

POWER FOR HUMANITY



2022 GENCELL



R E P O R T





A Message from Our CEO Powering a Sustainable Future

Dear stakeholders,

I am delighted to present to you GenCell's first environmental, social and corporate governance (ESG) report for 2022. As a company founded on sustainability principles and from a deep understanding of current global energy challenges and the needs of the future generations, we see importance in communicating our actions in the field. This is alongside our commitment to the ESG journey and our promise to continue to share our progress and relevant initiatives.

GenCell was established in 2011 with the novel mission of bringing space technology to earth for the betterment of humanity and the health of the planet. We make fuel cell technology to prevent CO₂ emissions when generating energy while making it also affordable and accessible, so that it can be applied to help companies and people around the globe who still lack electricity for many basic necessities like lighting, heating, cooking, clean water, communications and economic development. Our global target is to make it possible for all to use the gift of zero-emission, self-sustaining electricity to their benefit, even for transportation via our electric vehicle (EV) charging stations. Our fuel cells play a crucial role in preventing utilities, telecommunications companies, hospitals and more from losing the ability to provide their important services, thus improving quality of life for billions of people and saving these companies hundreds of billions of dollars due to grid instability each year by providing backup power anytime, anywhere which withstands any outage or interruption. That's why our company's slogan is "Power for Humanity", which expresses our commitment to providing climate-friendly infrastructure that can sustainably meet society's needs and pace of development.

During 2021-2022, we formulated our patent-based product portfolio with a line of solutions for a green, grid-independent, and always available clean energy source using hydrogen and ammonia as fuels for our fuel cells. As the hydrogen and ammonia economies expand in order to address decarbonization targets across industries, the availability of hydrogen and ammonia is growing and costs are dropping. Leading enterprises are preparing their power strategies to leverage these technologies to optimally achieve zero-emissions targets in alignment with new, stricter government policies and incentives, while addressing public and consumer' sentiment. We aim to make an impact on the future of the clean energy market by enabling GenCell technology users to achieve their Net-Zero targets and relevant sustainability goals during this important global energy transition.



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Our vision is to bring "Power for Humanity", expressing our commitment to providing climate-friendly infrastructure that can sustainably support society's needs and accelerate its pace of development.

These achievements go hand in hand with the way that we do business at GenCell, which is driven by ethical and transparent business conduct, safeguarding our human capital, pursuing the highest quality standards, supporting local communities, and strengthening our relationships with key suppliers and business partners. At GenCell, our employees' work and conduct are a direct reflection of our values, and we ask that every employee demonstrate a personal example. In addition, we aim to work with suppliers that make ESG part of their business considerations, which is why we are in the process of adopting procedures and policies to examine their practices, with the intention of reporting those findings in future reports. Furthermore, in 2023, we will conduct a lifecycle analysis (LCA) of our products' impacts to help us strengthen our promise of becoming the leading provider of an accessible and zero-emission power solution.

Our commitment to ESG principles extends to the integral connection of our activities to the United Nation's Sustainable Development Goals (SDGs). In alignment with SDG 7 - Affordable and Clean Energy - as well as other SDGs outlined in this report, GenCell's fuel cells support the transition of the global economy to clean, efficient, and sustainable sources of energy. We mobilize our scientific know-how, technological expertise, and innovation to increase the share of clean energy sources in the global energy mix and the improvement of energy efficiency. Supporting SDG 13 - Climate Action - our fuel cells act as tools that strengthen resilience and adaptive capacity to climate-related hazards and natural disasters around the world. We invest considerable efforts in encouraging climate change mitigation, adaptation, and impact reduction. Progress towards these goals and more are detailed in the content presented in this report.

This, the publication of our inaugural ESG report, is an important milestone for us to share the commitments, intentions, and strategic goals we have set for ourselves, as well as the company-wide initiatives that we undertake to aid communities and advance sustainable development everywhere we operate. This report presents the work we have done and continue to do, and we hope that you will accompany us on our journey to provide POWER FOR HUMANITY.

Wishing you a pleasant reading experience.

Yours sincerely,

Rami Reshef
Chief Executive Officer



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A Message from Our ESG Manager

Dear readers,

Welcome to GenCell's ESG Report for 2022. This report is the first in a series of future disclosures of our planned journey to promote ESG. We look forward to the road ahead.

During 2022, we launched the comprehensive internal process of formulating and finalizing our company wide ESG framework and strategy, which involves setting goals and targets in our selected areas of focus. Currently, we are in the process of finalizing the internal work processes and procedures for achieving those goals and targets and we are in the process of finalizing plans for our products' LCA.

We are proud of the commitments and goals we set for ourselves across numerous aspects of environmental sustainability, our employees' health, safety, wellbeing, professional and personal development, as well as our culture of inclusiveness.

I am proud to be part of this special team, imbued with the motivation and passion to promote a sustainable future - a team that sees itself as a pioneer in all our fields of activity. The ongoing work with company management and colleagues, who together lead our integral ESG efforts in the company, encourages me towards the accomplishments that are yet to come.

I invite you to partner with us for a better, greener, and more sustainable world.

Lenore Sebag
Legal Counsel and ESG Manager

LenoreS@gencellenergy.com

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GENCELL at a GLANCE

100%
Clean Energy

Over a decade
of energy excellence

30-50%
decrease
in primary power costs
(compared to diesel fuel)

100+
successful installations
ABB, CFE, EV Motors,
Vodafone, TDK,
Deutsche Telekom

~ 100
trade secrets and 15
patents
(6 pending)

0
ethical incidents 



22
countries with
Successful
Deployments

99.6%
success in on-site
activation

84%
increase in number
of employees
between 2020 to
2022

34% 
growth in
revenues
(2021-2022)

More than
1,280
R&D manhours

27%
senior managers are
women

2014

Hydrogen²Power™

- The highest electrochemical efficiency among known fuel cell types.
- **Highest resiliency** - resistance to extreme weather conditions.
- Non-noble catalysts enable cost-efficient fuel cell solutions.

2017

Ammonia²Power™

- **Ammonia cracking** - extracts hydrogen from **liquid ammonia** a highly efficient H₂ carrier – to reduce transport and storage costs.
- **Cost effective** - total cost for primary power is 30- 50% less than diesel.

2022

Water²Power™

- Innovative synthesis of green ammonia on-site from **sun, air, and water**.
- Self-sustained circular economy to enable **well-to-wheel clean power anywhere**.



GENCELL: POWERING THE RENEWABLE REVOLUTION WITH HYDROGEN & Ammonia Fuel Cells

GenCell Energy is at the forefront of the green energy revolution, driving the transition to sustainable and clean power solutions with our advanced hydrogen and ammonia fuel cells. We believe that our cutting-edge technology and dedication to sustainability play a pivotal role in shaping the renewable revolution and paving the way for a cleaner, greener future.

About GenCell

GenCell Ltd. develops comprehensive green power solutions based on reliable, zero-emission energy generated by alkaline fuel cells, utilizing innovative hydrogen and ammonia to power technologies.

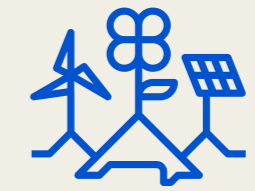
As a technological manufacturing company, GenCell is engaged in the design, development, production, marketing and sale and provision of after-sales services of systems for the supply of backup and primary power, based on the use of alkaline fuel cells characterized by the generation of green electricity with no emission of carbon dioxide into the atmosphere, in response to a growing demand for clean energy.

GenCell delivers resilient, robust, and weather-resistant backup power for utilities, telecom, EV charging, and other mission-critical applications (hospitals, railway systems, logistical centers, telecom towers, communications network equipment, hybrid microgrids, and more), which have been deployed in 22 countries. Our ammonia-based hydrogen-on-demand solution provides primary power for off-grid and poor-grid sites, as well as for rural electrification. Our systems are designed to provide an uninterruptible power supply solution to critical points in the economy and stationary electricity solutions for geographical areas not connected to the power grid.

In addition, GenCell engages in the development of chemical-based energy storage solutions such as our novel green ammonia synthesis method, which aims to

produce ammonia from sun, water and air in a process completely devoid of CO₂ emissions.

Established in 2011 in Israel, GenCell is headquartered in Israel. We have development groups in Ukraine, Belarus, France, Bulgaria, Russia, and Switzerland. We also have commercial operations in North America, Central America, Europe, and Asia. We develop our core technology ourselves, and retain unique intellectual property that includes patents, trade secrets, and know-how. In November 2020, GenCell Ltd. completed an IPO of its shares, becoming a publicly traded company on the Tel Aviv Stock Exchange (TASE), traded under the ticker GNCL.



Our systems are designed to provide an uninterruptible power supply solution to critical points in the economy and stationary electricity solutions for geographical areas not connected to the power grid.

Our Solutions

GenCell develops unique fuel cell solutions that offer clean power, deployable anywhere. Based on proprietary technological breakthroughs, our products provide a viable green power solution for off-grid and poor-grid telecom as well as rural electrification—at a cost lower than available diesel solutions.

The following provides an overview of our key products and solutions for delivering sustainable yet resilient power, wherever and whenever possible, no matter what.

About Fuel Cells

In fuel cells, a chemical reaction takes place between hydrogen and oxygen gases, producing the byproducts of electricity, water (H₂O), and heat. The direct DC voltage that fuel cells produce can be used as electrical backup for systems that heavily rely on the constant availability of stable power sources, or power supply to areas with poor or partial electrical infrastructure. In addition, fuel cells have also been deemed a relevant solution for clean, long-term vehicle propulsion as part of the electric vehicle (EV) revolution.

Fuel cell technology was invented as early as 1839 and was revived in the American and Russian space programs in their mission to reach the moon as early as the 1960s. In space programs, fuel cells were used as a source for generating energy for the operation of the spacecraft as well as for heat and drinking water. GenCell was established with the goal of making this space technology available and affordable for use on Earth. The vision was to use all the benefits of the technology, while striving to reduce its cost dramatically so that it could be a worthy replacement for existing means of energy production and above all, so that it could be used as a replacement for polluting diesel engines.

As of the publication of this report, the global fuel cell market is expected to reach a valuation of \$36 billion by 2029.¹

To facilitate the chemical reaction between hydrogen and oxygen in fuel cells operating at low temperatures (approx. 70 degrees Celsius), a catalyst is required that is usually based on Nobel precious metals, such as platinum or palladium. These precious metals are typically expensive and can constitute a barrier in making fuel cell technology more accessible and economical, presenting commercialization challenges due to their high cost of production.

GenCell offers a significantly more economical substitute to the use of platinum catalysts that is based on a unique compound of materials including black carbon and nickel. As a precious metal, the price of platinum is highly volatile, and therefore the introduction of this inexpensive substitute compound by GenCell is not only able to lower the cost, but to relatively safeguard the product from price volatility.

GenCell has continued to invest extensive efforts in research and development, achieving another breakthrough by completing the development of catalysts that are not based on a precious metals in any way, including palladium. The new catalysts developed by the company are an efficient and cheaper replacement to catalysts based on precious metals.

¹ <https://www.globenewswire.com/en/news-release/2023/04/03/2639625/0/en/Global-Fuel-Cell-Market-Size-Worth-USD-36-41-Billion-Globally-by-2029-at-a-CAGR-of-29-7.html>

Our Product Portfolio

GenCell BOX

Long-duration backup power for telecom



GenCell REX

Utility backup power solution



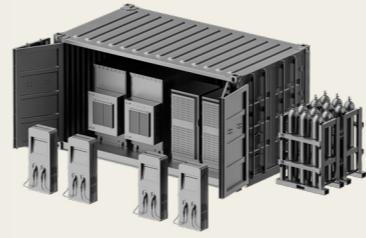
GenCell GEMS

Unified control and monitoring system



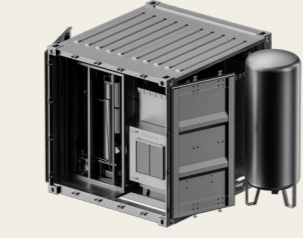
GenCell EVOX

Green, grid-independent EV charging



GenCell FOX

Off-grid, primary power



We operate two main product categories for the application of fuel cell technologies:

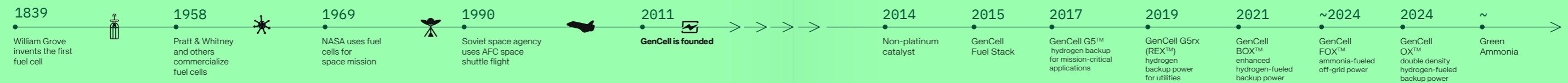
Backup Power

GenCell develops and manufactures alkaline fuel cells in various end-product configurations (GenCell BOX™, REX™, EVOX™), which provide an efficient and reliable solution at an affordable cost for modular backup systems within the existing power grid. Relevant applications that our products can be used for or in addition to include: Telecom base stations, Power companies substation, EV charging and many more.

Primary Power

GenCell offers innovative technology for providing clean electricity in areas with limited or no access to the power grid. Our off-grid solutions, based on our GenCell FOX™ product are, are powered by ammonia-based fuel cells alongside our patented ammonia cracker, operate continuously throughout the day, require minimal maintenance, and can be controlled remotely. By using Ammonia as fuel, we eliminate the need to transfer Hydrogen as gas and by enabling extracting hydrogen from ammonia by a self-sustain process we eliminate the need for a power grid connection, making our systems independent and highly efficient. This capability not only provides a green power supply but also offers operational savings compared to internal combustion engines like diesel generators. Our off-grid solutions serve applications as supplementary or stand-in power sources across various sectors, like HLS, off grid Telecom towers and many more .

Fuel Cells: From 1839 & Beyond





TARGET MARKETS for Our Products

The majority of GenCell's customers and business partners operate in the following target markets, where our company has its most notable business impact:

⚙️ Utilities

Power infrastructure is essential to enabling the dynamic nature of our modern lives. Hydrogen fuel cells are proven effective at enhancing the capabilities of power companies by extending substation reliability. Utilities increasingly leverage hydrogen fuel cells to provide emissions-free long-duration auxiliary DC power to substations. In addition, fuel cells can be used by utilities to access additional revenue streams “behind the meter” and contribute to clean energy storage and generation.

GenCell's solutions are designed to seamlessly transition to backup power during grid failures, ensuring continuous operation for critical infrastructure such as substations, distribution centers, and control rooms. With remote monitoring and control capabilities, utilities can efficiently manage and maintain our systems, optimizing their performance and minimizing downtime. Additionally, our solutions contribute to reducing carbon emissions and support utilities' sustainability goals, aligning with the global shift towards clean energy sources.

📡 Telecommunications

Being able to communicate freely and openly is a key part of what fuels our global economy and society. Telecom providers are tasked with keeping networks operational no matter what, and power is one of the most critical requirements and a significant operating expense. With the introduction of 5G, this financial and environmental burden on telecom companies has been forecasted to double. Whether seeking alternative energy solutions for primary off-grid power or backup power, now more than ever, telcom providers and tower companies can turn to GenCell for clean, reliable, and cost-effective power solutions.

GenCell's products serve telecommunications companies by providing reliable backup and off-grid power solutions that ensure uninterrupted communication services, ensuring continuous operation of telecom infrastructure such as cell towers, data centers, and communication hubs. With their compact design and remote monitoring capabilities, GenCell's solutions can be easily integrated into existing telecom infrastructure and provide extended runtime without the need for frequent refueling. This enables telecom companies to maintain their service availability, minimize disruptions, and meet the increasing demand for reliable connectivity.

🚗 EV Charging

As the traditional ICE engine-fueled transportation sector contributes approximately a quarter of global carbon emissions, it is no surprise that as climate issues intensify, the electric and battery-powered transportation revolution is gaining momentum. GenCell's EVOX™ technology can address some of the gaps and challenges to the supply of reliable and readily accessible EV power that is necessary for making this important transition possible. EVOX™ leverages fuel cells to complement energy storage, creating a reliable and fast DC EV charging solution. Furthermore, it can be rapidly deployed in any location where grid availability is limited or non-existent.

GenCell's fuel cell systems offer a clean and sustainable three-phase source of electricity for EV charging stations, ensuring uninterrupted charging capabilities. With their high-power density and fast response time, GenCell's solutions can deliver the necessary energy for fast DC charging of electric vehicles, minimizing charging time and optimizing the utilization of the charging infrastructure. Moreover, with hydrogen and ammonia as fuel sources, GenCell's products contribute to reducing carbon emissions associated with EV charging, supporting the transition to a greener and more sustainable transportation ecosystem.



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THE FUTURE OF CLEAN ENERGY Depends on Us

There is a growing demand worldwide for clean fuel substitutes. Governments, companies, and individuals are encouraging the use of renewable and clean energy sources for various purposes, such as fixed systems and transportation.

Fuel cell technology plays an important in reducing carbon dioxide emissions, and aids in achieving compliance with carbon dioxide emissions reduction targets. Fuel cell electrical generation is completely clean and does not generate pollution or emissions in the electricity generation process.

In addition, the production of green ammonia constitutes a first step for GenCell in its intention to enter the field of clean fuel production, an area which we believe constitutes a unique and substantial business opportunity. We estimate that by developing the technological capacity to produce green ammonia, we will create an opportunity to enter the ammonia production market, which was estimated in 2019 to reach a global production of 180 million tons, with a financial scope of over \$100 billion.

As detailed below, we partner with leading enterprises worldwide to share knowledge and accelerate our efforts to further develop and mature our solutions. For example, we collaborate with material science leader TDK to advance our new and cutting-edge green ammonia synthesis solution, known as "Water-to-Power".



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Green Ammonia **BY GENCELL**



Our Customers & BUSINESS PARTNERS



At GenCell, we are proud of our strong business partnerships and collaborations that drive our success in the green energy sector. We are proud to have established partnerships with leading organizations such as TDK, Horizon Power, Deutsche Telekom, CFE – the power utility of the State of Mexico, the Icelandic Telecommunications Company, and EV Motors, among others. These esteemed business partners share our vision of a sustainable future and a commitment to clean energy solutions. Through close collaboration and mutual expertise, we collectively advance the adoption of our innovative fuel cell technology across various industries. In the following, we explore the synergies and accomplishments achieved through our partnerships, showcasing how, together, we are transforming the way power is generated, stored, and utilized to create a greener and more resilient world.



TDK

On February 22, 2021, GenCell entered into a strategic cooperation agreement with the Japanese multinational electronics corporation TDK for its participation in our "Green Ammonia" project, which aims to develop a product that will enable the production of green ammonia without any CO₂ emissions at the power generation stage. This solution will enable us to offer customers a complete solution that includes the production of ammonia and the use of a completely clean energy source to produce electricity, emissions-free, using our fuel cells.

Over the course of 2022, we reached a significant technological breakthrough, which allowed the production of green ammonia directly from water under very low pressure and temperature relative to the ammonia production process that is currently available around the world.

GenCell and TDK will continue to pursue their partnership, with the goal of marketing this novel clean energy solution in the near future.



Deutsche Telekom

GenCell has formed a strategic cooperation with Deutsche Telekom, one of the largest communications operators in Europe and the United States, aimed at integrating our fuel cell systems into their communications networks. Following successful field trials, Deutsche Telekom is considering the use of our fuel cells as a greener alternative to diesel generators. GenCell's G5™ and BOX™ systems have been officially approved for purchase by all member companies of the Deutsche Telekom Group worldwide. Additionally, the collaboration includes exploring the potential for strategic technological collaboration, including the production of clean hydrogen and ammonia. This partnership with Deutsche Telekom demonstrates our shared commitment to sustainability and advancing clean energy solutions in the telecommunications industry.



Icelandic Telecommunications Company (Neyðarlínan)

We entered into a strategic agreement with the Icelandic Telecommunications Company Neyðarlínan whereby we installed the FOX™ system at one of their stations to test its operation in the Icelandic Telecommunications Emergency Communications. Our A5™ product is being tested to examine its operation under extreme weather conditions. According to our estimates, each installation of one FOX™ system will, over 10 years time, save approx. 500 tons of CO₂ emissions from diesel engines and operating expenses will decrease by tens of percent compared to use of diesel engines.

During May and June 2021, considering the initial pilot's favorable results, we decided to extend the duration of the experiment and continue operating the FOX™ product to 1,500 hours continuously and autonomously and becoming the longest operational fuel cell in the world, whilst producing hydrogen independently from ammonia (without any connection to the power grid), providing green, clean and economical electricity around the clock and in variable weather conditions.

1,500 
hours

represents the longest duration continuous, autonomous operation of a fuel cell in the world, while independently extracting hydrogen from ammonia.



EV Motors

GenCell entered a partnership with EV Motors, an Israeli company specializing in importing electrical vehicles and EV charging infrastructure. The systems cooperation agreement involves multiple stages, starting with EV Motors purchasing GenCell's systems for autonomous charging stations that operate independently from the national power grid. Upon successful completion of the pilot phase, GenCell will become the exclusive supplier of electric vehicle charging systems to EV Motors in Israel, subject to agreed-upon minimum purchases. Additionally, GenCell's systems will be used exclusively at all of EV Motors' charging stations in Israel, provided GenCell meets future technological and commercial criteria. The partnership also aims to promote hybrid systems based on hydrogen and ammonia for automatic charging stations in China and globally through EV Motors' Chinese partners. Together with EV Motors and using our hydrogen and ammonia fuel cell power solutions, we plan to present and promote hybrid systems for autonomous EV charging globally.

Partnerships around the globe

Energy/Utilities



Telecom



EV Charging



Green Ammonia



Strategic Fuel Suppliers



Enabling Access to Energy

Access to reliable and stable energy remains a significant challenge in underdeveloped areas and countries, where a substantial portion of the population lacks access to electricity or faces frequent power outages.

According to SASB publications, more than 1.2 billion people worldwide do not have access to electricity. Another billion only have intermittent access.²

In addition, nearly 2.4 billion people, around one third of the global population, use solid fuels such as coal or wood for heating and cooking, which generates harmful household air pollution.³

GenCell's fuel cell solutions provide a promising solution to this energy deficit. By leveraging hydrogen and ammonia-based technologies, we offer off-grid and poor-grid solutions that can provide continuous and clean power, even in areas with limited infrastructure. These fuel cell systems offer a reliable alternative to traditional energy sources, such as diesel generators, and can significantly improve energy access and stability for communities in need.

Furthermore, our fuel cell solutions have the potential to bring about transformative change in underdeveloped areas and countries, where access to reliable electricity is crucial for economic development, education, healthcare, and overall quality of life. Our solutions can empower communities and unlock new opportunities for growth. Additionally, the generally environmentally friendly nature of fuel cells contributes to sustainable development goals by reducing carbon emissions and minimizing environmental impact.

² SASB "Solar Energy Brief", pg. 3
³ World Health Organization, "Household air pollution," Nov. 2022.

1.2 billion  **people worldwide do not have continuous access to electricity**



Creating a Reliable, Resilient Robust and Sustainable Network with Hydrogen for CFE – Mexico's Federal Electricity Commission

As the largest electrical utility in Latin America and as the electricity provider for 99% of the Mexican population, CFE, Mexico's state-owned utility, faces challenges in maintaining power supply reliability due to natural disasters and extreme weather conditions in the region. In 2017 alone, earthquakes resulted in 26 power outages in regions of Mexico where CFE operates, and approximately 4.8 million consumers were affected by power supply disruptions. In addition, CFE has committed to maximizing power access for all communities, with the goal of growing democracy and improving the availability of Internet for All. Finally, CFE has set out ambitious ESG targets through its 2022-2026 Business Plan, placing strategic emphasis on Environmental Care and contributing to the sustainable development of Mexico through the reduction of greenhouse gas emissions.

To address these and other business goals, CFE sought out clean, resilient alternatives to traditional backup power solutions. After visiting a utility substation site in California that had installed GenCell's hydrogen backup solution, CFE conducted internal testing and verification, leading to the approval and deployment of GenCell's backup units at substations in Mexico City.

GenCell's backup power solutions offer long-duration backup power, resilience to extreme environmental conditions, and zero-emissions operation. The deployed units – 74 hydrogen fuel cells at 50 substations – support critical infrastructure, control panels, protection capacitors, and communication nodes, ensuring uninterrupted power supply during earthquakes and other events. CFE initially categorized the GenCell units as Tier Two backup resources but later designated them as Tier One backup solutions, replacing traditional flooded batteries. CFE and GenCell have plans to expand the backup power network, explore green hydrogen production, deploy off-grid units in remote areas, and drive the transition towards the hydrogen economy in Mexico's utilities sector.

By adopting GenCell's hydrogen fuel cell backup solutions, CFE has improved access to energy, its power supply reliability, and resilience to extreme weather conditions. The partnership aligns with CFE's goals of promoting sustainable development, providing access to Internet for All, reducing greenhouse gas emissions, and incorporating people and communities into the energy generation process with sustainable sources. Furthermore, the deployment of GenCell's units contributes to CFE's commitments to international obligations and the Mexican government's energy policies.



Our Economic Impact

| Our Economic Impact (\$ Millions) | 2020 | 2021 | 2022 |
|--|---------|---------|---------|
| Direct economic value generated: revenues / sales by region/market in \$USD | \$0.3M | \$5.5M | \$7.4M |
| Economic value distributed | | | |
| Total operating costs/expenses in respect of payments to suppliers (products and services), rent, and various payments (such as water, electricity, property taxes) and other operating expenses | \$4.4M | \$12.8M | \$13.4M |
| Total payments to employees including wages and benefits (pension, social security, etc.) | \$14.5M | \$13.2M | \$15.8M |
| Total amount paid to shareholders as dividends | 0 | 0 | 0 |
| Total payments to lenders, such as banks and other financial institutions | \$0.1M | \$0.1M | \$0.1M |
| Total payments to governments (taxes, etc.) by country (Israel) | \$0.02M | \$0.07M | \$0.2M |
| Total community investments | 0 | 0 | \$0.014 |

For additional economic data and review of our financial performance, refer to our [Annual Report for 2022](#).

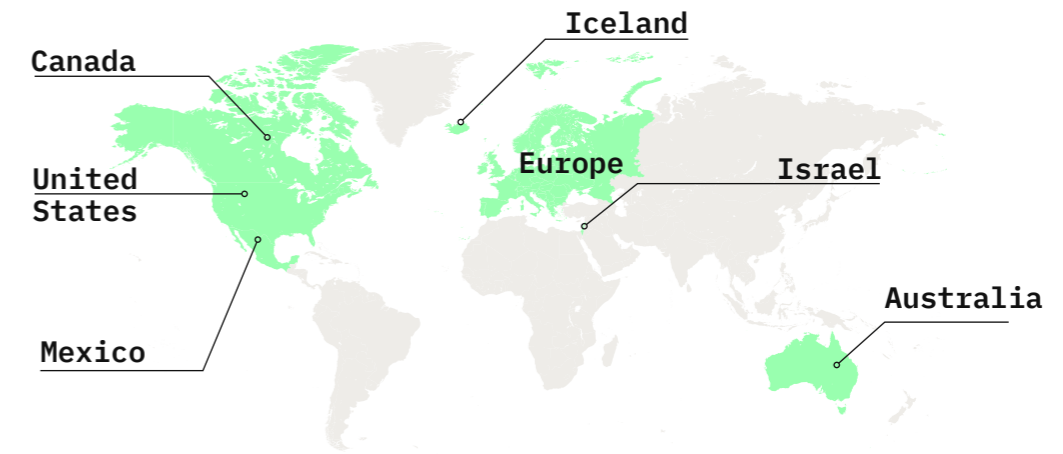
Sales by Region

The following presents GenCell's significant sales in the reporting period according to geographic region.

| Location or Geographic Area | Sales (\$ Thousands) |
|-----------------------------|----------------------|
| Israel | \$5,900 |
| Mexico | \$840 |
| United States | \$360 |
| Europe | \$300 |

Where We Work

The following map presents several locations where GenCell's fuel cell solutions are deployed or in the process of deployment across the globe.



Investors

As of November 2020, GenCell Ltd. completed an IPO of its shares, becoming a publicly traded company on the Tel Aviv Stock Exchange (TASE), as per the term's definition in the Companies Law, as well as a reporting corporation, as per the term's definition in the Securities Law. GenCell is traded under the ticker GNCL.

GenCell Ltd. has several large institutional investors, as well as investor groups.

The following is a list of GenCell Ltd.'s investors as the publication of this report.

| Name of Investor | Share in Company |
|--|------------------|
| Benny Landa - Landa Ventures | 22.91% |
| Harel Insurance Investments and Financial Services | 8.44% |
| Migdal Insurance and Financial Holdings | 7.96% |
| W3 Energy Investments | 7.52% |
| Sonol Energy | 5.86% |
| Rami Reshef - GenCell Ltd.'s CEO | 4.51% |
| Paz Oil Company | 3.61% |

Government Grants and Subsidies

As of the publication of the report, there are no grants or government subsidies helping to finance the development of our products.

However, numerous countries are now introducing directives and regulations to encourage the use of hydrogen on the one hand and regulations impeding the use of polluting fuels on the other. Various governments and organizations have recognized the need for expansion of the hydrogen infrastructure. Therefore, we will continue to examine the potential for government grants and subsidies for the application of our products.

Research Grants

We received a research and development grant of \$803,839 from the Israel-United States Binational Industrial Research and Development Foundation (BIRD) for our project titled "Industrialization of a New Cathode for Next Generation Electrochemical Fuel Cells." The grant is specifically for the purpose of facilitating the mass production of cathodes, which is crucial for the large-scale production of the company's fuel cells.

Memberships in ASSOCIATIONS & INDUSTRY INITIATIVES



We are a member of numerous industry organizations that promote the use of fuel cell energy solutions, hydrogen- and ammonia-based energy, and sustainable business. Our goal is to improve our visibility in these associations, organizations, and initiatives by meeting with leadership, key members, and business partners, during which we aim to share GenCell's value proposition. We view raising awareness for our products together with wider discussion on the application of fuel cell solutions as critical to our mission of powering the future of tomorrow with accessible clean energy.

GenCell is an associate member of Hydrogen Europe. The majority of our engagement with this association is through our R&D department that participates in their events and research opportunities.



Hydrogen Europe is the leading European association representing the interest of the hydrogen industry and its stakeholders and promoting hydrogen as an enabler of a zero-emissions society. With more than 400+ members, including 25+ EU regions and 30+ national associations, it encompasses the entire value chain of the European hydrogen and fuel cell ecosystem. Its vision is to propel global carbon neutrality by accelerating European hydrogen industry.



GenCell takes part in the Clean Hydrogen Partnership, a European Union initiative that is connected to the activities of Hydrogen Europe.

The Clean Hydrogen Joint Undertaking or the Clean Hydrogen Partnership
(formerly The Fuel Cells and Hydrogen Joint Undertaking)

The Clean Hydrogen Partnership's main objective is to contribute to EU Green Deal and Hydrogen Strategy through optimized funding of R&I activities for the benefit of the public, the economy, small and medium-sized businesses, the scientific community, and academia. The Clean Hydrogen Partnership is the successor of the Fuel Cells and Hydrogen 2 Joint Undertaking (FCH 2 JU) and has taken over its legacy portfolio as of 30 November 2021.

GenCell is a member of the Ammonia Energy Association.



Ammonia Energy Association

The Ammonia Energy Association (AEA) is a global non-profit industry association that promotes the responsible use of ammonia in a sustainable energy economy. The AEA's mission encompasses both the decarbonization of ammonia for existing applications, as well as the adoption of low-carbon ammonia in new applications. Established in 2004, the AEA membership currently includes 165 corporations around the world

GenCell is a supporting member of the Fuel Cell and Hydrogen Energy Association.



The Fuel Cell and Hydrogen Energy Association

The Fuel Cell and Hydrogen Energy Association (FCHEA) is the leading industry association in the United States representing more than ninety leading organizations advancing production, distribution, and use of innovative, clean, safe, and reliable hydrogen energy. For over 30 years FCHEA has provided a consistent industry voice to policymakers and regulators, driving support at the federal and state levels. Our educational efforts promote the environmental and economic benefits of hydrogen energy and fuel cell technologies. The mission of FCHEA is to advance the commercialization of and promote the markets for fuel cells and hydrogen energy. FCHEA originated in 1989 as the National Hydrogen Association, which later merged with the U.S. Fuel Cell Council.

GenCell is a member of the African Hydrogen Partnership Trade Association. Our Director of Business Development, Mr. Silvestro Russo has served until the publication of this report as the Private Sector Board Member of the AHP.



The African Hydrogen Partnership Trade Association (AHP)

The African Hydrogen Partnership Trade Association (AHP) is the only continent-wide African umbrella association solely dedicated to the development of green and natural (native) hydrogen, hydrogen-based chemicals, fuel cell technology, and related business opportunities in Africa. The AHP represents the whole African continent and all African nations. To form the strongest possible international alliance for utilizing Africa's hydrogen potential and creating green wealth, organizations from anywhere in the world are welcome to join the AHP. The AHP is a diverse, international, and democratic African organization governed by its members.



Green Energy Association of Israel

GenCell is a member of the Green Energy Association of Israel. The Green Energy Association of Israel (GEA-IL) was established in 2009 to promote the implementation of renewable energy electricity production in Israel and its main activities are lobbying and promoting implementation of renewable energy by the various authorities and ministries of Israel. On 2013 GEA-IL expanded its activity to cover the promotion and implementation of the Energy Efficiency market in Israel.



International Renewable Energy Agency (IRENA)

GenCell participates in events hosted by the International Renewable Energy Agency (IRENA). The International Renewable Energy Agency (IRENA) is a lead global intergovernmental agency for energy transformation that serves as the principal platform for international cooperation, supports countries in their energy transitions, and provides state of the art data and analyses on technology, innovation, policy, finance, and investment. IRENA drives the widespread adoption and sustainable use of all forms of renewable energy, including bioenergy, geothermal, hydropower, ocean, solar and wind energy in the pursuit of sustainable development, energy access, and energy security, for economic and social resilience and prosperity, and a climate-proof future.



California Hydrogen Business Council

GenCell is a member of the California Hydrogen Business Council. The California Hydrogen Business Council (CHBC) is the leading advocate for the hydrogen and fuel cell industry in California. The CHBC is membership-based trade association that represents a wide array of organizations in the industry, including auto manufacturers, bus and heavy duty vehicle manufacturers, components, fuel cells, electrolyzers, tanks and storage, utility companies, government agencies, non-profits, and education institutions.



Other Industry Initiatives

PROMOTING ACCESS TO RENEWABLE ENERGY SOLUTIONS FOR ALL

In addition to our participation and membership in relevant industry associations and organizations, we take part in several initiatives to promote access to clean, renewable, and sustainable energy solutions on a global scale. Recently, our various teams and company representatives, from the marketing or business development divisions, took part in the following initiatives and events:

GenCell Takes Part in Israeli Climate Tech Delegation to COP27

In 2022, GenCell was selected to join the PLANETech delegation of startups and companies presenting at the Israeli Pavilion at COP27, the United Nations Climate Change Conference or Conference of Parties to the UNFCCC, marking the 27th UN Climate Change Conference, which was hosted in Sharm El Sheikh, Egypt. GenCell also presented its technology as part of the COP27 Climate Innovation Summit, showcasing our fuel cell, green hydrogen-based and zero-emissions ammonia energy generation solutions. We were honored to take part in this global climate change initiative and to share the potential contributions of our solutions to the global clean energy revolution.

Participation in Israel's ESG Index – Ma'ala for Emerging Companies

In 2022, GenCell completed the Ma'ala ESG Index's "Emerging Companies" questionnaire that is intended for use by publicly traded companies that have a positive impact on society and the environment, but do not currently meet all the conditions for ranking within the regular Ma'ala ESG Index. Founded in 1988, Ma'ala is a non-profit corporate membership organization promoting corporate social responsibility (CSR) in Israel.

In the context of the questionnaire, GenCell provided data on how our products – namely the GenCell BOX™ and FOX™ which use hydrogen and ammonia as fuel – can help bridge electrical outages in remote locations and be used in critical infrastructure, as well as our research and development efforts around Green Ammonia synthesis that is able to completely remove the need for transportation of ammonia and other environmental impacts arising from fuel cell operation. In addition, we provided data on our ESG targets, ethics and governance, our commitments to our employees, diversity and inclusion, and initiatives on other topics.

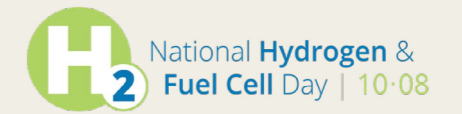
We plan on expanding our engagement with the Ma'ala organization to include participation in the regular ESG Index in the future.

Support for NZO Program - Israel's Net-Zero Emissions Targets

GenCell is proud to support the Heschel Institute's NZO – Net Zero Emissions Program with complementary marketing and promotion activities to further its important work in the promotion of clean and renewable energy in Israel. The NZO Program carried out a feasibility study in Israel to show that the country can transition to 95% power generation from renewable sources by 2050, what they call the "NZO 2050 Scenario". According to the Program's estimates, more than 90% of the energy in Israel will be generated from solar sources by the target year. However, there are also colder periods, which is where fuel cell and energy storage solutions enter the picture to bridge renewable energy generation gaps and increase the reliability of the power supply.



We are proud to be a part of the rapid expansion of the hydrogen and fuel cell community around the world and will do everything in our power to turn our company vision into a totally green power future.



GenCell Marks National Hydrogen & Fuel Cell Day 2021

October 8th marks National Hydrogen and Fuel Cell Day in recognition of the atomic weight of hydrogen – 1.008. In 2021, GenCell marked its celebrations of this special day together with a number of leading industry organizations and associations including: the U.S. Department of Energy (DOE), the Fuel Cell & Hydrogen Energy Association (FCHEA), of which we are a supporting member, the International Partnership for Hydrogen and Fuel Cells (IPHE) with its 22 member countries, Hydrogen Europe, the Hydrogen Council, and companies, governments and organizations around the world that are leveraging hydrogen to enable innovative clean energy technologies and to accelerate the transition to renewables and overcome the climate crisis.

As part of our commemoration of Hydrogen Day, GenCell was a bronze sponsor of the Hydrogen Online Conference, where our sales team attended our virtual booth and our CEO Rami Reshef provided a keynote presentation on the topic of "Leveraging Novel Green Ammonia Synthesis for Totally Green Power".

According to Mr. Reshef: "As we mark Hydrogen Day 2021, we are excited to take stock of the impressive growth we are experiencing and to further reinforce our commitment to our vision, our objectives, our employees, and our stakeholders to execute on our ambitious R&D, engineering, sales, and customer success programs. We are proud to be a part of the rapid expansion of the hydrogen and fuel cell community around the world and will do everything in our power to turn our company vision into a totally green power future."

AWARDS

GenCell is proud that our products and technologies have received both international and local distinction through various awards and exhibition opportunities:



At the global telecom event MWC2019, GenCell was awarded the GloMo Green Mobile Award for its A5™ off-grid renewable energy solution.



Frost & Sullivan has recognized GenCell with its Enabling Technology Leadership Award within the framework of its 2019 Best Practices Award.



GenCell was selected by the Peres Center for Peace & Innovation to exhibit as one of Israel's top innovative Israeli technologies.



GenCell was awarded first place in the homeland security sector and second place overall in the Global Startup Challenge 2020, the largest and most recognized start-up competition in Israel.

Shelli Zargary, GenCell's Communications Strategist & Climatech Evangelist, receives the company's prize in Dubai. (photo credit: Courtesy of Leaders Associate)

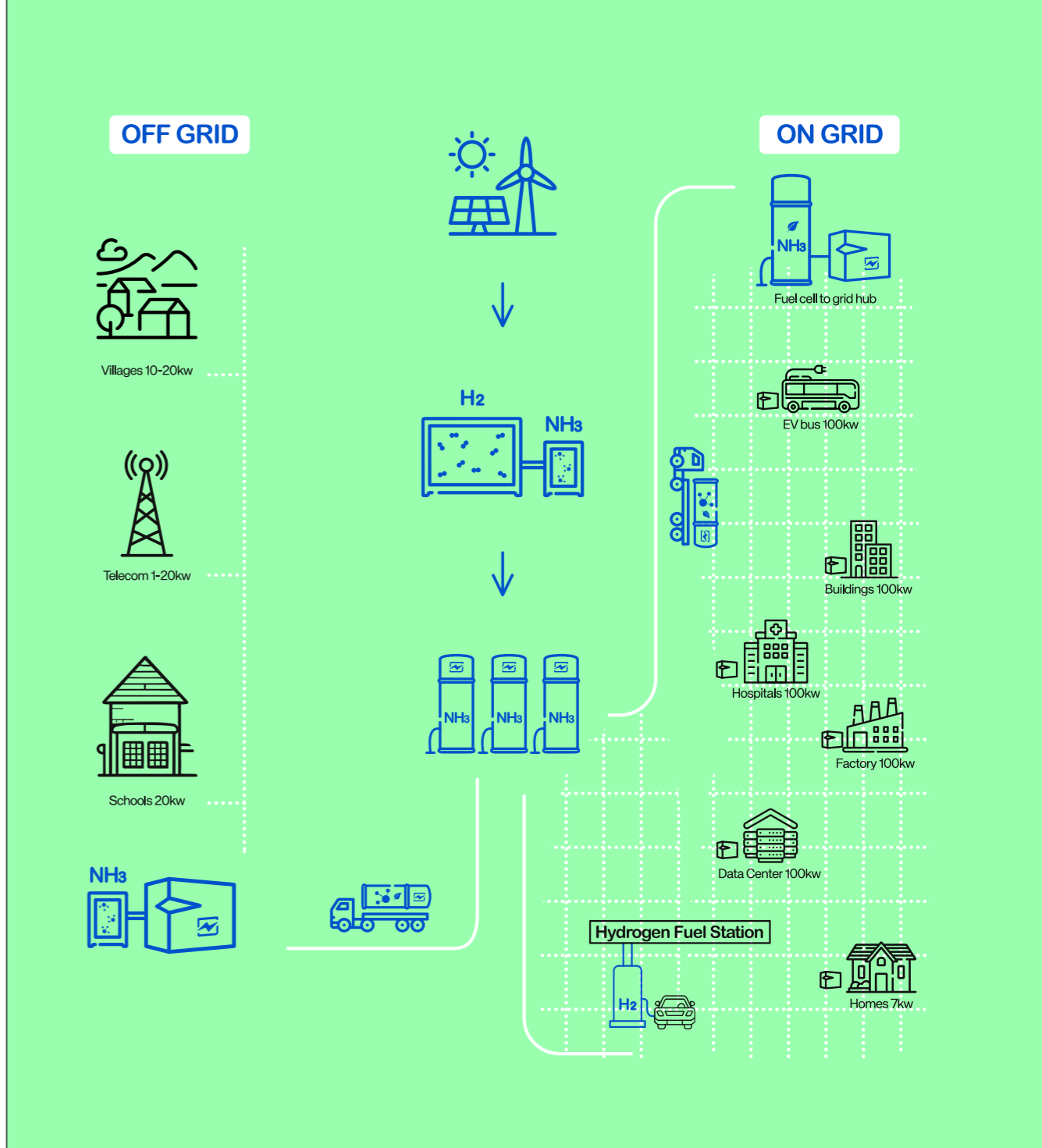




Environment, SOCIAL, AND GOVERNANCE (ESG) AT GENCELL

We believe GenCell’s products can benefit both people and the planet. We aspire to facilitate a more sustainable future by providing clean energy solutions with lower environmental impact, supporting the efforts to mitigate human influence on climate change and instability. In areas around the world where power is scarce or unreliable, GenCell’s off-grid and backup power solutions provide energy security and reliability, creating positive impact for people and the planet.

GENCELL'S VISION FOR a CLEAN ENERGY FUTURE



GenCell's vision is to provide businesses and organizations worldwide with reliable, affordable, clean green energy that kicks in as soon as it's needed, whenever it's needed and for as long as it's needed, no matter what.

To achieve our aspirations, our actions must match our assertions. We should “walk the talk” by implementing sustainability in our own operations and processes. We are committed to implementing principles of environmental sustainability, social responsibility, and good governance (ESG) throughout the organization.


Moreover, managing ESG topics directly relates to our financial success by contributing to how effectively we answer our customers’ needs and


the expectations of other stakeholders such as employees, regulators, and investors. The more effectively we manage ESG, the greater our contribution to change-making and generation of positive impact. In accordance with this aspiration, we have formulated a corporate ESG policy and management procedures that serve as a compass in decision making as we navigate scaling up and creating sustainable growth that generates value for all our stakeholders.


Our ESG Framework

With the goal of ensuring that our activities align with the expectations of our stakeholders, the industry benchmark, and global trends, we engaged consultants and worked with key internal stakeholders to develop our ESG framework. An integral part of defining our ESG framework was gaining an understanding of the topics that are most material or important to our business and that serve the needs of both our internal and external stakeholders. Based on the material topics identified, we aim to align our activities and initiatives, and to adopt related goals for ongoing improvement of our performance.

Using this methodology, we adopted an ESG framework based on three pillars:

- 
Impactful Products
 focuses on the influence our products have on our customers and end consumers

- 
Responsible Manufacturing
 focuses on the effects and byproducts of the manufacturing process for our employees and the environment

- 
Management & Conduct
 focuses on characteristics of our internal processes regarding employees, suppliers, and the wider community

These pillars are the overarching guide for activities relating to our key material topics for focus, as outlined below.*

*Our ESG pillars were identified in consultation and based on benchmark research performed by Deloitte.

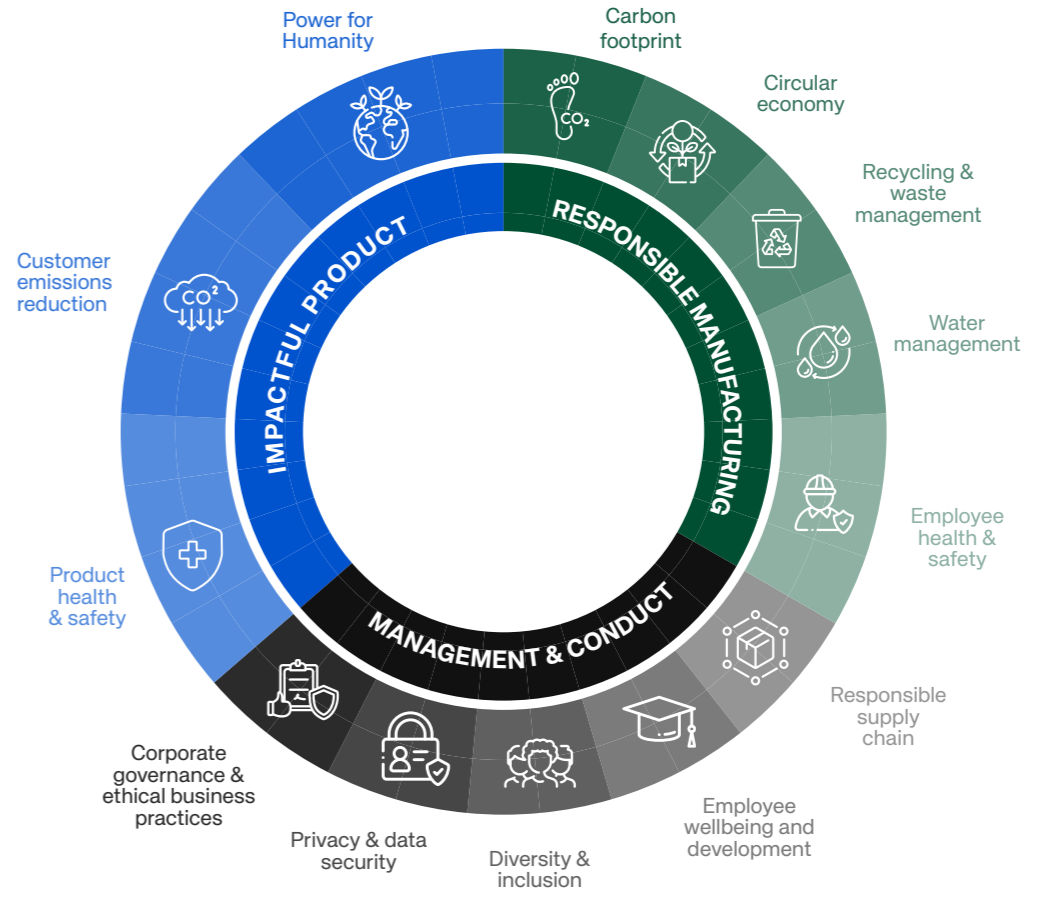


Our ESG Material Topics

According to the ESG framework, we identified material topics to help focus our efforts and initiatives. The following details the material topics that were identified as relevant for each of the three pillars in the ESG framework:

Based on the material topics identified, we selected certain topics for focus that we believe to be the most relevant to our business, as well as where we believe we can have the most significant impact on our stakeholders.

The following outlines our key material topics, organized according to the three ESG pillars.





Our ESG Material Topics

Based on the material topics identified, we selected certain topics for focus that we believe to be the most relevant to our business, as well as where we believe we can have the most significant impact on our stakeholders.

Impactful Product

Power for Humanity

Leveraging product characteristics to enhance energy access, continuity, and resilience to remote communities or those facing increasing climate risks.

Customer Emissions Reduction

Our products' impact on global climate mitigation efforts by managing performance to increase contribution to client emissions reduction initiatives.

Product Health & Safety

Minimizing the potential health and safety risks created by use of our products. Alongside this, leveraging GenCell's expertise to take an active role in promoting safe use of hydrogen and ammonia for power generation.

Responsible Manufacturing

Carbon Footprint

Working to reduce direct and indirect carbon emissions throughout the company's operations and value chain. Measured as "carbon footprint".

Circular Economy

Creating a feedback loop so that old products are used as raw materials for new ones. This can be achieved through product design for recycling and re-use.

Recycling & Waste Management

Managing waste generated by operations and in the manufacturing process, including waste reduction and sustainable disposal practices.

Employee Health & Safety

Setting high standards of practice to ensure the health and safety of all employees.

Management & Conduct

Responsible Supply Chain

Incorporating environmental, social, and ethical considerations into the company's supply chain and promoting sustainability among suppliers.

Employee Wellbeing & Development

Establishing robust employee engagement practices and providing employees opportunities to develop valuable professional and personal skills.

Diversity & Inclusion

Promoting gender equality and ethnic diversity in the workforce, creating an inclusive atmosphere, and supporting underrepresented populations.

Corporate Governance & Ethical Business

Establishing robust governance mechanisms and ethical business practices to enable the company to achieve its long-term goals

Our ESG Goals

As of the publication of this report, we have set the following goals and have begun implementing their corresponding work plans at the corporate level.

Impactful Product

- By 2025, complete and certify LCA results for at least one product or main product category.
- By 2026, we will prevent CO₂e through use of our products. (Exact CO₂e amount in tons to be calculated following the LCA for the relevant product)
- By 2026, the majority of our products will work towards enabling access to energy in developing countries.
- By 2027, one product certified by a major carbon neutral certification.

Responsible Manufacturing

- Maintain TRIR that "Touches Zero".
- By 2027, achieve ISO 14001 certification.
- By 2030 all products will be 100% recyclable/reused (end-of-life).
- By 2030, zero waste to landfill, with 10% reduction YOY.
- By 2035, Reach Net-Zero emissions.

Management & Conduct

- By 2024, 100% of suppliers sign Supplier Code of Conduct.
- By 2025, complete assessment of the ESG impacts of select material suppliers.
- By 2026, 40% women on Board of Directors.

During 2023, it is our intention to begin implementing the corresponding work plans that outline the necessary steps, policies, procedures, and mechanisms that must be set in place to achieve each of these goals. As of the publication of this report, the ESG Steering Committee, which is part of our ESG Governance Framework, approved these goals and their corresponding work plans. Progress made towards the achievement of these goals will be reported on in forthcoming ESG reports.

The following outlines our key material topics, organized according to the three ESG pillars.

Management of each of these material topics is carried out by the various business units that function within GenCell. ESG-related aspects are managed by our ESG Governance framework and ESG Manager.

It is our belief that these topics accurately reflect the areas where we are likely to have the greatest impact, and therefore, to ensure that we fulfill our commitment to achieving impact, we have begun the process of internally approving and setting ESG goals that correspond with our ESG material topics.

Our ESG Governance Structure

GenCell has implemented a robust ESG Governance Framework to ensure the effective management of environmental, social, and governance factors throughout our operations.

At the apex of this structure, the company holds ESG Board Meetings once a year, where senior executives, board members, and relevant stakeholders gather to monitor the implementation of the company's ESG strategy. During these meetings, progress achieved against the established goals is evaluated, guidance is provided, and the ESG report is reviewed and approved. Moreover, the ESG Board Meetings serve as a platform for addressing environmental and climate risk management, emphasizing the company's commitment to mitigating potential impacts, and enhancing sustainability.

To facilitate the ongoing implementation of the ESG strategy, we have established an ESG Steering Committee composed of internal subject matter experts. This committee holds quarterly meetings to closely monitor the progress of subject matter leaders against the working plan and goals. Key decision points, such as the approval of budgets and strategic initiatives, are made within the ESG Steering Committee. By leveraging the expertise of various stakeholders, this committee ensures that ESG considerations are embedded in the decision-making processes of the company, promoting a comprehensive and holistic approach to sustainable practices.

Playing a vital role in the execution of the ESG Governance Framework is the dedicated ESG Manager. The ESG Manager is responsible for the ongoing management of the field, in line with the approved strategy. This role involves monitoring compliance with established objectives, preparing reports for different stakeholders and management bodies, and managing projects that involve relevant parties within the company. As the gatekeeper for environmental and social issues, the ESG Manager proactively raises important matters to the relevant parties, the management team, and the Board of Directors. By assuming this pivotal role, the ESG

Manager ensures that business activities align with our commitment to environmental sustainability and social responsibility.

Our adoption of this comprehensive ESG Governance Framework demonstrates our unwavering dedication to responsible business practices. By establishing ESG Board Meetings, an ESG Steering Committee, and an ESG Manager role, the company ensures that sustainable development strategies are not just empty statements, but deeply ingrained in the decision-making processes and operations at all levels. This approach allows us to address relevant goals, make policy commitments, and effectively remediate any negative impacts that may arise, solidifying our position as a leader in the fuel cell industry.



Our adoption of this comprehensive ESG Governance Framework demonstrates our unwavering dedication to responsible business practices.

Management of Environmental Risks and Opportunities

GenCell places significant emphasis on protecting the environment and ensuring safety in all aspects of our operations. As part of our ESG Governance, the company works to identify potential areas of environmental risks and opportunities. We recognize that our activities entail environmental risks, and we actively manage these risks to prevent any potential harm. GenCell complies with binding legal requirements and continuously works towards increasing safety measures in its various activities.

The company's fuel cell systems provide a sustainable solution for clean energy generation, with no emissions of pollutants or toxins. However, it is important to address the specific environmental risks associated with the use of hydrogen and ammonia in these systems.

Hydrogen, although abundant in nature, poses certain risks due to its characteristics. It is colorless and odorless, making leak detection challenging. Additionally, hydrogen has low ignition energy, meaning that a concentration of hydrogen in the presence of a spark can lead to uncontrolled release of energy, potentially causing explosions. We adhere to all relevant standards and regulations for hydrogen storage and use, ensuring that tanks are sealed and secured with safety valves for immediate hydrogen release in case of malfunction. The tanks are located in open-air areas, allowing any unexpected leaks to disperse quickly into the atmosphere.

Ammonia, a commonly used industrial chemical, presents toxicity risks and various health effects, including respiratory and skin irritation. GenCell operates in accordance with regulations and standards for the shipping, storage, and use of ammonia. We follow safety guidelines, such as using safety data sheets and implementing strict procedures during manufacturing, shipping, storage, and use. Water is an effective neutralizing agent for ammonia leaks, and we maintain compliance with safety measures to prevent harm.

We are committed to complying with all applicable legal and regulatory requirements set forth by relevant authorities, including the Ministry of Environmental Protection and the Ministry of Energy and the Environment. The company holds the required permits and maintains regular communication with local authorities to prevent environmental harm and mitigate potential risks.

Internally, we have established comprehensive procedures to address environmental risks, including health and safety protocols, visitor management procedures, subcontractor guidelines, and chemical waste removal procedures. The company maintains a well-equipped emergency team that is trained to respond to leaks and prevent environmental harm associated with hazardous materials. More information on these procedures is provided in the "Employee Health & Safety" section of this report.

At present, we are not aware of any material environmental risks resulting from its activities. Our adherence to regulations and proactive risk management measures give us confidence that environmental directives will not have a material impact on our investments, costs, profitability, or competitive status in the foreseeable future.

As part of our goals to improve management of environment risks and opportunities, we plan to conduct an in-depth analysis based on the Taskforce for Climate-Related Financial Disclosures (TCFD) guidance in order to reinforce our activities in this area, to ensure that they are aligned with best practices in the industry, and to adequately prepare our business for the potential risks and opportunities arising from climate change.

Engaging with OUR STAKEHOLDERS



We believe that direct and open dialogue with our stakeholders is key to the success and growth of our business. We have identified our main stakeholder groups, with whom we maintain ongoing communication: employees, senior management, customers, end users, business partners and suppliers, regulators and governmental bodies, environmental bodies and organizations, local communities, shareholders, and investors.

| Stakeholders | Key Topics of Interest | Dialogue Channel | Frequency |
|-------------------|--|---|---|
| Employees | <ul style="list-style-type: none"> Fair labor conditions Employee welfare and wellbeing, health, and safety Diversity and inclusion Employee development and training Business successes and financial stability Ethical business conduct Transparency | <ul style="list-style-type: none"> Feedback surveys Manager-employee round tables Educational sessions Internal communications (newsletters, emails) HR channels Online knowledge bases (website) Social media platforms and blogs | Ongoing; Annually for feedback surveys and manager-employee round tables |
| Senior Management | <ul style="list-style-type: none"> Business successes and financial stability Quality and satisfaction of employees Product quality, reliability, and timely delivery Company knowledge Energy efficiency and environmental impact Regulatory compliance Ethical business conduct Sound corporate governance Transparency | <ul style="list-style-type: none"> Annual or bi-annual feedback surveys Manager-employee round tables Management meetings and Board of Directors discussions Internal communications (newsletters, emails) HR channels Annual financial reports | Ongoing; Annually or bi-annually for feedback surveys and manager-employee round tables |

| Stakeholders | Key Topics of Interest | Dialogue Channel | Frequency |
|---------------------------------|---|--|--|
| Customers | <ul style="list-style-type: none"> Product quality, reliability, and timely delivery Product maintenance and customer support Energy efficiency and environmental impact | <ul style="list-style-type: none"> Customer Services division User manuals and documentation Online knowledge bases (website, press releases) Product demonstrations and webinars Surveys and feedback forums | <ul style="list-style-type: none"> Ongoing, as needed |
| End users | <ul style="list-style-type: none"> Energy efficiency and environmental impact Product quality and reliability Access to energy | <ul style="list-style-type: none"> Online knowledge bases (website, press releases) Social media platforms and blogs | <ul style="list-style-type: none"> Ongoing, as needed |
| Business partners and suppliers | <ul style="list-style-type: none"> Product quality, reliability, and timely delivery Sustainability practices and standards Ethical business conduct Business successes and financial stability Sound corporate governance Transparency | <ul style="list-style-type: none"> Meetings and conferences Supplier portals and communication platforms Supplier agreements Communication with Procurement, Finance, or Business Development departments | <ul style="list-style-type: none"> Regularly, as needed |

| Stakeholders | Key Topics of Interest | Dialogue Channel | Frequency |
|--|--|--|--|
| Regulators and governmental bodies | <ul style="list-style-type: none"> Regulatory compliance Ethical business conduct Transparency Sound corporate governance | <ul style="list-style-type: none"> Communication, as needed, with Finance or Legal Department Communication with legal advisors Annual financial reports Requests, as needed, from governmental bodies | Annually, or as required by regulation |
| Environmental bodies and organizations | <ul style="list-style-type: none"> Energy efficiency and environmental impact Emissions reduction and waste management Stakeholder engagement Transparency Sound corporate governance Ethical business conduct Access to energy | <ul style="list-style-type: none"> Environmental disclosure reports Environmental management systems | Annually, or as needed |
| Local communities | <ul style="list-style-type: none"> Local employment and economic impact Stakeholder engagement Access to energy | <ul style="list-style-type: none"> Online knowledge bases (website, press releases) Social media platforms and blogs | Ongoing, as needed |
| Shareholders and investors | <ul style="list-style-type: none"> Business successes and financial stability Sound corporate governance Ethical business conduct Stakeholder engagement Energy efficiency and environmental impact Transparency | <ul style="list-style-type: none"> Annual financial reports Online knowledge bases (website, press releases, Investor Relations) Updates from senior management Investor presentations and other reports | Annual for financial reports; Ongoing and immediate for relevant updates; Quarterly for investor reports |

In addition, and in line with our ISO 9001 certification, we have worked to establish a Context of the Organization (COTO) document that outlines the internal and external issues that impact our strategic objectives and enable the effective planning of our Quality Management System. The COTO requires us to evaluate ourselves and our context, directly connecting to our efforts to identify, manage, and engage with stakeholder interests. It also requires us to identify relevant risks and opportunities that touch on each of these stakeholder groups in the business context.

Our COTO is regularly updated, in accordance with our compliance with the ISO 9001 certification for Quality

Management. More information on our quality standards, policies, and management systems is provided in the “Quality Standards and Ensuring Healthy, Safe and Environmental Products for Our Customers” section of this report.

We encourage all our stakeholders to provide their regular and ongoing feedback.

Stakeholders can contact us at info@gencellenergy.com or reach out to their relevant point of contact in the company.



Aligning with THE UN SDGs



We support the UN's Sustainable Development Goals (SDGs) that guide us towards achieving our mission and vision vis-à-vis clean energy and its role in protecting the environment, activities which define and are incorporated into our ESG strategy and practices. We view the SDGs as a reference that provides us with an opportunity for sustainable business growth while allowing us to demonstrate our commitment to join the global efforts to achieve these goals and create a better world for all.

We have researched the SDGs and have selected the four goals most relevant to our business activities, as well as those where we are likely to exert maximum impact through our current and future activities.

The following table provides an overview of the SDGs we focus on:



Description of Goal
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Our Impact on the Goal
GenCell's fuel cells support the transition of the global economy to clean, efficient, and sustainable sources of energy. We mobilize our scientific know-how, technological expertise, and innovation to increase the share of renewables in the global energy mix and the rate of improvement of energy efficiency. Looking ahead, GenCell invests in new technologies to expand the hydrogen economy with the clear aim of making possible clean, affordable electrification for all.



Description of Goal
SDG 9: Building a durable and inclusive infrastructure for sustainable industrialization and fostering innovation

Our Impact on the Goal
GenCell's fuel cell technology promotes innovation and the development of new infrastructure that is both sustainable and environmentally friendly. Our technology provides a reliable and efficient source of energy that can be used in a wide range of applications, including to power industrialization, economic activity, and innovation.

In 2021, GenCell's A5™ off-grid fuel cell (nano-plant) product received an "Efficient Solution" certification from the Solar Impulse Foundation, which works to identify clean and profitable solutions that enable economic growth while addressing global sustainability challenges. The A5™ system received the certification due to its ability to provide off-grid communities with access to improved communications and electricity infrastructure without generating emissions or pollution.



Description of Goal
SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Our Impact on the Goal
Our fuel cell technology works to promote sustainable cities and communities. The company's fuel cells can be used to power critical infrastructure in urban areas, such as hospitals and data centers, without the need for fossil fuels, reducing greenhouse gas emissions and improving air quality.

For instance, GenCell's hydrogen fuel cells were approved for use by the Israeli Ministry of Health at the cardio catheterization unit at the Hillel Yaffe hospital. The approval was received at the height of the global COVID-19 pandemic as part of a pilot. Currently GenCell seeks to expand its customer base to include hospitals and other critical infrastructure.



Description of Goal
SDG 13: Take urgent action to combat climate change and its impacts

Our Impact on the Goal
Our fuel cell technology works to promote sustainable cities and communities. The company's fuel cells can be used to power critical infrastructure in urban areas, such as hospitals and data centers, without the need for fossil fuels, reducing greenhouse gas emissions and improving air quality.

For instance, GenCell's hydrogen fuel cells were approved for use by the Israeli Ministry of Health at the cardio catheterization unit at the Hillel Yaffe hospital. The approval was received at the height of the global COVID-19 pandemic as part of a pilot. Currently GenCell seeks to expand its customer base to include hospitals and other critical infrastructure.



Impactful PRODUCTS

We are committed to creating products that make a difference for people and the planet. By leveraging the unique characteristics of our offerings, GenCell aims to enhance energy access, continuity, and resilience in remote communities and wherever businesses and communities face climate risks, embodying our mission of "Power for Humanity".



Customer EMISSIONS REDUCTION

Our products contribute to global climate mitigation efforts, support client emissions reduction initiatives, and play a part in tackling climate change. They provide access to energy in places where it is needed the most – for critical infrastructure and in locations where there is no or limited access to electricity. We also prioritize the health and safety of our products, striving to minimize potential risks and promote safe usage.

Our approach to these topics reflects GenCell's dedication to developing impactful products that address societal and environmental challenges while ensuring customer wellbeing and safety.



| | | |
|---|--|--|
| <p>By 2025</p> <hr/> <p>Complete and certify LCA results for at least one product or main product category</p> | <p>By 2026</p> <hr/> <p>Prevent CO₂e through use of our products <small>(Exact CO₂e amount in tons to be calculated following the LCA for the relevant product.)</small></p> | <p>By 2027</p> <hr/> <p>One product certified by a major carbon neutral certification</p> |
|---|--|--|

As part of the global discourse on climate change, customers, investors, and regulators increasingly expect companies to take action and reduce their carbon footprint continually and substantially. In light of this, one of the leading value propositions we offer our customers is the significant contribution our products have in this reduction effort. GenCell's products generate power from hydrogen or ammonia and, unlike traditional power generators, operating a GenCell fuel cell, creates no greenhouse gas emissions or other pollutants, with pure water being the only by-product of the process. By deploying our products instead of commonly used diesel generators, our customers can decrease their carbon footprint substantially and reduce the pollution created by their activity.

According to the company's estimates, each installation of one GenCell FOX™ system will over 10 years save approx. 500 tons of CO₂ emissions from diesel engines and operating expenses will decrease by tens of percent compared to use of diesel engines. It should be noted that as of the date of publication of the report, the FOX™ system is still in advanced stages of development and GenCell has commenced testing of the product outside its laboratories with partners and potential customers with the intention of starting initial commercial installations as early as 2022 and declaring it a commercial product during 2023.

To enhance our value offering, we constantly working to improve the efficiency of our product to create more energy from each fuel cell and have decided to work towards making them carbon neutral and certified – a long-term goal that we have set for ourselves. Moreover, innovative new products that can rely on power sources with even better environmental performance – such as green ammonia – are under development. In addition, and to further support customers in managing their emissions, we are in the process of conducting a lifecycle analysis (LCA) for our key products to accurately estimate the scope of carbon emissions reduced in deployment of our products, compared to common alternatives.



By 2025

Complete and certify LCA results for at least one product or main product category

Implementing Circular Economy Principles

We are dedicated to implementing circular economy principles to maximize resource efficiency and minimize waste. According to our estimates, nearly 90% of our key products can be recycled or reused. Nearly all the metal parts that are used in the fuel cell, the nickel material, many of the plastic materials (such as ABS, HDPE, and PE), the EPDM rubber, and the circuitry can all likely be recycled or reused by our customers. Currently, none of our products have reached the end-of-life stage, and therefore we do not have data on the weight of materials that can be reclaimed or recycled, though the forthcoming LCA analysis will aid us in determining this.

To determine the amounts that can be recycled or reused with greater precision, we are currently in the process of conducting comprehensive lifecycle analyses (LCA) for our key product categories, the results of which will be published in forthcoming reports. The LCA analysis will provide valuable insights into the environmental impact of our products throughout their entire lifecycle, enabling us to identify areas for improvement and implement circular economy practices. Based on the results, we aim to analyze our internal processes, optimize product design for recyclability and re-use, and explore opportunities for closed-loop systems and material recovery. By embracing circular economy principles, we strive to create a sustainable and regenerative approach to our operations, minimizing waste generation and maximizing the value of resources while reducing our environmental footprint.

Currently, we invest in efforts to make our product components durable and recyclable. Our products have a long lifespan to avoid "use once and throw away" practices, lowering the frequency of replacement and reducing overall consumption and waste generated from discarding obsolete products. In complement, we work towards increasing the amount of recycled source materials in our products and intend to develop future products that are capable of sustainable end-of-life treatment, according to the specific results of the LCA.



“ Each installation of one GenCell FOX™ system will over 10 years save approx. 500 tons of CO₂ emissions from diesel engines and operating expenses will decrease by tens of percent compared to use of diesel engines. ”





By 2026

The majority of our products will work towards enabling access to energy

Power for Humanity

1.1 billion people lack electricity for lighting, telecom, clean cooking, water, and economic development. 84% of them live in rural areas beyond the grid where they face distinct disadvantages in terms of opportunities to access adequate education, health, and quality of life.⁵ Power instability and power outages effect millions also in places with high baseline availability. In both GenCell's business development objectives and in our community involvement, we seek to contribute to increasing access to stable energy beyond the grid, and, in areas with unstable power conditions. GenCell products are relied on as backup power supporting crucial, sometimes lifesaving infrastructure. To increase our impact, we would like to take the lead in initiatives to increase power stability where it is needed, and we continually work to make sure our products are durable and dependable enough to be relied on even in the harshest environments and in extreme circumstances.

<https://www.gencellenergy.com/markets-applications/off-grid-power/>



In both GenCell's business development objectives and in our community involvement, we seek to contribute to increasing access to stable energy beyond the grid, and, in areas with unstable power conditions.



GenCell's A5™ Off-Grid Fuel Cell Receives Solar Impulse Efficiency Certification

In April 2021, GenCell received an "Efficient Solution" certification from the Solar Impulse Foundation, which has worked together with its director the Swiss explorer Bertrand Piccard to identify over one thousand clean and profitable solutions that enable economic growth while addressing global sustainability challenges. GenCell's A5™ off-grid fuel cell (nano-plant) was added to the Foundation's search engine for climate action – the Solutions Explorer – that aims to aid political and economic decision-makers with tools that will enable them to adopt ambitious energy and environmental policies, supporting the implementation of solutions at scale. Our A5™ system received the certification due to its ability to provide off-grid communities with access to improved communications and electricity infrastructure without generating emissions or pollution.



By 2027

Achieve ISO 14001 certification



As our main product category, fuel cell products must uphold high quality standards and provide consistent, reliable service to fulfill essential functions.

Quality Standards and Ensuring Healthy, Safe and Environmental Products for Our Customers

Fuel cells, originally designed for space applications, have evolved into complex and valuable products. They provide uninterrupted power supply, making them vital for critical infrastructure and protecting utilities and the telecommunications sector from potential financial losses caused by grid instability. Fuel cells also play a crucial role in driving the global green energy transition, offering emission-free electricity generation, and supporting the electric vehicle revolution. As our main product category, fuel cell products must uphold high quality standards and provide consistent, reliable service to fulfill these essential functions. We prioritize stringent quality control measures, guided by our dedicated Quality Manager, and supported by R&D and Customer Services departments, which are overseen by our COO. These internal systems ensure that our primary and backup power solutions meet customers' expectations by being continuously operational, environmentally friendly, and sustainable in the long term.

Quality Standards, Policies and Management Systems

Our Commitment to Delivering Products of the Highest Quality and Caliber

At the company level, GenCell maintains ISO9001:2018 for Quality Management certification, with the first year of certification beginning in 2014. In 2015, GenCell's quality management system was independently audited and accredited according to the ISO 9001:2018 quality management standard, according to which we uphold a Quality Policy and Quality Manual. The ISO9001:2018 certification is applied to our research and development (R&D) activities, so that new product development (NPD) processes are controlled to ensure that the end products are of a specified quality and caliber. However, the certification mainly covers the manufacturing of our products, ensuring that the highest quality is maintained throughout the production process. In the context of our ISO9001:2018 certification, we undergo periodic audits by an external body that examines our management systems and suggests potential areas for improvement.

GenCell's Quality Manager, who reports to the company's COO, upholds, and implements the Quality Policy, in alignment with the requirements of the ISO9001:2018 standard. The policy clearly expresses our commitment to ensuring the quality of the products

and services provided to our customers and to meeting their demands and needs. It states management's responsibility at a personal level to delivering products and services of high quality and excellence; that are innovative and safe, and which consider environmental concerns and considerations. Our management is furthermore dedicated to meeting requirements and to continuously improving the effectiveness of our quality system and controls. Employees too are committed to the continuous improvement of activities under their responsibility, receiving the full support of the quality management team and cumulative organizational knowledge to improve performance, including ensuring full compliance with all relevant laws, regulations, standards, procedures, and relevant documentation.

The efficiency and effectiveness of our quality management systems are examined through internal audits and customer satisfaction surveys, and we have set measurable goals and objectives on this topic, which are examined and assessed in management reviews, employee trainings, and through other activities. The policy was last updated in 2022 and is examined on an ongoing basis for areas of improvement and further clarification.

Our Quality Manual is used to ensure that our quality principles are maintained and improved upon in the manufacturing process. The manual addresses all the relevant ISO-related items, such as documentation, resource management, supply chain management, inspections, examination of non-conformities, etc. In addition, it outlines specific areas of focus for plant personnel and how to perform adequate checks and examinations of the products to ensure that they meet our overall quality standards. The manual is accessible to all the line managers, plant employees and relevant subcontractors according to their specific area of expertise.

As part of our ISO 9001 certification, we uphold a Context of the Organization (COTO) document that outlines the internal and external issues that impact our strategic objectives and enables the effective planning of our Quality Management System.

In the context of our manufacturing activities, production performance management is conducted on an ongoing basis through agreed-upon targets and objectives, namely the yield percentage for each fuel cell production

process, representing the process functionality and overall performance, and the number of non-conformity reports (NCRs) issued for the final assembly processes. To increase awareness for the topic of ongoing quality management and excellence at the company, relevant employees and subcontractors in the manufacturing plant participate in quality forum meetings where target performance results are presented, and major issues and solutions are raised.

When and if malfunctions, flaws, or defects are detected or experienced in the manufacturing plant or following delivery to a customer, the incident is thoroughly investigated internally and the customer is sent the correct resource or personnel to address the solution – usually carried out by the Customer Services Department, together with Quality Assurance and R&D. In addition, an NCR is issued to record the incident and ensure that quality processes are improved upon as a result. In addition to GenCell's unique TraCare system, which was designed in-house by the previous Quality Manager together with the current VP of Customer Services, there is also an internal system for recording and learning from NCRs.

Finally, we consistently look for relevant technological innovations and improvements that can be applied to increase the quality and performance of our products, while ensuring the construction of simple and user-friendly interfaces for their operation. Currently, and to improve productivity, lower workplace incidents, and increase the overall quality and consistency of our finished products, we are planning to automate production lines to the greatest extent possible.



TraCare Quality Management System

The TraCare Quality Management System, developed in-house by the former Quality Manager and current VP Customer Services, serves as a comprehensive tool for capturing and addressing customer complaints and issues. Designed to ensure effective follow-up, TraCare focuses on a range of subjects such as trainings and procedures, going beyond mere malfunction concerns. The system facilitates on-the-ground issue analysis and resolution, involving various departments including engineering, quality, procurement, and customer services. While now primarily used for documentation purposes, TraCare continues to foster seamless communication and collaboration between Customer Services and other relevant departments.

Healthy, Safe and Environmentally-Friendly Products – Quality and Safety Standards

Hydrogen and ammonia might hold the key for generating clean, efficient, reliable, energy that can support global growth while not harming the planet, yet due to misconceptions on the safety of the chemicals, many fear their use. That is why we at GenCell as an integral part of our business strategy look to inspire confidence in our customers when using power generated with hydrogen and ammonia. We go to great lengths to ensure that our products satisfy the highest levels of relevant health and safety regulations, and we are working towards adding a safety training component to our installation packages, focusing on safe use and handling of hydrogen and ammonia so that safety can continue to be upheld throughout our operations. Therefore, GenCell is committed to ensuring not only the high quality of our products, but also that they are safe and healthy for use over their entire lifetime.

Our products must meet strict quality and safety standards (TUV, CE, IEC, IEEE – detailed below). This is because fuel cells and their affiliated materials are highly regulated and audited for their quality, health, and safety aspects. This is primarily due to the presence of potentially hazardous substances, such as hydrogen and ammonia, and the application of high temperatures to generate energy. It should be noted, however, that although hazardous substances are used in the development and production of our products, the finished product itself is not considered hazardous and does not contain any of the hazardous materials that are stored in our manufacturing plant.

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GenCell is committed to ensuring not only the high quality of our products, but also that they are safe and healthy for use over their entire lifetime.

The majority of our product lines fully comply with quality standardization certificates and directives, issued both locally by the Standards Institution of Israel and internationally by various authorities and standardization bodies. These safety certifications and standards play a crucial role in ensuring the safe operation of our fuel cell power systems and other equipment.

For stationary fuel cell power systems, we adhere to the IEC/EN 62282-3-100 standard, which covers hazards and safety considerations for indoor and outdoor use. Our information technology equipment meets the requirements of IEC 60950-1, ensuring protection against fire and electric shock. The safety of electrical equipment of machines is addressed by the IEC 60204-1 standard, while IEC 60335-1 covers the safety of household and similar electronic appliances. Our equipment also complies with electromagnetic compatibility standards, such as EN 61000-6-2 and EN 55011, which ensure immunity to disturbances and control radiated emissions. We meet the recommended practices for seismic design (IEEE693-2005) and occupational safety and health standards for hydrogen (OSHA1910.103).

Communication protocols for substations are in accordance with IEC 61850-3, and IEEE 1613-2009 defines environmental and testing requirements for communications networking devices. We also comply with various directives, including the Machinery Directive (2006/42/EC), EMC Directive (2004/108/EC), Low Voltage Directive (2006/95/EC), Pressure Equipment Directive (97/23/EC), and RoHS Directive (2011/65/EU). These certifications and standards ensure the reliability, safety, and compliance of our products.

100% of our products are examined for their health and safety impacts according to the aforementioned standards. There were no incidents of non-compliance with regulations or voluntary codes regarding the health and safety impacts of our products in the reporting years. We consistently examine other relevant standards that are applicable to our product lines to maintain the highest degree of safety, quality, and service for our customers.

Environmental Certification

GenCell complies in principle with the ISO 14001 standard and guidelines for environmental management.

We take actions to meet all environmental related requirements including through our Environment, Health and Safety Policy, hazard and operability studies for ammonia system, analysis of safety aspects and risk assessment performed for hydrogen systems. We regularly conduct a working environmental survey test – the last one being completed in 2020, complying with and receiving certification for the work, disposal, and recycling of hazardous materials, as well as through other internal actions that aim to reduce waste and pollution, such as the use of hybrid/electric cars, elimination of the use of disposable cups, and using recycled packaging materials.

As noted, we have set a goal of achieving ISO 14001 certification by 2027 and will work towards achieving this goal through defined internal work plans and targets. We will report on progress towards this goal in forthcoming reports.

100% 
of our products are examined for their health and safety impacts



References to Certifications in Our Marketing and Labeling Activities

As noted, fuel cells are highly regulated products that must maintain high quality standards to be marketed in various countries. Therefore, GenCell displays relevant quality logos, such as TÜV Rheinland certifications for fuel cells, the CE mark (according to the European Union's Low Voltage Directive), an indication of RoHS compliance, its relevant ISO compliance, and other relevant certifications on the labels of its various products. There have been no incidents of non-compliance regarding product and service information and labeling in the reporting period.



Unprecedented Local Applications Powering Critical Infrastructure

GenCell is proud of the role that its products play in enabling always-on power for critical infrastructure, including power and telecom companies, in addition to hospitals and medical facilities. This is due to our high-quality standards that enable seamless integration into complex systems and highly regulated environments.

Israel Electricity Grid

In December 16, 2020, GenCell received a permit from the Israel Electricity Authority for the operation of our G5™ System for backup in a microgrid configuration (small local networks that enable the supply of a smart power grid) in an essential facility that constitutes the first permit of its kind for a hydrogen generator in Israel.

Israeli Ministry of Health

In October 2021, at the height of the COVID-19 pandemic and amidst the resulting healthcare crisis, the Israeli Ministry of Health received approval for the operation of a hydrogen fuel cell system at "Hillel Yaffe" Medical Center under a pilot format, intended to continue until the end of 2022. The units are used in the hospital's cardio catheterization unit.

Israeli Ministry of Defense

We are a recognized supplier to the Acquisition Manager in the Ministry of Defense, having received an A rating, which is the highest rating for suppliers performing design and development of products as well as production, including quality/non-quality cost analysis.

Customer Services at GenCell

The Customer Services department at GenCell plays a vital role in supporting customers throughout their entire engagement with the company. From sales and roll-out to deployment processes and services, the department is responsible for providing technical and service assistance to customers, ensuring a seamless experience. We view our customers as our partners, and we aim to make them ambassadors for the company.

The customer services team excels in professionalism, education, and consulting, establishing GenCell as a leader in hydrogen and ammonia solutions. The department manages a range of customer touch points to address their needs comprehensively. In the pre-sale phase, the team provides technological explanations and conducts technical analyses tailored to each customer's project requirements. Site surveys and regulatory analyses are carried out to ensure compliance with safety and electrical codes specific to the customer's country and project.

Furthermore, the customer services division handles the scoping and project management of bills of materials (BOM), as well as overseeing the roll-out and installation

processes. The department coordinates contractors and subcontractors when necessary, ensuring smooth implementations. Training sessions are organized for customers, partners, and distributors, both at GenCell's facilities and at customer sites, enabling users to fully understand and operate the systems.

Customer support continues beyond installation, with ongoing system services and analysis provided to optimize performance. Warranty management and spare parts handling are also part of the department's responsibilities, ensuring customers have access to necessary support and maintenance.

GenCell's Customer Services department is committed to delivering the needed solutions and anticipating customer concerns and difficulties. By prioritizing professionalism, education, and consultancy, they strive to establish strong, long-term relationships with customers, ultimately providing a great experience and solidifying our position as a trusted partner in the fuel cell industry.

The GenCell Energy Management System (GEMS™) and its Benefits for Customers

We have developed the GenCell Energy Management System (GEMS™), a groundbreaking software system for monitoring and managing emergency backup energy arrays. GEMS™ provides real-time readings of electrical loads, tests energy sources during power outages, and alerts users of unplanned energy consumption. With its industrial communications interface, GEMS™ seamlessly integrates with various network consumers. We believe that GEMS will have a significant impact on customer decisions, and we continue to invest in its development. Additionally, we aim to create an energy management program for the EVOX™ system, maximizing profitability and providing insights into cost and demand dynamics. GEMS™ represents a robust solution for reliable energy management and contributes to a sustainable future.

Launch of new unique software and services

GenCell GEMS Software Development

One platform to manage all products



NEW SERVICES

- Software customization for clients
- Remote control and monitoring
- Optimization
- Engineering planning
- Building Infrastructures
- 24/7 support



Responsible MANUFACTURING

It is important to us not only to have an impactful product, but to ensure that our product is responsibly produced. The Responsible Manufacturing pillar within our ESG framework is dedicated to addressing the effects and byproducts of our manufacturing process on both our stakeholders and the environment.



By 2035

Reach Net-Zero emissions

Through initiatives targeting material topics such as reducing our carbon footprint, engaging in recycling and waste management, water management, and prioritizing employee health and safety, we strive to ensure sustainable manufacturing practices that minimize our environmental impact and safeguard the wellbeing of our employees.

By incorporating these principles into our operations, we are committed to upholding responsible manufacturing standards and contributing to a more sustainable future.

Greenhouse Gas (GHG) Emissions, Carbon Footprint and GHG Emissions Intensity

We recognize the importance of addressing our carbon footprint and actively work towards reducing direct and indirect carbon emissions across our operations and value chain. By measuring and monitoring our carbon footprint, we strive to minimize our environmental impact and contribute to global efforts to combat climate change. Alongside the substantial contribution our products' function offers for reducing our customers' carbon emissions, we hold ourselves to the same standard and so work to reduce GHG emissions related to our own manufacturing process, including towards the reduction of our GHG emissions intensity. We understand that we will only be able to achieve our ambitious net-zero target through consistent improvement of our carbon footprint.

To this end, we are committed to setting ambitious goals, including a GHG emissions reduction pathway to reach net-zero emissions by 2035. The first step is lowering direct emissions through improving the energy efficiency of our manufacturing efforts, gradually extending efforts to lower emissions throughout our value chain by monitoring and addressing Scope 3 emissions.



We are committed to setting ambitious goals, including a GHG emissions reduction pathway to reach net-zero emissions by 2035.

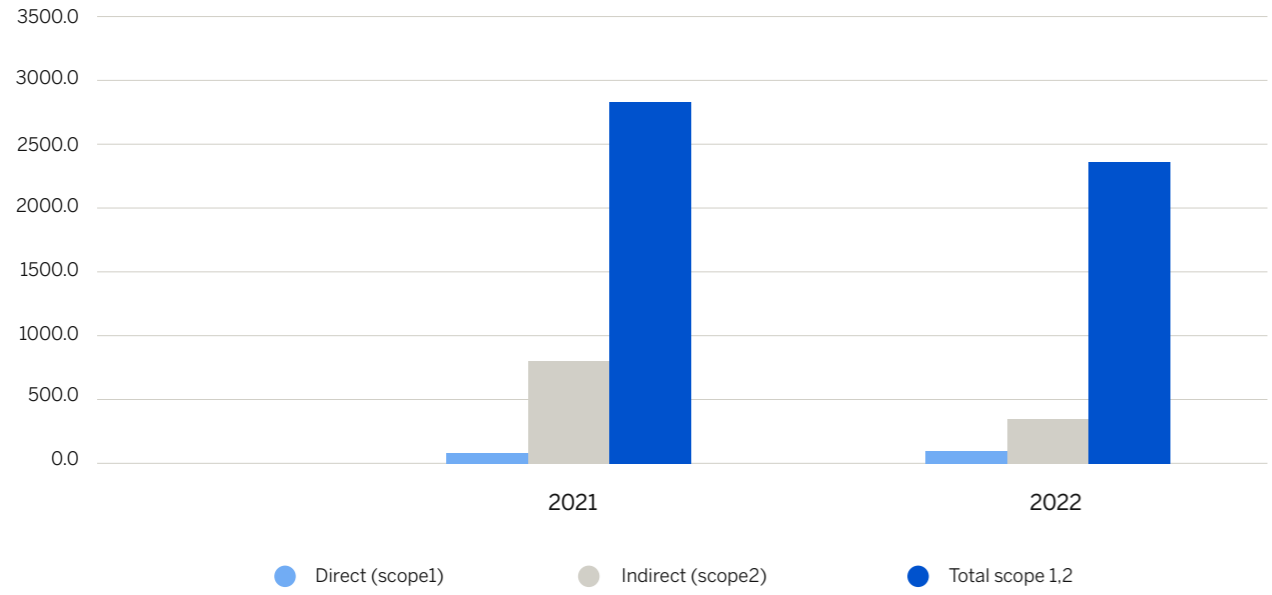
Greenhouse Gas Emissions and Carbon Footprint

In 2023, we conducted our first carbon footprint calculations for the years 2020-2022. The calculations were limited to Scopes 1 (direct) and 2 (indirect) emissions arising from our operations. The Scope 1 calculations included data regarding our fuel and oil consumption arising from employee travel, as well as the consumption of gas for the A/C units in our offices and manufacturing facility. The Scope 2 calculations included the electricity purchased from the Israeli electricity grid for our offices and manufacturing facility.

The following details the resulting GHG emissions calculated for 2020-2022:

| GHG emissions (CO ₂ e tons) | 2021 | 2022 |
|--|---------|---------|
| Direct (Scope 1) | 89.4 | 98.1 |
| Indirect (Scope 2) | 749.2 | 319.5 |
| Total Scopes 1,2 | 2,770.2 | 2,341.5 |

GHG emissions - Scopes 1 & 2



According to our findings, our indirect, or Scope 2 emissions, decreased by nearly 58% due to a significant decline in our electricity consumption between 2021 and 2022. The reduction in our electricity consumption is to the replacement of lighting in our manufacturing facility with LED lightbulbs, including in the laboratories, offices and for 85% of the factory floor.

Our indirect, or Scope 2 emissions, decreased by nearly 58% due to a significant decline in our electricity consumption between 2021 and 2022.

Greenhouse Gas Emissions Intensity

Furthermore, based on our carbon footprint, we can calculate the GHG emissions intensity of our organization. GHG emissions intensity refers to the amount of GHG emissions produced per unit of output or activity, such as per unit of product manufactured, per dollar of revenue generated, or per number of employees. It is a measure of how efficiently an organization or industry can manage and reduce its carbon emissions. Lower GHG emissions intensity indicates a more environmentally sustainable approach, as it signifies reduced emissions relative to the level of output or activity. This metric helps assess the effectiveness of emission reduction strategies and track progress towards environmental goals.

In 2021-2022 our GHG emissions intensity data show a decrease of about 60%, despite an increase in our business activity.

| GHG Intensity | 2021 | 2022 |
|---|--------|--------|
| GHG Intensity - CO ₂ e tons/Revenue in USD | 0.0002 | 0.0001 |
| GHG Intensity - CO ₂ e tons/Employees | 6.7088 | 2.66 |

~60% decrease, despite an increase in our business activity

Progress Towards Our Net-Zero Target

This is the first year that we have conducted carbon footprint and GHG emissions intensity calculations. Moving forward, and in our forthcoming ESG reports, we plan to report on our Scope 3 emissions from transportation, shipping, and delivery of our products to our customers, as well as the emissions arising from our suppliers' operations as they relate to GenCell. Adding these parameters to our calculations is essential to sure that we adequately track our progress towards our net-zero target, and to address additional company goals, such as engaging a carbon neutrality certification for carbon offsetting and reducing our customers' carbon footprint through the use of our products.



Use of Energy Resources and Energy Intensity

We are committed to responsible energy resource management and the reduction of energy consumption throughout our operations. We recognize that energy usage is a significant contributor to greenhouse gas emissions and environmental impact.

Energy Consumption in the Organization

As part of our commitment to the environment, we monitor and report on our energy consumption, with a focus on fuel and oil used in our leased vehicles for travel to and from the office and in our manufacturing facilities. Our energy consumption also includes the use of coolant gases for our A/C systems in our offices and manufacturing facility.

The following details the company's energy consumption for 2021-2022:

| Energy Consumption | 2021 | 2022 |
|---|------------------|------------------|
| Fuel consumption (gasoline) from employee travel (Liters) | 40778.4 | 42990.5 |
| Oil consumption from employee travel (Liters) | 0.04 | 0.02 |
| AC gas consumption (Liters) | Not available | 2.1 |
| Total energy consumption (Liters) | 40,778.44 | 42,992.59 |

As evident from the figures presented above, there was a 5% increase in our energy consumption in 2022, compared to 2021. This is due to an increase in the number of employees and increased volume of production for our key products.

It should be noted that there is no gasoline consumption for generators used at our manufacturing facilities as, in case of need, we apply our fuel cell systems as sources of backup power.

In addition, and due to the global energy crisis, production costs increased in the reporting years due to an increase

in fuel and shipping expenses of raw materials to our facilities and of our products to customers.

We actively implement measures to reduce energy consumption, including promotion of energy-efficient practices and exploration of alternative transportation options. Overall, by continuously improving our energy management practices, we strive to minimize our environmental footprint with the goal of reaching net-zero emissions by 2035, and to contribute to a more sustainable future.

Energy Intensity

We are dedicated to managing our energy intensity and optimizing energy efficiency across our operations. Energy intensity refers to the amount of energy consumed per unit of output or activity. As a company focused on clean energy solutions, we strive to minimize our energy intensity by leveraging advanced technologies, optimizing manufacturing processes, and implementing energy-saving initiatives. By continuously monitoring and evaluating our energy consumption patterns, we aim to identify areas of improvement and implement measures to reduce energy intensity, ensuring responsible resource management and supporting our commitment to sustainability.

Our energy intensity between 2021-2022 decreased by about 65%.

| Energy Intensity | 2021 | 2022 |
|--------------------------------------|--------|--------|
| Energy Intensity - GJ/Revenue in USD | 0.0010 | 0.0003 |
| Energy Intensity - GJ/Employees | 43.38 | 15.58 |

~ 65%
decrease of our energy intensity between 2021-2022

Reduction of Energy Requirements of Our Fuel Cell Products

GenCell is committed to continuously improving the energy efficiency of our fuel cell products. Through rigorous research, development, and engineering, and we strive to design fuel cells with reduced energy consumption requirements, maximizing their environmental performance. By adhering to industry standards and best practices, such as the International Electrotechnical Commission (IEC)⁷ and the American Society of Mechanical Engineers (ASME) guidelines⁸, we ensure that our fuel cell systems are designed to optimize energy conversion efficiency and minimize energy losses during operation.

In addition to adhering to standards, we also leverage innovative design strategies and advanced materials to enhance the energy efficiency of our fuel cell products. This includes incorporating high-performance catalysts, optimizing reactant utilization, and implementing efficient thermal management systems. By continuously pushing the boundaries of fuel cell technology and adopting energy-saving measures throughout the product lifecycle, we aim to deliver fuel cell solutions that not only meet our customers' power needs but also contribute to a greener and more sustainable future.

⁷ https://www.iec.ch/dyn/www/?p=103:7:0:::FSP_ORG_ID,FSP_LANG_ID:1309,25

⁸ <https://www.asme.org/codes-standards/find-codes-standards/ptc-50-fuel-cell-power-systems-performance/2002/drm-enabled-pdf>

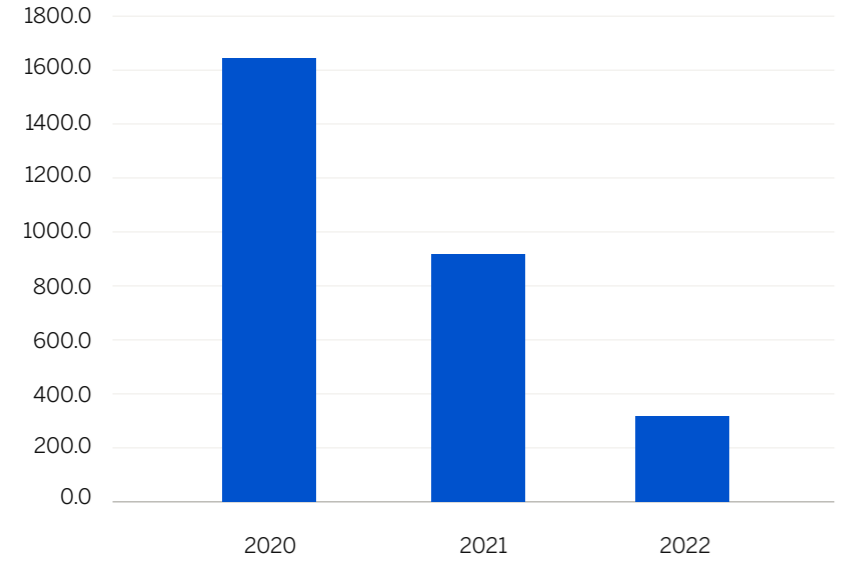
Water Resources

We are dedicated to responsible water resource management throughout our operations. We strive to minimize water usage and prioritize water conservation measures, adhering to regulatory requirements and implementing efficient water management practices to ensure sustainable use of this vital resource.

Although little water is used in our manufacturing process and all of it is sourced from the Petah Tikvah municipal water company, we manage our water consumption responsibly and look to reduce it wherever possible. We are also committed to responsible disposal of wastewater within the municipal wastewater treatment systems. However, we do not track our wastewater disposal levels and therefore, only relevant data on our water withdrawal and consumption is provided.

| Water Consumption | 2020 | 2021 | 2022 |
|-------------------------|-------|------|------|
| Water (m ₃) | 1,618 | 954 | 387 |

Water consumption (m3) from Municipal Water Utility



As evident from the data presented, there was a 76% decrease in the consumption of water resources between 2020 and 2022, and a 59% decrease in the consumption of water resources between 2021 and 2022.

Moving forward, GenCell is committed to implementing further measures to manage and reduce the consumption of water resources, including implementing processes that promote water efficiency and conservation across our operations.

55%

decrease in the consumption of water resources between 2020 and 2021

59%

decrease in the consumption of water resources between 2021 and 2022



Use of MATERIALS



At GenCell, we prioritize the responsible management of materials used in the production of our hydrogen and ammonia-based fuel cells, as well as for the packaging and materials that are used to deliver them to our customers and enable their effective deployment.

Materials Critical to the Production of Fuel Cells

In our manufacturing processes, we utilize various raw materials including carbon and nickel components, nickel mesh, conductive plastic, aluminum frames, electronic elements, and polypropylene castings. These materials play crucial roles in the functionality and performance of our products. Carbon and nickel components serve as catalysts in the fuel cell reactions. Nickel mesh is utilized for its conductivity and structural support properties. Conductive plastic is used in certain components to facilitate electrical conductivity. Aluminum frames provide stability and structural integrity to our fuel cell systems. Electronic elements, including circuits and various electronic components, are incorporated to enable control and monitoring functionalities. Additionally, polypropylene castings are employed for specific parts, benefiting from the material's durability and resistance properties. By carefully selecting and integrating these materials, we ensure the quality and efficiency of our fuel cell products.

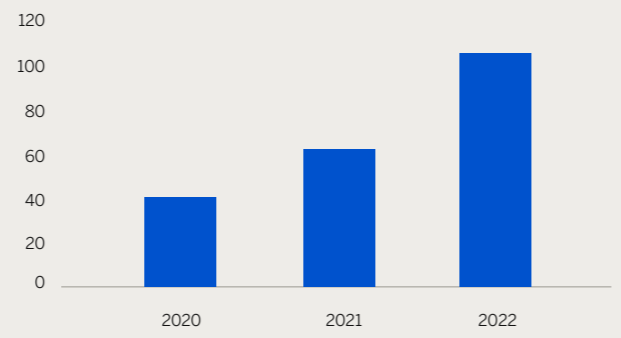
To manage risks associated with the sourcing of critical materials, we strive towards a diversified and reliable supply chain by working with multiple manufacturers per item and maintaining security stocks for critical components. We work to manage the potential risks, both in terms of sourcing and financial dependence, associated with the use of these critical materials through our Raw Material Purchasing Policy.

When possible, we promote material recycling and reclamation to minimize waste and maximize resource efficiency, though we are still working on establishing our policies and procedures regarding these practices at the company. Currently, we fully recycle the cardboard packaging that is used to deliver the generator integrated into our fuel cell product. We use the same cardboard packaging to wrap and deliver our products to our customers.

The following details the materials used in the production and packaging of our key products in 2020-2022:

| Key materials used in production or packaging (weight or volume - tons) | 2020 | 2021 | 2022 |
|---|---------------|---------------|----------------|
| Reusable or Replenishable Materials Used | | | |
| Distilled Water | 0.5 | 0.5 | 0.5 |
| Wood | 0 | 1.9 | 9.5 |
| Cardboard | 0 | 0.03 | 0 |
| Single Use or Non-Replenishable Materials Used | | | |
| Polypropylene (Tenax OS 101) | 0.3 | 0.65 | 1.2 |
| Nickel (Mesh) | 10 | 12 | 15 |
| Palladium (II) Chloride | 0.002 | 0.0067 | 0.019 |
| Acrylonitrile butadiene styrene (ABS) | 9 | 11 | 12 |
| Stainless Steel (Fasteners etc.) | 20 | 31 | 57 |
| Sodium Carbonate Anhydrous | 0 | 0.532 | 1.9 |
| Hydrazine Monohydrate | 0.102 | 0.45 | 1.58 |
| Carbon Black | 0.3 | 0.3 | 1.35 |
| Norit SX PLUS | 0 | 0.72 | 0.72 |
| Ethanol 96 denatured CP | 0.196 | 0.157 | 0.626 |
| CO ₂ scrubber material | 0.04 | 0.38 | 0.85 |
| Sodium Hydroxide | 0 | 0.2 | 1.9 |
| Nickel Chloride | 0.025 | 0.2 | 0.35 |
| Timrex HSAG 300 | 0 | 0 | 0.555 |
| Tin 143012 LLS227@ B18 lead free | 0 | 0.15 | 0.24 |
| PTFE Powder TF 2053z | 0 | 0.225 | 0.2 |
| PTFE Dispersion TE3970 | 0.129 | 0.516 | 1.505 |
| LNP ER011430 | 0 | 2 | 9 |
| Packaging Materials | | | |
| Nylon wrap | 0.312 | 0.312 | 0.312 |
| Bubble wrap | 0.312 | 0.312 | 0.312 |
| Total weight of materials used to produce and package the company's primary products | 40.718 | 61.112 | 106.619 |

Material Used (Tons)



The increase in materials used is due to an increase in the volume of production of our products driven which is driven by more deployments and expanded projects and partnerships.

Following the results of our first LCA for our key products, we will begin to adopt an approach that seeks to design our products with a focus on recyclability and facilitating the recovery of valuable materials during the manufacturing and packaging processes. By integrating circular economy principles into our material management practices, we aim to reduce reliance on virgin materials, minimize waste generation, and extend the lifespan of materials through reuse and recycling. Through these efforts, we strive to achieve a sustainable and efficient material management system that aligns with our commitment to environmental stewardship.



By 2030

All products will be 100% recyclable/reused (end-of-life)

Zero waste to landfill, with 10% reduction YOY

Responsible Management of Waste and Hazardous Materials

At GenCell, waste management is a crucial aspect of our commitment to environmental responsibility, particularly as we are a manufacturing company. We prioritize sound and responsible waste management practices to minimize our impact on the environment. Our processes are designed to increase recycling rates and significantly reduce the amount of waste sent to landfill. We continuously strive to improve our waste management efforts and aim to consistently reduce the absolute amount of waste generated while increasing the percentage that is recycled. Our long-term goal is to achieve zero waste sent to landfill by 2030, with a 10% reduction year-over-year until the target year. In addition, we have set a goal of ensuring that our products are 100% recyclable and reusable at the end of their lifecycle by 2030. The specific procedures and steps for achieving this goal will become clearer once the LCA results for key products are received.

As part of our commitment to responsible sourcing, we also prioritize the recycling and proper disposal of materials used in our fuel cells. Through partnerships with third-party suppliers, we separate metals from other materials consumed during manufacturing processes and recycle them for reuse. Additionally, the cardboard packaging materials used for our fuel cells are recycled. We adhere to regulatory requirements and best practices to ensure the safe and environmentally sound handling of materials at end of life.

Waste management is a major component of being an environmentally conscious company and is especially material for a manufacturing company. For this reason, sound and responsible waste management is a key priority for us. We have designed our processes to significantly increase the amount of recycling and reduce the amount of waste sent to landfill. We acknowledge that there is always room for improvement and plan to take further actions to consistently monitor our progress and performance.

Waste Management in Manufacturing and Packaging of Products

As noted, we are committed to ensuring the sound management of waste products generated in the manufacturing and packaging of our products. We aim to achieve our zero waste to landfill target by implementing recycling, reuse, and reclamation principles at scale, in addition to understanding the impacts from the entire lifecycle of our products through the forthcoming LCA analysis.

The following details our waste management data for 2020-2022:

| Waste type (weight or volume - tons) | 2020 | 2021 | 2022 |
|--------------------------------------|-------------|-------------|-------------|
| Plastic packaging waste | 0.624 | 0.624 | 0.624 |
| Cardboard packaging waste | 0 | 0 | 0 |
| Metal waste | 1 | 1 | 1 |
| Other plastic waste | 0.5 | 0.5 | 0.5 |
| Total waste generated | 2.12 | 2.12 | 2.12 |

As of the publication of this report and unless otherwise noted, all the waste is disposed either to the landfill, being transported by authorized vehicles and authorities, or is recycled with recycling business partners or authorized companies, according to the local regulations. As noted, all the cardboard packaging in which the generators arrive is reused and repurposed to package our fuel cells following production. In addition, metals and some plastics are recycled by a third-party supplier, however data was not available for publication in this report.

GenCell also emphasizes waste materials recycling at our offices including for packaging, paper goods, office supplies, and employee consumables.

Product End-of-Life

In addition to responsible waste management and recycling, GenCell also emphasizes the proper disposal and end-of-life management of materials used in our fuel cells. We adhere to regulatory requirements and best practices to ensure the safe and environmentally sound handling of materials at the end of their life cycle. We seek to improve our performance in this regard by working towards our goal of ensuring that all products are 100% recyclable/reused (end-of-life) by 2030.

Working towards our goal of ensuring that all products are 100% recyclable/reused (end-of-life) by 2030.



Safe Disposal of Hazardous Materials

GenCell ensures the safe disposal of hazardous materials, such as the Potassium Hydroxide (KOH) electrolyte used in fuel cells. The electrolyte is tested for reuse and consumption throughout the production process. When it can no longer be reused, GenCell follows strict standards for the disposal of these hazardous materials. The company holds a business license granted by the Petach Tikva Municipality, which is required for engaging in the energy field and storing hazardous substances, in accordance with the applicable laws.

Compliance with environmental requirements is a priority for GenCell, enabling the company to obtain a standard license for commercial operations in Israel. By adhering to these requirements and maintaining responsible practices, GenCell demonstrates its commitment to both environmental sustainability and regulatory compliance.



Maintain TRIR that “Touches Zero”



We place a strong emphasis on employee health and safety, setting high standards and implementing robust practices to create a safe working environment.

Employee Health & Safety

We place a strong emphasis on employee health and safety, setting high standards and implementing robust practices to create a safe working environment. By upholding employee health and safety as a top priority, we strive to protect the wellbeing of our workforce.

We are dedicated to the health and safety of our employees, and especially mindful of those working in the manufacturing or development processes that take place at our manufacturing plant. We fully comply with all the regulations and requirements governing the topic of occupational health and safety at our operational facilities and take extensive action in those facilities to ensure our employees' health and safety through regular monitoring and assessment, particularly for the use of hazardous materials and chemicals. Employees are trained and provided with all necessary personal protective equipment to maintain our expectations and comply with requirements for high occupational health and safety standards. Finally, we continually review and improve our safety management systems to maintain our commitment to zero serious occupational injuries and diseases at our manufacturing plant, in line with our goal of maintaining a TRIR that “touches zero”, which aligns with our current performance of a TRIR of zero – no material incidents.

About Our Production Processes

Producing an operable and efficient fuel cell is a complex endeavor. However, alongside our wealth of skill and experience and strict adherence to relevant health and safety regulations, we take all the necessary precautions to ensure that the hazardous or potentially dangerous materials used in the production of our products are safely and responsibly handled and that our employees are adequately protected when dealing with such materials and throughout the entire manufacturing process.

Our manufacturing operations can be divided into two main processes: manufacturing the fuel cell “stack” that includes the cathodes, anodes, electrolyte, and the catalyst, including use of chemical and mechanical elements; and assembly of the final product. As production of the “stack” involves hazardous materials, namely hydrogen and ammonia, as well as other sensitive materials including carbon (black carbon), nickel, palladium, and plastics, among others, there are several additional necessary safety procedures that we take to ensure that our employees are protected from any health or environmental risks.

Hazardous Materials: Safe Storage & Employee Protection

Due to the risks inherent in the use of hydrogen at scale, we operate according to the regulations and existing standards for storage and use of hydrogen, including the relevant sections of the Hazardous Substances Law. The hydrogen is stored in sealed and secure tanks, which include safety valves for rapid release of hydrogen in the event of a malfunction. The storage containers are in a location exposed to the open air, so that in case of an unexpected leak of hydrogen gas, the hydrogen, being lighter than air, will quickly move unhindered into the atmosphere.

In addition, ammonia is defined in the Hazardous Substances Law as a hazardous substance. A material safety data sheet (MSDS) serves as an identity card for a hazardous substance and lists risks and safety operating instructions with such a substance. Under standard pressure and temperature conditions, ammonia is a colorless, pungent-smelling gas, and it is lighter than air with very high solubility, so water is an excellent means of neutralizing ammonia. Strict safety rules are therefore required when manufacturing, transporting, storing, and using this substance. Therefore, we fully operate in accordance with existing regulations and standards for the transportation, storage, and use of ammonia.

Health & Safety Regulations, Management Systems, Policies and Trainings

Ensuring the health and safety of employees is of paramount concern for GenCell. The company adheres to rigorous health and safety regulations, implements robust management systems and policies, and provides comprehensive training programs to create a safe working environment.

Relevant Occupational Health & Safety Regulations

Development and production processes carried out at our manufacturing plant, are subject to the Work Safety Laws applicable to the execution of relevant work, as well as the orders and regulations issued thereunder, including the Occupational Safety Ordinance [New Version], 5730-1970, the related regulations and orders including the

regulations of the Labor Inspection Organization, etc., relating to safety aspects at work.

In addition, our development and production processes include the use of hazardous substances according to the Hazardous Substances Law, such as ammonia. Therefore, and as required by Section 3 of the Hazardous Substances Law, we hold a Toxins Permit that is issued by the Hazardous Substances branch at the Ministry of Environmental Protection, which is valid until 2025. In this context, the Ministry of Environmental Protection provides guidance for all persons involved in handling hazardous substances in Israel and supervises their activities in the field, including storage, sale, transportation, and use, while it is mandatory to act in accordance with said legal provisions. The Permit is reviewed and renewed every three years in accordance with the requirements of the law.

Thus, we implement and comply with the applicable provisions of the law and regulations, including guidelines from the Ministry of Environmental Protection and the Ministry of Energy and Environment. Moreover, we maintain constant contact with the local authorities relevant to our activities as well as with any other relevant authority, all for the purpose of preventing damage to the environment and minimizing potential environmental risks.

Accordingly, we comply with the U.S. Department of Labor Standards OSHA 1910.103 for the Storage and Handling of Hydrogen and OSHA 1910.111 for the Storage and Handling of Anhydrous Ammonia.

Health & Safety Management Systems

Our health & safety management systems have been designed to comply with the Israeli Work Safety Ordinance (New Version), 5730-1970. In addition, we partially comply with the international standard for occupational health and safety – ISO18001 – in that there are aspects of the Work Safety Ordinance that correspond with the ISO standard; however, we do not possess certification from this standard and only comply in practice regarding various aspects. Through our compliance with the ISO9001:2015 quality standard, we adhere to various relevant health and safety aspects, such as establishing a work environment where quality products can be produced by controlling certain physical factors such as hygiene, noise, and by providing adequate human supervision.

GenCell employs a Safety and Environmental Protection Officer that works full-time at the manufacturing plant, as well as an external Health and Safety Officer who works part time at the plant and is tasked with overseeing regulatory compliance, including regarding the Work Safety Ordinance. In addition, and because the company uses hazardous materials, there is a designated employee who is responsible for the safe use of toxins, as part of the company's Toxins Permit, and an employee responsible for overseeing the proper use, storage, disposal, and transportation of hazardous materials at the plant. Together, these employees oversee implementation of health and safety systems, policies, and procedures, including by carrying out trainings for our employees.

According to the requirements of the Work Safety Ordinance (New Version) GenCell regularly revises and implements an Annual Safety Plan, which includes resources, policies, the structure of health and safety functions, details on trainings, periodic testing of materials and equipment, periodic occupational health checks for employees, procedures and plans for safety and health promotion, risk assessment and safety instructions. We maintain an Environmental, Health and Safety Committee that has 11 participants in total: 7 employees, 1 external participant (the Health and Safety Officer), and 3 relevant managers. The Committee meets monthly to discuss relevant topics, review events, and to ensure that the requisite procedures are implemented.

We uphold an Environment, Health and Safety Policy that outlines our commitment to ensuring the health and occupational safety of our employees, contractors, business partners and customers, as well as adherence with environmental standards and regulations governing the local communities in which we work. The Policy is managed and overseen by a senior manager at the company, together with the Safety and Environmental Protection Officer, as well as the Health & Safety Officer. The Policy lays out our commitment to fostering an Injury-Free Culture (IFC). To ensure the safety and health of our employees as well as for other stakeholders, we state our commitments regarding the following topics:

- Incorporation of environmental, occupational health and safety topics into our business decisions and activities;
- Training of employees to be personally accountable for maintaining the highest environmental, health and safety standards in the workplace;
- Obligation of all employees, subcontractors, suppliers and visitors to adhere to the rules and regulations governing the environment, health and safety;
- Target to meet or exceed all environmental, health and safety laws and regulations wherever GenCell operates;
- Communication and annual updates on relevant goals and objectives regarding occupational health and safety for GenCell's employees and other stakeholders.
- Finally, the Policy outlines our commitment to continual improvement of our environmental, health and safety performance whenever possible.

We uphold an Environment, Health and Safety Policy that outlines our commitment to ensuring the health and occupational safety of our employees, contractors, business partners and customers.

Furthermore, we operate in accordance with various internal procedures regarding the management of environmental risks such as: a safety and hygiene procedure (prescribing the behavior of workers in hazardous substance environments), procedure for plant visitors, procedure for subcontractors on the company site, chemical waste disposal procedure, and more. The company has set up a well-equipped emergency team (which supervises the use, among other things, of protective suits, breathing systems, gas masks, etc.). This team is designated to act in the event of a leak according to procedures, to prevent environmental damage from the hazardous substances used by the company.

All our employees are provided with the necessary personal protective equipment that they must wear while completing their duties on the manufacturing floor, and line managers are responsible for verifying that the equipment is properly worn and used to ensure compliance with safety standards.

Our emergency response team, which includes one certified medic and two on-site doctors, is responsible for dealing with potential injuries and providing initial medical care should an occupational injury arise in the course of work at the plant. If further medical attention is required, the injured employee is sent to a nearby hospital with an ambulance to ensure adequate care. We note that such an instance has not occurred at the plant in the last two years, and minor injuries that were sustained were treated on-site by the emergency response team.

Trainings are conducted for employees on various related occupational health and safety topics during onboarding, annually, and on an ongoing basis on various topics, as needed. The company hosts general trainings on how to report an incident or injury, as well as specific trainings for employees who come into contact with hazardous substances. These trainings include emergency exercises, including for cases of hazardous material spills or resulting fires, that are conducted together with the local fire department to ensure that all teams are prepared in case of an emergency. In addition, visitors and suppliers receive a quick initial training on potential health and safety risks before they are allowed to enter the production floor, and they also receive the necessary personal protective equipment depending on which part of the facility they are visiting.

”
GenCell’s TRIR for the reporting period is 0, meeting our goal of maintaining a TRIR that “touches zero”.



Our Environment, Health & Safety Performance - TRIR

The following details our environmental, health and safety performance at our manufacturing facilities in 2020-2022:

| Work-related injuries and illness | 2020 | 2021 | 2022 |
|---|--|--|--|
| The main types of work-related injury | Minor corrosive chemical splash to eye | Superficial first-degree burn, cuts, bruises | Superficial first-degree burn, cuts, bruises |
| The number and rate of recordable work-related injuries (TRIR*) | 0 | 0 | 0 |
| Number of accidents - Men | 0 | 0 | 0 |
| Number of accidents - Women | 0 | 0 | 0 |
| Total number of accidents | 0 | 0 | 0 |
| Number of days missed - Men | 0 | 0 | 0 |
| Number of days missed - Women | 0 | 0 | 0 |
| Total number of days missed | 0 | 0 | 0 |
| Main work-related hazards that pose a risk of high-consequence injury | Ammonia leak | Ammonia leak | Ammonia leak |
| The number of cases of recordable work-related ill health | 0 | 0 | 0 |
| The main types of work-related ill health | 0 | 0 | 0 |
| Total number of factory workers | | | 55 |

GenCell’s TRIR for the reporting period is 0, meeting our goal of maintaining a TRIR of that “touches zero”.
 *TRIR = Total Recordable Incidents Rate

Environment, Health & Safety Audits

We conduct regular internal audits of our environmental, health and safety systems, in accordance with the local regulation and the Ministry of Environmental Protection. External audits of our facilities are also conducted, and we make necessary adjustments and improvements to our safety procedures accordingly.

Recently, an external environmental, health and safety risk survey was conducted at the plant to examine respiratory sensitivity to chemical agents in the air as well as appropriate levels of occupational noise. The main risks for respiratory sensitivity arise from the use of black carbon, nickel, and hydrazine in production of our fuel cells. The risk survey found the presence of these potentially dangerous materials in the air at the plant to be less than the permitted maximum weighted exposure levels and the action levels (which is half of the maximum weighted exposure allowed).

Regarding occupational noise levels, the survey found that the employees working on Electrodes Trimming Production were exposed to noise levels that exceed the maximum weighted exposure for an 8-hour shift (85 decibels A). As a result, the EHS inspector required implementation of the following procedures, which are currently being carried out by the company: measures to reduce the exposure of workers to below the maximum weighted exposure levels permitted by the law through adequate EHS protection; obligation to conduct regular occupational environment tests to ensure the level of noise is decreased; obligation for training of employees on occupational hazards arising from work on the stated production line; and mandatory medical and hearing examinations for employees to assess potential health and hearing impacts.





Management & CONDUCT

At GenCell, we are not only committed to the impact of our products and ensuring that they are responsibly manufactured; we place strong emphasis on the Management & Conduct pillar within our ESG framework that focuses on our corporate governance, attitude towards employment and diversity, and dedication towards establishing a responsible supply chain.

This pillar impacts various aspects of our internal processes, including corporate governance, ethical conduct, transparency, and responsible supply chain management. We prioritize maintaining high standards of corporate governance and ethical business practices throughout our operations, ensuring transparency and accountability in all our activities. Additionally, we are committed to safeguarding privacy and data security, promoting diversity and inclusion, fostering employee wellbeing and development, and establishing a responsible supply chain. These aspects collectively shape our overarching approach to effective management and conduct, enabling us to build trust with our employees, suppliers, and the wider community.

Employment at GenCell

We recognize the importance of addressing our carbon footprint and actively work towards reducing direct and indirect carbon emissions across our operations and value chain. By measuring and monitoring our carbon footprint, we strive to minimize our environmental impact and contribute to global efforts to combat climate change. Alongside the substantial contribution our products' function offers for reducing our customers' carbon emissions, we hold ourselves to the same standard and so work to reduce GHG emissions related to our own manufacturing process, including towards the reduction of our GHG emissions intensity. We understand that we will only be able to achieve our ambitious net-zero target through consistent improvement of our carbon footprint.

To this end, we are committed to setting ambitious goals, including a GHG emissions reduction pathway to reach net-zero emissions by 2035. The first step is lowering direct emissions through improving the energy efficiency of our manufacturing efforts, gradually extending efforts to lower emissions throughout our value chain by monitoring and addressing Scope 3 emissions.

Employee Data

The following presents our employee data for 2022:

| | |
|--|------------|
| Employee data | 2022 |
| Female | 29 |
| Male | 128 |
| Total number of employees on payroll (head count/FTE) | 157 |
| Female | 23 |
| Male | 119 |
| Total number of full-time employees (head count/FTE) | 142 |
| Female | 1 |
| Male | 0 |
| Total number of contractor workers | 1 |



84%
increase
compared to
2020

26%
increase
compared to
2021

Since the company was founded just over a decade ago, our headcount has grown to 157 employees at the end of 2022, representing an 84% increase compared to 2020, and a 26% increase compared to 2021.

In addition, 90% of our employees are full-time employees, a figure that we are immensely proud of as an indicator that we can meaningfully impact the local employment landscape in Israel through our business activities.

The impressive increase in the company's headcount over the reporting years is a result of the recruitment and preservation of key employment talent that comes to address our business and financial growth.

As such, the following details data for new employee hires and employee turnover in 2021-2022:

| Total number and rate of new employee hires by age group, gender | 2021 | 2022 |
|--|-----------|-----------|
| Female <30 | 1 | 4 |
| Men <30 | 13 | 11 |
| Total new hires <30 | 14 | 15 |
| Female 30-50 | 8 | 8 |
| Men 30-50 | 35 | 23 |
| Total new hires 30-50 | 43 | 31 |
| Female >50 | 4 | 1 |
| Men >50 | 6 | 3 |
| Total new hires >50 | 10 | 4 |
| Total new hires | 67 | 50 |

Of the new hires at the company in 2021-2022, 26% were female employees, and 8% were over the age of 50.

Inherent Respect for Employees' Rights

Most of our employees are employed by individual employment agreements. The employment agreements include, inter alia, an undertaking regarding confidentiality, non-competition, and protection of the company's intellectual property rights from third parties and as our exclusive property.

The conditions of employment are clearly stipulated in the employment agreements. The salary and benefits associated with employment are clearly explained in plain language to the employee to ensure their full understanding. Every new employee is provided with a personal file that outlines the details of their employment.

There are no collective bargaining agreements.



90%
of our employees
are full-time
employees

26% female
employees

8% over
age 50



Economic Benefits – Pension, Shares, Bonuses, Rewards, and Vehicles

Employees are entitled to retirement and education funds in accordance with the terms of their employment agreements and with the local laws that govern pension and education funds. We attempt to offer each employee access to retirement and education fund benefits according to the local law, when possible.

The terms of employment include, among other things, entitlement to vacation, convalescence allowance and other social benefits granted by law. These employment agreements are, for the most part, for an indefinite period with each party entitled to terminate the agreement by prior notice in accordance with the relevant labor laws, apart from exceptional cases that allow for immediate termination as set forth in the agreement.

Israeli labor law and the Severance Compensation Law, 1963 require that GenCell pay compensation to employees upon retirement or dismissal (including employees departing the workplace under other various circumstances). The calculation of liability due to the termination of the employee-employer relationship is carried out in accordance with the valid employment agreement and is based on the employee's salary which, in management's opinion, establishes the right for compensation. Post-employment benefits include pensions and severance pay liability and sick day redemption. Some post-employment group benefits are defined employee contribution plans, and some are defined benefit plans.

The company maintains a policy to grant rewards to employees for special efforts or special projects that they have performed. Such rewards are granted according to a decision of the company's management.

Rewards are not generally part of employees' terms of employment. In determining the grant amount, several factors are considered, such as the employee's role in the Company, areas of responsibility, contribution to the company's activities, etc.

GenCell does not have a dividend distribution policy.

During 2019-2021, GenCell began to offer car leasing agreements for its employees, the lease period being 3 years with an option to extend the period subject to certain terms.

Diversity & Inclusion

We understand the inherent value, as well as the business benefits, of a diverse and inclusive workforce. A diverse and inclusive team, where different opinions and perspectives are heard, fosters the ingenuity and collaboration that generates new and original ideas. We are diligent in fulfilling our obligation to create a safe working environment free of harassment and discrimination for all, regardless of gender, religion, ethnicity, or sexual orientation. Above and beyond this baseline, we are committed to increasing diversity on our team through inclusive hiring practices and continued attention to diversity and inclusion initiatives, so that our team members thrive individually and form a thriving team.

The following represents data on the diversity in terms of gender, age, and seniority for 2022:

| | 2022 |
|--|------|
| Total number of employees by seniority | |
| Total employees, senior managers | 9 |
| Total employees, middle managers | 14 |
| Total employees, non-managers | 134 |
| Total number of employees by gender and seniority | |
| Female senior managers | 2 |
| Female middle managers | 3 |
| Female non-managers | 24 |
| Men senior managers | 7 |
| Men middle managers | 11 |
| Men non-managers | 110 |
| Total number of employees by seniority and age | |
| Total senior managers under age 30 | 0 |
| Total senior managers aged 30-50 | 4 |
| Total senior managers aged 50 and up | 5 |
| Total middle managers under age 30 | 0 |
| Total middle managers aged 30-50 | 10 |
| Total middle managers aged 50 and up | 4 |
| Total non-managers under age 30 | 15 |
| Total non-managers aged 30-50 | 65 |
| Total non-managers aged 50 and up | 54 |
| Total number of employees by age | |
| Total employees under age 30 | 15 |
| Total employees aged 30-50 | 79 |
| Total employees aged 50 and up | 63 |

According to the data presented, 22% of our senior managers are women, and 40% of our employees are above the age of 50. This data is an expression of our commitment to hiring and fostering a diverse workforce that embraces employees of all genders, ages, backgrounds, races, and ethnicities – key to our promise of full inclusion for our workforce. 7% of our workforce are Israelis of Arab ethnicity.

We have 2 employees of Ethiopian descent and 1 disabled employee, and we plan on investing efforts to increase the recruitment of employees from underrepresented populations.

In addition, as of 2022, 12 of our employees were over the age of 75, accounting for 7.6% of our workforce.

27% 
of our senior managers are women

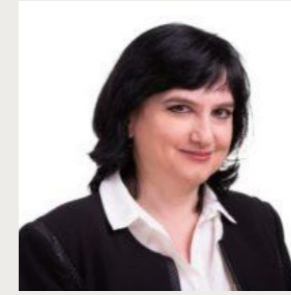
40% 
of our employees are above the age of 50

Analysis and Reporting on the Gender Pay Gap

As part of the company's processes and in compliance with recent amendments to Israel's Equal Pay Law, we work to promote gender equality throughout our organization. Therefore, we make efforts to ensure that women represent a notable percentage of our senior management, and that they hold key positions in our research & development and engineering department. To increase accountability and transparency regarding our gender equality commitments, we perform annual analysis of gender pay gaps and publish a gender pay gap report that clearly portrays any potential pay gaps between various positions within the company.

Our gender pay gap report for 2022 is available at the following link.

7.6% 
of our workforce are over the age 75



Nino Borchtchoukova: Women in Science at GenCell

Nino Borchtchoukova is GenCell's R&D Department Manager, leading our R&D programs, including non-noble catalyst for alkaline fuel cell and catalyst for ammonia cracking and new testing development. Nino holds a MSc. in Chemistry from the Saratov State University.

Throughout her career, Nino has not encountered obstacles due to her gender. In fact, she emphasizes that being a woman has not defined her work, but rather her passion and dedication as a scientist. Nino appreciates the support and positive working environment at GenCell, where women comprise 40% of the R&D team and make significant contributions to the company's success.

At GenCell, an inclusive and equal opportunity workplace, Nino encourages girls interested in science to pursue their passions wholeheartedly. She emphasizes the importance of following one's interests and investing fully in the field of science. Nino finds gratification in her work, as she continues to learn, develop, and make a difference in the renewable energy sector. She advises women to seek balance between their personal and professional objectives and to embrace their unique qualities as they strive to fulfill their dreams.

Nino's journey exemplifies GenCell's commitment to fostering diversity, inclusion, and the professional growth of its employees. By providing opportunities for career development, ensuring employee wellbeing, and creating an open and supportive atmosphere, GenCell empowers women like Nino to thrive in the field of science and contribute to the company's mission of providing renewable energy solutions to power the future, both through being a personal example as well as by proactively mentoring young women scientist employees.

Sexual Harassment Policy

GenCell upholds a Sexual Harassment Policy according to the Israeli Law for the Prevention of Sexual Harassment-1998. The policy outlines how the company aims at preventing sexual pestering and harassment in the workplace. It emphasizes that such behaviors are illegal, violate human dignity and equality, and are against the employer's policy. The policy defines sexual pestering and harassment, provides examples of prohibited behaviors, and outlines the consequences of such actions, including criminal charges, civil actions, and disciplinary penalties. The employer is responsible for taking reasonable measures to prevent and address sexual pestering and harassment, including providing training and creating a safe work environment. The policy also explains the procedures for reporting and handling complaints, giving employees various options such as filing a complaint with the employer, the police, or pursuing civil proceedings.

Employee Feedback, Wellbeing & Development

We value our people a great deal, they are the heart and soul of the company, and their wellbeing and development is the subject of much thought and effort. We seek to facilitate our employees' professional growth within the company while also supporting personal growth. We invest in providing opportunities for developing personal and professional skills, alongside provisions that support wellbeing, such as a healthy work life balance, physical and mental support and various company funded activities. We assess and track our performance using various tools, measuring our performance against our goals for maintaining high employee engagement and satisfaction scores and a relatively low turnover ratio.

Feedback Surveys and Performance Screening of Employees

Beginning in June 2022, we started conducting regular surveys of our employees. We shared a questionnaire on the workplace environment, asking them to present any issues, with the goal of solving problems and keeping employees satisfied, while also ensuring that they feel a sense of belonging to the organization. In the context of the survey, the CEO conducted open discussions with employees and townhall forums, explaining the survey process and asking for feedback. One of the issues that was raised was hybrid or remote work from home, and following the discussions, employees were granted the right to conduct one day of hybrid work from home per week to foster better work-life balance. Also, along these lines, the clock-in system was revised so that employees can decide to work when they feel most productive, as opposed to fixed and set hours. Finally, as part of the efforts to gauge employee feedback, roundtable discussions between the CEO, COO and the Head of Human Resources were conducted during which employees from various departments were invited to share their input on challenges and areas for improvement. We intend to continue to conduct employee satisfaction surveys each year.

Performance Screening

At the end of every year, employees are asked to rank their performance. Following this classification, various team leaders together with members of senior management analyze employees' performance, assigning each employee ranking according to a low/high scale, with the employees that receive the highest-ranking qualifying for a generous performance bonus. Employees tend to be ranked on the higher end of the scale if they demonstrate not only excellent professional conduct and performance, but also cooperate with members of other business units, encouraging organizational synergy and problem-solving.

Teams working together on specific projects can also be evaluated for their performance according to this scale, and if their performance is ranked high enough, each member receives a portion of the bonus. Employees at the low end of the scale are called in for performance reviews and are usually provided targets for improvement. In addition, the CEO annually nominates an outstanding employee according to recommendations from the senior management of each business division.

Managers are trained each year as to how to deliver and provide performance reviews by the Human Resources Manager. During the annual performance reviews, employees are encouraged to discuss their salary expectations with their direct managers to ensure that they are satisfied with their employment conditions.

Employee Training and Professional Development Opportunities

Employee training and development are core components of our approach to nurturing talent and driving innovation. Recognizing that the knowledge and skills of their workforce are crucial to their success, we invest in comprehensive training programs to empower employees and enhance their professional growth. Through a combination of internal workshops, external seminars, and specialized courses, employees have the opportunity to expand their expertise and stay up to date with the latest industry advancements. We encourage cross-functional collaboration, allowing employees to learn from one another and leverage their diverse backgrounds and perspectives. By prioritizing continuous learning and development, we ensure that our employees are equipped with the necessary tools and knowledge to excel in their roles to contribute to the company's mission of providing sustainable energy solutions.

The following details trainings that we provided our employees and senior managers in 2021-2022:

| Name of Training | Number of Employees | Number of Hours |
|--|---------------------|-----------------|
| Emergency Services (MDA) CPR Training | 23 employees | |
| Safety Training | 157 employees, All | |
| Sexual Harassment Training | 157 employees, All | |
| Cyber Risk Training | 157 employees, All | 2 hours |
| Excel Course | 12 employees | 12 hours |
| Development Workshop for Senior Management | 14 senior managers | 32 hours |

Moving into 2023, we plan to launch a program entitled "GenCell Academy", which will include team leader training and peer-led training courses. GenCell Academy will give employees the opportunity to share their knowledge with peers, including showcasing their hobbies and interests. The goal of the initiative is to encourage employees get to know each other and to foster a sense of community.

The training processes and courses offered are reviewed on an annual basis, and employees, senior managers and other stakeholders are openly welcome to suggest their recommendations for relevant courses and areas for improvement.

In addition, in the reporting period we funded a master's degree for one of our employees.

Human Capital, Employee Knowledge, and Expertise

Our employees include global experts in the field of alkaline fuel cells, including veterans of space and submarine programs. Our human capital represents a generational combination of scientists with decades of experience in the field of alkaline fuel cells, cumulative experience in leading fuel cell companies in the world alongside with a young and promising generation of scientists, chemists, electrochemists, engineers, and technicians. The fact that we employ over 10 PhD scientists attests to the extent and degree of the high value of our human capital.

Support for Employees at Key Junctures

GenCell makes every effort to show caring and contribute a positive presence at the key personal junctures in the lifetimes of our employees. The Human Resources Department sends a gift home with wishes for quick and full recovery to every employee that experiences serious illness or injury. During mourning periods, every employee receives seven days of paid leave and a package of goods for the mourning ceremony. We try to help our mourning and grieving employees and their families to the greatest extent possible, and we make sure that their colleagues and direct managers attend the funeral. To mark the occasion of births, employees receive three days of paid leave and two days of sick leave (for fathers not taking maternity leave). In addition, the parents are sent a gift to mark the occasion. For weddings, employees receive five days of paid vacation and a generous check. Finally, employees receive personalized birthday greetings and monetary gifts on their birthdays.

Ergonomics – Accommodating Employee Work Styles

In line with our commitment to transparency, all our senior managers' offices and meeting rooms are fully glass and transparent, including the CEO's office. Our offices are designed in accordance with the open space concept. Some employees enjoy this, while others desire privacy, so booths were set up where private work is possible.

Employee Welfare Activities – Encouraging a Fun Working Environment

Every year, we host a company trip. Last year, the company flew all employees together to Rhodes. On some occasions, employees are encouraged to invite their spouses, partners, or families to join company events.

We celebrate the Jewish holidays in our offices and regularly bring in fully catered happy hours or meals for employees' enjoyment. Members of the Board of Directors, including the Chairman, usually participate in these events. Employees receive gift cards for the holidays. We host themed parties and activities for our employees, always encouraging them to take part. For instance, during the World Cup soccer games, the games were screened in the office and snacks were provided. It created a great opportunity for employees to engage with the CEO and senior management over shared interests in sports, creating a feeling of comradery and togetherness in the office.

Health and Nutrition in the Office

GenCell has adopted a Good Nutrition policy which has eliminated procurement of unhealthy baked goods for employees and substituted these snacks with regular supply of fresh fruit for employee snacks.

GenCell Running League

GenCell sponsors a voluntary running club under the umbrella of the Employers' Running League. All employees are invited and encouraged to join the club and participate in various races, runs and related events such as lectures, seminars, and workshops on the topic of sports, healthy lifestyle, and work-life balance. The members of the club share pictures and posts to encourage the company to cheer them on and to motivate more employees to join. The club is an opportunity for employees from different departments to get to know one another, learn more about each other's responsibilities and challenges, enabling cross-fertilization of ideas. The club is open to all employees and includes men and women of all ages.



Employee Handbook

GenCell upholds an employee handbook that is delivered to each new employee on their first day of work. The handbook covers all the relevant topics that employees should be informed of including:

- Workday standards: dress code, daily working hours, time sheets and cards, sick leave, vacation, and reserve duty policies;
- Company car policy;
- Information on training policies, including company enrichment and personal development trainings;
- Business travel policies;
- Phone and communication policies;
- Security and confidentiality: office security, what classifies confidential materials, personal property, company information systems, and engaging with the press;
- IT and computer policies;
- Social benefits and compensation policies including food, expenses, insurance and social benefits, performance reviews, changes in personal status and the company's sexual harassment policy;
- Shipment process for GenCell's products;
- Administrative policies such as the use of office supplies, equipment, and facilities.

Green Office

We have several initiatives to encourage environmental practices in the workspace. We do not allow the use of single-use plastic and instead offer our employees access to compostable cutlery in the company kitchens and at events. In addition, we offer our employees various ways to recycle paper, cardboard, plastic, glass, and other materials in our offices. Our offices are equipped with LED lighting and smart thermostats to encourage smart energy use, and we discourage over-printing by asking our employees to communicate and share resources, when possible, via digital means. To solidify our commitment to going paperless, we provided each of the company's senior managers with an innovative notetaking pad for them to record meeting notes and develop documentation with the aim of eliminating the use of paper.

Select employees who are interested in ensuring that our offices are sustainably managed and operated share updates with their fellow colleagues to let them know about best practices when it comes to environmental behavior in the office. These employees work together as a group to improve the greening of our office space for the benefit of all.



Employee Volunteering

The company takes part in various volunteering initiatives with significant impact on the local community. Every year, employees participate in the annual Good Deeds Day, whereby companies across Israel and the world volunteer in their local communities. GenCell has contributed to the global effort by organizing and donating clothing for the needy and by participating in local beach clean-up days. GenCell has a fund for the promotion of volunteering activities that is used to sponsor the company's participation in such initiatives. In addition, GenCell hosts various educational initiatives for young students to expose them to the work behind fuel cells, encouraging their budding curiosity in technology and science-related fields.

Currently, GenCell is engaged in building a volunteering plan that will focus on engagement activities to reinforce employees' personal dedication and commitment to the company's vision and mission vis-à-vis accelerating the transition to renewable energy, achieving zero-emission targets, and delivering Power for Humanity. In parallel to strengthening and actively demonstrating our employees' dedication and investment in voluntary efforts driving environmental protection and renewable energy, the volunteer program will also represent a public demonstration and tangible evidence of the company's proactive commitment to our values. The company is considering volunteering for select projects sponsored by the Ministry of Environmental Protection in Israel to become part of the country's "green lung". In addition, the company is considering volunteering initiatives supporting children with disabilities, representing another example of meaningful engagement with and impact on the local community as another key aspect of the company's mission.

Donations

In the context of its ESG Framework and strategy development, GenCell looks to formulate a policy for making donations, with each donation request examined based on its merit and benefit to the company. During the reporting period, GenCell did not donate any sums to charitable organizations. It should also be noted that GenCell, its managers and employees are actively involved and contribute to the cultivation of community and local life, although no direct financial donations were made.

GenCell is proud to give back to the community. Not because it feels good nor because it is good for business; it's the right thing to do.





By 2026

GenCell set a goal of increasing the percentage of women on our Board of Directors to 40%.

Corporate Governance & Ethical Conduct

We recognize the vital role that strong corporate governance and ethical conduct play in driving successful business practices. As a company, we are fully committed to not only meeting but surpassing the required regulatory standards, while also implementing a robust ethical program. Corporate governance is a topic overseen by our dedicated management team, including the legal and finance departments. However, its significance extends to all stakeholders involved in our organization, including employees and investors.

Aligned with our corporate governance guidelines, we have established a comprehensive set of policies and procedures, including a corporate Code of Ethics. This code serves as a guiding principle for all managers and employees, ensuring that they uphold the highest standards of integrity and professionalism in their professional dealings and personal behavior while representing our company. We are dedicated to promoting a culture of ethical conduct throughout the organization.

As GenCell continues to grow and expand its operations on a global scale, we remain committed to regularly updating our corporate governance guidelines. We understand the importance of adapting to the dynamic nature of the business landscape and evolving regulatory requirements. By maintaining a strong focus on corporate governance and ethical conduct, we strive to foster trust, transparency, and accountability, building strong relationships with our stakeholders and contributing to the long-term success of our business.



Our Organizational Structure

GenCell operates with a well-defined organizational structure designed to support efficient decision-making, collaboration, and operational effectiveness. At the top of our structure is the executive leadership team, which consists of experienced professionals responsible for setting strategic goals, overseeing company-wide operations, and ensuring alignment with our mission and values. Underneath the executive team, various departments and functional areas are structured to handle specific responsibilities, including research and development, manufacturing, sales and marketing, finance, human resources, and quality assurance. Each department is led by a manager or director who oversees the day-to-day activities, fosters cross-functional collaboration, and promotes a culture of innovation and excellence. This hierarchical structure enables clear lines of communication, efficient workflow, and a unified approach to achieving our organizational objectives. We value transparency, accountability, and collaboration throughout our organizational structure, empowering employees at all levels to contribute their expertise and drive our company's success.

Corporate Governance at GenCell – Board of Directors and Senior Management

We are proud of the impressive strength, experience, and caliber of our esteemed Board of Directors and senior management team. Their collective expertise and leadership drive our company's success and ensure effective governance and strategic decision-making. We are proud to introduce the accomplished individuals who guide GenCell towards a sustainable and impactful future.

GenCell's Board of Directors

GenCell's Board of Directors has seven members and is chaired by Mr. Asher Levy. The Board of Directors has one independent director, according to the Companies Law, and two external directors. There are two women serving on the Board of Directors, accounting for 29% of the board members, and both of whom are independent or external directors. GenCell set a goal of increasing the percentage of women on our Board of Directors to 40% by 2026.



Two women serve on the Board of Directors, accounting for 29% of the membership, and both of whom are independent or external directors.



Board of Directors Committees

The Board of Directors at GenCell has established several committees to address specific areas of focus and ensure effective oversight. The committees and their respective areas of focus are, as follows:

1 Audit Committee

The Audit Committee is responsible for overseeing financial reporting, internal controls, and compliance with legal and regulatory requirements. The committee reviews the company's financial statements, engages with external auditors, and monitors risk management processes.

2 Strategy Committee

The Strategy Committee focuses on long-term strategic planning and the evaluation of business opportunities. It assesses market trends, competitive landscape, and technological advancements to guide the company's growth.

3 Finance Committee

The Finance Committee handles matters related to financial management, capital allocation, and investment decisions. The committee reviews financial strategies, budgets, and financial performance to ensure effective resource allocation and support for the company's financial objectives.

4 Compensation Committee

The Compensation Committee is responsible for overseeing executive compensation and benefits. The committee reviews and establishes policies related to remuneration, performance evaluation, and incentive programs to align executive compensation with the company's goals and shareholder interests.

5 Compliance and Enforcement Committee

The Strategy Committee focuses on long-term strategic planning and the evaluation of business opportunities. It assesses market trends, competitive landscape, and technological advancements to guide the company's growth.

Though the company has not appointed a dedicated committee for addressing ESG-related topics, at the lead of the company's ESG manager and other relevant stakeholders the topics are presented and discussed in regular board meetings once a year. Moreover, relevant ESG issues may arise in the context of discussions in the Strategy and Compliance and Enforcement Committees.

About Our Directors

We are proud of our board members and the extensive experience that they bring to GenCell.

The following details the roles and responsibilities of our board members, including a short overview of their relevant background and experience.

Asher Levy

Chairman of the Board
Strategy Committee

Mr. Levy is the active Chairman of Landa Digital Printing and former CEO of Orbotech. Mr. Levy holds a bachelor's degree in industrial engineering and management from Ben-Gurion University, an MBA from Tel Aviv University, and he is a graduate of the Harvard Business School's Advanced Management Program.

Ben Zion (Benny) Landa

Board Member
Non Controlling shareholder

Mr. Landa, the CEO and Chairman of the Landa Group and a pioneer of digital printing at Indigo (acquired by HP in 2002), leads the way in advancing nanotechnology applications in imaging, energy, and health, while also making significant investments in Israeli technologies and philanthropic efforts to support underprivileged youth in accessing higher education. Mr. Landa boasts a remarkable portfolio of over 800 worldwide patents and is recognized as one of Israel's most prolific inventors.

Michal Arlosoroff

Board Member
Finance Committee; Enforcement Committee

Independent director in accordance with the Companies Law

Michal Arlosoroff, who has been with Adama Agricultural Solutions Ltd. since 2007, holds the positions of General Legal Counsel, Secretary of the Board of Directors, Chief Sustainability Officer, and Chief Communications Officer of the ADAMA group. She utilizes her extensive executive experience in financial, commercial, and regulatory matters to manage a global team of attorneys, oversee Intellectual Property and patent issues, and handle various aspects of fundraising, capital markets, and complex global commercial transactions. Additionally, she has been nominated to serve in the same roles at ADAMA Ltd, a Chinese SOE listed on the Shenzhen Stock Exchange.

Eliezer (Eli) Gorovici

Board Member
Audit Committee; Strategy Committee; Enforcement Committee

Eli Gorovici, with over 25 years of experience in digital data communications companies, including roles as General Manager of Johnson Controls Global Security Products and General Manager of Johnson Controls Innovation, has demonstrated expertise in managing multi-million-dollar businesses focused on AI, automation, cloud solutions, cybersecurity, and leading acquisitions, venture investments, and innovation development within the security products industry. Additionally, he served as President, CEO, and director at DVTel, playing a key role in establishing the company as a market leader in video over IP, and as General Manager of NICE Systems.

Amikam (Ami) Shafran

Board Member

Remuneration Committee; Strategy Committee

Mr. Levy is the active Chairman of Landa Digital Printing and former CEO of Orbotech. Mr. Levy holds a bachelor's degree in industrial engineering and management from Ben-Gurion University, an MBA from Tel Aviv University, and he is a graduate of the Harvard Business School's Advanced Management Program.

Emanuel Avner

Board Member

Committee for examining financial statements; Audit Committee; Remuneration Committee; Strategy Committee; Enforcement Committee

Emanuel Avner, Director on the Board of Clalit Health Services and Isramco, and a member of the Audit Committee of the Israeli Governmental Lottery Agency Mifal Hapais, has joined the board of GenCell, Ltd. Previously, Mr. Avner co-founded Lagoon Mobile Security, which was acquired by Checkpoint, and has been actively involved as a lead mentor and investor in cybersecurity and fintech startups. With a background as CFO at Partner Communications and Blue Square Israel, Mr. Avner is a Certified Public Accountant in Israel and the U.S., holding a B.A. in Economic and Accounting and an M.B.A. with honors in Finance from the Hebrew University in Jerusalem.

External director

Segi Eitan

Board Member

Finance Committee; Audit Committee; Remuneration Committee; Enforcement Committee

Segi Eitan, an independent director at Melisron Ltd. and a member of the Board at the Bank of Israel, currently holds the position of Chairman in a real-estate technology startup company and serves as a director for GenCell Ltd. With extensive experience managing public real estate companies, Ms. Eitan previously served as CEO of the Property and Building Corporation Ltd. for 14 years, Deputy Chairman of Gav-Yam Land Corporation Ltd., Chairman of Matam Haifa, and Chairman of ISPRO. A certified accountant, Ms. Eitan began her career at KPMG and holds a bachelor's degree in economics and accounting from Bar Ilan University, as well as having completed the Advanced Management Program at Harvard University School of Business.

External director

Directors with Accounting or Financial Expertise

In accordance with Section 92(A)(12) of the Companies Law, on September 21, 2020, GenCell's Board of Directors determined that the appropriate minimum number of directors with accounting and financial skills shall be 2 directors. We believe that the number of directors possessing accounting and financial skills will enable the Board of Directors to meet its obligations under the law and the incorporation documents, specifically regarding its responsibility for examining the company's financial position and preparing and approving the financial statements. As of the date of publication of the report, the company has 5 directors with accounting and financial skills.

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Five of the members of the Board of Directors have accounting and financial skills.

Independent Directors

It should be noted that GenCell's articles of association do not contain a provision regarding the minimum number of independent directors. On February 21, 2021, Mr. Segi Eitan and Mr. Emanuel Avner were appointed as the company's first external directors. Also, on March 3, 2021, the Company's Audit Committee classified Ms. Michal Arlozorov as an independent director in accordance with the provisions of the Companies Law.

Companies Law Corporate Governance Questionnaire

The Israeli Companies Law Corporate Governance Questionnaire is a tool used to assess and analyze the performance of board members in accordance with corporate governance principles outlined in the Israeli Companies Law. The questionnaire covers various aspects of board effectiveness, including board composition, independence, diversity, and the functioning of board committees. By utilizing this questionnaire, which is regularly answered by GenCell's Board of Directors, we can evaluate the adherence of their board members to legal requirements and best practices, identify areas for improvement, and ensure that the board operates in a transparent and accountable manner. The questionnaire serves as a valuable tool in promoting good corporate governance practices and enhancing the overall performance of board members in Israeli companies.

Board of Directors' Role in Sustainability Reporting and ESG Risk Management

The Board of Directors is responsible for reviewing the company's ESG report and participates in ESG risk management, as well as the on-going management and oversight of ESG-related topics. There are annual meetings devoted to the topic of ESG, or discussions, as needed.





GENCELL'S SENIOR Management

As of the end of 2022, our senior management is made up of eleven members, each of whom has extensive experience and knowledge to lead our company to excellence. At present the senior management team includes three women. We are working to further expand the role of women in our senior leadership positions.

Rami Reshef

Co-Founder, Company CEO

Mr. Reshef has a proven executive management track record and over 25 years of experience driving sales growth in the technology industry. Mr. Reshef has focused on adopting early technologies and successfully transforming them into mature commercial products. He has founded a number of startups, with solutions for mobile, social networking and virtual reality.

Gil Shavit

Co-Founder, Chief Business Development Manager

Mr. Shavit is passionate about bringing fuel cell power solutions to new businesses and industries. With more than 25 years of experience in establishing innovative Israeli technology companies, he has led joint ventures with global firms such as Phillips and G4S Brazil. Mr. Shavit has a B.Sc. in Computers and Electronics from the Ben Gurion University of the Negev.

Gennadi Finkelshtain

Co-Founder, Chief Technology Officer & VP R&D

Mr. Finkelshtain is an experienced scientific project manager who holds responsibility for the R&D and innovation activities across the company. Prior to joining GenCell, he served as General Manager and CTO of Medis Technologies (USA), the leading borohydride fuel cell company. Mr. Finkelshtain holds an M.Sc. from the Saint Petersburg State Technological University of Plant Polymers and has authored more than 40 patents on various topics related to fuel cell technologies.

Yossi Salomon

Chief Financial Officer

Mr. Salomon has 20 years of experience as CFO and VP Business Development at a variety of companies, including DealFlow Investments, a private equity firm and Telit, an Italian mobile phone provider. During his career as a CFO, he managed the acquisition of VisonTech by Broadcom as well as the Nasdaq IPO of Internet Gold, an Israeli ISP. Mr. Salomon is a CPA and has an Executive MBA from Bar Ilan University in Israel.

Ariel Machtey

VP Marketing

Ms. Machtey has over 15 years of international experience as a branding and marketing leader. With deep experience on the agency side (Publicis), managing brands and digital marketing of consumer goods (Strauss), creation of an innovative banking brand (Pepper), and a host of product marketing management roles (Wix). Ms. Machtey oversees maximizing the value of GenCell's brand and developing GenCell's digital community and customer experience.

Shmulik Peretz

Chief Operations Officer

Mr. Peretz brings over 25 years of leadership and management experience in global and multicultural corporate enterprises, among these Orbotech, SodaStream Intl, Intel and others. He draws from his wealth of experience managing large and complex operations involving Lean Manufacturing, sophisticated technologies, multifaceted production processes and international distribution and delivery models to optimize GenCell's operations. He is a creative and visionary leader with proven results.

Lenore Sebag

General Counsel

Lenore joined GenCell as legal advisor in 2022 and was promoted to General Counsel in 2023. Prior to GenCell she served as General Counsel and Head of Legal for Moroccanoil and before that as Senior Legal Counsel for Ernst & Young Israel. Holding BA, MA and LLB degrees from Bar Ilan University, Lenore is an Attorney at Law licensed by the Israel Bar Association.

Hadar Himmelman

Chief Commercial Officer

With over 20 years' experience managing global sales teams for startups and large corporations, Mr. Himmelman spent nine years at Orbotech/KLA, where he led global sales for the PCB division, oversaw new product rollouts and managed customer service. Mr. Himmelman holds Electro-Mechanical Engineering and MBA degrees.

Haim Moshe

VP Customer Success and Services

Mr. Moshe brings to the table 20+ years of experience in quality and reliability management roles in the defense sector and at Hewlett-Packard and More Energy. Mr. Moshe has leveraged his deep QA & reliability know-how to apply best practices across GenCell's operational and business processes. As VP Customer Success and Services, Mr. Moshe now focuses on continuously improving GenCell's end-to-end customer experience. Mr. Moshe has earned degrees in both Electronics and Quality Engineering.

Noa Segev Volkovitzky

Chief of Staff

Noa has served GenCell as Director of Business Operations since 2018 and was appointed Chief of Staff in 2023. Prior to her role at GenCell, she filled various business and project management positions at Amdocs, before which she was on the staff of EDS. Noa holds a B.Sc. degree in Economics and Accounting.

Boaz Azar

VP Product Development Israel

Boaz brings to GenCell over 20 years of rich experience in product development and management, leading multidisciplinary teams in large organizations and complex environments. Filling a series of managerial positions at OBJET/STRATASYS over the last 18 years, most recently as VP R&D responsible for NPIs - new products and materials development, introduction, and release for serial production, Boaz holds a B.Sc. in Electronic Engineering from the Holon Institute of Technology.



Senior Management's Role in ESG Impact & Risk Management

GenCell's senior management plays a central role in driving the company's efforts in ESG impact and risk management. This includes active participation in the ESG Steering Committee by key executives such as the CEO, CFO, and COO. As members of this committee, they contribute their expertise and insights to shape GenCell's ESG strategy, goals, and initiatives.

Furthermore, senior management is responsible for overseeing the preparation and approval of the company's ESG report, together with the ESG manager. By actively engaging in the approval process, senior management ensures that the ESG report accurately reflects the company's activities and progress toward its sustainability objectives and ESG strategic goals.

A Solid and Sound Ethical Framework

At GenCell, we are committed to upholding our ethical framework that is shaped by our Code of Ethics and Business Conduct. As stated in our Code of Ethics, we have an obligation to all our stakeholders, including our employees, shareholders, customers, suppliers, community representatives and other business partners, to demonstrate impeccable ethical conduct and to act forthrightly, fairly and honestly in all of our business activities. Our Code of Ethics is the basis for our ethical program that also includes trainings for 100% of our directors, senior managers and employees on relevant topics as well as enforcement of our on-going commitment to ensuring that any and all ethical concerns are dealt with according to our policies for open, considerate and respectful communication.



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Our Code of Ethics is the basis for our ethical program that also includes a variety of training sessions on relevant topics for 100% of our directors, senior managers and employees.”

Our Code of Ethics

Our Code of Ethics and Business Conduct applies to all our directors, officers and employees and outlines the general guidelines for conducting business according to the highest standards of business ethics, in addition to in accordance with all relevant laws, regulations and statutes in all of our areas of operation.

We encourage all our internal stakeholders to seek help when in doubt regarding situations that may be inconsistent with the company's ethical standards, beginning with their direct manager and escalating the issue to either the CEO or CFO if they are unable to address the issue. We encourage everyone to immediately report any concerns and work to maintain full confidentiality, sensitivity, and a strict policy of non-retaliation when it comes to dealing with such claims and while they are investigated by the company. We encourage all our employees to remember that they act as a representative of the company in their business dealings and in the community, and therefore, any employee that violates the conditions of the Code may be subject to disciplinary action and even dismissal if deemed necessary.

- Our Code of Ethics covers our policies regarding the following topics:
- Conflicts of Interest: Identification of conflicts and their disclosure
- Gifts & Entertainment
- Company Records
- Accuracy of Financial Reports & Other Public Communications
- Compliance with Laws and Regulations
- Competition & Fair Dealing with Customers, Suppliers and Competitors
- Interactions with Governments
- Compliance with Antitrust Laws
- Public Communications; Social Networking & Regulation FD
- Anti-Corruption, Anti-Bribery and Other Laws Governing Our Business Internationally

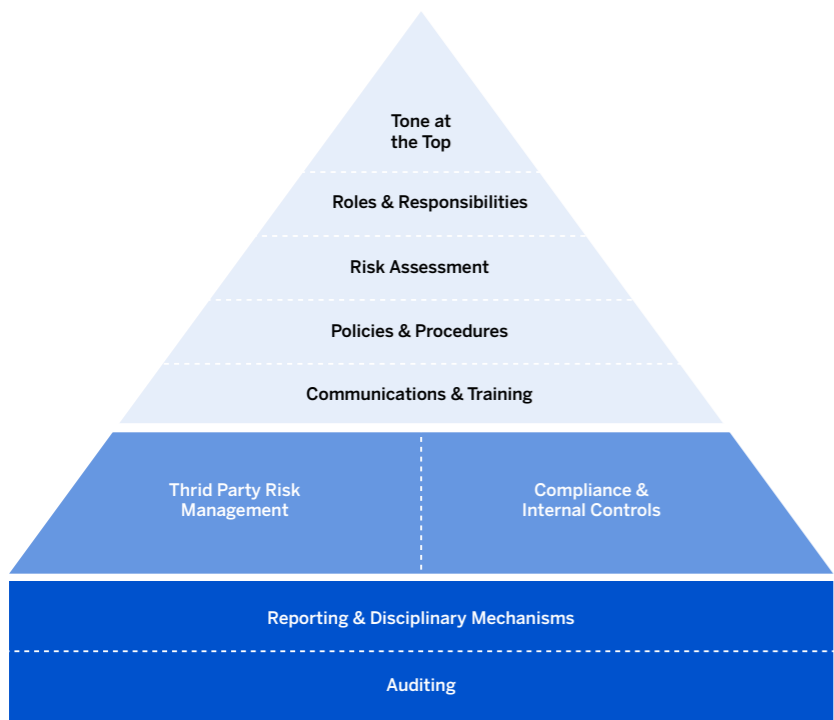
The full text of our Code of Ethics can be viewed at the following link

As of the publication of this report, GenCell is in the process of reviewing its Code of Ethics to identify areas of improvement to the structure and contents of its ethical compliance framework.

Compliance Framework

In addition to our Code of Conduct, GenCell has an established compliance framework. The issue of compliance is managed by the company’s Legal Counsel and CFO, with the support of other relevant stakeholders as needed.

GenCell has established a governance model for management of the topics of ethics and compliance according to the following framework:



Tone at the top:
GenCell’s managers communicate the ethical standards to their employees during periodic discussions or through internal communications. Global and local management are well familiar with the industry and its compliance challenges.

Risk Assessment:
A business ethics, bribery & corruption compliance risk assessment designed to identify compliance risk areas across different activities has been implemented as described in this report.

Code of conduct and compliance policies and procedures:

GenCell has implemented its Code of Conduct since 2011. The Code of Conduct is intended to be a clear and concise statement of the fundamental ethical standards that all individuals acting on behalf of GenCell must uphold and the legal requirements with which they must comply. Throughout 2021 and 2022 GenCell developed compliance policies as described below.

Oversight, autonomy, and resources:

Responsibility for the oversight and implementation of the Compliance program has been consigned to the Finance team, which will serve as a compliance function.

Training and awareness:

GenCell’s department’s managers conducted ethics training for their employees. Additional and specific training activities are recommended based on the risk assessment’s results, as noted in this report.

Compliance Policies

As part of our compliance framework and in addition to the Code of Conduct described above, we uphold a number of policies that support our ethical commitments:

- **Social Media Policy:** A policy outlining guidelines and expectations for employees' use of social media platforms, including rules regarding content, privacy, and representing the company online.
- **Whistleblower Procedure:** A procedure that provides a mechanism for employees to report any suspected misconduct, fraud, or unethical behavior within the organization, while ensuring their protection from retaliation.
- **Credit Card Purchases and Traveling Abroad Procedure:** A procedure that defines guidelines for employees' use of company credit cards when making purchases, particularly when traveling abroad, including expense reporting, documentation requirements, and compliance with company policies.
- **Use of Insider Information Procedure:** A procedure that establishes guidelines for handling confidential or privileged information, ensuring that employees adhere to legal and ethical standards when dealing with sensitive company information.
- **Procedure for Handling Deficiency Complaints:** A procedure that outlines the steps to be followed when addressing customer complaints or concerns about product or service deficiencies, aiming to resolve the issues and improve customer satisfaction.
- **Reimbursement of Expenses Procedure:** A procedure that outlines the process for employees to request reimbursement for approved business expenses incurred while conducting company-related activities, ensuring adherence to expense policies and proper documentation.

Regulatory Compliance

GenCell is committed to upholding high standards of integrity and ethical business practices, including strict compliance with anti-corruption policies and the Israel Companies Law. The company recognizes that combating corruption is crucial for fostering a fair and transparent business environment. GenCell's anti-corruption policies encompass guidelines and procedures designed to prevent, detect, and address any form of bribery, kickbacks, or other corrupt activities. These policies ensure that all employees, regardless of their level or position, understand their responsibilities in maintaining a corruption-free environment. Additionally, GenCell diligently adheres to the Israel Companies Law, which sets out legal requirements and regulations governing corporate conduct and governance. By actively complying with these regulations, GenCell demonstrates its commitment to ethical conduct, transparency, and fair business practices, fostering trust and confidence among its stakeholders.

Furthermore, as a public company traded on the Tel Aviv Stock Exchange (TASE), GenCell places significant importance on compliance with the regulations set forth the stock exchange. The company understands the critical role that regulatory compliance plays in maintaining transparency, protecting investors, and ensuring the integrity of the financial markets. GenCell adheres to TASE regulations by accurately disclosing financial information, including quarterly and annual reports, in a timely manner. The company also complies with the rules and guidelines regarding corporate governance, shareholder rights, and insider trading, among others. By diligently following TASE regulations, GenCell demonstrates its commitment to accountability, good corporate governance, and maintaining the trust and confidence of its shareholders and the broader investment community.

The renewable energy sector is a rapidly growing market that plays a vital role in climate change mitigation. Thus, the renewables industry requires substantial capital investments, which are commonly accompanied by substantial corruption risks. The involvement of government subsidies and the issuance of renewable energy certificates can attract illicit behavior. As an outcome, the sector in general, and GenCell specifically, are bound to a wide range of regulations concerning business ethics and anti-corruption, such as the Foreign Corrupt Practices Act, UK Bribery Act 2010, and the DOJ guidelines.

Risk Management Procedures

As of the publication of this report, the company is in the process of analyzing relevant and potential compliance risks from its business operations. These risks include financial risks, business development and sales risks, risks arising from procurement, marketing risks, legal risks and risks arising from R&D activities. In addition, there are some risks that are tied to the location of potential and current business partners. The areas of commercial activity, manufacturing and developments are analyzed for potential risks.

More information on the risks identified will be reported on in forthcoming ESG and Annual Reports.

Compensation Policies

In November 2020, the company's Board of Directors and shareholders approved the adoption of a remuneration policy for the company's officers, which was formulated in accordance with the Companies Regulations (Relief regarding duty to determine a remuneration policy), 5773-2013. According to the regulation, GenCell is currently exempt from a remuneration policy, which will be subject to approval only five years from the date the company became a public company, i.e. in 2025. As of the date of publication of the report, the terms of office of all officers in the company comply with the provisions of the remuneration policy. In addition, the company determined that the remuneration paid to all directors who do not receive remuneration or management fees from the Company, as may serve from time to time, will be within the "maximum amount" set by the Companies Regulations (Rules regarding Remuneration and Expenses for External Director), 5760-2000 and that the remuneration paid to an external expert director will be provided according to the Remuneration Regulations. Moreover, directors are entitled to reimbursement of expenses in accordance with the Remuneration Regulations.



Information Security and Information Technology (IT)

GenCell's activities are supported by information systems and digital information of various types, including with regards to our employees, suppliers, and customers. Therefore, the topics of proper information security and information technology (IT) management are critically important to us as a company with global customers that operate in critical sectors such as electricity generation and telecommunications, and as a leading energy solutions company within the local Israeli economy. To ensure secure IT and data management, we uphold various policies and procedures to ensure that these topics are adequately managed at both the internal and external levels, in addition to conducting various awareness-raising activities and trainings among our direct employees.

There were no complaints concerning breaches of customer privacy or loss of customer data during the reporting period.

Management Approach and Policies

The topics of information security and IT are managed by the company's dedicated IT Manager, who reports to the COO. In addition, relevant IT requests from employees are fielded and answered on an ongoing basis by the company's helpdesk specialist. The IT Manager and the supporting organizational infrastructure write, approve, and uphold procedures and policies governing relevant topics such as the proper use of equipment, remote access, password management and security, sharing of files and data outside of the organization, cybersecurity solutions, etc., according to the nature of our IT infrastructure. For instance, the company's policy regarding sharing files with external sources warrants approval from their direct or overhead manager according to the Governance, Risk and Compliance (GRC) approach. The IT Manager reports periodically to the Board of Directors and regularly to senior management on important issues as they arise and is responsible for tracking KPIs regarding employee training and knowledge on critical topics.

Information Security Trainings for Employees

In addition to overseeing creation, approval and implementation of the company's IT and information security policies, the IT Manager is responsible for administering relevant employee trainings and educational materials, such as conducting "undercover" phishing campaigns. Currently, the company takes a proactive approach to ensuring that phishing activities are clearly understood by our employees, conducting randomized tests and surveys to verify their awareness of the topic. During a recent such survey, employees that responded to the phishing attempts were invited to personalized trainings with the IT manager where they were shown a presentation on the topic and given various examples of phishing campaigns, with the goal of improving their knowledge and emphasizing the importance of remaining vigilant against such data and

organizational penetration attempts. Furthermore, the IT Manager shares monthly updates with employees regarding relevant topics and regularly publishes new materials aimed at knowledge expansion and enrichment on the company's internal portal. Following various courseware, employees are asked to confirm completion with a signed statement to ensure full compliance.

External Audits of Our IT Management Systems

We partially comply with ISO27001, the international standard for information security management. Over the last two years, the company underwent two IT general controls (ITGCs) audits led by external consulting firms during which extensive testing was conducted on all relevant IT topics at the company. ITGCs are the basic controls that can be applied to IT systems such as applications, operating systems, databases, and supporting IT infrastructure. The objectives of ITGCs are to ensure the integrity of the data and processes that the systems support. ITGCs ensure that the technology used by different parts of the company is used effectively and is not left open to unnecessary risks or vulnerabilities.

During the audit, the following areas in the IT infrastructure and processes in the company were checked for correctness and compliance with accepted standards:

- | | | |
|--|--|--|
| 1 Physical and environmental security | 5 Incident management | 9 Data segmentation and access |
| 2 Logical security | 6 Information security | 10 Remote access to company resources |
| 3 Change management | 7 New employee onboarding process | |
| 4 Data Backup and recovery | 8 Employee termination process | |

Digital Accessibility

GenCell encourages its employees to work as much as possible from our physical offices in order to encourage collaboration, brainstorming and fruitful professional relationships between employees. However, given the "always-on" nature of the modern business environment, we have set up the necessary and required infrastructure to make remote work possible, when necessary, especially when employees or managers are on-site with a customer during an installation, for example.

Our company website complies with the 2013 Equal Rights for Persons with Disabilities Regulations (Accessibility Adjustments for Service) regulation, and as such, we have taken the following measures:

- Made accessibility adjustments to our website and digital materials in accordance with the recommendations of the Israeli Standard (ISR 5568) for Web Content Accessibility at AA level, and the international WCAG2.0 standard;
- Conducted trials for the highest compatibility using the Firefox browser;
- The website provides a semantic structure for assistive technologies, and supports the standard operation patterns using a keyboard, with the arrows, Enter and Esc-for exiting menus and windows;
- The website adjusts for display in popular browsers, and for use on mobile phones;
- For maximizing the browsing experience with a screen reading software, we recommend using the latest NVDA program.

Despite our efforts to enable accessible surfing on all the website's pages, pages that are not yet accessible, or for which the suitable technological solution has yet to be found, might still exist. We continue our efforts to improve the website's accessibility as much as possible, as part of our moral obligation to enable everyone, including people with disabilities, to access it.

We invite visitors to our website to contact us with suggestions or requests for improving accessibility, as part of our commitment to enabling accessible services to the public, including people with disabilities. We ask that anyone who encounters a problem or issue with accessibility to contact us and we will make every effort to find a suitable solution, and to handle the problem as soon as possible. Relevant requests or comments can be made directly to our Accessibility Coordinator, Noa Segev Volkovitzsky.

Social Media and Public Communications Policy

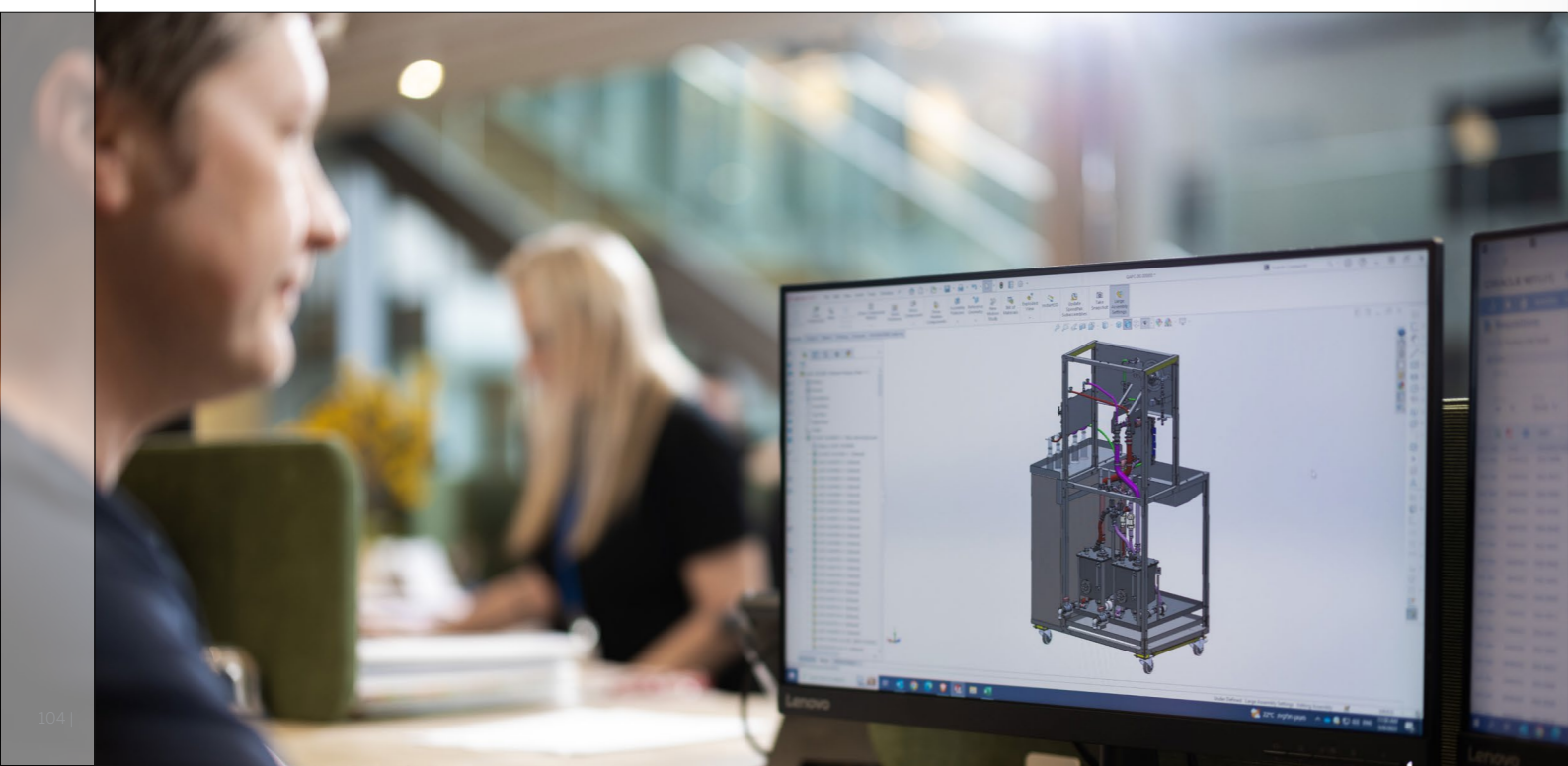
In our company's Code of Business Conduct and Ethics, we outline our policy and expectations from managers and employees regarding their use of social media platforms and public communications platforms to report news or information about the company. We highly value our corporate reputation and ethical business acumen and therefore encourage confidentiality and discretion in the divulgence of sensitive or potentially harmful information on the company on public channels. We ask that all news media and public

requests for information regarding the company be directed to our principle financial officers who are responsible for evaluating and coordinating a response to any such requests.

Furthermore, while we respect the rights of every employee to maintain a personal blog or webpage, or to participate in social networking, they are strongly encouraged not to discuss company-related manners according to our Social Media Policy. Our rule-of-thumb is – when in doubt, don't post – meaning that any information that cannot be disclosed in a conversation, note or email should not and cannot be disclosed on a blog, webpage or social network account, and any company-related information, data, comments, or opinions should not be expressed on social networks. Employees are encouraged to consult with their manager or the Human Resources Department if there are questions on the use of social media.

Information Security of Our Products

The topic of information and data security of our products are of key importance to our customers as they are involved in the provision of essential infrastructure. As such, products, such as our GenCell REX™ system (G5rx Utility Backup Power Solution) meets the most stringent information security standards in the U.S.





Responsible SUPPLY CHAIN



By 2024

100% of suppliers to sign Supplier Code

By 2025

complete assessment of the ESG impacts of select material suppliers

Despite the complexity of our supply chain and the single sourcing of the various raw materials and goods inherent to the manufacturing of our products, we are committed to ensuring that our supply chain functions responsibly and in-line with our company's ESG and sustainability commitments.

We have set the following ESG goals tied to our supply chain, with the objective of improving our performance throughout the value chain:

The Nature of Our Supply Chain and Its Management

Our Procurement Department, which is headed by the Supply Chain Manager, reports directly to the COO and, in-turn, to the CFO and CEO. The Supply Chain Manager is involved in the management and on-going improvement of our procurement practices. Furthermore, the department has a critical role in managing and planning key aspects of product manufacturing as it is responsible for sourcing necessary raw materials, many of which are single source. Therefore, and to ensure integration between the procurement and manufacturing processes, various roles are shared between these divisions, including Planning and Production functions and Project Manager functions. The R&D Department is responsible for procurement of the machinery necessary to carry out the manufacturing processes, though there is a degree of consultation with the Procurement Department regarding pricing and payments. The fuel (hydrogen and ammonia) consumed by the company for the operation of its products is supplied by very large companies with a global deployment.

In 2021-2022, GenCell worked with over 800 different suppliers, wherein 75% of procurement is conducted with local suppliers, accounting for 53% of total spending on procurement.

Categories of Goods and Services Procured:

- Equipment and Tools: IT Equipment, R&D Equipment, Warehouse Equipment, Signage, Tools
- Infrastructure and Maintenance:
- Marcom and Customer Support
- Office Supplies

Payments to and Dependence on Suppliers

In general, procurement is carried out in accordance with management decisions following a Sales and Operations Planning Process (S&OP process) that aligns demand, supply, and financial planning, which takes place frequently and routinely. Based on the S&OP process, several quotations are received and performed, excepting in the case of several primary components that are purchased according to a price list set for the company and with its consent. The credit period granted to the company by its suppliers is net 30 payment terms.

In view of the continued global complexity in the supply of parts and raw materials, we invest considerable efforts in expanding the number of manufacturers per item to ensure availability of such items and to achieve the lowest possible prices. We control the entire production chain and work with several alternative suppliers for each item to ensure continuity in the supply of items it requires. In cases where there is a single supplier, we acquire a security stock that should be sufficient for a period long enough to enable the location of a suitable alternative or enable the development of in-house production capacity of such product and hence, as of the publication of this report, we do not believe that we are fully dependent on any of our suppliers.



GenCell has worked with over 800 different suppliers, wherein 75% of procurement is conducted with local suppliers, accounting for 53% of total spending on procurement.

Management of Risks Associated with the Sourcing of Critical Materials

The company may face challenges with long supply times for its raw materials, leading to the need for high inventory levels to meet product demand. However, excessive inventory ties up capital when there is low product demand. To address these issues, company management has devised an inventory plan suited to the company's size and expected opportunities. Fluctuations in raw material prices moderately impact the company's risk. The manufacturing of fuel cell systems requires various raw materials, which are sourced from multiple suppliers globally. Primary raw materials include catalysts, nickel mesh, conducting plastic, aluminum frames, electronic components, circuits, and metal items. The company works with original manufacturers, distributors, and subcontractors for the procurement and metalworking processes. Raw material availability ranges from 4 to 16 weeks, with occasional shortages and logistical challenges affecting production and shipping. To mitigate these problems, the company has implemented an inventory program, ensuring alternative suppliers, safety inventory, and in-house production capacity when needed. Purchases are made through a routine process, with an emphasis on quality and safety standards. The company believes that due to existing market availability it is not dependent on any one single supplier.

Communication With Suppliers and Supply Chain Policies

We engage in regular communication with our main and single-source suppliers to ensure full cooperation and to encourage feedback regarding their engagement with the company. We hold regular meetings and Q&A sessions to ascertain that their needs are met and that they are generally satisfied from their engagement with the company, seeking areas for improvement as well as constructive feedback.

We currently maintain a basic Procurement Policy that will be expanded into a full-scale Supplier Code of Conduct as part of our strategic ESG efforts.

Our Procurement Policy aims to provide clear guidelines for the procurement of materials, goods, and services. The policy emphasizes the importance of obtaining the best value for cost, good management practices, legal compliance, transparency, probity, and quality performance. Key topics addressed in the policy include supplier selection, purchase orders and contracts, supply and delivery management, negotiation and commitment, supplier relationship management, IP and confidentiality, and integrity and ethical standards. The policy highlights the need for supplier selection based on objective criteria and includes processes for obtaining competitive quotations, supplier qualification, and supplier segmentation. It also outlines the procedures for issuing purchase orders, obtaining approvals, and managing payments. The policy promotes the management of suppliers' relationships, performance reviews, and cost reduction activities. Additionally, it emphasizes the importance of confidentiality, ethical conduct, and the reporting of any concerns. The responsibility for implementing the policy is assigned to the Purchasing Department, Finance Department, and the Supply Chain Manager.

Encouraging Local Procurement

We work towards fostering long-term and stable relationships with local suppliers; not only to develop more stable procurement practices, whereby materials and goods will be readily available if we need them, but also to invest in the local economy in Israel through engagement with nascent businesses.

That said, many of our raw materials are sourced directly from long-standing and approved suppliers in countries such as China, with product assembly occurring in Turkey, the United Kingdom, and the United States.

Despite the complexity of making changes in our supply chain, we are committed to working with local suppliers whenever possible. 75% of our procurement is conducted with local suppliers, which accounts for 53% of our total procurement spending.

Health, Safety & Environmental Considerations in Our Procurement Practices

According to the nature of our business and the requisite quality standards, our products must meet strict inspection terms beginning with production processes and through to the final product, according to ISO9001:2015, as well as strict quality, health, and safety standards for the product (TUV, CE, IEC, IEEE). Furthermore, in our procurement system, every Purchase Order is accompanied by a Requirements Control Card in full compliance with all environmental regulations such as ROHS and REACH, especially for all methods and plastics suppliers.

Furthermore, we would like to emphasize our recognition that our responsibility towards sustainability in our business practices extends through to our engagement with suppliers and third parties that are an integral part of value proposition. We aim to look further, across the entire value chain, by seeking to work with suppliers and partners that share our values and take responsibility for the environmental and social outcomes of their operations. Currently, we are working on implementing initiatives to verify our materials suppliers' environmental, social and governance considerations as they directly relate to our operations. We are currently engaged in efforts to extend our supplier due diligence and requirements by implementing a Supplier Code of Conduct, which will include, among other aspects,

calculation of carbon emissions arising from our dealings with suppliers and look for commitments to maintaining adequate levels of Occupational Health & Safety among their labor force, including human rights, trafficking, and anti-discriminatory considerations.

Our Supply Chain Policies and Procedures Moving Forward

We recognize the crucial role of our suppliers in this journey. As part of our ongoing efforts to enhance ESG performance across our supply chain, we have adopted a goal of ensuring that 100% of our material suppliers sign the company's Supplier Code of Conduct, which is currently under development, by 2024. This code will serve as a framework to ensure that suppliers align with GenCell's sustainability goals and ethical standards. Furthermore, we intend to request that key suppliers with a large volume of business and geographic dispersal provide us with relevant ESG information, including but not limited to greenhouse gas (GHG) emissions, social impacts, human rights considerations, and ethical commitments. We intend to complete the assessment of the ESG impacts of our material suppliers by 2025. By expanding its ESG requests and improving data collection, we aim to create a more sustainable and responsible supply chain while driving positive change in the energy industry.



We work towards fostering long-term and stable relationships with local suppliers; not only do we develop more stable procurement practices, whereby materials and goods will be readily available if we need them, but also we invest in the local economy in Israel through engagement with nascent businesses.



About THIS REPORT

We sincerely hope that you have enjoyed reading our inaugural sustainability report which we are proud to have completed. We look forward to continuing to share additional reports on a regular basis regarding our ESG efforts and progress.

GenCell has reported the information cited in the bellow GRI content index (with reference to the GRI Standard) and SASB standards for financial year 2022.

We have one wholly owned subsidiary, GenCell Inc., which was incorporated on October 30, 2017, under the laws of the State of Delaware (USA) and, as of the date of publication of the report, has no business activity. GenCell does not hold a stake in any other corporation.

We aim to constitute and expand the scope of the reported topics, goals, and policies in forthcoming reports.

This report has been prepared with assistance from external ESG specialist consultants. While a certified party has not externally verified the report, we have conducted both internal and third-party appropriate checks on the validity of the detailed data and have reasonable confidence in all published figures and practices. However, as in any document, there may be generalizations, inaccuracies, errors, or omissions. All forward-looking information within this document is based on the company's current estimates/intentions, which may not materialize due to various reasons.

As part of our commitment to open dialogue, we welcome any feedback or comments from our various stakeholders. We invite our stakeholders to send suggestions and feedback regarding our 2022 ESG Report to our ESG Manager, Ms. Lenore Sebag – Legal Counsel: **LenoreS@gencellenergy.com** or at **info@gencellenergy.com**

GRI CONTENT Index



| | | | |
|--|--|--|---|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | GenCell Ltd. was established in 2011. Our headquarters are located in Petah Tikvah, Israel. The headquarters include the research & development and production laboratories. The company has operations in other locations including: Ukraine, Belarus, France, Bulgaria, Russia and Switzerland. The company also has commercial operations in North America, Central America, Europe and Asia. The company manufactures its core technology itself, which constitutes most of the intellectual property and expertise developed by the company. See additional information in our Annual Report. | About GenCell, Where We Work, Our Investors |
| | 2-2 Entities included in the organization's sustainability reporting | GenCell Ltd. | About This Report |
| | 2-3 Reporting period, frequency and contact point | GenCell's ESG report published in June 2023 is for 2022. The company plans to publish a progress report regularly. Contact point is Ms. Lenore Sabag, Legal Counsel. | A Message from Our ESG Manager, About This Report |
| | 2-6 Activities, value chain and other business relationships | We are a full-stack provider of fuel cell technology based on hydrogen or ammonia, provision of backup and primary power supply solutions for utilities, telecom companies, develops EV charging stations, and other mission-critical applications. Innovates in the field of green ammonia generation for use in fuel cells and in the development of fuel cell infrastructure, which delivered directly, through partnerships, and business agreements. See additional information in GenCell's Annual Report. | About GenCell, Our Solutions, Our Product Portfolio, Target Markets for Our Products, The Future of Clean Energy Depends on Us, Our Customers and Business Partners, Responsible Supply Chain |
| | 2-7 Employees | 157 employees as of 2022 | Employee Data |
| | 2-8 Workers who are not employees | 1 contractor | Employee Data |

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| 2-9 Governance structure and composition | GenCell operates with a well-defined organizational structure. Further details are provided in the chapter content. | Our Organizational Structure |
| 2-10 Nomination and selection of the highest governance body | According to a defined framework and the Israel Companies Law. | GenCell's Board of Directors |
| 2-11 Chair of the highest governance body | Mr. Asher Levy | GenCell's Board of Directors |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Our senior management, ESG Manager, ESG Steering Committee and our Board of Directors, during the annual ESG-related meeting, are responsible for overseeing the management of impacts. | Our ESG Governance Structure, Management of Environmental Risks and Opportunities |
| 2-13 Delegation of responsibility for managing impacts | Our senior management, ESG Manager, ESG Steering Committee and our Board of Directors, during the annual ESG-related meeting, are responsible for analyzing relevant impacts and managing them | Our ESG Governance Structure, Management of Environmental Risks and Opportunities |
| 2-14 Role of the highest governance body in sustainability reporting | Senior management and the Board of Directors reviews the company's ESG reports during the annual ESG board meetings. | Our ESG Governance Structure, Management of Environmental Risks and Opportunities |
| 2-15 Conflicts of interest | Our Code of Ethics covers our policies regarding conflicts of interest, among other topics related to our ethical and corporate governance performance. | Our Code of Ethics |
| 2-16 Communication of critical concerns | Details on our Whistleblowing Procedure are provided in our Code of Ethics. | Our Code of Ethics |

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| 2-17 Collective knowledge of the highest governance body | Table of previous and current experience of Board members provided. | GenCell's Board of Directors |
| 2-18 Evaluation of the performance of the highest governance body | Evaluation is conducted according to the Israeli Companies Law Questionnaire, in addition to other internal mechanisms | Companies Law Corporate Governance Questionnaire |
| 2-19 Remuneration policies | In November 2020, the company's Board of Directors and shareholders approved the adoption of a remuneration policy for the company's officers. | Compensation Policies |
| 2-20 Process to determine remuneration | The remuneration policy was formulated in accordance with the Companies Regulations of Israel. | Compensation Policies |
| 2-22 Statement on sustainable development strategy | Commitment to advancing sustainable development, relevant SDGs for focus, contributions to the clean energy mix through fuel cells and engagement in the hydrogen economy. We also have a framework for ESG management at the company, including relevant policies, targets, and initiatives. | A Message from Our CEO - Powering a Sustainable Future, Our ESG Framework, Our ESG Governance Structure |
| 2-23 Policy commitments | Policies relating to ESG matters are currently being implemented at the company, to achieve our ESG goals and targets. | Our ESG Governance Structure |
| 2-24 Embedding policy commitments | The ESG-related policies are currently being developed and embedded in the company to achieve our ESG goals and targets | Our ESG Governance Structure |
| 2-25 Processes to remediate negative impacts | Relevant ESG impacts are analyzed and managed according to our ESG Governance framework, which involves reviewing negative impacts with senior management and the Board of Directors, as needed. | Our ESG Governance Structure |
| 2-26 Mechanisms for seeking advice and raising concerns | info@gencellenergy.com | Engaging with Our Stakeholders, Quality Standards, Policies and Management Systems |

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| 2-27 Compliance with laws and regulations | GenCell is committed to upholding high standards of integrity and ethical business practices, including strict compliance with anti-corruption policies and the Israel Companies Law. Compliance with all environmental regulations related to the use of hazardous materials. Regulatory compliance is part of the business license in Petah Tikvah, monitored and inspected by the municipality. | Regulatory Compliance, Management of Environmental Risks and Opportunities, Safe Disposal of Hazardous Materials |
| 2-28 Membership associations | We are a member of various industry organizations and associations including Hydrogen Europe, The Clean Hydrogen Joint Undertaking (Clean Hydrogen Partnership), Ammonia Energy Association, The Fuel Cell and Hydrogen Energy Association, The African Hydrogen Partnership Trade Association, Green Energy Association of Israel, International Renewable Energy Agency, and the California Hydrogen Business Council. Participation in the Israeli delegation at COP27, Israel's Maala Index for Emerging Companies | Memberships in Associations and Industry Initiatives, Other Industry Initiatives – Promoting Access to Renewable Energy Solutions for All |
| 2-29 Approach to stakeholder engagement | A complete table with details on our main stakeholder groups, the main dialogue channels with the stakeholder groups, and the frequency of dialogue with each group is provided in the relevant chapter. | Engaging with Our Stakeholders |
| 2-30 Collective bargaining agreements | There are no collective bargaining agreements. | Inherent Respect for Employees' Rights |

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| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Our material topics were determined together with consultants, based on the benchmark, and in consultation with stakeholder groups, such as senior management and our employees. | Our ESG Framework |
| | 3-2 List of material topics | Our material topics are, as follows: Power for Humanity Customer emissions reduction Product health & safety Carbon footprint Circular economy Recycling & waste management Water management Employee health & safety Responsible supply chain Employee development & wellbeing Diversity & inclusion Privacy & data security Corporate governance & Ethical business practice | Our ESG Material Topics |
| | 3-3 Management of material topics | The overarching approach for management of the material topics is outlined in "Our ESG Material Topics", and the approach for each topic is outlined at the beginning of each chapter that describes the material topic. Our ESG Manager oversees our ESG strategy, together with the ESG steering committee, ESG Governance framework, and relevant subject matter experts. | Our ESG Material Topics |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Table provided | Our Economic Impact |
| | 201-3 Defined benefit plan obligations and other retirement plans | According to the law in Israel and in our various countries of operation | Economic Benefits – Pension, Shares, Bonuses, Rewards, and Vehicles |
| | 201-4 Financial assistance received from government | No grants and government subsidies as of the publication of the report | Government Grants and Subsidies |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 75% of procurement with local suppliers | The Nature of Our Supply Chain and Its Management |

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| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | Table provided | Use of Materials |
| | 301-2 Recycled input materials used | We perform recycling of 100% of the cardboard packages that the generators are delivered in for transportation and shipping of our fuel cells once the manufacturing process is complete. | Use of Materials |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Table provided | Energy Consumption in the Organization |
| | 302-3 Energy intensity | Table provided | Energy Intensity |
| | 302-5 Reductions in energy requirements of products and services | To enhance our value offering, we are constantly working to improve the efficiency of our product to create more energy from each fuel cell. We adhere to industry standards and best practices, such as the International Electrotechnical Commission (IEC) and the American Society of Mechanical Engineers (ASME) guidelines, ensuring that our fuel cell systems are designed to optimize energy conversion efficiency and minimize energy losses during operation. | Customer Emissions Reduction, Reduction of Energy Requirements of Our Fuel Cell Products |
| GRI 303: Water and Effluents 2018 | 303-5 Water consumption | Table provided | Water Resources |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Table provided | Greenhouse Gas Emissions and Carbon Footprint |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Table provided | Greenhouse Gas Emissions and Carbon Footprint |
| | 305-4 GHG emissions intensity | Table provided | Greenhouse Gas Emissions Intensity |

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| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Table provided Waste-related impacts are monitored closely at our manufacturing facility (and in engagements with regulatory bodies), and waste disposal of our fuel cells is also examined by our Customer Success and other relevant business teams. | Waste Management in Manufacturing and Packaging of Products |
| | 306-2 Management of significant waste-related impacts | We are working to reduce the impacts arising from our waste management processes. We have set a goal of achieving zero waste to landfill by 2030, with a 10% YOY reduction rate. | Waste Management in Manufacturing and Packaging of Products |
| | 306-5 Waste directed to disposal | Table provided | Waste Management in Manufacturing and Packaging of Products |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | Table provided | Employment at GenCell |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | We uphold an Environment, Health and Safety Policy and comply with the Israeli Work Safety Ordinance (New Version). In addition, we have a designated Health and Safety Officer, Safety and Environmental Protection Officer, and an employee overseeing implementation of the Toxins Permit at our manufacturing facilities. Annual Safety Plan is regularly reviewed and revised. | Health & Safety Management Systems |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Toxins Permit | Hazardous Materials: Safe Storage & Employee Protection |
| | 403-3 Occupational health services | Medics, on-site doctors, and emergency medical teams are always on call to assist in case of a work-related accident or illness. | Employee Health & Safety |

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| 403-4 Worker participation, consultation, and communication on occupational health and safety | Workers take part in Health and Safety Committees that meet regularly to discuss relevant topics, precautions, and policies. | Employee Health & Safety |
| 403-5 Worker training on occupational health and safety | There is training for employees based on their occupation, as well as general training on health and safety measures at the manufacturing facilities. All visitors to the facilities receive relevant health and safety training and are required to wear PPE. | Employee Health & Safety |
| 403-6 Promotion of worker health | Efforts are made to accommodate employee work styles. | Ergonomics – Accommodating Employee Work Styles |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | There is some analysis of the health and safety impacts across the supply chain and in other business relationships - topics that are managed by the Procurement and Customer Services departments. | Health, Safety & Environmental Considerations in Our Procurement Practices |
| 403-8 Workers covered by an occupational health and safety management system | The Occupational Safety Ordinance of Israel and the related regulations (partial compliance with ISO 18001). OSHA 1910.103 - Storage and Handling of Hydrogen OSHA 1910.111 - Storage and Handling of Anhydrous Ammonia | Employee Health & Safety |
| 403-9 Work-related injuries | Table provided | Our Environment, Health & Safety Performance - TRIR |
| 403-10 Work-related ill health | Table provided | Our Environment, Health & Safety Performance - TRIR |

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| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 2 hours per employee, on average | Employee Training and Professional Development Opportunities |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 100% | Feedback Surveys and Performance Screening of Employees |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Table provided | Diversity & Inclusion |
| | 405-2 Ratio of basic salary and remuneration of women to men | We analyze gender pay gaps according to Israel's Equal Pay Law and the relevant amendments, and report on the findings in a publicly available report. | Analysis and Reporting on the Gender Pay Gap |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Providing access to reliable and stable energy in underdeveloped and developing areas to power economic development and better quality of life. | Enabling Access to Energy, Power for Humanity |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | GenCell has a robust Quality, Health and Safety Division that actively manages the potential health and safety impacts of our products. We have an ISO 9001:2018 Quality Management certification. | Quality Standards and Ensuring Healthy, Safe and Environmental Products for Our Customers, Healthy, Safe and Environmentally Friendly Products – Quality and Safety Standards, Management of Environmental Risks and Opportunities |

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| GRI 417: Marketing and Labeling 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | There were no incidents of non-compliance concerning the health and safety impacts of our products in the reporting year. | Quality Standards and Ensuring Healthy, Safe and Environmental Products for Our Customers, Management of Environmental Risks and Opportunities |
| | 417-1 Requirements for product and service information and labeling | Fuel cells are highly regulated products that must maintain high quality standards to be marketed in various countries. Therefore, there are certain quality standard labels that are displayed on our products. | References to Certifications in Our Marketing and Labeling Activities |
| GRI 418: Customer Privacy 2016 | 417-2 Incidents of non-compliance concerning product and service information and labeling | There were no incidents of non-compliance regarding the information and labeling of our products. | References to Certifications in Our Marketing and Labeling Activities |
| | 417-3 Incidents of non-compliance concerning marketing communications | There were no incidents of non-compliance concerning marketing communications in the reporting period. | References to Certifications in Our Marketing and Labeling Activities |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | There were no complaints concerning breaches of customer privacy or losses of customer data in the reporting period. | Information Security and Information Technology (IT) |

SASB

| TOPIC | ACCOUNTING METRIC | CATEGORY | UNIT OF MEASURE | CODE | Reply |
|--------------------------------------|---|-------------------------|------------------------------------|--------------|---|
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable | Quantitative | Gigajoules (GJ), Percentage (%) | RR-FC-130a.1 | (1) 2020 - 7151.9; 2021 - 5422.3; 2022 - 2446.1 (2) 100% from the grid (3) 0% renewable |
| Workforce Health & Safety | (1) Total recordable incident rate (TRIR) and (2) fatality rate | Quantitative | Rate | RR-FC-320a.1 | (1) 0 (2) 0 |
| | Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards | Discussion and Analysis | n/a | RR-FC-320a.2 | We conduct various inspections and tests to verify the health and safety of our manufacturing facilities, as part of our compliance with ISO9001 and as part of our material compliance with ISO14001, due to the presence of hydrogen and ammonia in our manufacturing facilities. |

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|---------------------------|---|--------------|------------------|--------------|---|
| Product Efficiency | Average storage capacity of batteries, by product application and technology type | Quantitative | Percentage (%) | RR-FC-410a.1 | Not related to AFC technology |
| | Average energy efficiency of fuel cells as (1) electrical efficiency and (2) thermal efficiency, by product application and technology type | Quantitative | Percentage (%) | RR-FC-410a.2 | (1) Electric efficiency ~ 48% (measured by DT and TDK) or 68gr/kWh when nominal load 5kW. (2) In case of use CHP (combined heat and power) application additional thermal energy estimated ~ 40% |
| | Average battery efficiency as coulombic efficiency, by product application and technology type | Quantitative | Percentage (%) | RR-FC-410a.3 | Not related to AFC technology |
| | Average operating lifetime of fuel cells, by product application and technology type | Quantitative | Hours (h) | RR-FC-410a.4 | BOP designed for 10 – 15 years use for back – up power applications. Stacks replacement every 2 – 3 years |
| | Average operating lifetime of batteries, by product application and technology type | Quantitative | Number of cycles | RR-FC-410a.5 | Not related to AFC technology |

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|---------------------------------------|---|-------------------------|---------------------------------|--------------|--|
| Product End-of-life Management | Percentage of products sold that are recyclable or reusable | Quantitative | Percentage (%) by weight | RR-FC-410b.1 | Estimated at 90%. Nearly all the metal parts that are used in the fuel cell, the nickel material, many of the plastic materials (such as ABS, HDPE, and PE), the EPDM rubber, and the circuitry can all likely be recycled or reused by our customers. Exact amounts will be verified in the forthcoming LCA for key products. |
| | Weight of end-of-life material recovered, percentage recycled | Quantitative | Metric tons (t), Percentage (%) | RR-FC-410b.2 | Not known at this time as none of our products have reached end-of-life. |
| | Description of approach to manage use, reclamation, and disposal of hazardous materials | Discussion and Analysis | n/a | RR-FC-410b.3 | BOX™ is RoHS compliant. No hazardous materials are used. |

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|---------------------------|--|-------------------------|-----|--------------|--|
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | Discussion and Analysis | n/a | RR-FC-440a.1 | We utilize various raw materials including carbon and nickel components, nickel mesh, conductive plastic, aluminum frames, electronic elements, and polypropylene castings. We strive towards a diversified and reliable supply chain by working with multiple manufacturers per item and maintaining security stocks for critical component. Furthermore, we maintain a Raw Materials Purchasing Policy. Policies regarding the use of Hazardous Materials are governed according to the business license issued by the Petah Tikvah municipality, according to which our facilities undergo inspections. |
|---------------------------|--|-------------------------|-----|--------------|--|

| ACTIVITY METRIC | CATEGORY | UNIT OF MEASURE | CODE | Suggested reply |
|---|--------------|-----------------|-------------|--|
| Number of units sold | Quantitative | Number | RR-FC-000.A | In 2022, 61 (56 BOX™, 5 G5.2™) |
| Total storage capacity of batteries sold | Quantitative | Megawatts (MW) | RR-FC-000.B | N/A |
| Total energy production capacity of fuel cells sold | Quantitative | Megawatts (MW) | RR-FC-000.C | For the 61 units sold in 2022, 305 MW total production capacity (61 units, 5KW unit capacity, 1000 assumed working hours per year) |

