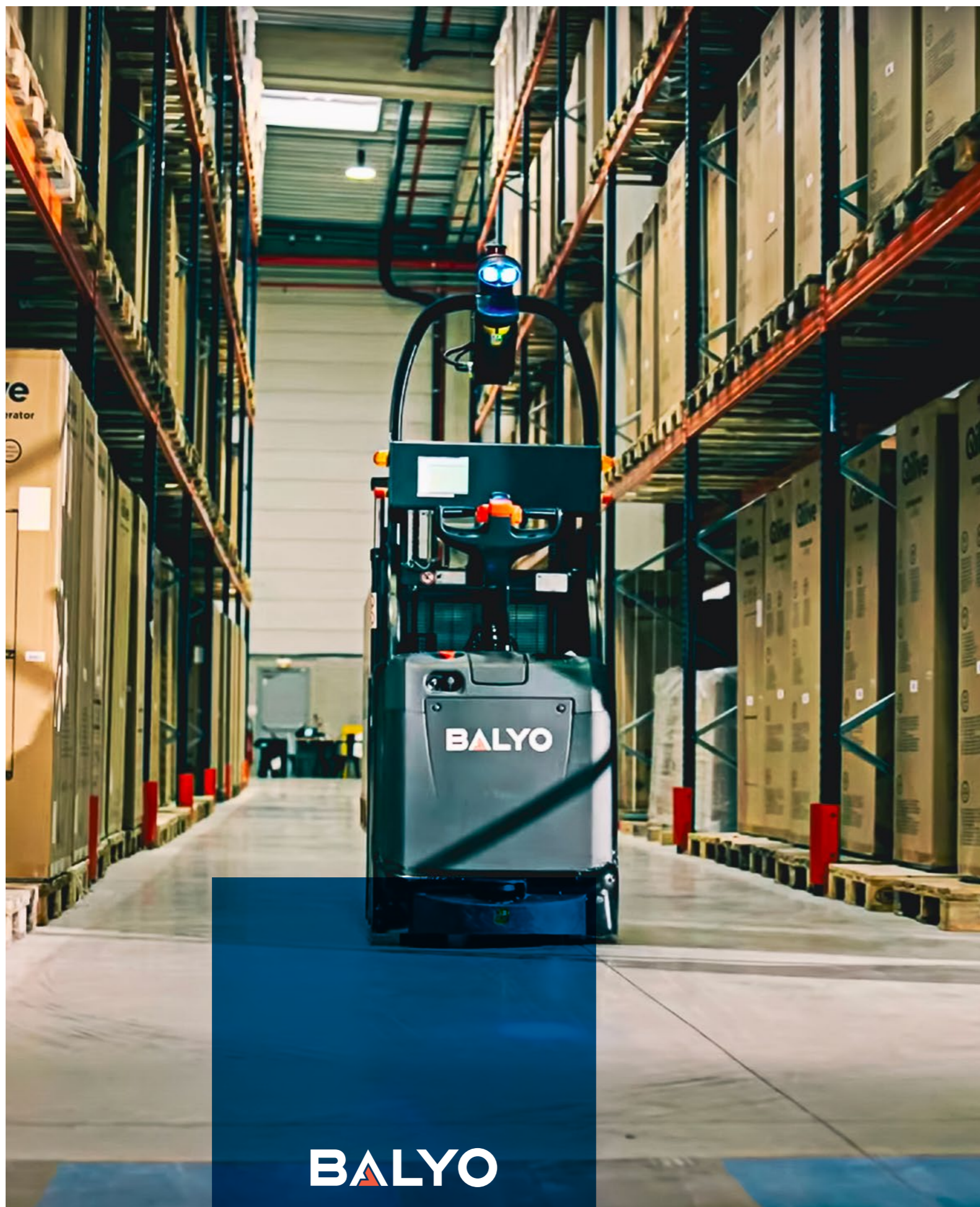




IMPACT REPORT 2023

BALYO



REACHING OUR CRUISING SPEED

This year, I am once again delighted to present the BALYO impact report. 2023 was particularly robust in terms of our impact execution and path forward as a sustainable organization. Here are a few examples:

- ▲ Three years after formalizing our approach and launching it operationally, I believe that BALYO has reached its cruising speed and now boasts a high level of maturity. The past year has shown a genuine deepening of our initiatives and the widespread proliferation of quantitative data that is essential for monitoring our actions. For example, we have introduced the EcoFreight score, which allows BALYO to obtain a detailed assessment of the CO2 emissions related to any shipment during the planning phase.
- ▲ The delay experienced in 2022 regarding HR initiatives was addressed in 2023. With this double down in focus we accelerated the recruitment of women, implemented a succession procedure to ensure uninterrupted operations, and launched a mobility plan to increase employee satisfaction and retention.
- ▲ We have successfully engaged our stakeholders in questioning our main suppliers about their own impact initiatives.

- ▲ Realistically, 2023 also brought about operational obstacles related to our desire to deepen all our actions as much as possible. The primary challenge emerged from our discussions with European steel suppliers: the decarbonized steel, which would enable us to significantly reduce our carbon footprint, will not be available on the market and accessible to BALYO for at least three years.

In 2024, I aim to enhance our six key environmental, social, and governance focuses with a 'quiet influence' strategy across our value chain. Humbly, I want to share our learnings, best practices, and the challenges encountered, along with how they were overcome, with various stakeholders in our industry. This is to contribute, at our level, to the overall effort towards sustainability. In this report you will find BALYO's monumental effort in doing our small part in the global effort towards sustainability and societal change.

Happy reading!

Pascal Rialland
Chairman & CEO



ECODESIGN

Our ambition: lead change with our first ecodesigned robot



Our 2023 achievements:

Join the Pôle éco-conception, the reference ecodesign organization in France and train BALYO's teams to conduct life cycle assessments (LCA)



Identify and assess the parts that need to undergo an LCA



20% reduction in weight of our autonomy kit for our next generation CB LOWY



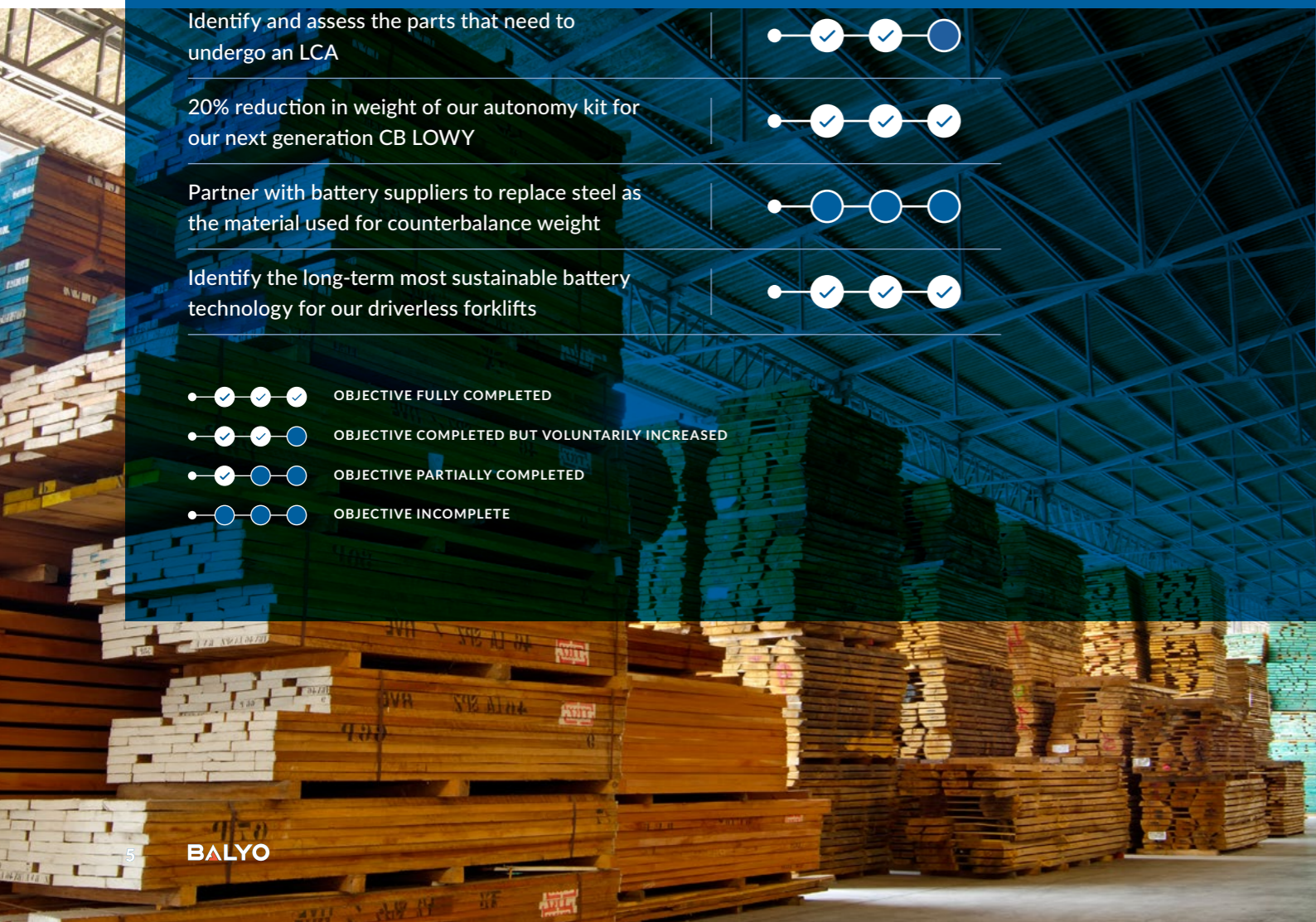
Partner with battery suppliers to replace steel as the material used for counterbalance weight



Identify the long-term most sustainable battery technology for our driverless forklifts



- OBJECTIVE FULLY COMPLETED
- OBJECTIVE COMPLETED BUT VOLUNTARILY INCREASED
- OBJECTIVE PARTIALLY COMPLETED
- OBJECTIVE INCOMPLETE



Ecodesign is gradually becoming an integral part of our development processes. In 2023, BALYO joined the Pôle Eco-conception, the leading ecodesign organization in France. To forward this effort, BALYO Mechanical and R&D teams were trained in conducting life cycle assessments (LCAs). We are currently in the process of defining the technical scope of our robots, which will serve as our historical reference data for LCAs.

company and foster an industry wide vision for what ecodesigned machines of the future could look like. Our first step in this process will be the development of a whitepaper that will explore ecodesign principles for robot engines, materials and sourcing.

Our 2024 initiatives and objectives:

Another advancement in our ecodesign approach has been the integration of weight reduction as a dedicated key performance indicator and objective. Case in point: We started on a collective effort to reduce the weight of our CB LOWY by 20%. Ultimately, we achieved a 23% decrease, starting at 202kg and reaching 155kg. We reached this fantastic feat by reducing the quantities of material used, such as replacing traditional plain steel sheets with perforated alternatives, while addressing all the mechanical constraints. To broaden our ecodesign efforts, we're currently exploring the replacement of certain metallic parts with wood, like arches and other support elements on the vehicles.

- ▲ Create a roadmap dedicated to integrating new sustainable battery technologies
- ▲ Extend the weight reduction objective to other robot models
- ▲ Finalize the definition of the technical scope dedicated to Life Cycle Assessments and carry out the initial ones
- ▲ Draft the first version of an ecodesigned robot whitepaper

In 2024, BALYO will have the opportunity to explore new directions. We aim to test lighter battery technologies with a lower environmental impact. We also plan to extend our approach beyond the company. We also plan to extend our approach beyond the



SUSTAINABLE PROCUREMENT

Our ambition: commit to an environmentally-responsible supply of parts and materials

Our 2023 achievements:

Question steel producers about the share of recycled steel supplied to BALYO via our metal parts suppliers



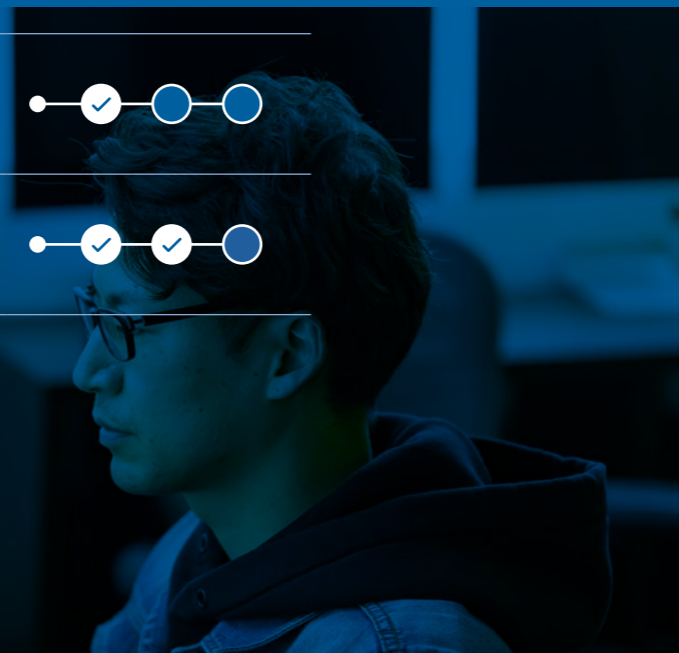
Implement an environmental data management process facilitating carbon footprint and life cycle assessment procedures



Roll out the environmental scoring of suppliers and assess BALYO's nine main partners representing 60% of its supplies in value



- OBJECTIVE FULLY COMPLETED
- OBJECTIVE COMPLETED BUT VOLUNTARILY INCREASED
- OBJECTIVE PARTIALLY COMPLETED
- OBJECTIVE INCOMPLETE



In last year's impact report, we shared that steel accounted for 91% of the greenhouse gas emissions in the BALYO robotic kit carbon footprint.

This started us on a road of exploration with our suppliers and their suppliers. Despite our investigative efforts we weren't able to gain any solid answers on the exact proportion of recycled steel integrated into our current purchases, thus hindering the refinement of data for our carbon footprint assessment.

Another investigative challenge we faced was when approaching the major European steel producers about the availability of decarbonized steel produced through hydrogen. We have learned that this technology will not be available until 2026, and will only initially be available to large companies. These conclusions have greatly influenced our ecodesign initiatives moving forward, refocusing our efforts on the exploration of alternative materials to steel and the weight reduction of our kits.

2023 was also a year of gaining a deeper understanding of the partners we work with and their impact commitment. We surveyed our top nine suppliers (representing 60% of BALYO's procurements) about five criteria: CSR policy content; carbon footprint assessment results; percentage of locally manufactured

products; environmental certifications; and waste management policy. Out of all 9 suppliers, 78% received a grade equal to or higher than the average in our evaluation system.

Last, but certainly not least, we designed a tool capable of facilitating our environmental data management. It will require further IT refinement through 2024, but it will ultimately connect our purchases, ERP system, and the environmental characteristics of our components, starting with their carbon footprint.

Our 2024 initiatives and objectives:

- ▲ Develop and deploy the environmental data management feature in our ERP system
- ▲ Update BALYO's carbon footprint assessment and determine the company's carbon emissions trajectory
- ▲ Expand the supplier scoring process and support already assessed companies in their CSR actions when necessary



SUSTAINABLE LOGISTICS

Our ambition: set the highest standards to minimize the impact of logistics, both within and outside our value chain

Our 2023 achievements:

Work closely with our road freight partner to reach a minimum loading trigger of 80%



Introduce a key performance indicator following the distance covered during the transportation of BALYO's robots, across all freight solutions, and the CO2 emissions induced



Reduce plane delivery to BALYO in Americas and Asia by 50% vs. 2022 shipments



Replace standard plastic packaging with a sustainable version and monitor the quantity that is used



Design a transportation stand that allows the stacking of masts

CANCELLED

Initiate a design project to stack autonomy kits on top of each other using the EPAL or CHEP standard pallet formats

CANCELLED

- OBJECTIVE FULLY COMPLETED
- OBJECTIVE COMPLETED BUT VOLUNTARILY INCREASED
- OBJECTIVE PARTIALLY COMPLETED
- OBJECTIVE INCOMPLETE

Our logistics experienced significant sustainability-related improvements in 2023. BALYO focused on two key areas: comprehensive planning to reduce our environmental footprint and the introduction of quantitative KPIs to track our progress more accurately.

In collaboration with our freight agent Ovrsea, we have introduced the EcoFreight score, a grading system that allows BALYO to obtain a detailed assessment of the CO2 emissions related to a shipment, including all means of transport, during the planning phase. The EcoFreight score ranges from A to E, based on the carbon intensity of a ton of merchandise transported per kilometer. In 2023, our overall score reached level C, with 27 grams of CO2 equivalent. Our objective for 2024 is to achieve a B grade by attaining a score below 25 grams. To accomplish this, we have identified our three most frequently traveled routes (from Moissy in France to Boston, Tokyo, and Singapore) and mandated the use of the least emitting transportation options available to us.

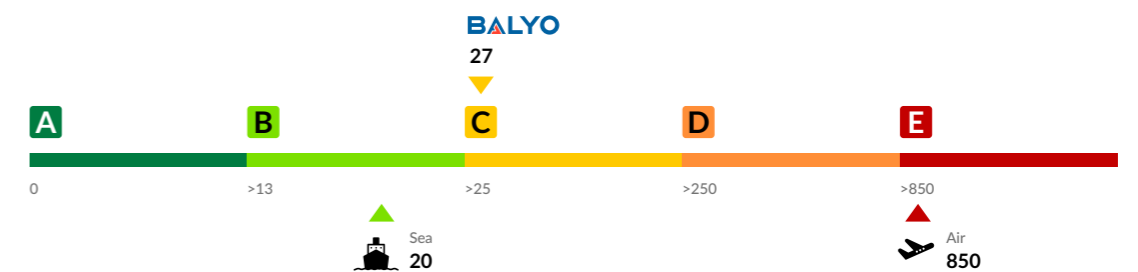
elevated. While we initiated tests to replace conventional plastics with more sustainable alternatives, we have yet to find a solution that effectively balances sustainability and an increased product protection.

Finally, it is worth mentioning that two objectives were deprioritized due to operational constraints or structural changes. The first involved designing a more efficient mast-stacking stand. Unfortunately, this initiative encountered the frequent absence of unloading equipment at our clients' facilities. The second initiative aimed to streamline kit stacking; this objective is not relevant anymore.

Our 2024 initiatives and objectives:

- ▲ Achieve a minimum 'B' grade in the EcoFreight analysis in 2024, based on BALYO's CO2 emissions related to logistics

The EcoFreight score grading system (gCO2e/t.km):



We also significantly reduced BALYO's plane deliveries in the Americas and Asia. Our goal was to decrease them by 50% compared to 2022, and we achieved a reduction of 43% instead. Additionally, in collaboration with our freight partner, we successfully implemented a minimum loading trigger for trucks of 90%, surpassing the 80% target, to mitigate the impact of road transportation.

Our objective related to packaging has been

- ▲ Initiate BALYO's influence strategy by publicly sharing content about our journey in sustainable logistics
- ▲ Finalize the identification of sustainable packaging with both a low environmental footprint and protection capabilities
- ▲ Appoint a specialist dedicated to the Carbon Border Adjustment Mechanism (CBAM) regulation



PEOPLE TRANSPORTATION

Our ambition: cut the environmental cost of our corporate travels per robot installed by 80% in 5 years

Our 2023 achievements:

Reduce year-on-year the share of commissioning time spent at clients by project managers, field engineers and sales representatives



Develop a low carbon travel policy incentivizing rail transport, especially in Europe



-  OBJECTIVE FULLY COMPLETED
-  OBJECTIVE COMPLETED BUT VOLUNTARILY INCREASED
-  OBJECTIVE PARTIALLY COMPLETED
-  OBJECTIVE INCOMPLETE

Commissioning trips are the main source of greenhouse gas emissions within Scope 3 of BALYO's carbon footprint assessment. A comprehensive analysis of our commissioning processes was conducted in 2023 to reduce the number of trips made by our employees to client sites. It allowed us to identify all actions that must now be performed remotely, and referred to as Back-office work. This collaborative effort, led with the R&D team, notably included the definition of standardized timings and the creation of a tracking dashboard for managers.

Our 2024 initiatives and objectives:

- ▲ Increase Field Engineers' Back-office work from 20% to 40% before the end of 2025
- ▲ Implement the standardized transportation procedure based on the most frequently traveled routes and their footprint
- ▲ Implement a detailed CO2 emissions reporting procedure by using the TravelPerk tools

We used this study to analyze the distribution of the working time of our Field Engineers for Back-office work, weeks at clients' site, and weeks at clients' site with weekend stay in Europe, Asia and the United States. Currently, Back-office work represents on average 25% of the working time; our goal now is to reach 40% before the end of 2025 to significantly reduce our business travels.

In 2023, we also formalized a low carbon travel policy. We aim to bring this initiative to life in 2024 by drawing inspiration from our approach to sustainable logistics. Through our booking tool, TravelPerk, we want to identify the most frequently traveled routes and establish reference itineraries and modes of transportation based on their time, average cost and carbon footprint.





WOMEN AT WORK

Our ambition: making BALYO the preferred place to work for women in the mobile robotics industry

Our 2023 achievements:

Train 50% of employees in charge of recruitments and promotions about cognitive bias and fair procedures



Train 90% of employees on compliance, inclusion and diversity



Ensure equivalent access to jobs to women and men while targeting the following objectives:

- increase the share of women in the company from 22% in 2022 to 30% before 2025
- increase the share of women in management positions from 18% in 2022 to 25% before 2025

- ● ● OBJECTIVE FULLY COMPLETED
- ● ● OBJECTIVE COMPLETED BUT VOLUNTARILY INCREASED
- ● ● OBJECTIVE PARTIALLY COMPLETED
- ● ● OBJECTIVE INCOMPLETE



Thanks to the strengthening of the HR team with the addition of a senior HR manager we were able to accelerate our approach in 2023.

Two key tools were successfully implemented in 2023: the Conversent case management platform and the One Trust e-learning solution. The Conversent platform is a whistle blowing procedure. It allows employees to anonymously reach out to the HR department and/or the board members about any non-compliant situation. One Trust enabled us to train 89% of BALYO's managers about cognitive biases and fair recruitment procedures, surpassing the initial 2022 target of 50%. Another training program is currently being designed with a focus on inclusion and diversity. The learning sessions are set to begin in the first quarter of 2024 to ensure that 90% of employees are trained by the end of the year.

From a wider perspective, promoting the role of women at BALYO remains a central objective. We are committed to enhancing their representation within the company, particularly in leadership roles, with our targets to be met by 2025. In 2023, we have been able to increase the number of women recruited, reaching 32% compared to 30% in 2022.

We also ended the year with two very positive pieces of news related to this important topic. BALYO scored 90 out of 100 on the professional equality index, a French legal requirement

aimed at assessing gender pay equality within companies. In addition, Mrs. Juliette Favre has joined BALYO as an independent board member. With 25+ years of experience and a dual expertise in CSR and supply chain in the industrial sector, Juliette will bring extensive knowledge to the company.

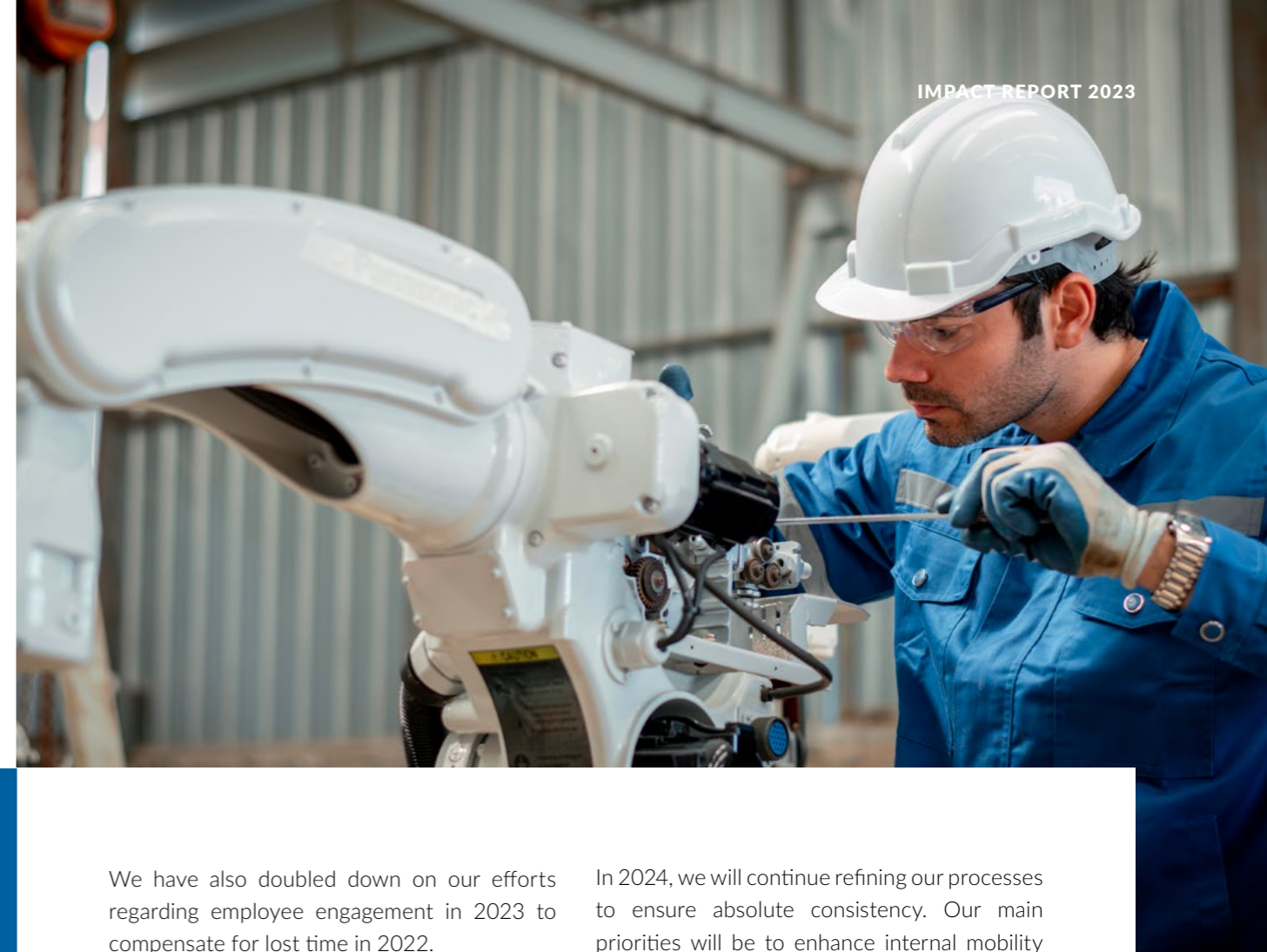
Our 2024 initiatives and objectives:

- ▲ Train 90% of employees on inclusion and diversity
- ▲ Collaborate with external organizations to recruit more women and implement projects specifically dedicated to women's mobility within BALYO
- ▲ Develop initiatives aimed at connecting women across BALYO's geographical locations and fostering peer-to-peer relationships
- ▲ Ensure equivalent access to women and men for jobs while targeting the following objectives:
 - ▲ increase the share of women in the company from 22% in 2022 to 30% by 2025
 - ▲ increase the share of women in management positions from 18% in 2022 to 25% by 2025



EMPLOYEE ENGAGEMENT

Our ambition: reach both a high and a long-lasting employee satisfaction level



Our 2023 achievements:

Coaching sessions for 80% of BALYO's managers to develop their people skills



Support people development with a dedicated mobility process



Introduce a succession plan from Comex to management roles paired with talent management initiatives such as a high potential associate program



Facilitate the associate integration and the proper mastery of the position thanks to an adequate and customized on-boarding process



- OBJECTIVE FULLY COMPLETED
- OBJECTIVE COMPLETED BUT VOLUNTARILY INCREASED
- OBJECTIVE PARTIALLY COMPLETED
- OBJECTIVE INCOMPLETE

We have also doubled down on our efforts regarding employee engagement in 2023 to compensate for lost time in 2022.

Two main strategies have been implemented. The first one, designed as a cultural tool, focused on creating an onboarding process for new employees across all regions (Europe, Asia, and the US). This program covers key topics including BALYO's history, values, and ambitions; our products and industry; our HR processes; our quality & safety standards; and our internal work procedures. Throughout the year, workshops were conducted every two months, with new onboarding sessions initiated whenever a minimum number of new employees joined the company.

The second strategy is aimed at increasing employee retention with two key initiatives: formalizing a succession procedure and designing a mobility plan. The primary goal of the succession procedure is to identify individuals who can step up to prevent critical vacancies in key positions. With the mobility plan, we seek to identify and formalize team members' preferences for mobility, including role changes and geographical relocations.

In 2024, we will continue refining our processes to ensure absolute consistency. Our main priorities will be to enhance internal mobility by designing several formalized career paths (three of which will be created during the first semester) and strengthening the company culture to create an indelible sense of belonging across all of our offices.

Our 2024 initiatives and objectives:

- ▲ Define five career paths within the organization and map the related skill development needs
- ▲ Enhance company culture and foster a sense of belonging across all BALYO offices
- ▲ Broaden awareness amongst BALYO employees regarding our impact strategy thanks to dedicated training sessions

Following our path to sustainable mobile robotics

Since 2022, the governance of our impact strategy has been overseen by a dedicated steering committee. This committee comprises managers and team members from our various locations and functions. They hold monthly meetings to support each other, review progress, update priorities, and share results with the entire BALYO team.

www.balyo.com

BALYO