Conduct (SCoC), which is aligned with the UNGC. The SCoC sets out the minimum requirements we expect our suppliers to meet in relation to forced labor, child labor, discrimination, fair working conditions, fair wages and other ethical labor practices¹ and environmental protections. During supplier audits² and frequent site visits by our sourcing team, the adherence to key parts of our Supplier Code of Conduct is monitored. Our close collaboration with the suppliers allows us to be in constant dialogue with the joint aim of improving the supplier's performance.

In 2023, we identified gaps in the onboarding documentation³ of our indirect supplier base, which we aim to resolve in 2024. The vast majority of our direct material supplier's base have signed our SCoC. For the indirect supplier base we aim to define a system with appropriate data to allow precise reporting and monitoring.

The Accelleron's Supplier Registration and Qualification Policy mandates that each supplier provides specific information for a comprehensive risk assessment⁴. During the registration phase, suppliers undergo evaluation and are assigned a risk rating. High-risk suppliers are reviewed additionally by the Legal & Integrity Team via an enhanced due diligence questionnaire and a report from an external vendor to make informed decisions on approval, approval with mitigation measures, or rejection of the relevant supplier.

Following our spin-off from ABB in 2022, we revised the respective sustainability audit process. In 2023, further adjustments were made by expanding the sustainability audit questionnaire and by changing the selection criteria of risky countries in scope as per the Fragile State Index⁵. One pilot audit was performed in 2023 and the launch of the new program is planned for 2024. The target is to conduct sustainability audits at 20% of the direct material supplier base in risky countries⁶ for human rights⁷ on a yearly basis. This process will enable monitoring, risk-prevention and mitigation of our key sustainability challenges in the supply chain. The audit results will be summarized with a report, including a corrective action plan if required, to ensure that the supplier meets our requirements.

We understand sustainability as a long-term goal that creates shared value for us, for society and for our suppliers and customers. The strong and long relationships that we maintain with our suppliers allow us to develop a common understanding of the sustainability challenges. While there is a clear understanding that human rights must stay at the highest level, in 2023, we also introduced the role of climate change and its impacts on their future performance. With such a collaborative approach

and by applying our sustainability standards to our suppliers, we aim to have a positive impact on their communities and ultimately create a resilient supply chain.

Understanding the environmental impact of our suppliers

In 2023, we conducted a sustainability survey with suppliers representing 80% of our direct material⁸ "supplied goods" scope 3 carbon emissions⁹. The aim was to better understand their footprint as well as the potential for decarbonization and related challenges. At least one of our suppliers has an SBTi-approved target demonstrating its potential. Thanks to the data collected through this survey, we were able to evaluate the current situation, assess the sustainability maturity of our direct material value chain and plan to evaluate and analyze reduction potentials, as well as action plans to realize the identified potential in 2024 and beyond.

On our path to decarbonization, we identified two main opportunities: the change of our transporting mode from air freight to sea freight and the increase of recycled shares in the supplied goods.

- 1 Accelleron Supplier Code of Conduct refers to fair labor conditions as follows:
 - Refrain from employment discrimination based on gender, age, ethnicity, nationality, religion, disability, minorities, union membership, political affiliation or sexual orientation;
 - Respect the rights of employees to freely associate and bargain collectively;
 - Not tolerate and ensure to not employ anyone at the age younger than 14 years old or, if the minimum age requirement in the country is more strict (>14 years old), as in accordance with all applicable national laws and regulation in any stage of your activities;
 - Verify the correctness of documentation provided to assure no children are employed as per above-mentioned definitions;
 - Not use any forced labor, including but not limited to involuntary prison labor, victims of slavery and human trafficking and allow all employees the choice to leave their employment freely upon reasonable notice;
 - Compensate employees fairly and follow local wage regulations and/or collective agreements, and where these do not exist, compensate employees so at the minimum they can meet their basic needs;
 - Ensure that working hours, including overtime, do not exceed applicable legal requirements, and where such requirements do not exist, we recommend that working hours not exceed sixty hours per week;
 - Ensure that employees are allowed at least one uninterrupted day off per week.
- 2 Supplier process audits covers management system, safety, environment, contact review, customer complaint handling, parts documentation, quality assurance, production/service execution and sub-supplier management.
- 3 Onboarding documentation consists of registration and qualification. Registration consists of a self-declaration registration questionnaire, where a supplier is asked to accept, sign and upload the Accelleron General Terms and Conditions for Products & Services, the Accelleron Supplier Code of Conduct and a non-disclosure agreement. Qualification consists of a self-declaration questionnaire covering sustainability, quality & continuous improvement, operational excellence, supply chain risks, data security.
- 4 The risk assessments consists of a pre-risk assessment and blacklist check as well as a risk assessment. The pre-risk assessment covers: operation, anti-bribery and anti-corruption and other integrity risks such as trade and country risk. The risk assessment is conducted for all suppliers that are going through the full qualification process. The risk assessment is conducted based on the answers of the qualification questionnaire. A final risk result for sustainability, overall risk and a final risk rating are resulting from the risk assessment. In case the sustainability risk label is high, the supplier is located or is manufacturing in high-risk country and their product/service is considered as high-risk, the supplier has to go through a sustainability audit. Based on the overall risk level from risk assessment additional actions such as financial review, audit or sustainability audit are defined.
- 5 The Fragile States Index is a tool published by the Fund For Peace (FFP) that measures the risk and vulnerability of 179 countries based on complex content analysis, triangulated with quantitative and qualitative data (<https://fragilestatesindex.org>).
- 6 High-risk human rights risky countries are identified as fragile state index > 55.
- 7 See section [supply chain in the appendix](#).
- 8 Direct material is the representation of products that will go into the turbochargers; indirect material and services is everything that is not direct, such as transport, consultancy services, office supplies, etc.
- 9 Suppliers were selected based on our scope 3 calculation. Selected suppliers represent 80% of our scope 3 carbon emissions part "supplied goods" based on 2022 data. Supplied goods represented 45% of 2022 CO₂ emissions. Scope 3 carbon emissions made 91% of our entire carbon emissions in 2022.

Traceability and transparency throughout the value chain

To ensure that we meet all material compliance requirements such as in line with REACH and RoHS, we have published our Accelleron Materials Compliance Instruction. All our suppliers are required to comply with applicable global laws and regulations. In addition to legal compliance, the new global material compliance process aims to increase transparency on critical metals, minerals and substances of very high concern for our customers.

A specific conflict minerals and metals process which was already implemented by our former parent was improved in 2023. These changes focused on receiving the declared supplier information and implementing a cascading system up to the customer. Through these initiatives, we are increasing transparency in our value chain by providing and requesting more information.

Compliance with the diverse upcoming human rights regulations is the key focus for Accelleron.

In 2022, we conducted a human rights risk assessment based on international standards¹, country-based risk assessments², industrial sector evaluations and interviews of key functions in order to cover our operations and our value chain (upstream and downstream³). The scope covered all areas of human rights such as health and safety, environmental impact, modern slavery, child labor, fair wages, discrimination and gender equality, freedom of association and working hours. Of these categories, child labor and forced labor were identified as the highest risk categories in our value chain due to the countries and sectors in which we source our direct materials. However, we did not identify any reasonable grounds to suspect the occurrence of child labor and/or forced labor.

In 2023, we conducted a human rights gap analysis with a specialized third party in line with the UNGP and Swiss regulations, as well as expected future regulations in this area. The analysis concluded that we are performing adequately against current requirements and identified a risk-based action plan

to address potential gaps against future regulations, which we will begin implementing in 2024 in addition to the actions resulting from the 2022 review.

We recognize that our journey towards sustainability is an ongoing process that requires continuous critical review of processes and policies. That is why we intend to use input from our key stakeholders to adapt our processes and goals to meet future challenges and the changing environment.

➤ Next steps

- In 2024, we will increase the amount of goods being supplied by sea wherever possible and we will evaluate the potential for decarbonization of our selected direct material suppliers.
- In terms of supplier controls, we will launch our global sustainability audits in human rights high-risk countries and will ensure that at least 20% of our direct material suppliers in high-risk human rights countries are being audited onwards for the next five years.
- We will launch a training roadmap to key suppliers and supply chain team in human rights .
- We aim to update the human rights risk analysis in the supply chain in line with international standards.
- Improve the supplier management data base to allow correct reporting on onboarding risks at indirect suppliers.

¹ OECD guidelines for multinational enterprises and OECD Due Diligence Guidance for Responsible Business Conduct.

² Country risk assessment in 2021 was based on Maplecroft data. Elements such as regulatory framework, governance, socio-economic context and political context were considered.

³ Marketing, sales, supply chain.



Planet

Climate change is the most pressing challenge facing humanity and relates to most SDGs. Every organization needs to address this as a matter of urgency. To tackle the climate crisis, we are committed to using natural resources more efficiently and contributing to the Paris Agreement by reducing our carbon footprint, in line with our materiality matrix analysis. We do this by considering the environmental impacts of our products, services and operations. These are the key priorities for Accelleron.

Method

At Accelleron, we use a tailor-made, web-based platform to collect environmental data, including data on energy, water usage/consumption, and waste from the majority of our sites. All inputs are reviewed by local Health Safety Environment (HSE) managers and approved by the global HSE and Sustainability team.

Energy

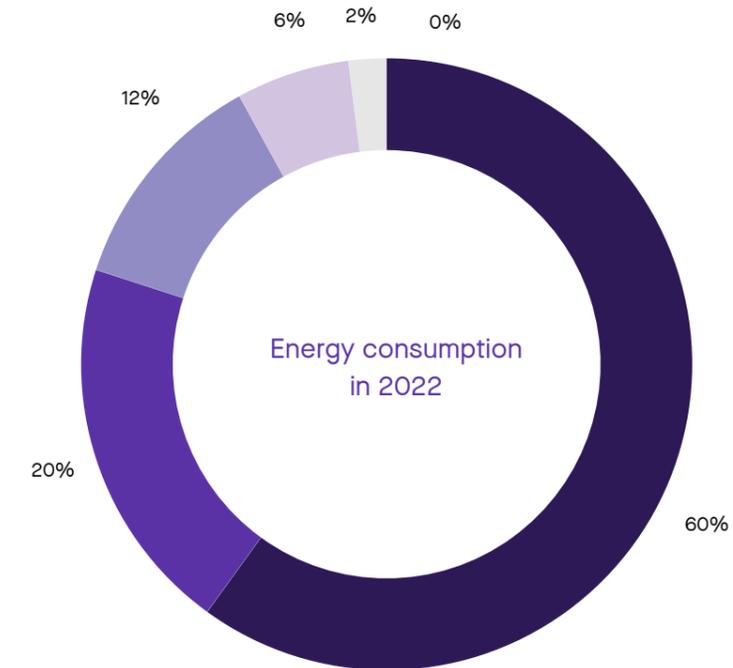
The production and on-site maintenance of turbochargers requires energy. The world is changing, and the energy transition may lead to more unstable power access. Therefore, energy efficiency and energy resilience are key to our business continuity. Our factories in China and Switzerland, our two biggest sites, started to address energy consumption topics in a systematic way many years ago. Both manufacturing sites have been certified in accordance with ISO 14001 since 2009. This certification lays the foundation for the continuous performance improvement of key environmental factors. Additionally, our Chinese site

has been certified under the ISO 50001 standard, which focuses specifically on energy management.

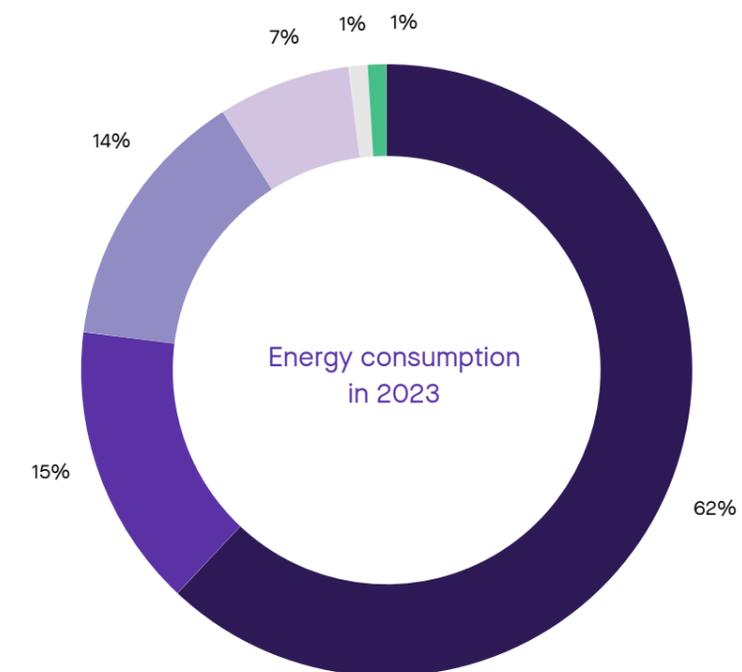
Our Chinese and Swiss factories and other service stations made several changes in 2023 according to their respective energy efficiency roadmaps:

- Replacement of compressed air units
- Reduction of heat loss during non-testing period and change of industrial equipment

At the Swiss site, we have been supported by a recognized local third party (EnaW) which validated the measures taken as well as the locally adopted KPIs. The improvements addressed are related to the facility energy consumption and its processes and equipment. Specifically for equipment and facilities investment, as from 2023, the process includes a criterion related to energy efficiency for a weight range of 10 to 20% depending on the project.



■ Electricity
 ■ Diesel, gasoline, LPG
 ■ District heating
 ■ Natural gas
 ■ Diesel for back up power
 ■ Biofuel



■ Electricity
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In the service business, we assessed the energy usage of eight of our most energy consuming sites¹. Common trends have been identified such as the need to work on compressed air, air conditioning and usage of energy related to industrial equipment.

Several of our sites moved to new locations where the energy standards are better aligned with current trends in term of energy usage (e.g. locations in India, Dubai, Spain, South Africa and Indonesia) and our site in Chicago area started an improvement project related to operational excellence which will also improve the energy efficiency of the location.

In comparison to 2022, the proportion of energy usage remains unchanged.

Electricity accounts for 62% of our energy consumption. In 2023, 73% of electricity came from renewable sources vs. 70% in 2022. The remaining energy share of 27% is fossil fuel based and is largely used for product quality testing, running the service fleet (16%), heating² (22%) and back up power³ (1%). 14% of the energy used is from district heating, where the carbon footprint depends on the local infrastructure.

Our Swiss factory is the most energy-intensive site within Accelleron. We installed solar panels in 2023, which started to produce power in December. This project initiative builds on the experience gained from the Indian and Singaporean service sites and will enable the site to cover 10% of its energy needs and produce 980 megawatt hours (MWh) in 2024 (with a target of 1,700 MWh in 2028).

In the service organization, we evaluated the possibility of installing solar panels on the roofs and parking lots of our locations. At the end of 2023, we had more than 10 sites that have received permission from landlords and local authorities to install solar panels and several others are still assessing the potential for solar panel installation. For 2024, we anticipate a better overview of the energy potential generation and the pace of implementation. More details are accessible in the [appendix](#).

➤ Next steps

In 2024, we will continue to investigate the potential for solar panel installations in all suitable locations and develop them. We will launch our global energy efficiency program in the service network based on the pilot projects performed in 2023 and will be able to set targets per location.

Carbon footprint

Accelleron is a manufacturing organization. Our operations and value chain generate carbon emissions. We report on our scope 1, 2 and 3 emissions in accordance with the GHG protocol. Due to the importance and uncertainty of CO₂ emissions in the supply chain, there is a particular focus on establishing processes for collecting and validating CO₂ data. During 2023, we established the foundation for robust, validated data, but partly due to the lack of maturity in the supply chain, this development needs to be further progressed, to enable proper management of our carbon footprint, also as part of future reporting within the SBTi framework. Accelleron's products help end-users to avoid carbon emissions. These avoided emissions are quantified where Accelleron has access to end-user data. Figures are available for the Company's service upgrades business – more information can be found in the section [Service](#) starting on page 35 of this report.

Accelleron and its value chain consume energy, which generates carbon emissions. The Company has calculated its scope 1, 2 and 3 emissions¹ on the basis of available operational data, data from our suppliers, publicly available industry averages and data from our Life Cycle Assessment software. To align ourselves with the methodology of the Science Based targets initiative (SBTi) and the targeted 1.5°C global warming limitation, we chose to consider 2022 as a base year for our near-term target setting. In Q4 2023, following approval by the Executive Committee (EC) and our Board of Directors (BoD), we made a commitment to the SBTi. We will develop scope 1, 2 and 3 emissions targets and seek approval for them from the SBTi. In accordance with the SBTi methodology and given the timeframe, we set our scope 1 and scope 2

targets, we are confident that they are aligned with SBTi requirements².

Several figures from 2022 have been updated based on improvements that have been made to the reporting tool covering the following elements:

- a portion of our scope 1³
- the scope 2 emissions⁴
- the scope 3 subcategory “employee commuting”⁵
- the scope 3 subcategory “upstream part of energy”⁶
- the scope 3 subcategory “waste”⁷

In 2023, scope 1 and 2 represent 9% of our total carbon emissions, while scope 3 represents 91%. Our value chain carbon footprint is primarily represented by supplied goods (40%) and upstream-downstream transport (35%). For scope 1 carbon emissions, we are working on changing the fuel used for product testing to a less carbon-intensive fuel. In 2023, we ran fewer tests than in 2022. Over the next two years, we plan to use a blend of biofuel and fossil fuel and steadily increase the shares of bio-based material, starting in 2026. We aim to reach a 92% bio-based fuel blend by 2030.

Nevertheless, regarding scope 1 emissions, we have a slight increase of CO₂ due to several combined factors: increase of usage of the company fleet vehicles, increase of diesel backup power generators in countries where the electricity grid is not reliable and a slight increase of natural gas for heating purpose.

Regarding scope 2 emissions, we have now a total of 23 sites being fully supplied by low carbon electricity⁸ up from 19 sites in 2022.⁹ Due to an increase in sites supplied with low-carbon electricity and lower consumption of district heating in Switzerland, combined with a milder winter, scope 2 emissions decreased by 17% compared to 2022.

Compared to 2022, scope 1 and 2 emissions have decreased by approx. 8%, demonstrating the progress we have made toward our goal of a 70% reduction by 2030 compared to 2022.

- 1 Accelleron is not active in agriculture, land and forestry. Its carbon footprint is related CO₂ and refrigerants emissions through its scopes 1, 2 and 3. All CO₂ calculations consider CO₂ equivalents based on the recommendation of the GHG protocol.
- 2 SBTi expects a reduction of 50% on scope 1 and 2 emissions between 2022 and 2030. Our current target is to reduce by 70% in the same time frame.
- 3 In 2022, the reporting system was not able to differentiate the CO₂ emissions from diesel, LPG and gasoline used by our corporate fleet. In 2023, we improved the reporting system. It helped us to differentiate between these fuels and to revise the 2022 figures to be more accurate. It led to a slight increase in scope 1 emissions from 2,035 t CO₂ to 2,232.4 t CO₂ (+8.8%).
- 4 Several sites were able to obtain a market-based emission factor for their electricity in 2023. For sites without specific information from their electricity supplier, we used a reliable source of information for sites covering the year 2022: https://www.carbonfootprint.com/docs/2023_02_emissions_factors_sources_for_2022_electricity_v10.pdf. The change between the originally published 2022 data and the updated 2022 data in the current report shows a reduction from 3,958.6 t CO₂ to 3,860.2 t CO₂ (-2.5%). The same methodology was used for 2023.
- 5 The initial figure reported in 2022 was based on the assumption that each employee commuted to work five days a week with an internal combustion engine car and lived within a 30 km radius. In 2023, we conducted a global survey to understand the commuting practices of our employees based on key parameters (non-exhaustive list: commuting distance, mode, frequency, vehicle consumption) and to understand any changes. A review of the responses of 1,293 employees out of a total of 2,519 employees invited to participate in the survey and the completion of the information by specific management team sites resulted in a reduction from 4,105.8 t of CO₂ to 2,272.2 t CO₂ (-44.7%).
- 6 The initial figure reported in 2022 was based on the Department for Environment Food and Rural Affairs (DEFRA) industry average as the reporting system did not allow our sites to report the primary energy used to generate electricity. In 2023, we improved the reporting system to allow sites to report the type and share of primary energy used to generate electricity. The 2022 data was recalculated. This resulted in a reduction from 2,015.6 t CO₂ to 1,204.2 t CO₂ (-67.4%).
- 7 The update in the reporting system allows for a better distinction in terms of waste destination and waste type. The 2022 data was recalculated using this update in the system. It resulted in a reduction from 2,528.6 t of CO₂ to 1,309.5 t CO₂ (-48.2%).
- 8 Low-carbon electricity has to be considered here as electricity produced from renewable power and nuclear power plants.
- 9 Switzerland, China, India, France, Belgium, Netherlands

Our scope 3 emissions increased in 2023 vs. 2022 and are mainly driven by our supplied goods category and by the transport phase of goods and products. We reduced our emissions related to the category “supplied goods”¹ because we procured lower volumes. The emission related to “upstream and downstream transport of goods” increased due to business context changing affected by the Russian war on Ukraine, manufacturing delay in our value chain and also short-notice changes from customers. In the future, scope 3 emissions will be improved by increasing marine transportation of manufactured goods and reducing the carbon footprint of supplied goods through higher recycled content where possible.

We have also identified other options for reduction, such as partial replacement of fossil fuel with Sustainable Aviation Fuel (SAF) for air freight and using iron-casting suppliers with a lower carbon footprint where feasible. These solutions will be offered to customers to assist them in reducing their carbon footprint.

Next steps

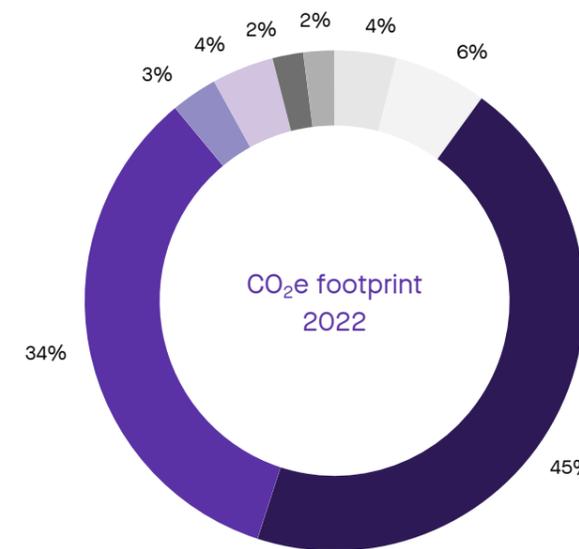
In 2023, we paved the way to achieving our 2030 targets. In 2024, we will set intermediate milestones to ensure a credible and transparent approach and have our targets validated by the SBTi. By 2030, we aim to reduce our scope 1 and 2 emissions by 70% compared to 2022, exceeding the expectations of the SBTi's short-term reduction target. We also have the ambition to reduce scope 3 emissions in line with the goals of the Paris Agreement.

¹ The “supplied goods” carbon footprint numbers initially published in 2022 have been recalculated because in 2023 we were able to have access to specific emission factors from several suppliers leading to an increase of approx. 6% between initially reported numbers for 2022 and current 2022 numbers. These new emissions factors have been also used in the 2023 reported numbers.

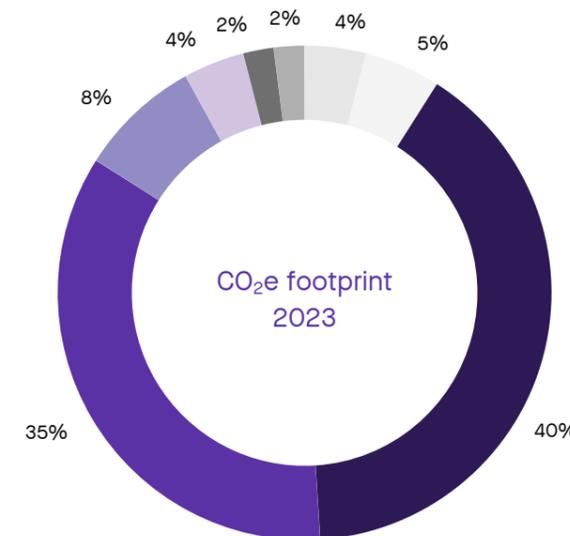
Carbon footprint²

	Updated 2022 (t CO ₂)	Updated 2023 (t CO ₂)
Scope 1	2,230	2,370
Scope 2	3,860	3,220
Scope 3 – Upstream part energy	1,200	1,230
Scope 3 – Supplied goods	27,400	25,400
Scope 3 – Upstream and downstream transport	20,900	22,500
Scope 3 – Emission from waste	1,310	1,390
Scope 3 – Business trip	1,570	5,010
Scope 3 – Employee commuting	2,270	2,270
Total	60,740	63,390

² All figures are given with three significant digits.



Scope 1
 Scope 3 – Supplied goods
 Scope 3 – Business trip
 Scope 3 – Upstream part energy
 Scope 2
 Scope 3 – Upstream and downstream transport
 Scope 3 – Employee commuting
 Scope 3 – Emission from waste



Scope 1
 Scope 3 – Supplied goods
 Scope 3 – Business trip
 Scope 3 – Upstream part energy
 Scope 2
 Scope 3 – Upstream and downstream transport
 Scope 3 – Employee commuting
 Scope 3 – Emission from waste



Water

In 2023, our water withdrawal decreased by approx. 52%. This was due to a reduction of tests requiring large amounts of water and also due to a reduction of tests in our Swiss test center in comparison to 2022. The main consequences in comparison to 2022 are the shares between operational and domestic usage as well as the shares between manufacturing and service operations.

In 2023, Accelleron's manufacturing and service sites mainly use water for operational purposes, which accounts for approx. 84% of our total water withdrawals vs. approx. 90% in 2022¹. The remainder in 2023 is used for domestic purposes (approx. 16%). We use water in our operations for cooling² during the manufacturing and test processes (approx. 80%) and for cleaning parts of our products during service operations (approx. 20%). In comparison with 2022 numbers, the ratio moved from 90% for manufacturing vs. 10% service to 80% manufacturing vs. 20% service in 2023 due to a lower need of water in the Swiss test center (see above). Half of Accelleron's sites are located in water-scarce areas³ and represented approx. 15% of withdrawn water. In these areas, it is essential to use water even more efficiently. The climate crisis will affect our access to water⁴ and our business could be affected. The service organization accounts for approx. 20%⁵ of the total water withdrawals in 2023.

As we need to use water to clean and complete turbocharger service on time, it is important that we act responsibly and find solutions to reduce water usage. We have therefore decided to launch an initiative to assess best practice in water use and to analyze further opportunities to use water more efficiently. In 2023, we assessed our water usage in the service network and have defined a guidance related to the improvement of the main industrial process using water. The guidance⁶ will help our sites to improve their equipment and processes to better use industrial water, improve working conditions and be more efficient in terms of resources and time. As an example, several of our service stations use a closed-loop cleaning

process, with first estimations showing that 53,862 cubic meters of water have been saved in 2023 in comparison to a single-use system.

Water withdrawal

Water sources are categorized into surface water, municipal water and groundwater⁷.

The Swiss manufacturing site is the only site using surface water – it represented 67% in 2023 vs. 81% in 2022 of the total water withdrawal for all Accelleron sites. Around 30% of the water is taken from the municipal network. In 2023, four sites used groundwater, which accounts for the remaining 3%⁸ of the total annual volume. One of these is our Vadodara site which only has access to ground water. To counterbalance the impact to the local groundwater system, we invested in a water harvesting system which accelerates the infiltration of rain water into groundwater during monsoon season. We will be able to quantify the impact of this system in the next report.

- 1 A better understanding of the water withdrawal process and usage and also an increase of staff led to relative shift of usage.
- 2 The cooling purpose refers to the process of circulating water through a piping network, which is then discharged without altering its physical or chemical characteristics.
- 3 As defined by the World Resource Institute Aqueduct.
- 4 Service of turbochargers requires water for cleaning. Water is used to clean turbochargers. Due to lack of physical availability and/or enforcement of local government policies, this could result in business interruption if we cannot demonstrate that we are using water in an efficient manner.
- 5 In 2022, the service organization represented 10% of the total water withdrawal due to higher amount of water withdrawn in the manufacturing sites.
- 6 The type of solutions we are looking at are oriented towards technology supporting our business without usage of water or by using closed-loop systems.
- 7 GRI definitions apply for surface water, municipal water and groundwater. Sea water is not used.
- 8 In 2022, two sites used groundwater. In 2023, we improved the understanding of the origin of water through extra training which explains the two extra sites differences with 2022. In those regions, the access to water is possible only through groundwater due to lack to infrastructure.



Water usage

Our Swiss factory uses water from the local river (Limmat) for cooling purposes. At Accelleron, this is the main source of water used for cooling purposes (99.7%). The use of water as a cooling medium helps to reduce the energy consumption otherwise required for the processes. In addition, the site has a closed water circuit that reuses the water as a coolant many times over before it is returned to the river. The same concept is being applied at our Chinese plant, where a closed-loop cooling system saved the equivalent of 400 cubic meters of water in 2023.

Total water usage

The service organization accounts for 20% of water used in operations and primarily uses water for cleaning purposes. Water used for cleaning is either discharged to the local sewage treatment plant as per local regulations or treated by a specialist third party, and then discharged to the sewer in accordance with local environmental regulations. Several of our service stations have been using a closed-loop system for a number of years, helping to reduce the total amount of water usage.

Water discharge¹

Depending on how it is used, water must be processed. In the case of domestic use, the water is sent to a municipal wastewater treatment plant for treatment. Industrial water use is divided into three categories according to local regulations:

- Sewage
- Surface water used for cooling only
- Hazardous wastewater which requires cleaning treatment by specialized third parties

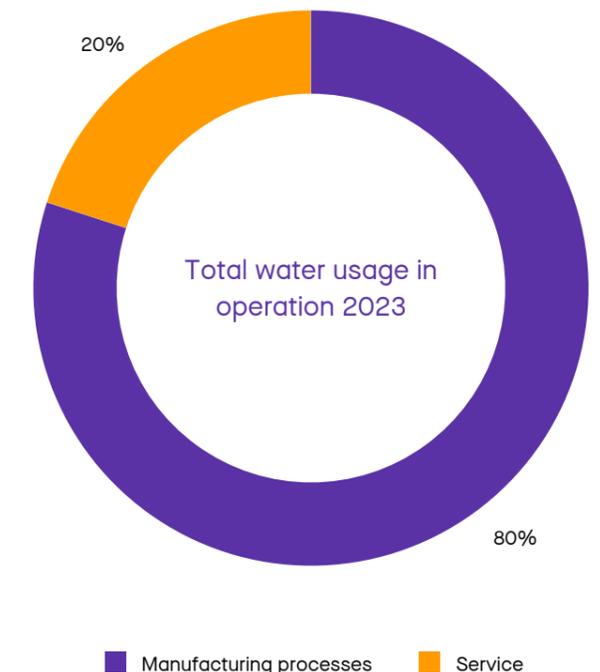
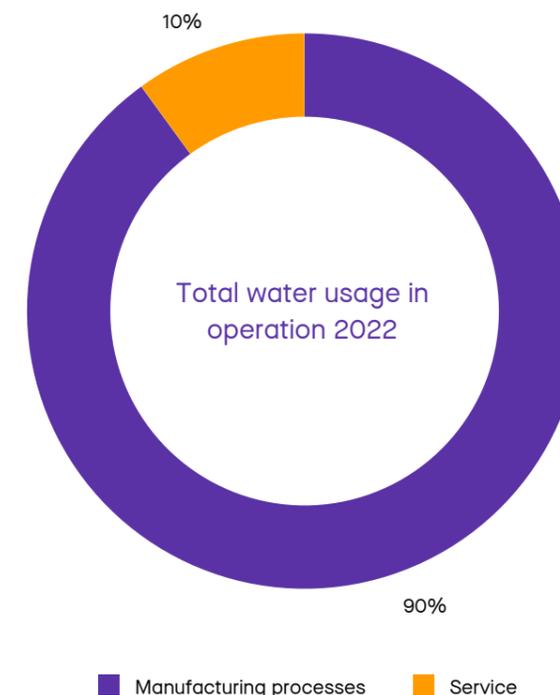
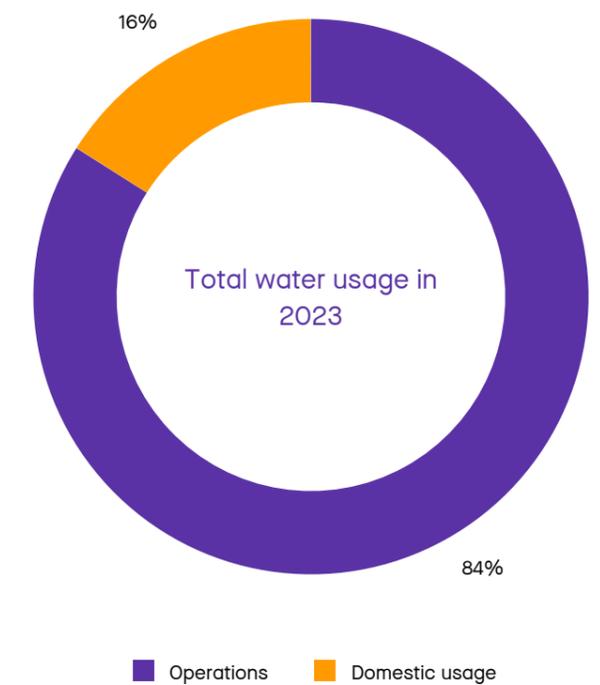
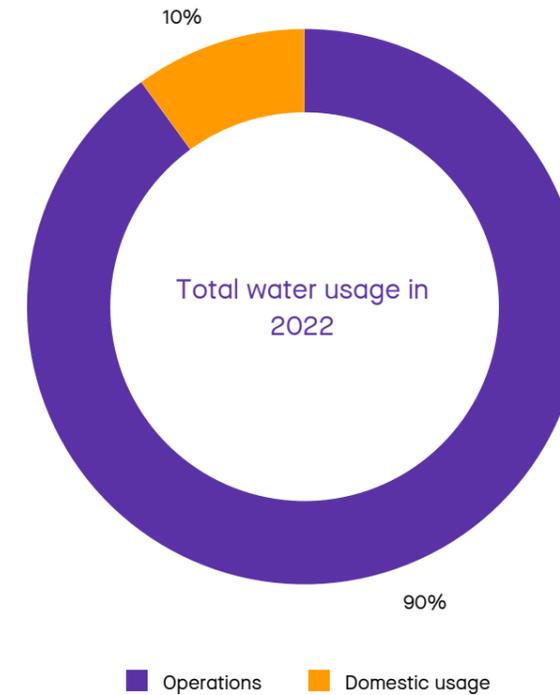
In terms of discharge, 58% of our sites are equipped with effluent treatment systems, which are used before water is discharged into the sewerage system. 40% have primary water treatment and 18% have secondary water treatment based on the Carbon Disclosure Program (CDP) definition of water security.² The interested reader has access to numbers in the appendix.

Next steps

In 2024, we will conduct a global assessment program per location based on their water usage intensity and their location in terms of water scarcity. It will help us to design a roadmap towards more water-efficient equipment and processes. We will then set our 2030 water targets and intermediate milestones.

¹ Accelleron has no indication of breaches of environmental requirements in 2023 regarding water usage.

² Primary treatment involves the physical removal of suspended solids and floating material, typically by sedimentation. A preliminary treatment may often be applied, which involves the physical removal of large debris, large particles, oils and grease, typically through screens and grit chambers. Secondary treatment involves the degradation of organic matter and reduction of solids through biological treatment. The removal of nutrients (nitrogen and/or phosphorus) can also be achieved at this level of treatment using a combination of chemical and biological treatments. Secondary treatment follows the primary treatment.





Waste

98% of Accelleron turbochargers are made from recyclable materials, mainly steel and other metals. These are the main waste elements that we generate. We support the efficient use of materials by ensuring that they are recycled and then reused by other users of metals. In 2023, sites assessed and developed their local roadmap to contribute to the global targets.

Waste destination

In 2023, we improved from approx. 75% of our total waste recycled to approx. 76%. Of the non-recycled waste (approx. 24%), 40% is incinerated with energy recovery, 29% is landfilled, 3% is incinerated without energy recovery and 28% is treated in accordance with local regulations. Due to a higher transparency and better understanding of the waste management scheme at each of our sites we have better understanding of the waste destination. Of the total generated waste, 87% is classified as non-hazardous, while 13% is classified as hazardous waste and is systematically treated in accordance with local regulations. Where possible, we ensure full traceability of our waste by using accredited waste management suppliers. In some countries, we have to rely on public waste management services and public information because there are currently no other options available. One of our challenges is the lack of recycling infrastructure in countries such as some areas of the USA and regions such as the Middle East and Africa.

Non-hazardous waste

In comparison to 2022, the amount of non-hazardous waste generated increased by 18% due to the installation of solar panel on the roof of the headquarters in Switzerland. Some material (mainly mud and gravel) present on the roof were removed in a quantity of more than 500 tons. These elements were sent to recycling facilities.

Of the total amount of non-hazardous waste generated at Accelleron, 80% is recycled and 20% is otherwise disposed of. In comparison to 2022, this slight reduction is due to a better understanding of the waste destination and business changes leading to a lower amount of recycled waste under our responsibility. 60% of the non-hazardous waste generated and recycled is metal-based and the rest is made of paper and cardboard (approx. 3%), plastic (>1%), wood-based material (approx. 13%) and other type of waste (approx. 23%). Of the 20% of non-hazardous waste that is otherwise disposed of, approx. 55% is incinerated with energy recovery, approx. 44% is landfilled and approx. 1% is incinerated without energy recovery. In total, 8% of non-hazardous waste went to landfills in 2023. It shows some progress in front of our targets as we reported 10% of waste going to landfills in 2022.

Hazardous waste represents 13% of our total waste and is mainly the result of cleaning operations at service and production sites. Of the hazardous waste, approx. 49% is recycled by specialized third parties. The remainder is disposed of in a specialized secure landfill.¹ More information and figures are accessible in the [appendix](#).

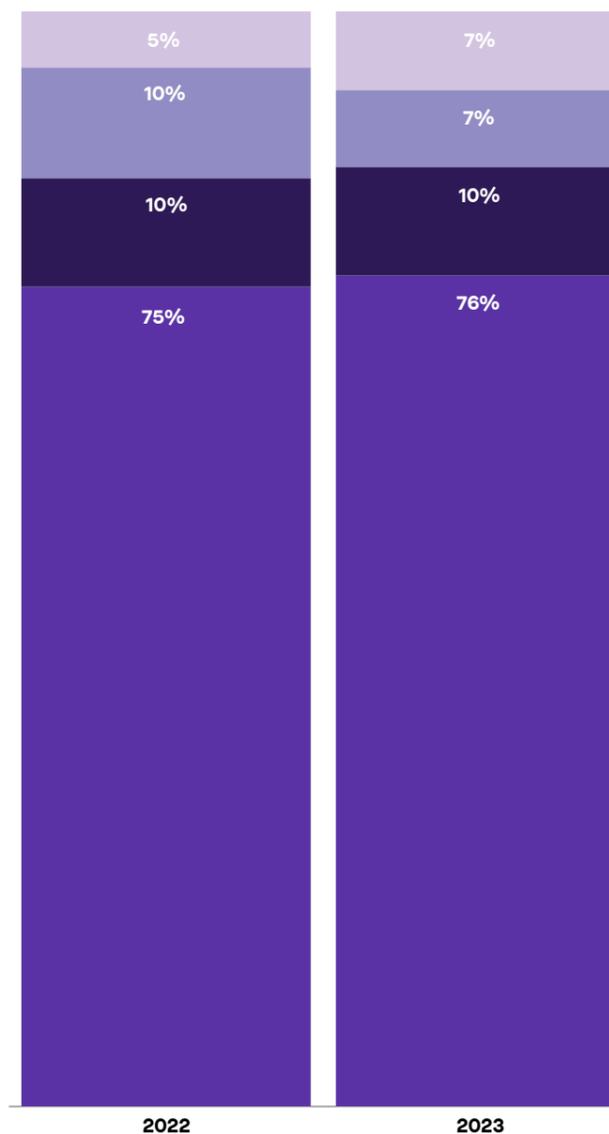
Next steps

In 2024, sites will implement their specific roadmaps supported by the global HSE/ Sustainability team. By 2030, we want to send zero waste to landfills and achieve a 90% waste recycling rate for non-hazardous waste where the infrastructure exists.²

¹ None of Accelleron's waste is shipped to another country for disposal. Accelleron has no indication of breaches of environmental requirements in 2023 regarding waste.

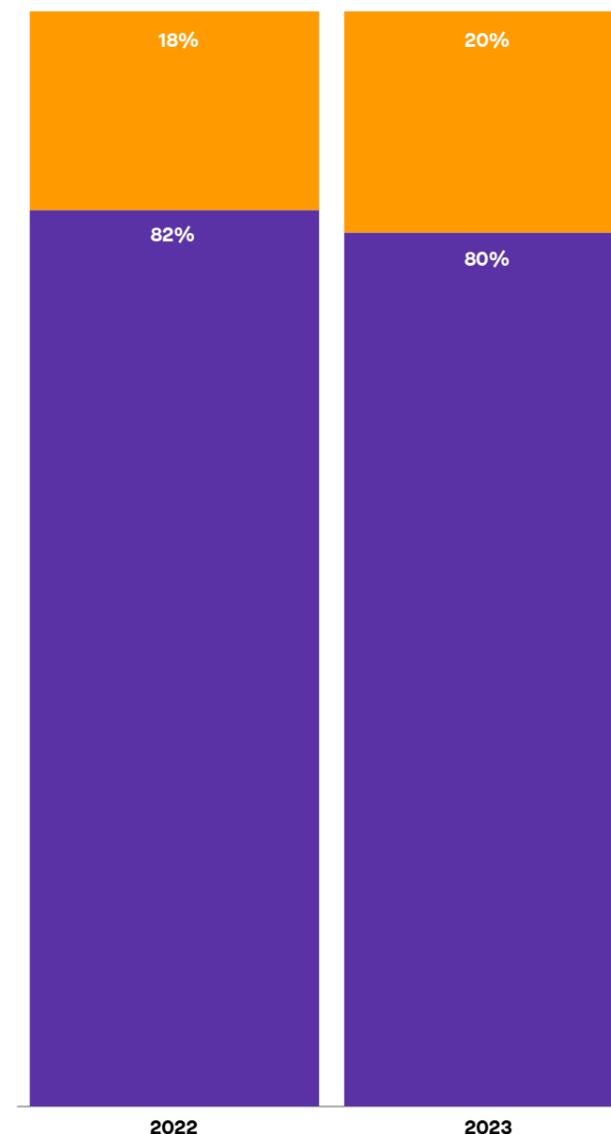
² It excludes regions/countries like USA, Africa and Middle East.

Total waste destination



- Landfill
- Incineration without energy recovery and/or treated according to local regulation
- Incineration with energy recovery
- Recycled

Non-hazardous waste disposed



- Recycled
- Non-recycled 2022:
 - Incineration without energy recovery 5%
 - Incineration with energy recovery 31%
 - Landfill 64%
- Non-recycled 2023:
 - Incineration without energy recovery 1%
 - Incineration with energy recovery 55%
 - Landfill 44%

People

Our commitment to the safety and growth of our employees

The future depends on sustainable energy use, and Accelleron's team of experts provides reliable solutions for customers transitioning to advanced and efficient power options. To ensure continued success for both Accelleron and its customers, we prioritize a workplace culture that values respect, equality and employee well-being while fostering continuous learning. Health and safety remain our top priority with our employees being vital to our sustainability strategy and our business license to operate.

Health and safety

Safety is our top priority at Accelleron. We are committed to operating responsibly which includes creating and enhancing workplace health and safety for our employees, contractors, and partners across our operations. Continuous risk assessment and the importance of reporting and investigating incidents and non-conformities are key elements in supporting continuous improvement and prevention within the Company.

Safety aspects

At Accelleron, most of the employees at risk work on our premises, either at manufacturing sites or service sites. We also have field service teams that operate in remote locations and on board vessels controlled by our customers, making it more challenging for us to influence these workplaces. In all cases, we depend on our health and safety management system, which includes robust processes, procedures and tools to control risks and prevent injuries or health problems for employees and contractors.

Faced with a complex internal variety of local legacy safety and quality standards in our newly formed company, simplification was needed. Working as a multinational Service Division team, in 2022, we created a single, harmonized, global framework for quality and HSE. In 2023, we underwent multiple internal and external site audits and have successfully achieved the global DNV ISO 45001/ISO 9001 certification for 25 of our sites under this framework.

Building on our progress from 2022, in 2023, we achieved our target and fully shifted our risk assessment approach to the activity-based risk assessment (ABRA). ABRA is an engaging method for creating a safe workplace that involves examining each activity and working in teams to identify specific hazards and safety measures to control the risks.

Building awareness for health and safety

At Accelleron, we have established a global network of HSE advisors and representatives¹ focused on implementing and enhancing our HSE standards. To strengthen safety awareness, we hold regular global HSE/Sustainability calls that enable us to foster a safety-oriented culture, engage with leaders and lead by example, sharing local team achievements and challenges, learning from them and working together to strengthen a safe and healthy workplace environment.

In November 2023, we organized our first Accelleron safety month, which provided an opportunity to reflect on past accomplishments, lessons learned from incidents and future safety

objectives. During the month, we held six global sessions, which were fully supported and led by our Executive Committee members and top management.

In addition to the global sessions, various local initiatives were organized to promote health, well-being and accident prevention, emphasizing that these practices are relevant in our everyday lives, be it at work, at home or during travel. For us, health and safety are year-round priorities, regardless of time or place.

Global sessions

Theme	Safety culture shift	Safety reflection	Mental health and well-being	Incident prevention	Positive behavior and recognition	LET reintroduction
Number of participants	1,006	189	242	149	192	50

Local initiatives

Theme	Safety culture shift	Safety reflection	Mental health and well-being	Incident prevention	Positive behaviors and recognition	LET reintroduction
Number of participants	1,128	1,022	606	1,090	927	287

In 2023, our compliance-focused approach to operational HSE responsibilities was fully operational, effectively managing regulatory frameworks in over 50 countries with small on-site teams. We centralized access to online legal information, enabling local management teams to stay updated with changing regulatory requirements and take actions to maintain compliance. Notably, there have been no reported breaches of HSE legal regulations within our operations.

Performance review

At Accelleron we established a monitoring system for both leading and lagging indicators to assess our progress towards our ambition to achieve zero accidents. Leading indicators include proactive measures such as learning and engagement talks (LET) conducted by line managers and supervisors, while the lagging indicator is the lost time Incident frequency rate (LTIFR²).

To evaluate our performance, we have developed a comprehensive global QHSE reporting tool that covers the above indicators, as well as workplace hazard identification, corrective action and non-conformity management. This tool is used consistently across all sites to ensure data consistency and availability for various health, safety and environmental reporting requirements and improvement initiatives.

Leading indicators

Leading indicators indirectly influence incident rates and contribute to the improvement of our safety culture. They foster Accelleron's proactive efforts to enhance workplace health and safety as well as the environment while actively engaging employees. In 2023, we revised the Sustainability Observation Tours (SOT – our key leading indicator) approach and introduced Learning & Engagement Talks (LET) instead. LET places a stronger focus on learning and engagement, giving employees more opportunities and space to collaborate, speak up and share their ideas for workplace improvements.

In 2023, we reached our targets with an average of 4.2 LET conducted by our managers and leaders, which is more than double the target.

¹ FTE HSE advisors and approx. 80 HSE representatives.

² Total number of lost time incidents per 200,000 hours worked.

Lagging indicators

The lagging safety indicator LTIFR reflects our past safety performance. To reduce the number of lost time incidents, we have focused on a number of health and safety elements, including the global HSE management system, standardization and implementation of controls for high-risk activities, emphasis on daily safety briefings and job preparation, management support and commitment and ongoing compliance with ABRA control measures.

As in the year before we did not record any fatality in 2023, which is obviously our continuous target. Our ambitious goal of reaching a 0.3 LTIFR last year, however, was not achieved, and we are continuously working hard to keep everyone safe every day.

We have noticed that sustaining the significant reduction in incidents has become more challenging. As a result, we are seeking alternative ways to effectively engage with employees on

safety at a local level. We have set an ambitious mid-term global goal to further reduce the lost time incident rate to 0.2 by 2025.

As part of our global HSE strategy to establish a “We care for each other” culture, we are transitioning toward the development of local safety culture plans to promote local ownership and ensure alignment across all 50 countries and divisions.

➤ Next steps

To improve our safety performance at a local level, we will develop local safety culture plans in 2024 across our units to support the overall ambition to create a company culture where we care for each other. Additionally, we are committed to improving the quality of our ABRA's and utilizing the engagement they generate to drive continuous improvements in safety controls and adherence to them.

During 2024, we will continue implementing our integrated QHSE management system across all divisions and additional sites. This integrated system is designed to enhance QHSE performance, elevate employee safety, ensure customer satisfaction and bring us closer to our 2025 target of achieving an LTIFR of 0.2.

Employee learning and development

Accelleron's commitment to continuous learning is a cornerstone of our corporate sustainability efforts and one of the focus areas of our People Strategy. We also recognize the importance of being an attractive and responsible employer that takes care of its employees.

People strategy guides development

In 2023, Accelleron defined its people strategy, which is an incremental part of our business strategy. The strategy has four focus areas: culture and purpose, attracting and retaining talent, continuous learning and leadership. To improve all those areas, we have identified and kicked off strategic initiatives which include e.g. communicating our purpose and clarifying how every employee can contribute to sustainability, improving resilience and well-being, and defining how artificial intelligence (AI) will be used as well as how all employees can learn to use it.

Continuous learning is in our DNA

We encourage all employees to take ownership of their own development, with HR providing the structures and resources to support this. Our leaders play a crucial role in ensuring that these opportunities are realized for the benefit of both employees and the Company. This continuous development effort enables us to be more innovative and thus remain relevant for our customers, while our employees can maintain their competitive skills. We value our approach to life-long learning and provide every Accelleron employee with access to a learning platform, provided by Harvard Business, where they can enhance their skills and knowledge.

All employees who join the Company receive a tailored introduction plan and access to relevant learning content. All employees are also required to complete mandatory training, e.g. in safety, integrity and cyber security. Each employee has an individual development plan, with actions agreed with the employee's line manager in annual performance discussions. In 2023, a total of 75% of our employees had an agreed development target documented in their performance discussion.

We promote various learning methods, including on-the-job learning, mentoring, coaching, project work, job enrichment, job rotation and classroom and online learning. We also conduct 360-degree evaluations on our leaders to give and receive feedback to help our leaders to grow. We engage coaches to help improve leadership skills and maintain a work-life balance. Additionally, we offer language courses to foster language skills development.

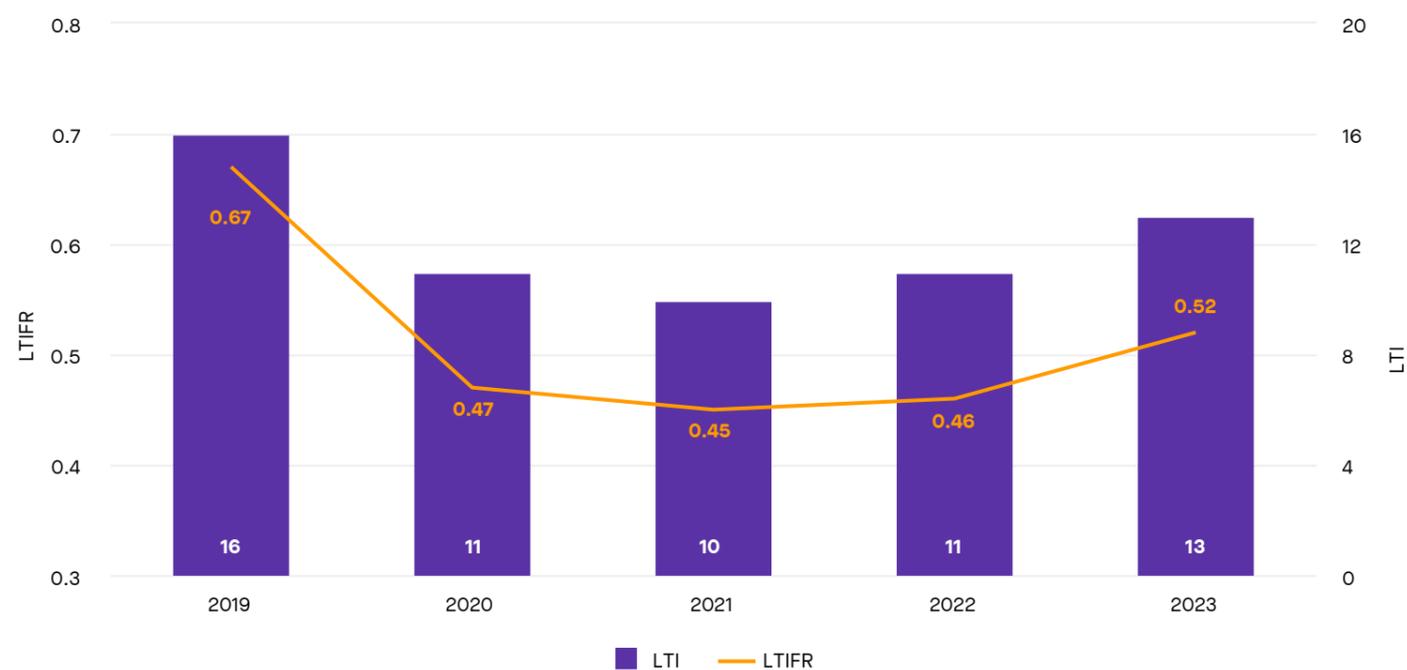
Starting from 2024, we have agreed to follow up our progress on learning through reporting average annual learning hours per employee.

Performance management practices align and guide target setting

To ensure that learning and development efforts are aligned with the overall performance management system and reinforce the objectives set, all employees have a target-setting discussion at the beginning of the year. As part of this discussion, managers give and receive feedback not only on performance but also on how employees work and collaborate. Leaders are encouraged to conduct frequent check-in discussions to ensure that targets are continuously valid, and that employees are progressing as planned. An assessment of target achievement and planned development takes place at the end of the year. In 2023, over 96%¹ of our employees completed the year-end assessment of their performance.

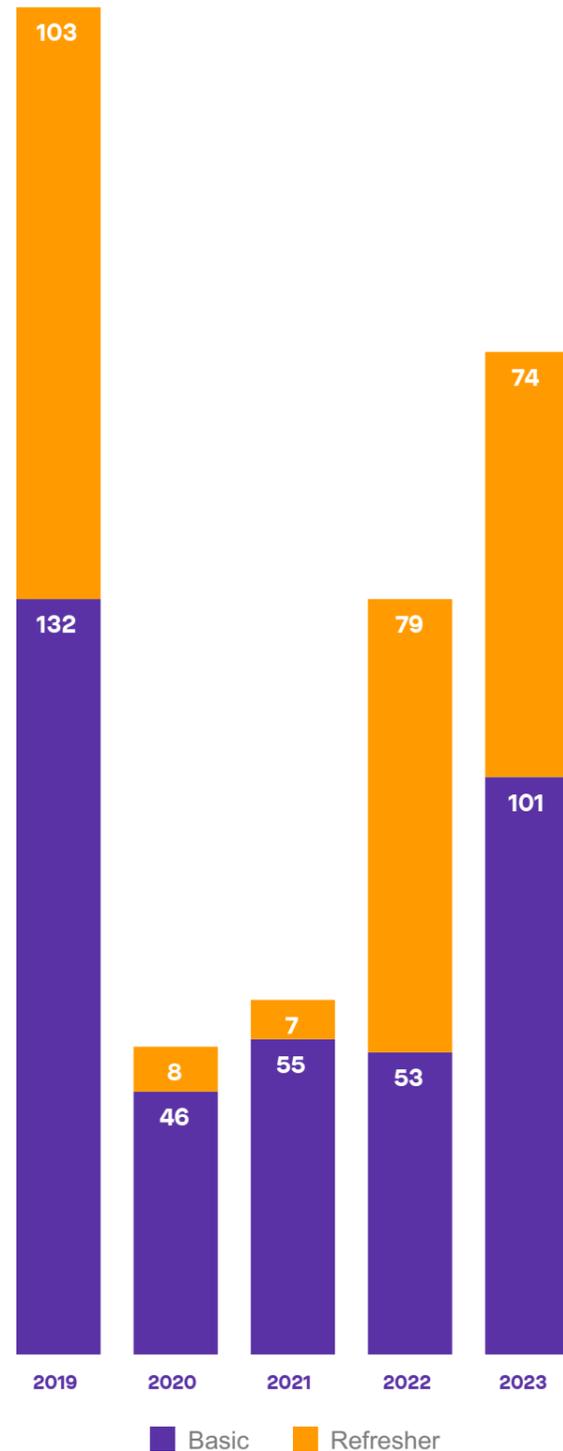
¹ Some employees joined or left the Company within the year-end assessment period or are on long leave. The situation is considered as normal and does not require improvement.

Lagging indicator 2019–2023





Number of trained Accelleron Service Engineers



Over 91% of all our employees have a bonus program as part of their total compensation. Our strong focus on sustainability is also reflected in our bonus programs. In 2023, we introduced a sustainability target that accounts for 10% of the annual bonus for all employees eligible for the corporate short-term incentive plan. These targets were derived from departmental sustainability targets that employees could work towards, such as LTIFR targets, reducing waste or driving a giving back to the community project. Starting from 2024, all executives who are eligible for a long-term incentive plan have an ESG target with a weight of 20%. This target is individual and linked to one of our corporate-level sustainability targets.

Addressing future talent and skills needs

Accelleron is committed to fostering the development of young talent. We have joined Unitech, a consortium of highly qualified European technical universities, for the 2023 program. Additionally, we frequently engage with university students for project work in areas such as technology, value chain and continuous improvement of manufacturing. This provides an opportunity to identify talented individuals for potential future employment.

Each year, we employ and train around 50 apprentices in a variety of functions but mainly in manufacturing, primarily at our largest site in Baden, Switzerland. These apprentices receive thorough training for about two years, during which we get to know each other. Selected trainees are offered permanent positions. Moreover, we offer continuous training globally for all service engineers. Initially, all service engineers are trained at our headquarters in Baden to ensure that they meet the same Swiss quality standards across all locations. The curriculum includes basic training through an e-learning program followed by on-the-job training covering quality and safety aspects. To ensure that the latest knowledge and technology is shared globally, the service engineers travel to headquarters every three years to complete refresher training.

Acting as a responsible employer

Accelleron is committed to non-discrimination and providing equal opportunity for career development and training. We have a broad learning offering available for all employees online and our employees benefit from an annual individual development plan made in performance management discussions, providing a systematic and efficient development approach. In 2023, we did not see a substantial difference between the genders having their performance discussion including a development plan completed while the completion rate was 97.5% among male and 96.8% among female employees. We also monitor annual learning hours and progress of agreed development steps to avoid bias.

Accelleron has an open job market; all open positions are internally available for anyone to apply for, and we consider our internal applicants with priority. We are committed to increasing the internal fill rate of our vacancies and we closely monitor and analyze internal career development and rotation. Our average tenure is 11 years. In 2023, the highest internal fill rate was in the operations job family at 26% while on average 19% of internal applicants were hired for the new role. In 2023, we published in total 220 vacancies. While 20% of the applicants were female, 20% of the candidates hired were also female. Hence, we conclude that there was no selection bias related to gender. Our recruiters are regularly trained on unconscious bias, and our recruitment setup and software are designed in a way that mitigate potential biases in the selection process.

At Accelleron we want to provide secure employment for our employees, and we are committed to limiting the use of non-regular employment. Globally only 2% of our employees have a fixed-term employment contract, all of which are due to a relevant business reason. We use a contingent labor force in limited areas such as managing peaks in production volumes or non-specialized or non-core activities at our factories. Our preference is to use our own labor force and in our largest production site in Switzerland we have

set a target of using no more than 20% of contingent labor. When using contingent labor, we ensure that the compensation is aligned with our own compensation levels and follow collective bargain agreement where available and ensure that our partners are compliant with human rights and follow local legislation.

Should we see the need to reduce the workforce, we consult with the local trade unions or employee representatives according to local procedures regarding the details of the reduction and aim to mitigate the consequences for individuals by providing appropriate relief, for example social plans, according to local requirements. In 2023, we did not reduce workforce based on business reasons.

Inclusion and diversity at Accelleron

Accelleron operates in over 50 countries and most of our sites are managed by local people. This makes us a global and culturally diverse company. We acknowledge that inclusion is essential for business growth and are committed to fostering a safe workplace where employees can be their authentic selves. Efforts to attract diverse candidates and applications are appreciated. We also encourage forming employee resource groups to drive inclusion. We recognize diversity as a fundamental driver of innovation and creativity. It brings together different perspectives and ideas, leads to better decision making and problem solving.



At Accelleron we consider health from a broad perspective covering physical, mental and social aspects. Understanding that employees face various life challenges, we provide resources to help them navigate those situations. To foster employee work-life balance, Workplace Options, a leading provider of employee well-being solutions, offers a global employee assistance program on behalf of Accelleron. In 2023, we also provided training on mental health and resilience for both leaders and employees. Maintaining a healthy work-life balance is further facilitated by a remote working policy where applicable.¹

Gender diversity, equal pay and representation in leadership roles

We are committed to increasing gender diversity. The goal is for women to hold 25% of senior leadership positions by 2025, up from the current 20%. We are proud to highlight that women are leading some country organizations and our service operations, which has the largest team in the company, is also led by a woman. We also strive to increase the proportion of female employees and in 2023 we succeeded in raising the proportion from 15% in 2022 to 17%.

In 2023, we conducted a gender pay gap analysis in selected countries² through which we aimed to identify and address possible inequalities. No adjusted pay gaps were identified in Switzerland and USA. In 2024, we continue to work together with the local management on the improvement areas identified in China.

Parental leave program

We recognize the importance of supporting working parents. To promote a more inclusive and equitable working environment, a gender-neutral parental leave program has been implemented globally. This program provides paid leave to both caregivers following the birth of a child or when they become new parents through adoption or surrogacy.

Example of inclusion and diversity initiatives at Accelleron

India has been particularly active in promoting diversity and inclusion. Due to active focus in recruitment, the female employee ratio in India rose in 2023 to 18%, exceeding the Accelleron average. A female employee resource group has been established and now meets monthly. In 2023, the team in India moved the focus on gender diversity to promoting awareness and acceptance of sexual orientation, despite local cultural challenges. The methods have consisted of nine awareness sessions including training on unconscious biases, facilitated discussions and workshops.

In our Swiss headquarters in Baden, we organized the first event for female employees. Approx. 40% of our female employees joined, discussing and ideating targets and actions that this network could take. We will continue organizing these events on a quarterly basis.

➤ Next steps

We will conduct our next employee engagement survey in early 2024. This will help us to see how we have succeeded in improving engagement and direct further development actions based on the feedback. We will work further on clarifying career paths to support employees to achieve their aspired career development as well as on closing the salary gaps identified in China.

Local community engagement

As a global company with over 100 locations in more than 50 countries, Accelleron is committed to being an active participant in local communities in which we operate. To achieve this, we have established an internal guidance, a roadmap and intermediates milestones. We implemented 22 projects³ and exceeded our 2023 targets by more than 45%. They ranged from responding to catastrophic events (earthquake in Turkey, floods in Greece) to more systematic issues like local plastic pollution (Italy, Japan, USA, Philippines), supporting the restoration of biodiversity (Indonesia), as well as educational workshops in India and meeting basic needs in Senegal, Cameroon and South



Africa. Closer to our core competency, we have partnered with Mercy Ship to help them reduce costs by providing free service support.

➤ Next steps

In 2024, we aim to double our 2022 target and reach 30 projects. The following years will also see an increase in similar projects in other locations to reach more than 100 projects in 2027 and meet our target of organizing at least one giving-back-to-the-community project annually in each local unit by the end of 2027.

- 1 In some countries, the staff is working at customer site and/or their position require their presence at the service stations.
- 2 The gender pay gap assessment occurred in three countries (Switzerland, China and USA). These countries were selected because they represent a critical mass of employees, roles and function allowing comparison between gender. The chosen methodology for Switzerland is defined by Swiss law. For USA and China, there is no such requirement, therefore we applied an internal methodology considering total salaries and short-term incentives as well as the internal grading system to identify which positions to compare. If there was an unadjusted pay gap identified (based on a 5% threshold), further investigation was performed to identify the explained the pay gap and adjusted pay gap.
- 3 More information on the projects can be found in the appendix.

Governance at Accelleron

Building a strong governance framework

Sustainability is a key part of the Company strategy and, as such, an elementary responsibility of the BoD. The Nomination and Compensation Committee (NCC) of the BoD is working closely with management to prepare the strategic discussions and decision-taking by the BoD.

As of November 2023, the CEO is supported by a newly created Sustainability Committee, consisting of several senior management members: CFO, CEO, CHRO/CSO, VP Communications, VP Value Chain, General Counsel and VP Strategy & Investor Relations. These functions meet on a regular basis to ensure a swift collaboration and coordination between all departments as well as ensuring an effective communication with the NCC and BoD.

The EC members are responsible for implementing the sustainability strategy and cascading targets and measures throughout the organization. They assign responsibilities and review progress. The CEO and EC are further supported by a designated Global Health, Safety and Environment team (HSE) and a Sustainability Manager that reports to the Chief Human Resources and Sustainability Officer (CHRSO), a member of the EC. Each employee in the Company eligible for the global short-term incentive plan has at least one yearly sustainability target (outlined in the section [employee learning and development](#) on page 48).

Information on the following additional governance-related topics can be found in the corporate

governance report on page 53: BoD and EC description, BoD and EC remuneration, BoD and EC biographies, diversity, accounting and tax disclosure, internal policy statement, shareholder rights.

Code of Conduct

Our Accelleron Code of Conduct (CoC) is the cornerstone of our commitment to upholding integrity in all areas. It applies globally to all our people including in consolidated joint venture companies. A dedicated Supplier CoC applies to our suppliers and other business partners. For further information, please refer to section [supply chain](#).

The CoC establishes fundamental principles of behavior concerning the following areas: communication, conflict of interest, anti-money laundering, antitrust, fair employment, diversity and inclusion, trade compliance, health and safety, human rights, anti-bribery and corruption, inside information, intellectual property, data privacy and working with suppliers. The CoC is available on our website and an extended internal version that includes practical guidance and examples is accessible on the legal and integrity (L&I) intranet page.

We have a strict zero-tolerance policy towards any illegal behavior or breaches of the CoC and take the appropriate disciplinary and legal actions when this occurs. The CoC also sets out how our employees, contractors and any stakeholders can report any concerns of wrongdoing via the various channels,

including an anonymous ethics reporting hotline (which is also in line with the relevant EU directive). For more details, refer to section reporting misconduct below.

We delivered a comprehensive e-learning campaign to ensure understanding and acknowledgment of the Code of Conduct by all our employees; the BoD also completed the training module. By end of 2023, over 95% of our employees globally completed the e-learning. Training for those employees who are technically unable to access e-learning modules is conducted by way of tailored classroom training sessions and a subsequent written acknowledgment of the Code of Conduct. In November 2023, we launched an e-learning module on trade compliance to a global target audience. For the e-learning on anti-corruption, see the section anti-corruption below. E-learning courses on antitrust and data privacy are scheduled for 2024.

Anti-corruption

To address challenges posed by different operational environments in the 50 countries we are present, Accelleron implemented a robust set of measures to address and mitigate potential anti-corruption risks and uphold the highest ethical standards globally. These include a comprehensive anti-corruption policy, an externally operated business ethics reporting tool empowering employees and third parties to report concerns confidentially (see section [supply chain](#)), a supplier registration and qualification policy, and a corruption risk assessment covering our customers and sales channels.

The anti-corruption policy provides comprehensive guidelines across critical areas, encompassing gifts, travel and hospitality (GTH), facilitation payments, political contributions, sponsorship and donations, conflicts of interest and third-party management. Addressing high-risk areas like GTH and conflicts of interest, the Accelleron integrity app allows employees to register and request pre-approval for GTH provided and received, and situation involving



conflicts of interest. The policy underscores our strong stance against corruption, emphasizing our commitment to fostering a culture of ethical conduct and transparency within Accelleron.

The Accelleron's supplier registration and qualification policy mandates that each supplier provides specific information for a comprehensive risk assessment, with a specific focus on anti-corruption risks. For more information, please refer to section [supply chain](#).

Because our operating model foresees direct sales both in products and in services business, we have limited exposure to the elevated corruption risks resulting from selling via agents or other intermediaries. To mitigate residual risks, external sales partners, and in a limited number of countries also direct customers, undergo a due diligence process which we have taken over from our former parent. Additional corruption exposure results from our Service division's global footprint, operating also in countries with increased corruption risks, and from the fact that many of our service customers are state-owned enterprises. This is the reason we placed high emphasis on our anti-corruption related processes and respective awareness training.

In 2023, the five members of the global Legal & Integrity team delivered numerous classroom trainings sessions (face-to-face, remote and hybrid) to various audiences on corruption prevention and related processes, as well as on reporting channels and the internal investigation and disciplinary procedures.

➤ Next steps

In addition to continuing our classroom trainings sessions, Accelleron launched a mandatory global anti-corruption e-learning program for all employees (excluding factory workers) in February 2024 to underscore our clear stance on anti-corruption.

Our strategic plan for 2024 includes conducting enhanced risk assessments on integrity topics across the organization and reviewing and adapting risk-based due-diligence processes for business-partner onboarding and their periodic reviews, taking into account specific red flags.

Respecting human and labor rights

At Accelleron, we are committed to respecting human rights and preventing any involvement in human rights violations. We adhere to the highest standards of human rights, as set out by the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions on Labour Standards, and other relevant national and international frameworks. In 2023, we joined the UN Global Compact, reaffirming our support for its ten principles on human rights, labor, environment and anti-corruption.

We expect our suppliers, contractors and other business partners to share our values and comply with similar standards in their operations and practices. We pay special attention to working hours and conditions, discrimination and equality, child labor, fair wages, compulsory or forced labor and modern slavery. We respect the rights of our employees to freely associate and participate in unions.

We conducted human rights risk assessments across our operations and supply chain in 2022. For more information, please refer to section [supply chain](#).

In 2022, almost all our country managing directors, heads of operations and service sales organizations have been trained in human and labor rights. Additionally, all employees in a leadership position in procurement have been trained. Detailed information on supply chain can be found in the section [supply chain](#).

Reporting misconduct

We are dedicated to a culture where employees and stakeholders are encouraged to report any potential breaches of the CoC or the law without any fear of retaliation. Our leadership teams are accountable for establishing and fostering an environment that prioritizes integrity and promotes a positive tone throughout the organization. We will not tolerate retaliatory action against an employee who reports concerns in good faith. Misconduct can be reported through various channels, including anonymously, such as by way of an externally-run website, by telephone, through post or an email to the Integrity Office. Our organization has a well-established process in place for receiving and assigning all such cases to a designated investigator. Based on the nature of each case, external investigators are hired to support internal investigators when necessary, and appropriate disciplinary measures and other remedial actions are taken. Furthermore, the "lessons learned" are compiled and shared for awareness and training purposes where appropriate.

In 2023, Accelleron received a total of 13 case reports through our ethics reporting channels. Among these, eight cases were found unsubstantiated, one was found substantiated and four remained open for further investigation in 2024. Most of the reported cases were categorized as low severity. One case related to undue payments in connection with a trade fair, which, however, was found unsubstantiated following investigation. The one case substantiated in 2023 pertained to a line manager's workplace respect and fairness behavior, which was successfully resolved as a result of a disciplinary procedure.

➤ Next steps

As part of our Integrity awareness campaign, consisting of e-learning courses on various topics (Code of Conduct, corruption, trade compliance, antitrust, data privacy) as well as classroom trainings sessions, we continue to ensure awareness of our employees regarding key integrity topics, and we will place particular emphasis on our various ethics reporting channels, including how we secure anonymity, the internal investigations and disciplinary procedures in order to foster employee trust and comfort to speak up.

Risk management

Accelleron aims to identify risks and opportunities early and respond effectively. Relevant risks for the Company relate to geopolitical challenges, cyber security and supply-chain challenges. We continue to be committed to firmly embedding risk-based thinking across the entire organization. The Accelleron approach to risk management considers both enterprise and operational risk. The approach to managing risk is based on the recognized international standard (ISO 31000) and has been developed (and continues to evolve) in line with industry expectations.

Crisis management

In the event of a crisis, response teams and plans are in place across the organization. Crisis management is organized locally and supported by the interdisciplinary Business Resilience Group established during 2023. The role of this group is to guide, advise and assist local crisis teams as required, providing wider expertise and insights. Additionally, crisis response teams are available at the headquarters level.

➤ Next steps

We will continue to work on consolidating Accelleron's approach to risk management under a harmonized framework in 2024.



09

Appendix – Sustainability report

Appendix data excludes OMT.



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Human Resources

Employment

Theme	Unit	2022 data	2023 data	Explanation
Total number of employees	-	2,422	2,519	valid as from 12/31/2023
Percentage of full-time employees	%	92.9	93.0	valid as from 12/31/2023
Percentage of part-time employees	%	7.1	7.0	valid as from 12/31/2023
Rate of employees with a regular contract	%	-	97	valid as from 12/31/2023
Rate of employees with a fixed-term contract	%	-	3	valid as from 12/31/2023
Rate of new employees hired	%	19.4	13.4	valid as from 12/31/2023
Rate of new employees hired by age group (<25)	%	11.9	15.4	valid as from 12/31/2023; 2022 data methodology calculation has been adjusted with the same methodology as 2023 for better transparency of the reported data
Rate of new employees hired by age group (25-34)	%	48.5	41.8	valid as from 12/31/2023; 2022 data methodology calculation has been adjusted with the same methodology as 2023 for better transparency of the reported data
Rate of new employees hired by age group (35-44)	%	23.7	31.6	valid as from 12/31/2023; 2022 data methodology calculation has been adjusted with the same methodology as 2023 for better transparency of the reported data
Rate of new employees hired by age group (45-55)	%	12.4	8.1	valid as from 12/31/2023; 2022 data methodology calculation has been adjusted with the same methodology as 2023 for better transparency of the reported data
Rate of new employees hired by age group (>55)	%	3.6	3.1	valid as from 12/31/2023; 2022 data methodology calculation has been adjusted with the same methodology as 2023 for better transparency of the reported data
Tenure in the Company	Years	10.7	10.5	valid as from 12/31/2023
Amount of worked hours	Hours	4,844,000	5,038,000	valid as from 12/31/2023

Employee benefits by significant locations

Theme	Unit	2022 data	2023 data	Explanation
Private savings contribution	-	-	-	The Swiss facility offers special conditions for their third pillar pension (3A) whereby every employee can contribute up to CHF 15,000, Accelleron adds up 3 percentage points of the interest.
Stock ownership plan	-	-	-	Global: Stock ownership plan is not applicable. LTI Plan provision for top management position (Grade 1 to 7).
Variable performance-based component to pay	-	-	-	Global: All categories of employees, except intern, trainees and apprentices, are entitled to either STIP or Local/Sales incentives - as relevant to country eligibility rules.
Define significant location	-	-	-	Significant locations are locations which represent the vast majority of our employee base. China, Switzerland and USA represent more than 50% of our total employee baseline.
Collective bargaining	-	-	-	The following locations have a collective bargaining agreement: India, Singapore, Brazil, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland. These countries represent 59% of the total Accelleron workforce without OMT.
Other benefits specific to Switzerland	-	-	-	CH: Employees have access to a child day-care at a reduced price and Accelleron paid the equivalent of CHF 230,000 in 2023 to sponsor this price reduction. Accelleron offers a fee reduction (10%) at specific health-insurance providers and a price reduction for GPs. Partnership with car dealers allow our employees to have extra price reduction on top of the proposed reduction (13-20%). Accelleron's "Unterstützungsfond" (support fond) is a fund providing support for employees and other beneficiaries in need of support. 80 persons were helped in 2023.

Parental leave

Theme	Unit	2022 data	2023 data	Explanation
Total number of employees that were entitled to parental leave in significant locations (USA, China and Switzerland)	-	1,155	1,184	-
Total number of female employees that were entitled to parental leave in significant locations (USA, China and Switzerland)	-	184	188	-
Total number of male employees that were entitled to parental leave in significant locations (USA, China and Switzerland)	-	971	996	-
Total number of employees that took parental leave in significant locations (USA, China and Switzerland)	-	46	49	-
Total number of female employees that took parental leave in significant locations (USA, China and Switzerland)	-	6	8	-
Total number of male employees that took parental leave in significant locations (USA, China and Switzerland)	-	40	41	-
Total number of employees that returned to work in the reporting period after parental leave ended in significant locations (USA, China and Switzerland)	-	45	48	-
Return to work rate of employees that took parental leave in significant locations (USA, China and Switzerland)	%	99.2	99.2	-
Retention rate of employees that took parental leave in significant locations (USA, China and Switzerland)	%	99.2	99.2	-

Training and education

Theme	Unit	2022 data	2023 data	Explanation
Total training hours for service engineers	Hours	4,856	6,192	-
Average training hours per year per service engineer	Hours/service engineer per year	36.8	35.4	-
Percentage of employees receiving a performance review and career development review	%	>95	96.4	-
Percentage of female employees receiving a performance review and career development review	%	>95	96.8	-
Percentage of male employees receiving a performance review and career development review	%	>95	97.5	-
Percentage of management receiving a performance review and career development review	%	>95	>95	-
Percentage of non-management receiving a performance review and career development review	%	>95	>95	-

Diversity and equal opportunity

Theme	Unit	2022 data	2023 data	Explanation
Share of females on Board of Directors	%	33	33	Accelleron has surpassed the gender quota requirements for Swiss corporate law on its BoD
Share of females on Executive Committee	%	14	14	-
Share of females in management positions	%	16	16	Definition of management: senior and middle management
Share of females in senior leadership positions	%	21	20	Senior leadership position refers to people who directly report to Executive Committee members and/or are is Country Managing Directors
Share of females in the overall company	%	15	17	-

Integrity

Anti-corruption

Theme	Unit	2022 data	2023 data	Explanation
Risk assessment related to anti-corruption	-	yes	Non-applicable (NA)	In 2024, a distinct integrity risk assessment will be conducted, with a particular emphasis on anti-corruption and related topics. The assessment results will be taken into consideration in the evolution of our approach to prevent, detect and resolve integrity concerns.

Code of Conduct

Theme	Unit	2022 data	2023 data	Explanation
Total number of governance body members and EC members to whom Accelleron's Code of Conduct has been communicated	-	13	13	The six members of the BoD and the seven members of the EC have had the CoC communicated to them.
Percentage of governance body members to whom Accelleron's Code of Conduct has been communicated	%	100	100	The six members of the BoD and the seven members of the EC have had the CoC communicated to them.
Percentage of employees to whom Accelleron's Code of Conduct has been communicated	%	100	>95	All our employees were included in a mandatory e-learning course on our Code of Conduct, which includes a learning test and an explicit acknowledgment to abide by the CoC.

Confirmed incidents of corruption and actions taken

Theme	Unit	2022 data	2023 data	Explanation
Total number of confirmed incidents of corruption	-	3	0	In 2023, Accelleron did not identify any confirmed incidents of corruption. No lawsuits for anti-corruption were pending or concluded. One reported incident could not be substantiated during internal investigation.
Nature of confirmed incidents of corruption	-	-	NA	-
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	-	2	0	-
Total number of confirmed incidents where contracts with business partners were terminated or not renewed due to violations related to corruption	-	1	0	-
Public legal cases regarding corruption brought against Accelleron or its employees during the reporting period and the outcomes	-	0	0	-

Anti-competitive behavior

Theme	Unit	2022 data	2023 data	Explanation
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violation of antitrust and monopoly legislation in which Accelleron has been identified as a participant	-	0	0	Our CoC requires Accelleron to compete fairly, protect confidential information and be mindful of antitrust risks. Adherence to competition and antitrust laws is mandatory in all business dealings. The Code offers actionable guidelines, such as instructing our staff not to share commercially sensitive information in contravention of competition laws, and to be vigilant when participating in trade associations. There were no cases and there are no pending legal actions on anti-trust.
Main outcome of completed legal actions including any decision or judgments	-	NA	NA	-



Non-discrimination

Theme	Unit	2022 data	2023 data	Explanation
Total number of discrimination cases reported	-	1	2	-
Status of the incidents and actions taken with reference to the following: A) Incident reviewed by Accelleron B) Remediation plan being implemented C) Remediation plan has been implemented with results reviewed through internal management review process D) Incident no longer subject to action	-	-	Incident no longer subject to action	Discrimination is understood as unequal or differential treatment that disfavors an individual or a group and that is based on origin, ethnicity, race or nationality, belief or gender. The two reported cases were investigated, however the allegations could not be substantiated.

Public policy

Theme	Unit	2022 data	2023 data	Explanation
Total monetary value of financial and in-kind political contributions made directly and indirectly by Accelleron by country and recipient	-	0	0	Accelleron is part of various industrial associations which are represented at the EU level (see innovation chapter). Political contribution is explained in the anti-corruption policy. No contributions shall be made without the approval of the Legal and Integrity team. In 2023, Accelleron did not make any political contributions. More details can be found in the anti-corruption policy available on our website.

Customer privacy

Theme	Unit	2022 data	2023 data	Explanation
Total number of substantiated complaints received concerning breaches of customer privacy	-	0	0	No complaints have been reported on this issue
Total number of identified leaks, theft or losses of customers data	-	2	0	

Freedom of association and collective bargaining

Theme	Unit	2022 data	2023 data	Explanation
Operations in which the right to freedom of association and collective bargaining may be at risk:	-	12	18	Based on https://fragilestatesindex.org , the following countries represent a source of risk as they have a score of at least 55 which is the starting point of the "warning" classification: Bangladesh, Pakistan, Philippines, Thailand, Indonesia, Egypt, Cameroon, Senegal, Nigeria, Myanmar, Sri Lanka, Turkey, South Africa, Saudi Arabia, India, China, Dominican Republic, Brazil. In 2022, we considered a threshold of 80. In 2023, to be aligned with our supply chain approach, we set the limit at 55.
Measures taken to support rights to exercise freedom of association and collective bargaining	-	-	-	Our policies and Code of Conduct leave the choice for any worker of any of our operations to create any type of worker association.

Child labor

Theme	Unit	2022 data	2023 data	Explanation
Amount of operations considered to have significant risks for incidents of child labor due to country fragility index status	-	12	18	Based on https://fragilestatesindex.org , the following countries represent a source of risk as they have a score of at least 55 which is the starting point of the "warning" classification: Bangladesh, Pakistan, Philippines, Thailand, Indonesia, Egypt, Cameroon, Senegal, Nigeria, Myanmar, Sri Lanka, Turkey, South Africa, Saudi Arabia, India, China, Dominican Republic, Brazil. In 2022 we considered a threshold of 80. In 2023, to be aligned with our supply chain approach, we set the limit at 55.
Amount of operations considered to have significant risks for incidents of young workers exposed to hazardous work	-	-	-	Our young workers are not exposed to hazardous work as per our internal policies.
Measures taken by Accelleron to contribute to the effective abolition of child labor	-	-	-	Our policies and CoC explicitly express the absence of tolerance related to child labor. Our global hiring procedures require evidence of the age of the future employee, and we do not hire or work with people under the age of 18 (except apprentices). On top of that, all our employee policies are aware of the regulation through the CoC. Regular visits from the management team, and human rights training sessions for the operational management team have been conducted. For more information, visit our website.



Forced or compulsory labor

Theme	Unit	2022 data	2023 data	Explanation
Amount of operations considered to have significant risks for incidents of child labor due to country fragility index status	-	12	18	Based on https://fragilestatesindex.org/ , the following countries represent a source of risk as they have a score of at least 55 which is the starting point of the "warning" classification: Bangladesh, Pakistan, Philippines, Thailand, Indonesia, Egypt, Cameroon, Senegal, Nigeria, Myanmar, Sri Lanka, Turkey, South Africa, Saudi Arabia, India, China, Dominican Republic, Brazil. In 2022 we considered a threshold of 80. In 2023, to be aligned with our supply chain approach, we set the limit at 55.
Measures taken by Accelleron to contribute to the effective abolition of forced or compulsory labor	-	-	-	The Accelleron policies and Code of Conduct explicitly express our zero-tolerance towards forced labor. On top of this, all our employees are aware of the rules and their possibility to report any abuse in an anonymous manner.

Product safety

Theme	Unit	2022 data	2023 data	Explanation
Number of incidents related to product usage	-	0	0	No occupational and/or environmental incidents were reported in 2023 during usage of our products by our customers.

Give-back-to-the-community projects

Theme	Unit	2022 data	2023 data	Explanation
Number of "Give-back-to-the-community" projects	-	2	22	According to our internal guideline, the "Give back to community" initiative at Accelleron covers all projects focused on making a positive societal impact in the regions where we operate based on the local need. The act of "giving back" entails taking action without any anticipation of receiving something in return.
Funds spend in connection with "Give-back-to-community" projects	CHF	2,500	25,989	The reported funds include monies for various activities, including the purchasing of material and equipment. This amount does not consider the value of substantial internal working hours of our employees. Within the scope of our work, we are considering both direct and indirect social projects that will have a positive impact on the daily lives of individuals, including those affected by catastrophic events.

Occupational health and safety

Management system

Theme	Unit	2022 data	2023 data	Explanation
Reports of all leading and lagging indicators used to inform management about Accelleron's health and safety performance	-	-	-	At Accelleron, we actively monitor leading indicators globally, covering proactive LET (former sustainability observation tours reported in 2022 (SOT)), dedicated for line managers and supervisors. Lagging indicators cover the LTIFR, calculated per 200,000 working hours.
Definitions of different types of work-related incidents and reporting rules	-	-	-	Accelleron incident classification is in line with US OSHA rules and the reporting system covers the following categories: near miss, first-aid incident, medical treatment incident, restricted work-day incident, lost-time incident, serious-injury incident (high-consequence work-related injury), workplace fatalities. EXCLUSIONS: incidents that happened during commutes* are reported but not considered as work-related and are not recordable. *Commutes – Accelleron employees and/or contractors traveling to or from their place of work and not undertaking any work-related activities, with the exception of when the transportation agent is a contractor to Accelleron. Reporting rules: all work-related environmental, health, safety and security incidents are immediately reported to the line manager. Based on the incident severity, the line manager initiates incident communication following Accelleron's Incident Reporting Guidance and deadlines. The incident is then reported in the global reporting tool within 48 hours.
Total amount of LET	-	1,624	2,015	Total amount of all LET conducted by the line managers in the organization (manager with at least one direct report).
Define LET	-	-	-	LET – Learning and Engagement Talk: HSE-focused dialog between employee(s) and line manager. Its objective is to understand what works well and what makes the work of employees difficult. LETs are an opportunity to focus on feedback from the employee on how certain activities are performed, engage employees in discussion on work practices and improve them.
Percentage of sites ISO 45001 certified	%	70	46	The decrease of sites being certified is due to the transition period between the ABB certification system and the ongoing approach to have a global certification system. The Swiss and the Chinese manufacturing sites are certified in accordance with ISO 45001, as well as several service stations.
Percentage of sites ISO 14001 certified	%	57	29	The decrease of sites being certified is due to the transition period between the ABB certification system and the ongoing approach to have a global certification system. The Swiss and the Chinese manufacturing sites are certified in accordance with ISO 14001, as well as several service stations.
Number of sites ISO 50001 certified	-	1	2	The Chinese manufacturing site and the Greek site are certified in accordance with ISO 50001.
Description of the process to identify work-related hazard and assess risks on a routine and non-routine activities and to apply the hierarchy of controls including how Accelleron ensure quality of these processes and the competences. Explain how the results of these processes are used to evaluate and improve the OHS management system	-	-	-	Key process at Accelleron regarding hazard identification and risk control are defined within globally implemented HSE Management System and cover: hazards reporting and resolving, business level HSE risk register, activity-based risk assessment for own operations and last-minute risk assessment executed prior to starting the service job on customer site. The quality of those processes is ensured through: regular performance review, data sanity checks, delivery of specialist trainings, regular workplace inspections including control measures applied and various quality controls done by line managers. Relevant results are analyzed globally through collection of local management review results, data analytics (incidents, non-conformities, hazards trends, etc.), focused feedback loops, etc. Results are used to further improve the relevant safety standards, procedures and processes, contributing to improved HSE performance.



Management system

Theme	Unit	2022 data	2023 data	Explanation
Explain the "Stop work authority"	-	-	-	All Accelleron employees and contractors are authorized to apply stop work authority. They are expected to stop work whenever they believe a situation may be immediately dangerous to life and health of themselves or others, and/or result in a significant environmental damage and/or where product is at risk of damage. All stop work events shall be reported and investigated (with root cause analysis performed) regardless of the outcome. In 2023, we standardized and enforced the procedure across our operations.
Describe the process to investigate work-related incidents	-	-	-	All verified incidents and near misses shall be investigated. Incident investigation level and technique to be used are defined based on the incident severity and focus thoroughly on root cause analysis (RCA). The investigations are undertaken by trained and qualified employees. Regular investigation checks are performed to ensure focus on investigation quality, operational leadership and availability of the resources and support required for the investigation. The investigation process includes Investigation kick-off, RCA review and final incident close-out meeting led by the Operations Senior Leaders and supported by Global Investigation Expert.
Describe the process for worker participation and consultation in the development, implementation and evaluation of Accelleron OHS management system and for providing access to and communicating relevant information to workers	-	-	-	Employee consultation and participation is promoted through maintaining committees, Learning & Engagement talks, focus groups, safety briefings, toolbox talks, feedback loops and the use of visual communication means. Accelleron communicates all relevant HSE information through various channels, including regular global HSE calls, Country Managing Directors call and HSE Community calls. Relevant information is then cascaded down to the local employees as per local communication plans. In 2023, at Accelleron we held the first safety month event in November.

Health

Theme	Unit	2022 data	2023 data	Explanation
Explanation on access to health services related to non-occupational medical and healthcare services and the scope of access provided	-	-	-	<p>Accelleron partners with the third party "International SOS" to provide travel, medical and security advice and assistance to employees on international travels and work assignments. Assistance centers offer services and advice within these categories related to health:</p> <ul style="list-style-type: none"> • Epidemics/pandemic • Illnesses and injuries (cooperation with the hospitals, clinics) • Local condition in the country of destination (e.g. air quality, water potability, etc.) • Personal well-being (depression, psychological problems, stressful situations) <p>International SOS also provides e-learning for travel-related health topics like:</p> <ul style="list-style-type: none"> • Medical travel risk awareness • Stress management • Safe food and water • Tips for working from home • Emotional resilience <p>In 2023, over 2,700 notification emails were sent by our partner to international travelers to inform them about security and medical risks in their destination country. We have 397 Assistance app users, which is approx. 60% of all international travelers that use the services proactively. There were 14 assistance cases when our partner provided help to the travelers to ensure their well-being.</p>



Health

Theme	Unit	2022 data	2023 data	Explanation
Description of any voluntary health promotion services and programs offered to workers to address major non-work related health risks in significant location	-	-	-	<p>Globally, Accelleron employees have access to an Employee Assistance Program. This tool is led by HR. The tool provides mental health assistance, and it helps employees to cope with a current life challenge, preparing for a new life experience, personal or work-related experiences. In the year 2023, there were 23 cases handled via EAP related to health risks and queries like stress, anxiety, relationships, anger issues, etc.</p> <p>On top of that, there exists a fitness program where several classes per week are available online.</p> <p>In 2023, Accelleron does not have full coverage for all its locations on this KPI but has information on its two manufacturing sites based in China and Switzerland.</p> <p>The Chinese site offers the following activities:</p> <ol style="list-style-type: none"> 1. Well-being and resilience training for new employees, led by HSE Advisor 2. Continue EAP (workplace options), led by HR 3. Community game in Chongqing, led by labor union 4. Sports promotion, led by labor union 5. Continue ergonomics initiations both on the shop floor and office (power/hand tool improvement, backpack), led by the supervisors 6. Ergonomics project for PEP packing line, led by OPS 7. Continue annual employee medical checks, led by HR 8. Health guide & review for outing, led by HSE 9. Health advice and knowledge sharing via company WeChat, led by HSE <p>The Swiss site offers the following activities:</p> <ol style="list-style-type: none"> 1. Resilience Training led by medical staff from a Medical services supplier (available to all Accelleron employees globally) 2. Ergonomics training and ergonomics walks and checks led by the medical service provider and HSE Advisor 3. Fitness program – several classes per week (on-site and online) e.g. yoga, pilates, online courses available on the provider's website; several on-site workshops per year e.g. "Ready to Ski", "Bike to Work" 4. Free seasonal flu vaccinations for employees 5. Health campaigns: "Mental health First Aider – ENSA" "Mental health training for team leaders and managers", International SOS sessions with medical professionals on "Dealing with mental health issues" – separately for Managers and all employees 6. Fruit day – fresh fruit available for employees in lunch and coffee areas <p>Additionally, during Accelleron Safety Month, the following health-related sessions were run across the Company:</p> <ol style="list-style-type: none"> 1. Mental health webinar – a total of 185 participants 2. Resilience awareness session - a total of 153 participants



Safety

Theme	Unit	2022 data	2023 data	Explanation
Number of fatalities				
Employees	-	0	0	No case was reported in 2023
Contractors	-	0	0	No case was reported in 2023
Number of serious injuries				
Employees	-	0	1	Finger injury resulted in a partially finger amputation
Contractors	-	0	0	No case was reported in 2023
Number of lost-time incidents				
Employees	-	11	13	-
Contractors	-	0	0	-
LTIFR (employees only)	-	0.46	0.52	Lost-time incident frequency rate (LTIFR) – calculated by finding the total number of lost-time incidents per 200,000 hours worked over a certain period.
Main types of work-related injuries (employees only)	-	-	-	Nature of our work, where the at-risk workforce work manually, the majority of workplace lost-time injuries relate to fingers and hands during manual/power tool operations.
Number of recordable incidents				
Employees	-	17	18	-
Contractors	-	0	0	-
TRIFR (employees only)	-	0.71	0.71	Total recordable incident frequency rate (TRIFR) – calculated by finding the total number of recordable incidents (fatalities, serious incidents, lost-time incidents, medical treatments, restricted work-day cases, occupational diseases) per 200,000 hours worked over a certain period.
Number of recordable work-related ill health cases				
Employees	-	0	0	No case was reported in 2023
Main types of work-related ill health	-	-	-	Non-applicable



Environment

Energy

Theme	Unit	2022 data	2023 data	Explanation
Total energy consumed	Gigajoule	135,400.7	126,189.6	-
Total amount of electricity consumed	Gigajoule	82,939.7	77,704.1	-
Total amount of oil consumed	Gigajoule	22,894.6	20,396.4	-
Total amount of gas consumed	Gigajoule	6,897.7	8,662.3	-
Total amount of coal consumed	Gigajoule	0.0	0.0	-
Total amount of district heating consumed	Gigajoule	23,468.6	18,266.3	-
Total amount of electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	Gigajoule	60,318.1	56,783.0	-
Total amount of conventional electricity	Gigajoule	22,618.5	20,917.5	-
Total amount of electricity generated on-site by solar panels	Gigajoule	49.5	55.3	-
Total amount of energy consumed per working hour	Gigajoule/hour	0.03	0.03	-
Number of sites supplied with electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	-	19	23	-
Share of sites supplied with electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	%	22.9	27.7	-
Share of electricity from renewable sources (wind, sun, geothermal, water, biomass) and low carbon (nuclear)	%	70.0	73.1	-



Water

Theme	Unit	2022 data	2023 data	Explanation
Percentage of reporting sites in areas of waster scarcity	%	50	50	-
Percentage of water withdrawal from areas of water scarcity in comparison to total amount of water withdrawn	%	8.8	15.0	-
Define water scarcity area	-	-	-	Area rated at least "high" by WRI Aqueduct website in regards to physical risk quantity parameter
Total amount of withdrawal	Cubic meter	379,227.0	183,109.0	-
Total amount of water withdrawal from third parties	Cubic meter	71,126.0	56,966.3	-
Total amount of water withdrawal from sea	Cubic meter	0	0	-
Total amount of water withdrawal from groundwater	Cubic meter	84.0	3,301.0	-
Total amount of water withdrawal from surface water	Cubic meter	308,005.0	122,622.0	-
Total amount of water used	Cubic meter	379,215.0	182,889.3	-
Total amount used for industrial purposes	Cubic meter	341,150.0	153,802.6	-
Total amount used for domestic purposes	Cubic meter	38,065.0	29,306.5	-
Total amount of water released directly to surface	Cubic meter	308,005.0	122,622.9	-
Total amount of water consumed	Cubic meter	3,407.9	120.1	-
Total amount of water used for cooling purposes without interfering with chemistry and physical characteristics	Cubic meter	312,565.5	122,983.0	-
Amount of rain water collected	Cubic meter	1,503.0	1,878.0	-
Total amount of water withdrawn per working hour	Cubic meter/hour	0.08	0.04	-
Percentage of site equipment with primary water treatment	%	59	59	-
Percentage of site equipment with secondary water treatment	%	18	18	-
Percentage of site equipment with tertiary water treatment	%	0	0	-

Waste

Theme	Unit	2022 data	2023 data	Explanation
Total amount of waste	Ton (metric)	3,530.2	4,188.2	-
Total amount of non-hazardous waste	Ton (metric)	2,984.0	3,647.3	-
Total amount of hazardous waste	Ton (metric)	553.7	541.7	-
Total amount of waste recycled	Ton (metric)	2,651.2	3,187.9	-
Total amount of waste disposed	Ton (metric)	879.0	998.0	-
Thereof total amount of waste going to landfill	Ton (metric)	169.7	291.1	-
Thereof total amount of waste going to landfill	Ton (metric)	356.9	399.4	-
Thereof total amount of waste going to third option	Ton (metric)	352.5	302.0	-
Total amount of non-hazardous waste recycled	Ton (metric)	2,440.3	2,922.4	-
Total amount of non-hazardous waste disposed of	Ton (metric)	545.2	725.5	-
Thereof total amount of non-hazardous waste going to landfill	Ton (metric)	349.0	291.1	-
Thereof total amount of non-hazardous waste going to incineration with energy recovery	Ton (metric)	169.0	399.4	-
Thereof total amount of non-hazardous waste going to incineration without energy recovery	Ton (metric)	27.3	5.4	-
Total amount of hazardous waste recycled	Ton (metric)	221.6	265.5	-
Total amount of hazardous waste disposed of	Ton (metric)	332.1	276.2	-
Total amount of waste generated per working hour	Ton (metric)/hour	0.001	0.001	-



Volatile organic compounds (VOC)

Theme	Unit	2022 data	2023 data	Explanation
Total amount of VOC emissions	Ton (metric)	3.5	3.6	-

Environmental incidents

Theme	Unit	2022 data	2023 data	Explanation
Total number of significant environmental incidents	-	0	0	<p>Significant environmental incident (recordable) – an environmental incident is regarded as significant if at least one of the following criteria applies to the incident:</p> <ol style="list-style-type: none"> 1) Accelleron is obliged to inform local authorities or a governmental agency about the incident and/or regulatory violation; 2) an inspection by an environmental agency results in a formal complaint; 3) Accelleron receives an environmental notice of violation, a consent order or a potential responsible party notification; 4) Accelleron receives a penalty or a fine; 5) someone is injured or affected due to the incident, or there is a significant impact on an ecosystem; 6) costs related to the incident exceed, or may exceed, USD 10,000; or 7) the incident is likely to bring media attention, or in some other way harm Accelleron's reputation

Supply chain

Spend and definition

Theme	Unit	2022 data	2023 data	Explanation
Percentage of direct material third party spend for the Swiss factory that is spend on local suppliers	%	90	85	The share represents the spend from the Swiss factory to European suppliers.
Percentage of direct material third party spend for the Chinese factory that is spend on local suppliers	%	73	88	The share represents the spend from the Chinese factory to Chinese suppliers.
Define "local"	-	-	-	The supplied goods are bought by the Swiss and Chinese manufacturing sites solely. Accelleron internally defines a local supplier for the Swiss site as a supplier based in Europe except Turkey and Russia. Accelleron defines a local supplier for the Chinese site as a supplier based in China.
Define "significant location"	-	-	-	The Swiss and Chinese sites are considered as significant locations because they represent the vast majority of our population (55%) and it is where the supplied goods are mainly supplied in terms of spend.

Supplier environmental issue

Theme	Unit	2022 data	2023 data	Explanation
Percentage of new direct material suppliers that went through a supplier environmental qualification questionnaire	%	100	100	All new direct material suppliers must go through a questionnaire including environmental topics related to their operations and their GHG emissions. Due to carve-out reasons, historical data is not available.
Number of suppliers having incidents related to environment	-	0	0	No incidents reported in 2023.

Freedom of association and collective bargaining in supply chain

Theme	Unit	2022 data	2023 data	Explanation
Percentage of direct material supplier spend where potential risk related to "Freedom of association and collective bargaining" could occur in high risk area and provide the list of countries	%	28	30	High-risk countries are: China, India, Turkey, Vietnam, Russia (de-sourcing of Russian supplier in progress). We used Fragile State Index and set the threshold at 55 corresponding to the "warning" level. The 2022 initial reported number was 7% because it was based on a number of suppliers. To better reflect the risk level, we changed the calculation. The percentage indicates a ratio of global direct third-party spend at direct material suppliers in defined countries vs. total direct third-party spend.
Provide the measures to support rights to exercise freedom of association and collective bargaining	-	-	-	Accelleron has a specific supplier CoC ensuring its suppliers allow their workforce to have collective bargaining and freedom of association. Accelleron considers this aspect in the on-boarding risk evaluation and it is also covered by the supplier audit process.



Child labor in supply chain

Theme	Unit	2022 data	2023 data	Explanation
Percentage of direct material suppliers where potential risk related to "child labor" could occur in high-risk area and provide the list of countries	%	28	30	High-risk countries are: China, India, Turkey, Vietnam, Russia (de-sourcing of Russian supplier in progress). We used Fragile State Index and set the threshold at 55 corresponding to the "warning" level. The 2022 initial reported number was 7% because it was based on a number of suppliers. To better reflect the risk level, we changed the calculation. The percentage indicates a ratio of global direct third-party spend at direct material suppliers in defined countries vs. total direct third-party spend.
Number of suppliers having incidents related to child labor	-	0	0	No incidents reported in 2023.
Measures taken by Accelleron to contribute to the effective abolition of child labor	-	-	-	Accelleron has a specific supplier CoC forbidding the use of child labor, a contract summarizing the obligation related to the absence of child labor, 34 process audits performed globally in 2023 as well as several supplier visits.

Forced labor in supply chain

Theme	Unit	2022 data	2023 data	Explanation
Percentage of direct material suppliers spend where potential risk related to "forced labor" could occur in high-risk area and provide the list of countries	%	28	30	High-risk countries are: China, India, Turkey, Vietnam, Russia (de-sourcing of Russian supplier in progress). We used Fragile State Index and set the threshold at 55 corresponding to the "warning" level. The 2022 initial reported number was 7% because it was based on a number of suppliers. To reflect better the risk level, we changed the calculation. The percentage indicates a ratio of global direct third-party spend at direct material suppliers in defined countries vs. total direct third-party spend.
Number of direct material suppliers demonstrating forced or compulsory labor	-	0	0	No incidents reported in 2023.
Measures taken by Accelleron to contribute to the effective abolition of forced or compulsory labor	-	-	-	Accelleron has a specific supplier CoC forbidding the use of forced or compulsory labor, a contract summarizing the obligation related to the absence of forced or compulsory labor. 34 process audits performed globally in 2023, one sustainability audit as well as several supplier visits.

Supplier social issues

Theme	Unit	2022 data	2023 data	Explanation
Percentage of new direct material suppliers that were screened using social criteria	%	100	100	All new direct material suppliers must go through a questionnaire including social topics related to their operations. Due to carve-out reason, historical data is not available.

Supplier Code of Conduct

Theme	Unit	2022 data	2023 data	Explanation
Percentage of direct suppliers who signed our Supplier Code of Conduct including anti-corruption policies	%	100	100	Supplier means every company working in our premises or delivering goods and/or services to us

Risks related to materials

Material as per score intensity in the materiality matrix

Material topic	Risk if left unaddressed (non-exhaustive)	Action
Responsible innovation	Failure to offer products and services that align with our customers' decarbonization journeys would risk economic consequences and loss of employee engagement.	We have set a target of offering alternative fuel-ready products by 2030. We have delivered the first products on applications that will be operated on alternative fuels and commit a substantial part of our R&D resources to optimizing our products for use with alternative fuels.
Environmental impact of our products	Failure to address impacts would increase the cost of environmental externalities and the pressure on the environment, as well as failing to meet the expectations of our business partners.	We have set targets related to our GHG emissions as well as waste. Also, we are assessing targets related to energy and water.
Product quality and product safety	Failure to address quality and safety would make our products a potential source of hazard to the end-user or lead to risk of power failure.	As part of our product quality and safety strategy, targets have been set and implemented in previous years. As a result, we have already achieved a high level of risk management maturity, but we continue to identify potential opportunities for further improvement.
Employee learning, development, and well-being	Failure to develop our people would affect our business performance and employee engagement.	We developed a target related to learning and growth.
Responsible sourcing and human rights	Failure to address human rights and climate change risks in our supply chain could increase the risk of supply chain disruption in our targeted markets.	We set a target to improve supplier monitoring through an audit program in high-risk countries where we want to reduce the risk of supply chain disruption by including climate risk in their business continuity planning and better control human rights violation risks.
Ethics and integrity	Failure to address may result in breach of laws, financial consequences and reputation damage.	We have achieved a high level of maturity in the years prior to this report. While we do not set new targets in this category, we continue to identify the potential for further improvement.
Digitalization	Failure to address may result in unfulfilled potential in competitiveness and productivity.	Digital platforms are already part of our solution portfolio and are addressed as part of our business targets.
Circular economy	Our service business takes this material into account. Failure to address this would lead to a significantly lower reduction of CO ₂ footprint at our level but also the level of our customers.	We provide a concept how circularity could contribute to Accelleron's sustainability targets, further support customers while still providing a business case in line with our growth strategy.
Diversity and inclusion	Failure to address these issues can lead to lower levels of engagement, innovation, and revenue, resulting in a less attractive employer reputation and less effective talent attraction and retention.	We set a global target related to senior leadership positions.
Community engagement	Failure to address this may expose us to untapped stakeholder relationship potential, a potential bad reputation in local communities, as well as a potentially lower percentage of our local staff identifying with their employer.	We set a global target to contribute to community initiatives in a "giving back" approach.