



ESG POLICY

NOFAR EUROPE N.V.

Nofar Europe

Nofar Europe B.V. ("Nofar Europe") is O.Y Nofar Energy ("Nofar") platform that is responsible for sub-units in Eastern Europe and is responsible for project management across Romania, Poland and Serbia. Since 2022 it has adopted Nofar's corporate ESG policy. As of 2023 this policy is still subject to expansions at the SPV level of the platforms within the relevant jurisdictions. As part of the ongoing adoption of ESG standards, Nofar Europe, by the end of 2023 will have in place a procurement policy for its sub-units according to jurisdiction and specific project requirements.

As of 2023 Nofar Europe's main focus is on the adoption of a procurement policy for its project companies that are in the need of a more highly detailed procurement process. Nofar's approach to ESG and procurement allows the company to balance its commitment to sustainability and social responsibility with the need to be flexible and responsive to the needs of its project companies.

Goals and targets

As part of Nofar's commitment to ESG values, Nofar has set strategic goals in the area of ESG, aligned with its business strategy and core objectives.

The goals were established in collaboration with the relevant people at Nofar, in order to integrate environmental, social, and governance aspects into Nofar's core activities. The goals were approved by the CEO of Nofar.

As part of this process Nofar has set the goals in relevance to its platforms worldwide including Nofar Europe which has adopted the ESG policy as a whole.

1. Environmental



As a clean energy company, Nofar’s ESG goals focus on the production of clean energy and the reduction of emissions worldwide. Nofar operates worldwide and has a significant environmental impact. In addition to its main goal of producing renewable energy and preventing carbon emissions, Nofar is continuously working to reduce its own environmental footprint. As an organization that has engraved the issue of innovation on its banner, Nofar is constantly looking at new technologies for use in the most innovative and efficient products in their activity, while paying close attention to technical, engineering aspects, safety and more.

1.1 Nofar Europe’s focus on Environmental risk along the supply chain

Nofar Europe, being a subsidiary of Nofar, is committed to promoting sustainable environmental practices throughout its supply chain. Nofar Europe works with its suppliers to ensure that they meet high standards for environmental responsibility.

As a global green energy company, every year Nofar communicates with hundreds of suppliers of different sizes and countries for the purpose of purchasing products and services in order to ensure the most professional, fast and reliable service. Nofar sees procurement as a significant step in its operations and for its stakeholders. Therefore, Nofar takes responsibility for the supply chain, and works tirelessly to improve its procurement processes, so that these consist of the products and services with the highest quality, and are the safest and most advanced, in order to ensure the purchase of products that were manufactured responsibly at the source, while reducing environmental and social vulnerabilities along the supply chain. To do so Nofar has developed the procurement policy which contains different steps to deal with supplier in order to realize the environmental goals of Nofar.

Nofar believes that a sustainable supply chain is essential to its long-term success. By working with its suppliers to promote sustainable environmental practices, Nofar can help to create a cleaner and more sustainable future for all. Nofar recognizes that environmental risks along the supply chain can have a significant impact on the environment and on Nofar’s business.

Nofar Europe will mitigate environmental risks along its supply chain by:

- Mapping its supply chain: Nofar Europe will identify the main suppliers in its supply chain (up to tier 5).
- Assessing supplier risk: Nofar Europe will assess the environmental risks of the main supplier using a variety of methods, such as on-site audits, questionnaires, and data analysis.
- Developing mitigation plans: Nofar Europe will develop mitigation plans to address the environmental risks identified in its supply chain. These plans may include working with suppliers to improve their environmental performance, switching to more sustainable suppliers, or developing alternative sourcing strategies.
- Monitoring and reporting: Nofar Europe will monitor the performance of its suppliers and report on their progress in reducing environmental risks. This will be done through exemplary audits and reports.

2. Social



Social goals are aligned with Nofar’s business model of supplying clean energy and promoting shared values with the partners and communities where it operates, while assuring the safety of its employees and contractors’ workers.

Nofar Europe is committed to comply with national labour, employment and social security laws and the fundamental principles and standards in the ILO core conventions, namely:

- 1. freedom of association and the effective recognition of the right to collective bargaining;**
- 2. the elimination of all forms of forced or compulsory labour;**
- 3. the effective abolition of child labour;**
- 4. the elimination of discrimination in respect of employment and occupation; and**
- 5. a safe and healthy working environment.**

2.1 Social risk along the supply chain

Nofar Europe is committed to promoting sustainable social practices throughout its supply chain. Nofar Europe works with its suppliers to ensure that they meet Nofar Europe’s high standards for social responsibility.

Nofar Europe can use a variety of methods to identify social risks associated with suppliers in its supply chain, considering legal requirements specific to the solar sector. These methods include:

- Conducting exemplary social audits of suppliers to assess their compliance with Nofar’s Code of Conduct and relevant laws and regulations, such as those related to labor, safety, and human rights.
- Reviewing supplier information, such as their sustainability policies and reports, to identify potential social risks.
- Monitoring news and social media for reports of social risks at suppliers.
- Engaging with stakeholders to learn about social risks in the solar supply chain.

Nofar Europe is working on clear and well-defined methodology for identifying social risks in its supply chain, which is outlined in its corporate sustainability guidelines. The methodology includes the following steps:

- Identify the social risks that are most relevant to Nofar Europe ’s supply chain, such as child labor, forced labor, and unsafe working conditions.
- Assess the likelihood and impact of each social risk.
- Prioritize the social risks that need to be addressed.
- Develop and implement plans to mitigate social risks.

Nofar is committed to zero tolerance for child labour, forced labour and any violations against the ILO core labour standards in its supply chain.

Where any significant risks or the presence of child labor, forced labor or any violations of other ILO

core labour standards are identified in Nofar Europe’s primary suppliers or lower tiers of the supply chain for critical goods and materials, Nofar Europe will address the issue by taking the following actions:

- Nofar Europe will only continue to source goods or materials from suppliers after receiving satisfactory evidence that the appropriate steps are taken to eliminate these practices.
- In cases where there is a potential risk to the well-being of workers in primary suppliers, Nofar Europe will require that the relevant supplier implements procedures and control measures to prevent or minimize harm to worker health and safety.

Nofar Europe will conduct periodic reviews to assess the effectiveness of these measures.

Nofar Europe collects a variety of information about its suppliers, duties, place of origin, and transport routes related to raw materials. This information is used to identify social risks in the supply chain, to assess supplier performance, and to make informed purchasing decisions. Nofar Europe shares this information with business partners on a need-to-know basis, while respecting business confidentiality.

Nofar Europe enforces social compliance within its supply chain through a variety of means, including integrating social criteria into agreements and management systems, seeking confirmation from suppliers regarding social compliance and verifying this through third-party audits, conducting on-site audits of suppliers, and sharing the results of these audits with downstream partners. Nofar Europe also tracks the origin region of materials in its supplier relations, demonstrating the company’s commitment to social responsibility in its supply chain.

3. Governance



Nofar is committed to high standards of corporate governance. The company's governance structure is designed to ensure that it is managed in a responsible and transparent manner.

Nofar's board of directors is composed of independent directors with a diverse range of skills and experience. The board is responsible for overseeing the company's strategic direction and for ensuring that it complies with all applicable laws and regulations.

Nofar's management team is responsible for the day-to-day operations of the company. The management team is committed to implementing the company's strategic plan and to achieving its ESG goals.

Nofar has a number of policies and procedures in place to ensure that it is managed in a responsible and transparent manner. These policies and procedures cover a wide range of topics, including:

- Conflict of interest
- Insider trading
- Corporate social responsibility
- Environmental management
- Health and safety
- Whistleblower protection

Nofar also has a number of committees in place to assist the board of directors in its oversight role. These committees include the audit committee, the compensation committee, and the nominating and governance committee.

Nofar is committed to continuous improvement of its governance practices. The company regularly reviews its policies and procedures to ensure that they are as effective as possible. Nofar also monitors its performance against industry best practices and makes changes to its governance structure as needed.

3.1 Corporate principles

Nofar Europe's corporate principles are a set of values that guide the company's business activities. These principles are based on the company's commitment to ethical business practices, social responsibility, and environmental sustainability.

Nofar Europe's corporate principles include:

Ethical principles/responsibility for avoiding corruption: Nofar Europe is committed to conducting its business activities in an ethical and responsible manner. Nofar Europe has a zero-tolerance policy for corruption and bribery. To uphold these principles, Nofar has entered into agreements with all employees, as outlined in the Nofar HR policy.

Responsibility for employees: Nofar Europe is committed to providing a safe and healthy work environment for its employees. Nofar Europe also respects the human rights of its employees

and provides them with fair wages and benefits. Nofar Europe has developed safety instructions for different work locations and sites to ensure optimal safety outcomes. The specific measures implemented at each location can be found in the safety measures for the respective work location or site.

Responsibility for the environment: Nofar Europe is committed to minimizing its environmental impact. Nofar Europe strives to reduce its greenhouse gas emissions, conserve resources, and protect biodiversity.

Product responsibility: Nofar Europe is committed to developing and selling the green electricity that is safe and sustainable. Nofar Europe also takes responsibility for the end-of-life management of its products. To maintain that Nofar Europe has built the green procurement.

Supply chain responsibility: Nofar Europe is committed to working with suppliers who share its values. Nofar Europe requires its suppliers to adhere to its code of conduct, which includes standards on labor practices, human rights, and environmental protection.

Fair competition: Nofar Europe is committed to competing fairly in the marketplace. Nofar Europe does not engage in anti-competitive practices, such as price fixing or collusion.

Fair marketing: Nofar Europe is committed to marketing its products fairly and honestly. Nofar Europe does not engage in deceptive or misleading marketing practices.

Long-term business relationships: Nofar Europe is committed to building long-term relationships with its customers and suppliers. Nofar Europe believes that these relationships are essential for sustainable business success.

Communication and Accessibility: Nofar's corporate principles are communicated internally to all employees. Nofar published its Code of Business Conduct and Ethics on its website and requires its employees to comply with the Code of Business Conduct and Ethics. Nofar Europe also provides training to employees on the company's values and ethics.

Nofar believes that it is important to be transparent about its values and to hold itself accountable to its stakeholders.

Engagement Statement: Guided by Nofar's Code of Business Conduct and Ethics, and committed to compliance with all applicable laws, Nofar Europe abstains from any type of political activities including- lobbying to help shape public policy, legislation and other governmental actions, corporate contributions to federal, state and local candidates, committees, political organizations and ballot issue campaigns. The Code, which is based on Nofar's values, provides basic guidelines of business practice, as well as professional and personal conduct, that all Nofar's employees are expected to adopt and uphold. The Code covers how Nofar's employees may engage in the political process and how Nofar interact with representatives of government on behalf of Nofar.

Stakeholders' interaction: Nofar Europe perceives its stakeholders as vital allies and partners to its success and future development. Nofar Europe's various stakeholders have different expectations from Nofar Europe, according to their unique needs. Nofar strives to build and strengthen long-term relationships with its stakeholders, based on understanding and trust. Therefore, Nofar Europe

accords high importance to listening to stakeholders' expectations and conducts an ongoing dialogue via the various channels presented below. Nofar Europe's stakeholders include the entire supply chain – companies, contractors, consultants, raw-material suppliers, landowners, and customers.