



ESG Report 2023

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01
GENERAL

Words from our Senior Management

We are proud to present Nofar Energy's third Corporate ESG Report for 2023. This report reflects our unwavering commitment to sustainability, transparency, and responsible growth. As a global leader in renewable energy and storage solutions, we strive to support the world's transition to a net-zero future by 2030, helping to replace outdated, costly, and polluting technologies with clean, renewable energy sources.

The year 2023 was marked by significant global and local challenges, despite these hurdles, Nofar Energy continued its rapid and consistent growth trajectory, expanding our project portfolio to seven territories and growing our global team to 185 employees.

Our innovative approach is centered on harnessing advanced technologies to develop ground-breaking solar projects across rooftops, water reservoirs, and land, creating a cleaner, more stable energy market. We remain focused on achieving our strategic ESG goals, which are closely aligned with the United Nations Sustainable Development Goals (SDGs) for 2030. Our journey of ESG evolution is ongoing, and 2023 marks a critical turning point as we expand our data monitoring and measurement capabilities to cover both global operations and our Israeli headquarters. This holistic approach provides a stronger foundation for tracking our progress and making informed decisions that drive long-term sustainable value.



Nadav Tenne

CEO



Ofer Yannay

Chairman of the Board
of Directors



Our efforts go beyond environmental impact, extending into social responsibility and corporate governance to foster sustainable value for our stakeholders—including customers, suppliers, investors, and employees.

Over the past year, we enhanced our oversight and monitoring mechanisms, enabling us to better manage the hundreds of projects in our portfolio. This progress, combined with our global presence, allowed us to update ESG goals for 2028. As part of this plan, we have prioritized strengthening our managerial infrastructure to ensure sustainable, long-term growth.

The events of 2023 profoundly affected us. On October 7, 2023, Israel experienced a deadly attack by a terrorist organization, leading to the declaration of the “Iron Swords” war. This war is ongoing as of the approval and publication date of this report. Approximately 25% of Nofar’s workforce was called to serve in the national effort. We are proud of the dedication and resilience of our employees—both those who reported for duty and those who remained to maintain the company’s operational continuity. We extend our deepest condolences to the families of those who were lost, wish for the swift release of hostages and missing persons, and send our best wishes for the recovery of those injured.

Despite these extraordinary circumstances, Nofar remains steadfast in its mission to drive the transition to a low-emission economy—an opportunity to foster independence, create wealth, generate employment, and enhance both planetary and public health. To achieve this, we have updated our business strategy to reflect the evolution of renewable energy markets. Our organizational structure is evolving to support and promote this strategy, with 2023 serving as a baseline year for tracking and refining our ESG goals.

In closing, I would like to thank our stakeholders for their trust, partnership, and unwavering support. I also want to recognize and commend our dedicated employees around the world for their professionalism, perseverance, and hard work. Their contributions are the driving force behind Nofar Energy’s continued success and impressive achievements.

As we look ahead, we remain committed to delivering on our ESG goals, fostering sustainable development, and leading the global transition to renewable energy. Together with our stakeholders, we will continue to push boundaries, embrace innovation, and create a positive impact on the environment, society, and corporate governance.

**Wishing you all a year
of growth, success, and
peace.**

Ofer Yannay, Chairman
of the Board of Directors
and Nadav Tenne, CEO

About our report

Nofar Energy is delighted to present its third ESG report to all of our stakeholders.

This report provides a comprehensive look at the environmental, social, and governance impacts of our policies and practices. We supply renewable energy and help fight climate change. We believe that in addition to applying environmentally friendly technological solutions, we must conduct ourselves in accordance with ESG principles and practices throughout our activities and implement these principles and practices in our relationships with our stakeholders.

We are more devoted than ever to the creation of positive value for our stakeholders. We continue to invest resources to manage and measure our ESG impacts, while adopting more actions steps to manage improve Nofar's performance in all aspects. As part of our commitment, we continue to promote several initiatives designed to meet the UN's Sustainable Development Goals (SDGs), which will be further discussed throughout this report.

This report covers the Company's ESG activities across Israel, Romania, Serbia, the UK, Poland, the USA and other countries. This report is prepared with reference with the Global Reporting Index (GRI) Standards. The report was written with the assistance of the ESG Unit at BDO Israel Consulting Group.

Nofar is dedicated to continue and strive to improve our work, and we are committed to sharing our progress with our stakeholders on an annual basis.

For further questions regarding this report or other ESG matters that may involve the Company, please contact:

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About Nofar Energy

O.Y. Nofar Energy Ltd, established in 2011, is a publicly traded global independent power producer and developer specializing in renewable energy projects, including battery energy storage, utility-scale solar, floating and rooftop solar.

Since becoming a publicly traded company on the Tel Aviv Stock Exchange (TASE: NOFR) in 2020, Nofar has experienced rapid and consistent growth, building an extensive portfolio of projects and subsidiaries across ten countries. These include the UK, Spain, Italy, Romania, Israel, Poland, Germany, the USA, Serbia, and Greece. With over 12 years of expertise, Nofar Energy invests in and owns major renewable energy and energy storage projects worldwide, leveraging its global leadership and deep expertise in the energy storage sector.

Nofar operates in three primary areas: C&I commercial and industrial, Utility scale and Storage projects Nofar's comprehensive approach includes all stages of project execution—development, permitting, financing, construction,

and maintenance—ensuring high standards across the value chain. By retaining ownership stakes in a substantial share of its projects, Nofar demonstrates its commitment to long-term clean energy investments.

Nofar Energy's business model is built on strategic partnerships that drive its renewable energy expansion globally. Nofar partners with local developers who contribute essential regional expertise in project identification, development, and execution. This collaborative approach allows Nofar to effectively adapt to diverse markets, optimizing project outcomes and accelerating its international reach. In Israel, Nofar collaborates with kibbutzim and real estate companies, establishing joint ventures that enable shared ownership and leverage available land for sustainable infrastructure and efficient land use. Nofar's diverse portfolio includes ground-mounted, floating, and rooftop solar projects, as well as energy storage systems, with a combined production capacity in the thousands of megawatt

hours across Israel, Europe, and the US.

Beyond energy production, Nofar actively supports Israel's transition to a decentralized energy market by expanding its renewable projects and storage capabilities. In recent years, Israeli authorities have taken steps to promote renewable energy, aligning well with Nofar's ambitions. The company's efforts focus primarily on C&I projects in Israel, Italy and the USA, while its European ventures often include large-scale projects connected to ultra-high-voltage grids.

Nofar has continued its partnership with Milgam Group Ltd. through Enova Energy, which focuses on developing solar and storage systems for the municipality sector as well as producing and selling electricity from renewable sources, energy storage systems, and electricity suppliers. As part of its growth strategy, Nofar has strengthened its position in the electric vehicle (EV) charging market by establishing charging stations that are powered by electricity generated from its renewable energy



systems. Over the past year, the company has made significant progress, expanding its project backlog, growing its international asset portfolio, and enhancing its storage capabilities, both as standalone systems and in conjunction with solar projects.

In 2023, Nofar reached a key milestone by integrating all its global platforms into consolidated ESG reporting, ensuring comprehensive insights and data representation across its operations. This initiative enhances transparency and allows stakeholders to monitor progress and alignment with sustainability goals effectively. Additionally, Nofar implemented significant organizational

streamlining to improve efficiency and drive business growth. These efforts reduce resource use, enhance productivity and employee satisfaction, and demonstrate fiscal responsibility. This restructuring supports Nofar's strategic focus on innovation, maximizing productivity, and reinforcing its commitment to advancing ESG principles on a global scale.



Nofar Energy - Driving global green growth



1,110

(503)* MW

Solar energy is connected and ready to be connected

+29% Growth YoY



1,011

(715) MW

Solar energy is under construction and pre-construction



1,091

(777) MWh




Storage energy in connected, ready to be connected, under construction and pre-construction

+10% Growth YoY

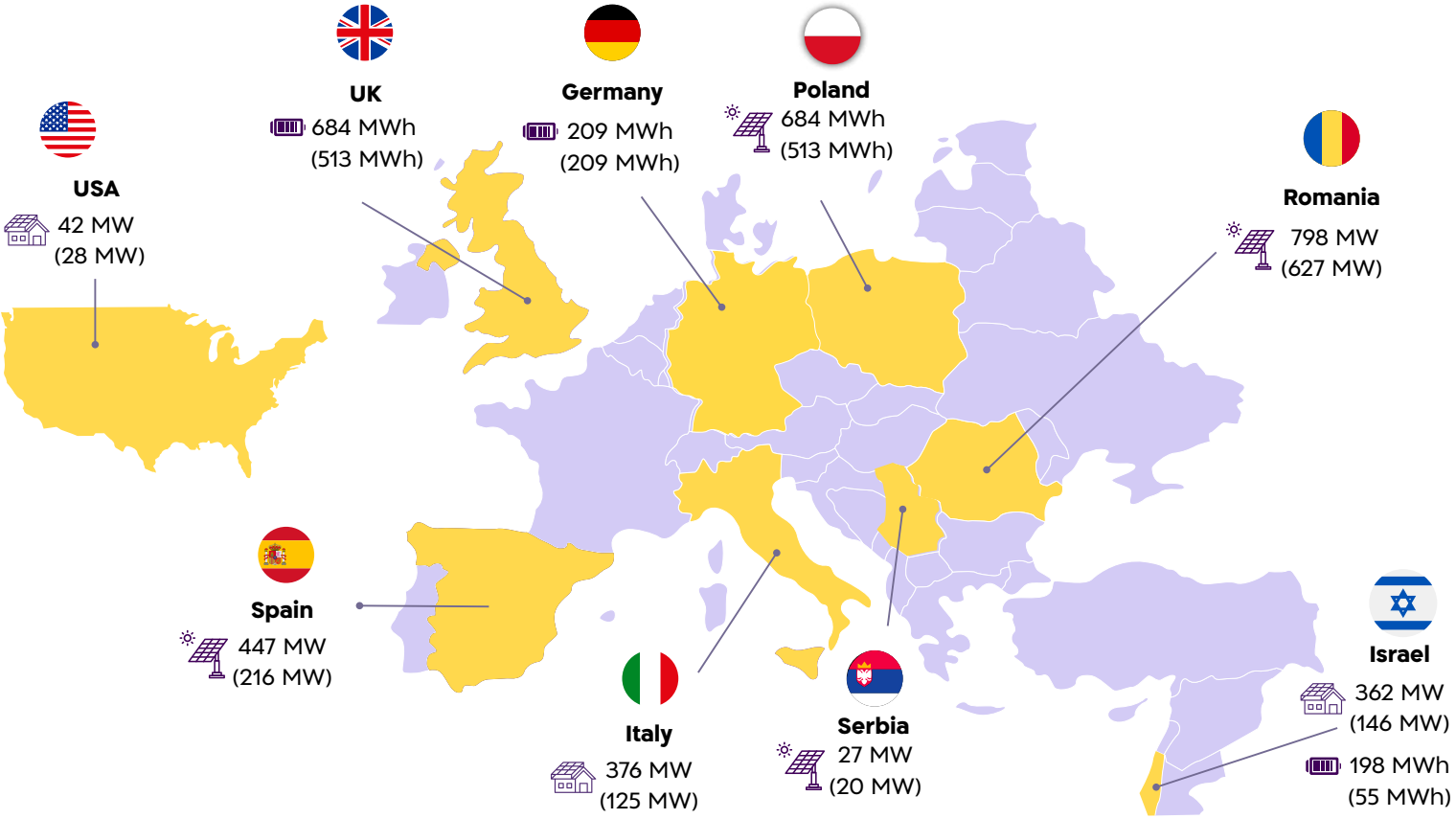
By the end of 2023, Nofar Energy had connected 1,110 MW of solar energy and 135 MWh of storage capacity across 6 territories, strengthening its leadership in the green energy sector. This milestone reflects the Nofar's commitment to providing clean, accessible electricity worldwide. Nofar Energy continues to scale its renewable energy model, driving sustainable progress and creating long-term value in every market it serves.

* 100% holdings, Nofar Energy's share is presented in parentheses

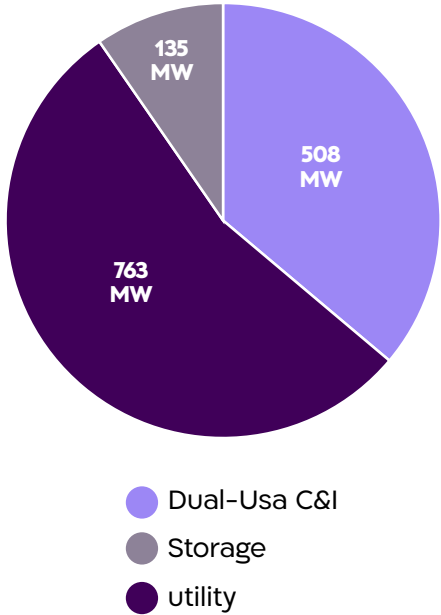
Project Capacity (2021-2023)

	2021	2022	2023
 Storage MW/h	6	21	135
 under construction & pre-construction (MW)	729	1056	1,011
 connected & ready to be connected (MW)	438	853	1,100

Robust Portfolio of Active and Upcoming Energy Projects



Project Classification: Connected & Ready to Be Connected (2023)



* Including projects that are connected, ready to be connected, under construction, and in pre-construction phases (100% holdings, with the Company's share indicated in parentheses). The data reflects the status as of the end of 2023.

Setting Strategic ESG Goals and Targets

Nofar Energy views the transition to a low-emission economy as an opportunity to foster independence, create wealth, generate employment, and enhance both planetary and public health. Aligned with this vision, Nofar has set strategic ESG goals that integrate environmental, social, and governance factors into its core business strategy and activities. Over the years the Nofar updated its business strategy. The strategy reflects the evolution in the renewable energy markets and its maturity. As a result, the organization structure is changing through 2023-2024 in order to support and promote the strategy and the efforts to achieve it effectively. Since Nofar sees ESG as another engine to develop and strengthen it, the company decided to review its ESG goals. The ESG strategic goals have been reviewed and revalidated

accordingly to match the company's updated business strategy and organizational structure, with 2023 serving as the baseline year. These goals, developed in collaboration with key stakeholders and approved by Nofar's CEO, are integrated into all operations, with the company's global platforms and headquarters fully embracing its ESG policy.* As part of the evolution in the Nofar's ESG journey, the data monitoring and measurement has expanded, and the new baseline of 2023 reflects the global operations alongside the Israeli headquarter.

* All numbers refer to 100% holdings of the projects.

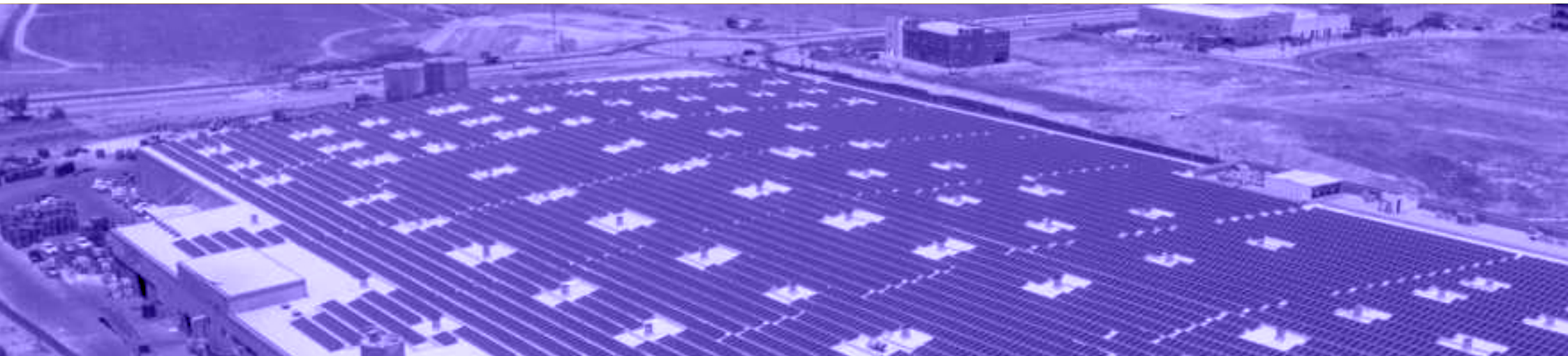
Our Commitment to the Environment

Nofar is dedicated to producing clean, renewable energy as part of its mission to eliminate harmful emissions and address the global climate crisis. Nofar is rapidly growing its global operations, by expanding its solar generation, alongside the capacity of storage. Additionally, clean energy solutions lead to significant accumulated avoided emissions over time, achieved through the adoption of sustainable practices, and Nofar aims to increase these emissions savings substantially in the future. Despite this significant growth, Nofar

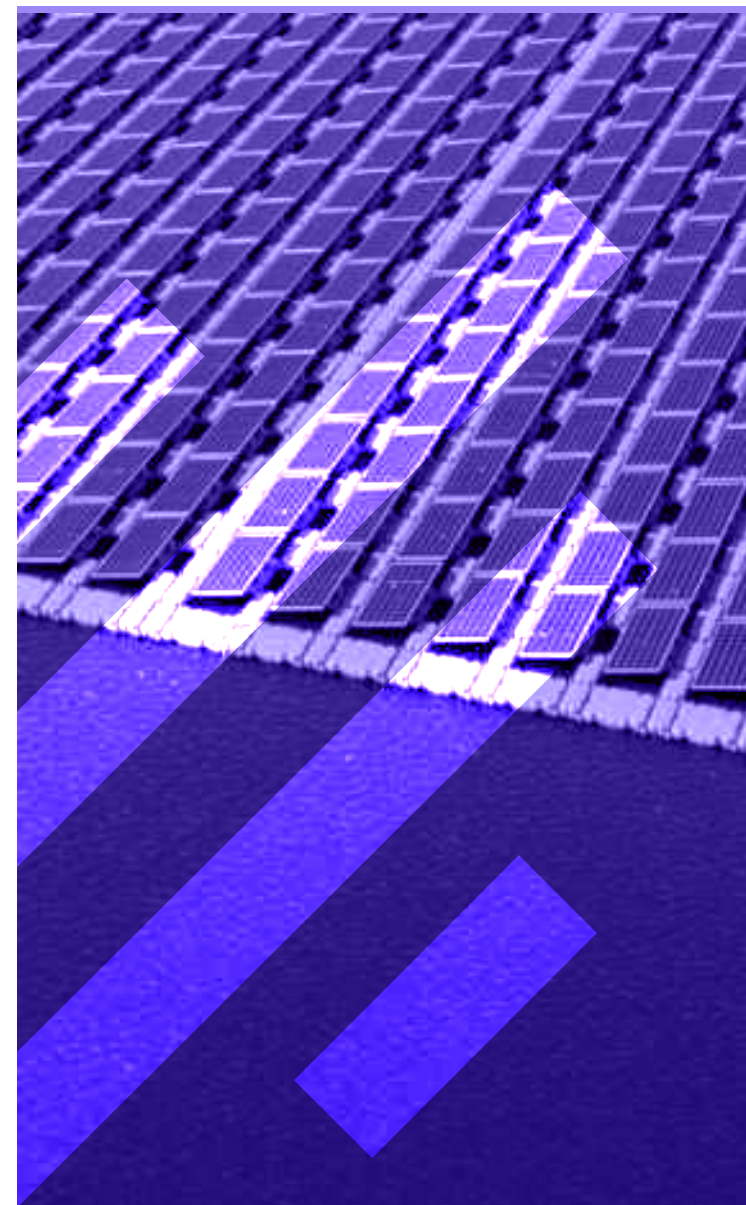
remains committed to reducing its environmental impact through its operations by reducing Scope 1 and 2 emissions. Nofar plans to gradually expand the measurement of Scope 3 emissions through 2028, setting new targets as progress is made.

Nofar demonstrates its commitment to environmental stewardship through investments in storage solutions, EV charging infrastructure, and initiatives to address climate change, including efforts to protect biodiversity and

prevent ecosystem decline. Nofar also prioritizes the sustainable use of materials and the implementation of responsible supply chain practices. Guided by its vision, Nofar aims to lead the global transition to renewable energy by driving innovation and promoting sustainable growth in electricity generation and storage.



Goal	2023	2028
Capacity of renewable power connected and ready to be connected (GW)	1.1	5.0
Capacity of storage connected and ready to be connected (GWh)	0.14	3.5
C&I (dual usage) (MW)	508	1500
GHG - Scope 1 emissions (tCO2e)	526	Zero By 2030
GHG - Scope 2 emissions (tCO2e)	251	-30% by 2030
GHG - Scope 3 emissions (tCO2e)	363	TBD according to scope 3 measurements in 2025
Accumulated avoided emissions since 2021 (MtCO2e)*	1.3	6.0



* Emission savings are based on full project ownership and projected emission intensity in the relevant countries, with targets dependent on the realization of these projections. The baseline is derived from avoided emissions in 2021–2023.

Our Commitment to the Society

Nofar is dedicated to supply clean energy and promote shared value with its stakeholders: employees, partners, vendors and the communities in which it operates. The company assures the safety and well-being of its employees and contractors' workforce.

In 2023, Nofar underwent organizational streamlining, and while international operations are expanding significantly, the new structure supports more affective routines and procedures in the headquarters. Nofar is committed to offering its new jobs opportunities as local economic development. The strategic goal has been adjusted accordingly.

Nofar is obligated to human rights across all operations, including the supply chain. As part of the commitment to the communities and their wellbeing, Nofar prioritize responsible disposal of hazardous materials found on C&I rooftops sites. This also strengthens the engagement with the local communities.

Goal	2023	2028
Safety – fatal accidents (number of accidents including contractors)	2	0
Accumulated responsible disposal of hazardous materials within the community (K Tons)	1.0	1.4
Local economic development (number of jobs)	273	300

Our Commitment to the Corporate Governance

Nofar is dedicated to strong corporate governance, upholding the highest standards of integrity, transparency, and accountability in all aspects of our operations. Nofar has a wide set of policies and procedures that support and promote ESG considerations integration into the company's routines and strategic processes. The company

develops dedicated work plans to achieve this integration and the ESG strategic goals.

Promoting gender equality within our executive management and board is a key priority for the company and Nofar plans to maintain the gender ratio.

Risk management is a significant topic in Nofar's governance. The company conducted a risk assessment in 2022 and gradually mitigating identified "RED" risks. The company plans to conduct a new and updated risk assessment which will define the goals for 2028.

Goal	2023	2028
Gender diversity in board and executive management (% women)	25%	25%
Mitigating risks according to 2022 risk assessment (number of "Red" topics)	1	TBD according to new assessment

Supporting the global transition to a low carbon economy

Nofar is committed to advancing the global transition to renewable energy by contributing to global renewable energy goals and supporting efforts to reduce greenhouse gas emissions. At the core of this commitment is a dynamic and adaptive approach designed to respond to evolving environmental and market challenges. Nofar is shaping its global strategy and guiding its implementation across various platforms, ensuring a cohesive vision across its international operations. Our initiatives include promoting dual-use solar projects, integrating storage facilities, and leading behind-the-meter storage in Israel. These efforts aim to efficiently harness renewable energy while minimizing land use and reducing pollutants. Aligned with the Paris Agreement and COP 28 targets, Nofar is dedicated to the

sustainable transition from fossil fuels to green energy, ensuring that human rights and a just transition remain central to our approach.

Nofar's business model leverages a "platform model" approach, aiming to expand renewable energy projects efficiently and strategically in different countries. This model focuses on:

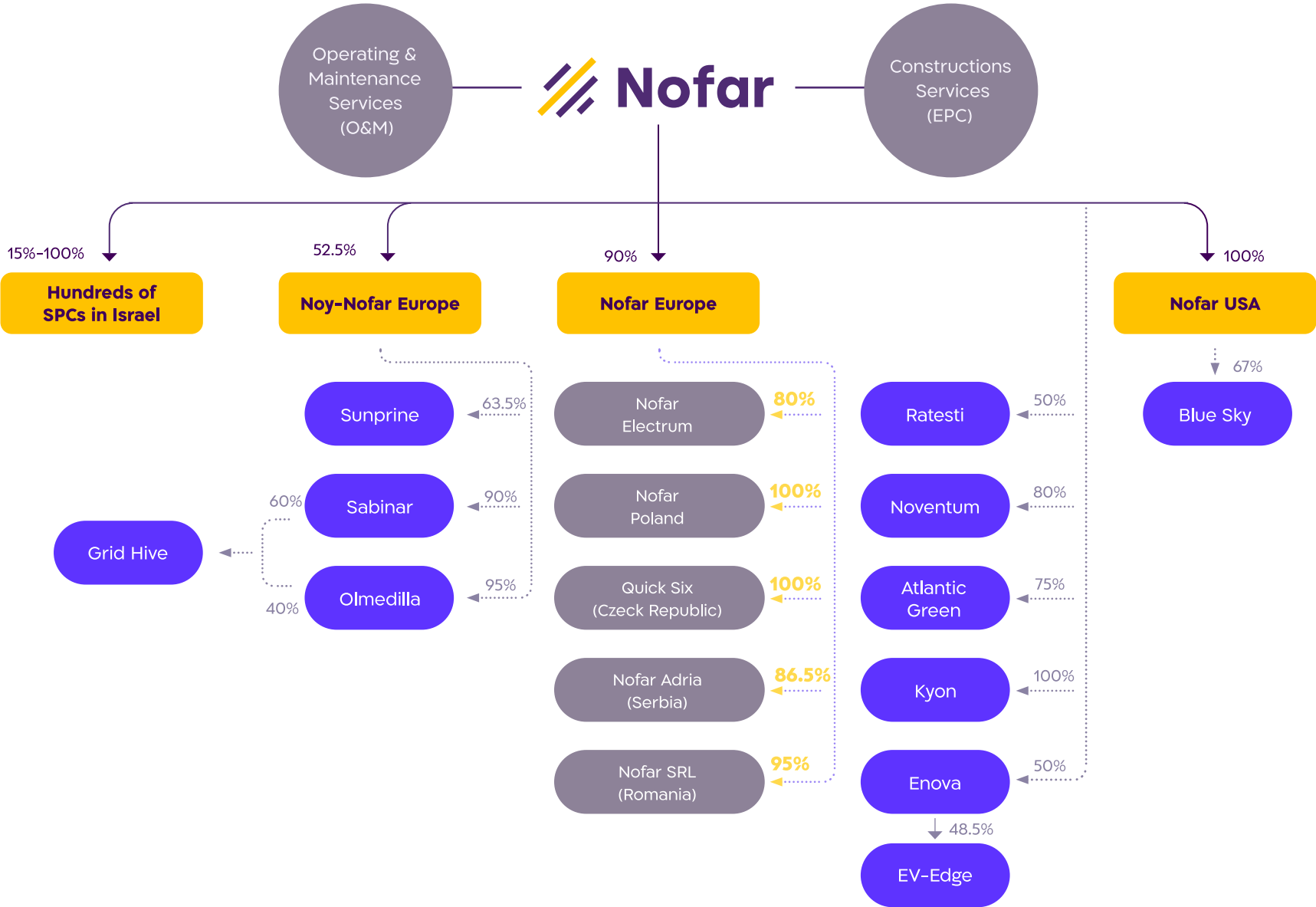
Market Leadership: Maintaining its position as one of the leading companies in the field of renewable energy in general, solar energy and storage systems in particular.

Project Expansion: Deepening the activity of the platforms and increasing the Group's backlog of projects and expanding the Company's project portfolio abroad.

Platform Development: The main principles in building a platform are strong and experienced local management, personnel with expertise in the local market and operational efficiency. The degree of independence of the platform in relation to headquarters in Israel is determined according to the need for local knowledge, personnel costs in the various countries, the platform's capacity for rapid growth, and the ability of the Group's senior management to maintain effective oversight.

Global Reach: Developing the portfolio of the Company's storage projects and using the storage technology in different territories, both in combination with solar systems and as independent systems.

Company Holdings Chart



Operations around the globe



Nofar's activity in Israel revolves around two key areas: construction (EPC) and operation and maintenance (O&M). The company constructs solar systems, storage systems, and Electric Vehicle (EV) charging stations, either directly or through subcontractors. This process, known as EPC (Engineering, Procurement, and Construction), involves full planning, licensing, procurement, and construction until systems are connected to the grid. Nofar's focus in Israel is primarily on dual use platforms and behind-the-meter storage facilities. Most of these projects are developed through joint ventures, often with real estate-intensive entities like kibbutzim and companies, which serve as a significant growth engine for the company.

A smaller portion of these systems is owned by third parties or the company itself. In addition to construction, Nofar provides ongoing operation and maintenance services for systems it has built. These services are primarily for systems owned by the joint venture companies, although a small share is provided for third-party systems. As of the most recent report, Nofar operates and maintains connected systems with a combined capacity of 350 megawatts. The significant growth in project development and investment within Israel in recent years has also led to a corresponding increase in construction and maintenance activities.



Nofar Energy's operations in Spain are conducted through Noy Nofar Europe, in collaboration with local developers who hold between 5% and 10% of the rights in the projects. Nofar owns two major solar projects: the Olmedilla (169 MW) and Sabinar (238 MW) projects. Nofar is also working to expand the Sabinar project using the existing substation. Power Purchase Agreements (PPAs) have been signed for both projects, covering the sale of most of the electricity produced for terms ranging from 3 to 9 years. Nofar continues to work on connecting the Sabinar II project to the electricity grid, further expanding its renewable energy capacity in Spain.



| Romania

In 2022 and 2023, Nofar established Nofar Energy SRL, a local platform responsible for initiating, developing, purchasing, constructing, and financing solar and wind projects in Romania. One of the key projects, the Ratesti solar project (155 MW, 50% owned by Nofar), was connected to the grid in 2023 and is currently in the commissioning phase. During 2022-2024, Nofar acquired several additional projects in Romania, including Iepuresti (169 MW), Corbii Mari (256 MW), Ghimpati (146 MW), and Slobozia (72 MW). As of the most recent report, construction has commenced on the Iepuresti, Slobozia and Ghimpati projects, and contractor tenders are ongoing for the construction of the Corbii Mari project. Nofar Energy SRL continues to develop new solar and wind projects in Romania and is in active negotiations for further acquisitions.

| UK

In 2021, Nofar Energy established two platforms in the UK in partnership with local developers: Noventum, focused on solar and wind project development, and Atlantic Green, which specializes in battery energy storage systems (BESS) projects. Atlantic Green owns several key projects, including the Cellarhead project with a 300 MW connection point and a storage capacity of up to 624 MWh. The project has received the necessary approvals to begin construction, and EPC and O&M agreements were signed with the contractor in April 2024. Another project, Buxton, with a 30 MW connection and a 60 MWh storage capacity, was connected to the electricity grid in September 2024. Atlantic Green also acquired the Toton project, which is in the advanced development stage, with a 130 MW connection and 260 MWh of storage capacity.

Additionally, Atlantic Green is negotiating further acquisitions of storage projects and on November 2024 was signed on a financing agreement, with a consortium of leading international and Israeli banks, to fund the construction of the Cellarhead project. During 2021 and 2022, Noventum focused on building a local management team and initiating projects. As of the Report Date, Noventum is developing a pipeline of solar and wind projects in the UK, with an estimated capacity of 2,533 MW that are in advanced development, and another 2,646 MW in early development stages.



Nofar's operations in Italy are conducted through Sunprime, which focuses on the development, planning, licensing, construction, and operation of solar systems on rooftops and ground-mounted systems. Most of these projects are facilitated by tender procedures from the Italian Electricity Services Authority (GSE) for selling electricity through differential agreements (Contracts for Differences). In 2023, Sunprime expanded its project backlog to about 738 MW, with roughly 289 MW secured through GSE tenders. The remaining projects are at various development stages, including ongoing construction for those that won initial tenders and the completion of approximately 140 MW. Additionally, Sunprime is initiating further projects in Italy. As of the most recent report, the company secured financing for up to €335 million to establish solar projects. As of the Report Date, Noy Nofar Europe owns 63% of Sunprime.



In 2023, Nofar assessed the electricity market in Germany and identified it as a promising investment opportunity. During this period, Nofar completed the acquisition of a battery storage project with a total capacity of 104.5 MW and approximately 209 MWh. As of the recent report, Nofar signed on tolling agreements and agreements with construction contractors for the project's balance of plant (BOP) and battery systems, and is negotiating on additional finance options. In addition to these activities, the company is considering entry into other energy markets.



Nofar operates in Poland primarily through Electrum Nofar, a corporation in which Nofar Europe holds an 80% stake and Electrum SP. Z OO holds 20%. Electrum is recognized as one of Poland's leading EPC contractors, specializing in engineering, construction, maintenance, and management of large-scale energy systems, particularly in renewable energy projects like wind farms and solar installations. Electrum Nofar has a project backlog totaling approximately 465.7 MW of solar and storage projects at various stages of operation, construction, and development, with around 694 MWh of storage capacity. Notable projects include the Krzywinski project (20 MW), which is already connected to the grid, and the Dziewoklucz project (19.7 MW), which is awaiting necessary upgrades from the grid administrator for its connection. Electrum Nofar is working to identify and initiate further solar and wind projects throughout Poland.



Nofar Energy operates in the USA through its subsidiary, Blue-Sky, in which it holds a 67% stake. Blue-Sky is dedicated to the initiation, development, licensing, financing, management, construction, and ownership of solar projects on commercial building rooftops, as well as storage systems. The company primarily collaborates with Real Estate Investment Trusts (REITs) that own extensive portfolios of commercial real estate. These partnerships focus on installing solar systems on the rooftops of these properties and selling the generated electricity to tenants at rates based on retail prices



Nofar Europe formed agreements with local developers to establish a joint initiation platform focused on solar projects in Serbia. The group successfully completed the acquisition of two solar projects with a combined capacity of approximately 26.6 megawatts, which are currently on grid connection procedures.



In 2022, the company conducted a thorough analysis of the energy market in Greece and subsequently entered into conditional agreements to acquire storage projects totaling approximately 672 megawatts (1,344 megawatt hours), which are currently in the initial stages of development.

Community Resilience Through Nofar's Microgrid Solutions

In 2023, we successfully operated the first microgrid system in Israel. Nofar Energy has proactively developed a cutting-edge microgrid pilot project, designed to strengthen Israel's power infrastructure and ensure energy resilience during emergencies and outages. This initiative emerged in response to the growing need for reliable electricity in times of crisis, particularly highlighted in Israel by the disruptions that followed the events of October 7th. The microgrid system, powered by renewable energy and featuring autonomous operation capabilities, provides a critical backup solution that continues to function independently, even if the main grid fails.

The project is a testament to Nofar's forward-thinking approach and technological expertise. Initial installations have been successfully implemented in several communities, starting with Kibbutz Shoval, which served as a launchpad for this transformative






energy solution. These systems are equipped with advanced energy storage infrastructure, creating localized, self-sufficient power networks that operate efficiently within defined communities. As the pilot expands to dozens more kibbutzim—including Kfar Sold, Sde Eliahu, and Or Haner—Nofar is demonstrating the scalability and effectiveness of its microgrid technology, with plans to deploy similar solutions in additional settings.

In addition to providing critical backup power, Nofar's microgrid system will generate ongoing savings and support economic stability. By leveraging renewable energy sources and efficient energy storage, the microgrids promise to deliver lower electricity costs, benefiting both local communities and the broader energy market. This forward-looking initiative exemplifies how private sector ingenuity can create public value, enhancing national energy security while promoting environmental and economic sustainability.

Contribution of Nofar to the UN's Sustainable Development Goals

In 2015, the UN published the "2030 Agenda for Sustainable Development." This agenda is comprised of 17 Sustainable Development Goals (SDGs) aimed at addressing a broad spectrum of social, economic, and environmental challenges. In 2023, we reassessed our contribution to the SDGs to ensure our efforts align with these global goals. As a leading renewable energy company in Israel, Nofar's operations align with several of these SDGs, as highlighted in this report and summarized in the table below.



	RELEVANT SUB- GOAL	OUR ACTIVITY
 <p>GOAL 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL</p>	<p>7.1. Universal access to modern energy – by 2030, ensure universal access to affordable, reliable, and modern energy services.</p> <p>7.2. By 2030, increase substantially the share of renewable energy in the global and local energy mix.</p>	<p>Nofar produces clean and available energy. Installed capacity in 2023: 1,100 MW Solar energy is connected and ready to be connected. By 2028, the installed capacity globally is expected to increase to 5,000 MW, thereby helping to meet the goal of transitioning to renewable energies.</p>
 <p>GOAL 13: MITIGATING CLIMATE CHANGE AND ITS EFFECTS – TAKING MAJOR MEASURES AND WORKING TO COMBAT CLIMATE CHANGE AND ITS CONSEQUENCES</p>	<p>13.1. Strengthening resilience and adaptive capacity to climate-related disasters and natural disasters in all countries.</p>	<p>Reducing greenhouse-gas emissions through the production of clean electricity in the countries where Nofar operates.</p> <p>In Israel, Nofar integrates EV charging networks, helping to reduce carbon emissions and promote the adoption of electric vehicles.</p>
 <p>GOAL 8: DECENT WORK AND ECONOMIC GROWTH – PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH</p>	<p>8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>8.8. Protect labor rights and promote safe and secure working environments.</p>	<p>Nofar maintains a strong focus on recruiting and retaining qualified personnel, emphasizing diversity and equal opportunities in the workplace.</p>
 <p>GOAL 15: PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE LAND, AND HALT BIODIVERSITY LOSS.</p>	<p>15.5. Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.</p>	<p>Nofar Energy conducts environmental impact assessments and implements dual-use land strategies to protect local biodiversity in all its projects. Nofar prioritizes environmental preservation, adhering to regulations and minimizing resource use across its operations.</p>

Nofar's Material Topics

At Nofar, we maintain an ongoing dialogue to identify the governance, environmental, and social issues that are most material to our business and stakeholders, aiming to enhance our impact and performance.

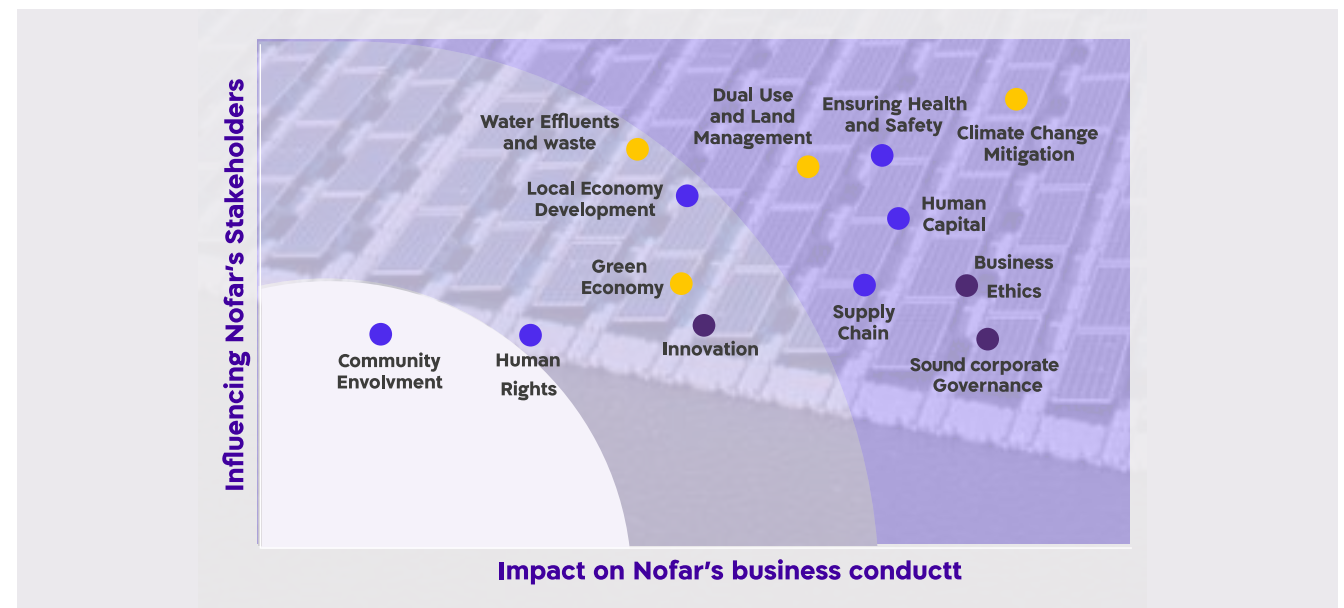
As part of preparing this ESG report, we reviewed and confirmed our material topics, following the GRI Standards process. This involved identifying relevant topics in the renewable energy sector through sector overviews and benchmarking reports from leading global companies. The process of conducting a materiality assessment began in 2021, laying the foundation for our ongoing commitment to aligning with industry standards and addressing the most significant ESG issues.

The methodology used to identify the material topics included several key steps. First, topics relevant to the renewable energy sector were identified through a sector overview, which included benchmark research of the most significant topics as reflected in reports issued by four leading Israeli and global companies. This was

complemented by a review of the common topics and concerns raised by stakeholders as reflected in investors' ESG ratings that surveyed companies' ESG performance. In addition, analysis of the main topics covered by global reporting standards (GRI, SASB) was conducted. The initially selected topics were then discussed with executives and the identified topics were rated and prioritized

by Nofar to ensure alignment with both company objectives and stakeholder interests.

In 2023, management reevaluated the list of material topics. After careful consideration, we decided to maintain the same topics as last year to ensure continuity and focus on the most critical issues for both the company and its stakeholders.



Materiality matrix

The materiality matrix presents the topics that the Company considered to be material, highlighting the eight final topics material to Nofar's operations, based on each topic's importance. The topics are positioned based on relevance to Nofar's business conduct according to management (horizontal axis), combined with their impact on its stakeholders (vertical axis).

Our material topics defined for the report and for focusing our ESG strategy are:

GRI indicator	Topic	Main Impact
GRI 302: Energy 2016 1. GRI 305: Emissions 2016	2. Climate change mitigation and green energy solutions	<ul style="list-style-type: none"> ● GHG emissions reduction ● Adapting to climate change ● Governance and advocacy for climate ● Storage and energy efficiency
GRI 401: Employment 2016 GRI 404: Training and Education 2016 3. GRI 405: Diversity and Equal Opportunity 2016	4. Human capital, equality, diversity, and inclusion	<ul style="list-style-type: none"> ● Workforce diversity and inclusion ● Equal opportunity ● Employee wellbeing and development
GRI 403: Occupational Health and Safety 2018 5. GRI 204: Procurement Practices 2016	6. Ensuring health and safety at our Company and through our supply chain	<ul style="list-style-type: none"> ● Workers' health and safety ● Responsible supply chain



GRI indicator	Topic	Main Impact
7. GRI 205: Anti-corruption 2016	8. Ethics and business transparency; prevention of corruption and bribery	<ul style="list-style-type: none">● Transparency in reporting and stakeholder communication● Anti-corruption policies
9. GRI 2: General Disclosures 2021	10. Adequate corporate governance	<ul style="list-style-type: none">● Board structure and diversity● Risk management practices● Remuneration policy
11. GRI 304: Biodiversity	12. Dual Use, land management & Biodiversity	<ul style="list-style-type: none">● Protecting biodiversity● Land use efficiency● Resources management

Dialogue with our Stakeholders

Nofar perceives its stakeholders as vital allies and partners to its success and future development. Nofar's various stakeholders have different expectations from the Company, according to their unique needs. Nofar strives to build and strengthen long-term relationships with its stakeholders, based on understanding and trust. Therefore, the Company accords high importance to listening to stakeholders' expectations and conducts an ongoing dialogue via the various channels presented below.

Nofar regularly engages with its key stakeholders, encompassing the entire supply chain, including companies, contractors, consultants, raw-material suppliers, lenders, landowners, and customers, as well as partners in the energy production industry, employees, regulators, and government authorities—all of whom play a vital role in the Company's success.





Employees

The Company's employees represent its biggest asset, and it strives to provide them with an optimal work environment for growth and development. Nofar maintains a regular, open dialogue with its employees through formal and informal channels.

Responsible party at Nofar

Management, human resources, office managers

Nofar's main goal:

Employees' professional skills, personal development, satisfaction, and retention

Dialogue channels:

Ongoing meetings and conversations with managers at

different levels, Safety Committee meetings, daily company-wide communication (via e-mail and WhatsApp groups), company policies (e.g., sexual harassment prevention policy), company retreats, anonymous inquiries and complaints box, meetings with the CEO, visits and regular meetings with subsidiaries' staff abroad, participation in conferences and exhibitions

Main issues raised in the dialogue:

Involvement and participation, inclusion and diversity, labor relations, learning and development, safety and health, personal development and enrichment, business development



Business Partners in Israel

The working model is based on partnerships with local landowners (owners of rooftops, fields, agricultural areas, reservoirs, and fences), who benefit from the shared value of the ventures Nofar establishes on their land. These partnerships are built on transparency, fairness, and cooperation, from the conception stage to the operation stage. In Israel, Nofar usually operates through partnerships with kibbutzim, where it develops and builds its facilities.

Responsible party at Nofar:

Company management, business development managers, project managers, partnership and property managers

Nofar's main goal:

Maximizing shared value, building trust relations, creating business advantages

Dialogue channels:

Regular contact with business partners/kibbutz management, annual meetings, ongoing dialogue with relevant startups in the renewable energy sector

Main issues raised in the dialogue:

Shared value, utilization of land resources, energy efficiency, implementation of innovative technologies, and increasing efficiency in work processes



Business Partners Abroad

Among Nofar's global partners are a combination of local joint ventures and subsidiaries that engages with landowners, leaseholders, and local entrepreneurs.

Responsible party at Nofar:

Company management, business development managers, directors of subsidiaries

Nofar's main goal:

Maximizing shared value, maintaining agreed schedules, building trust relations, creating business advantages

Dialogue channels:

Regular meetings with partners, EPC contractors, and landowners, landowners' public participation in development processes, regulatory processes, recruitment of local management, local regulatory conduct

Main issues raised in the dialogue:

Shared value, utilization of land resources, energy efficiency, implementation of innovative technologies, and increasing efficiency in work processes



Procurement Suppliers and Contractors

The Company's suppliers consist of three main categories: essential equipment suppliers (Panels, converters, storage systems, construction infrastructures, etc.), project operation contractors, and service providers. The Company's project managers maintain regular contact with project operation contractors, including visits to the facilities during the construction work.

Responsible party at Nofar:

Purchasing Manager, Chief Operating Officer, Project Managers

Nofar's main goal:

Ensure smooth procurement processes and maintain high safety standards, business ethics, and compliance with contracts`

Dialogue channels:

Contractual engagements, bidding, and negotiating, ongoing visits and audits in various projects, round-table discussions, safety training, and workshops

Main issues raised in the dialogue:

Implementation schedules, pricing, workers' safety, workers' rights, business ethics, and anti-corruption



Regulatory and Governance Bodies

Responsible party at Nofar:

Company management, business development, licensing, municipal field manager, subsidiary company managers, legal department

Nofar's main goal:

Ensuring compliance with regulatory requirements and minimizing environmental damage while contributing to the green-energy economy

Dialogue channels:

Ongoing dialogue and work meetings, submission of environmental impact reports, submissions of clarifications to hearings and calls for proposals, intensive work with planning and construction committees, participation in conferences, seminars, and joint workshops

Main issues raised in the dialogue:

Compliance with regulatory requirements, reducing environmental damage, technological innovation, and energy efficiency



Procurement Suppliers and Contractors

Responsible party at Nofar:

Company management, investor relations, legal department

Nofar's main goal:

Maximizing shared value, maintaining discretion

Dialogue channels:

Reports in the Magna system, ongoing work meetings, investor conferences, tours and visits to the company's sites, investor relations mini-site on the company's website

Main issues raised in the dialogue:

Economic performance, corporate governance, business ethics, anti-corruption, work plans, and strategy





Government, Local Community and Authorities

The main government entities that affect the Company's operations are Ministries of Energy, the Israel Electricity Authority, distribution and transmission system operators, the Israel Securities Authority, Nature and Parks Authority, the Ministry of Environmental Protection, the Planning Administration, Ministries of Agriculture, Ministries of Health, Government Water and Sewage Authorities, Antiquities Authorities, and the draining authorities. The Company complies with the demands of regulators and government authorities, and believes in transparency and openness in all its dealings.

Responsible party at Nofar:

Company management, marketing department, project managers

Nofar's main goal:

Creating shared value for the community and reducing negative impacts caused by the company's operations

Dialogue channels:

Hearings and public participation processes, holding workshops and conferences with regional councils near production sites, sponsorships and voluntary activities with NGOs and relevant social organizations

Main issues raised in the dialogue:

Local economic development, promoting the welfare of local communities, reducing environmental damage, donations and sponsorships



Environmental Organizations

Responsible party at Nofar:

Company management, marketing

Nofar's main goal:

Promoting a green economy and reducing environmental impacts

Dialogue channels:

Open channel for public inquiries and complaints, lectures at seminars initiated by environmental bodies

Main issues raised in the dialogue:

Reducing negative environmental impacts, dual use of land (e.g., roofs, reservoirs), promoting renewable energy



Energy Suppliers and Electricity

Nofar's main customer in Israel is the Israel Electric Corporation (IEC), in addition to local electricity suppliers, mainly kibbutzim. Nofar's subsidiaries abroad used to enter into PPAs with third parties or sell the electricity in the electricity markets.

Responsible party at Nofar: Company management, legal department

Nofar's main goal:

Ensuring high-quality and continuous energy supply

Dialogue channels:

Contracting processes, energy supply agreements

Main issues raised in the dialogue:

High-quality, continuous, and reliable energy supply

Nofar's Values

Fairness and Reliability

Nofar bases its business and social activities on partnership, driven by shared goals and strong internal relationships. These partnerships, grounded in fairness and reliability, allow for achieving professional and result-oriented goals. The company prioritizes a fair and reliable environment for all stakeholders, including employees, suppliers, customers, and shareholders, fostering unbiased and transparent relationships.

Strive for Excellence

Nofar values excellence and professionalism as essential to continuous improvement and long-term competitiveness. This commitment is reflected in every stage of product development, from conception to maintenance, with the highest standards in mind. By fostering excellence, the company enhances its internal culture and creates accountability among employees, partners, and customers. Nofar also emphasizes the development of employees' skills and knowledge, understanding their roles and responsibilities for collective success.

Teamwork

Teamwork is integral to Nofar's pursuit of excellence, requiring strong collaboration with internal and external partners. The company encourages mutual support, open communication, and constructive criticism to reach its goals. Employees are expected to work together responsibly, professionally, and with respect, creating an atmosphere of trust and cooperation.

Creativity

Creativity is at the heart of Nofar's operations, driving the initiation of diverse projects and the exploration of new market segments. The company fosters an environment that encourages continuous improvement in product quality and work procedures, challenging employees to ask critical questions and seek innovative solutions. This commitment to creativity helps Nofar achieve higher goals and maintain a competitive edge..

Avoiding Extraneous Considerations

Nofar emphasizes the importance of maintaining integrity and professionalism among its employees by ensuring that decisions are based solely on organizational and professional considerations. Employees are expected to avoid any activities influenced by personal financial interests or the interests of relatives and others, thus upholding ethical standards within the company.

Commitment to Sustainability Values

Nofar is dedicated to sustainability, encouraging employees to engage in practices that protect the environment and promote the responsible use of resources. This includes prioritizing energy efficiency and implementing measures that help reduce emissions. The company's commitment to sustainability reflects its broader goal of contributing positively to the community and the planet.



02

Environment

Highlights

Prevention of **1,301** kilotons CO₂e emissions compared to conventional energy generation.

1,110 MW of clean electricity production capacity.

1,010 of clean electricity projects in construction and pre-construction stages.

100% of systems constructed by Nofar in Israel, Italy, and the USA are based on a dual-use land model.

214 tons of hazardous waste removed and treated from roof installations in 2023.

Goals and Targets

Prevent an estimated 6,000 kilotons CO₂e emissions by 2028.

Achieve zero Scope 1 emissions by 2030.

Reduce Scope 2 emissions by 30% by 2030.

Expand reporting on Scope 3 supply-chain emissions by 2028.

Forecast 5 GWh of clean electricity generation in 9 countries by 2028.

Increase storage capacity to more than 2,500 MWh by 2028.

By 2028, an estimated 1,440 tons of asbestos are expected to be safely removed and properly disposed of from outdated rooftops.

Nofar Energy's Environmental Commitment

Nofar, a pioneer in the solar energy sector, advocates for sustainable alternatives to carbon-intensive energy sources, playing an active role in the global fight against climate change. While our core activities naturally benefit the environment, Nofar recognizes its responsibility to maintain sustainability across its entire value chain. Committed to preserving

the environment and natural landscapes, Nofar integrates environmental, social, and economic considerations into all aspects of its operations to safeguard both current and future generations. Nofar is establishing a subcommittee specializing in climate and environmental issues, which will report directly to the CEO to ensure adherence to the

highest environmental standards.

We conduct environmental assessments as required by each country's regulations, assess transition risks related to climate change, and, starting in 2024, will align these assessments with IFC (International Finance Corporation) standards.

Nofar's environmental policy is implemented through its core operations, which include:

Solar Energy (PV):

As Nofar expands the number of facilities it develops, builds, and operates, its global impact on emissions reduction grows, while addressing land use challenges through dual-use solar solutions. Within its offices, Nofar implements various energy-saving measures to further enhance efficiency.

Energy Storage:

By developing energy storage solutions, Nofar maximizes the use of solar energy. The company is also working on expanding services that support the broader energy transition, such as electric vehicle charging and wind energy solutions.

Reducing Environmental Impacts and Preserving Biodiversity:

Nofar considers the preservation of biodiversity and responsible use of nature both an ethical and legal duty. For further information, see the environment chapter.

Water Management:

Water consumption in Nofar's facilities primarily involves cleaning the solar panels. To mitigate the potential negative effects on runoff and prevent pollutants from seeping into groundwater, the company has implemented necessary measures to manage water usage responsibly.

Product End-of-Life Management (LCA):

Nofar is focused on managing the full lifecycle ;using long-lasting products and ensuring that faulty components are disposed of in line with regulations for electronic waste. Nofar aims to further develop its lifecycle assessment (LCA) processes to minimize environmental damage and extend the lifespan of its products.

Advancing Renewable Energy Globally

In recent years, the global energy market experienced a significant crisis, with volatility and sharp increases in natural gas prices, particularly in Europe. This was exacerbated by the Russian – Ukraine war, causing gas supply shortages as Europe relied heavily on Russian gas. Factors like low gas storage, declining local production, and reliance on LNG imports contributed to the price hikes. Simultaneously, the share of renewable energy in global consumption has grown, driven by the global need to address climate change.

Over 140 countries have adopted plans to reduce emissions and transition to renewables, spurring government support. The energy crisis accelerated this shift, particularly in Europe, emphasizing energy independence. Renewables have become the cheapest energy option due to falling costs in wind and solar systems. In Israel, the electricity market is transitioning from a centralized system dominated by the Israel Electric Company to a more competitive one, with a growing focus on renewable energy. In the US, renewable energy is rapidly growing thanks to federal incentives like the

Inflation Reduction Act, but challenges with aging infrastructure and integration delays hinder the pace of deployment.

In this context, Nofar develops battery storage projects to stabilize energy supply by storing electricity during low-demand periods and releasing it during peak times. Success relies on securing suitable land, innovative grid connections, and partnerships, while challenges include site availability and regulatory or engineering constraints.



Risks and Opportunities related to climate change

Climate change represents a profound and systemic challenge that affects humanity as a whole. It is imperative for companies to play an active role in combating this crisis by taking steps to mitigate its effects and adapting to the impacts of climate change to enhance their resilience. This evolving landscape presents a range of risks. Nofar integrates the management of climate change risks and opportunities into its operating model, focusing on four key pillars to guide its strategy:

Physical Risks:

Extreme weather conditions present significant threats to Nofar's solar installations, potentially causing physical damage. To mitigate this risk, the company conducts thorough analyses to ensure careful site selection and robust design. Additionally, Nofar is actively engaged in projects that utilize reservoirs and agricultural fields to minimize water evaporation, contributing positively to climate resilience.

Transition Risks:

As global energy markets transition towards sustainability, Nofar aims to leverage this shift by enhancing its offerings in renewable energy, positioning itself as a leader in the evolving landscape.

Biodiversity:

Nofar acknowledges the risk of disrupting ecosystems and habitats from large-scale installations and mitigates impacts through dual-use land strategies, evaluations, and mitigation measures. For further information, see the environment chapter.

Regulatory Compliance:

Nofar closely monitors regulatory changes in the countries where it operates, ensuring compliance with evolving standards related to electricity supply, pricing, water usage, and waste management. This proactive approach allows Nofar to adapt to new regulations while promoting ambitious global targets for a low-carbon economy.

Energy Storage leader

The growing demand for renewable energy drives the need for battery energy storage systems (BESS) to ensure reliable electricity supply and grid stability, bridging gaps during periods without generation (e.g., at night) and providing backup power. Nofar views energy storage as a key growth driver, with aims to increase storage capacity to 1,090 MWh by 2025. Nofar operates in electricity storage through three key activities: renewable energy facilities with integrated storage, storage systems on consumer premises, and standalone storage facilities connected to ultrahigh or high voltage transmission networks.

In 2023, Nofar advanced its BESS efforts through Atlantic Green, which is focusing on battery storage projects in the UK. Atlantic Green owns the Cellarhead project, with a 300 MW connection and 624 MWh storage capacity. In 2024, the Cellarhead project was approved for construction and an agreement signed with its contractor and

its funders. Atlantic Green also owns the Buxton project, with a 30 MW connection and 60 MWh storage, where construction is complete, and grid connection is underway. Additionally, Atlantic Green has an option to acquire the Toton project, with a 130 MW connection and 260 MWh storage capacity, which is in advanced development. Nofar is initiating and developing new projects and negotiating the acquisition of further global storage projects. Nofar uses LFP (lithium iron phosphate) battery technology, considered to be the safest among lithium batteries. While there is a potential fire risk from overheating or uncontrolled discharge/charging, Nofar's systems are equipped with cooling and monitoring features to prevent such incidents. In case of a fire, the enclosures safely manage combustion and minimize environmental impact. Additionally, the cooling system uses liquid in a closed loop, remotely monitored for leaks, and includes a spill pallet.

In Israel, Nofar has accumulated approximately 198 MWh in behind-the-meter storage projects, with 54 MWh connected in 2023. Most systems are developed by Nofar as EPC and O&M contractor, with the kibbutzim serving as the users of the storage and micro-grids. In the USA, Blue Sky is developing initial behind-the-meter storage projects.

Behind-the-meter storage provides benefits such as cost savings by reducing peak demand charges, increased energy independence, enhanced sustainability, and support for grid stability during high-demand periods. In 2023, Nofar is one of the leaders of the BESS segment in Israel with the largest number of systems in operation and installation, and is poised to maintain this leadership moving forward.

EV Charging solutions

Nofar is actively involved in the initiation and establishment of electric vehicle (EV) charging stations across the territories of its partners. Since 2022, Together with Milgam, Nofar has initiated Enova Energy, a company focused on energy management and EV charging solutions. This partnership provides an end-to-end solution for energy management through innovative technologies, enabling the sale of the Company's solar-generated electricity to both private, business and municipal customers. Milgam EV Edge won over twenty tenders for the construction of thousands of charging stations across Israel, from the north (Tzfat, Katzrin, Haifa) to the south (Eilat region), with a strong presence in the Dan region cities, including Tel Aviv, Ramat Gan, Petach Tikva, and Herzliya. The company has a backlog of hundreds of stations, some already established and others planned for the coming years.

In 2023, the charging stations recorded a total of 16,556 hours of usage, producing 123,468 MWh of electricity. This initiative has contributed to reducing carbon emissions from transportation, saving 52,189 kg of CO2 and replacing 225,158 liters of fuel. The charging stations are positioned in areas where Nofar's solar energy systems are already in place, ensuring that the electricity supplied to EVs comes from a sustainable, low-carbon source.

Energy consumption and GHG emissions

By tracking and optimizing electricity consumption, Nofar is committed to reduce its environmental impact, with goals to achieve net-zero Scope 1 emissions and a 30% reduction in Scope 2 emissions by 2030. The table presents data on electricity and fuel consumption in Israel from 2021 to 2023, alongside a dedicated column for 2023 global data, which includes figures from Israel, Poland, Romania, the UK, the USA, Italy, and Serbia. Global measurement began in 2023, aligning with Nofar's operational expansion into multiple countries.

Electricity & Fuel consumption, 2021-2023

	2021	2022	2023	2023
	Data from Israel			Global data
Electricity consumption (KWh)	59,948	114,840	142,768	678,594
Gasoline consumption for transportation (Liters)	37,728	223,571	121,818	129,945
Diesel fuel consumption for transportation (Liters)	104,329	98,167	89,189	112,817
Total fuel consumption (Liters)	142,057	321,737	211,007	242,762

GHG emissions

The calculations for Scope 1 and Scope 2 emissions include data from Nofar Energy's subsidiaries in Israel, Poland, Romania, the UK, USA, Italy, and Serbia. In Poland, no Scope 1 emissions were recorded as the platform does not own any vehicles. The 2021 and 2022 data pertains solely to emission calculations made in Israel, prior to the expansion of Nofar's global ESG measurements. This explains the increase in Scope 2 and Scope 3 emissions in 2023. In 2022, Scope 1 emissions rose due to increased fuel consumption, while Scope 2 emissions increased as a result of higher electricity consumption driven by the expansion of office space in Israel.

Despite the expansion of its operations, Nofar consistently maintains low emissions and electricity intensity over time. Fuel consumption in Israel has decreased this year due to the transition to hybrid and electric vehicles, with 29% of the company's fleet now hybrid or electric. While progress is being made, the transition has been slower than anticipated due to the developing infrastructure for electric vehicle charging in Israel, which presents challenges for service workers and employees working in remote locations across the country. By 2030, Nofar plans to fully transition its fleet to electric or hybrid vehicles to further reduce fuel consumption. Additionally, Nofar aspires to shift its office electricity supply to renewable energy sources.

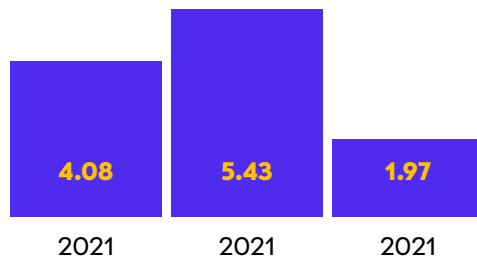
Nofar's Carbon Footprint, 2021-2023

Total carbon footprint (Metric tons CO ₂ e)*	2021	2022	2023
Scope 1 – direct energy consumption	421	950	526
Scope 2 – indirect energy consumption	29	54	251
Total Emissions Scopes 1+2	450	1004	776
Scope 3	71	88	363

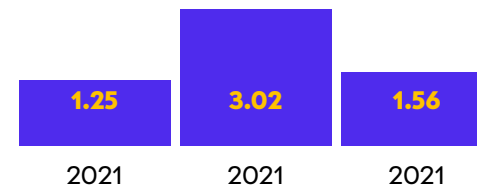
* For 2021–2022, emissions refer to Israel only, as no measurements were conducted for other subsidiaries during these years. 2023 includes data from all subsidiaries in Israel, Poland, Romania, the UK, USA, Italy, and Serbia.

Emission Intensity, 2021-2023

Employees intensity (tCO2e / employee)



Revenue Intensity (tCO2e / Mil NIS)

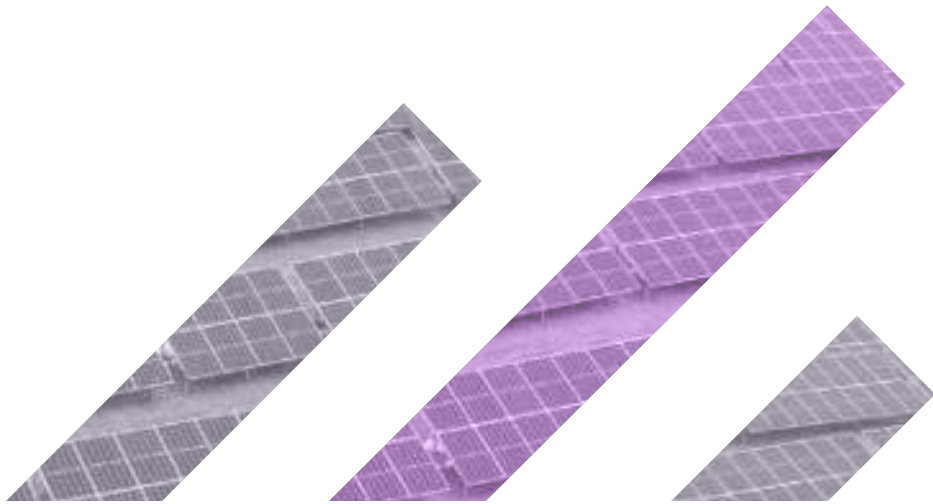


Scope 3 Emissions

Scope 3 emissions result from the Company's activities but originate from sources not owned or controlled by the Company. Currently, the Company's Scope 3 emissions include those from air travel, accommodation, and waste treatment. By 2028, we plan to gradually expand Scope 3 emissions calculations to encompass other relevant categories. The increase in Scope 3 emissions can be attributed to the rise in business-related air travel as part of Nofar Energy's expansion into new international markets. As Nofar broadened its operations in more countries, employees and teams needed to travel more frequently to establish partnerships, oversee projects, and support operational development.

Scope 3 Emissions, 2021-2023

Total carbon footprint (Metric tons CO ₂ e)*	2021	2022	2023
Air Travel	59	79	341
Hotel	Information wasn't gathered	3	18
Waste Treatment*	11.91	5.95	4
Total Scope 3	71	88	363



* The historical data presented has been updated following a revision of the calculation methodology.



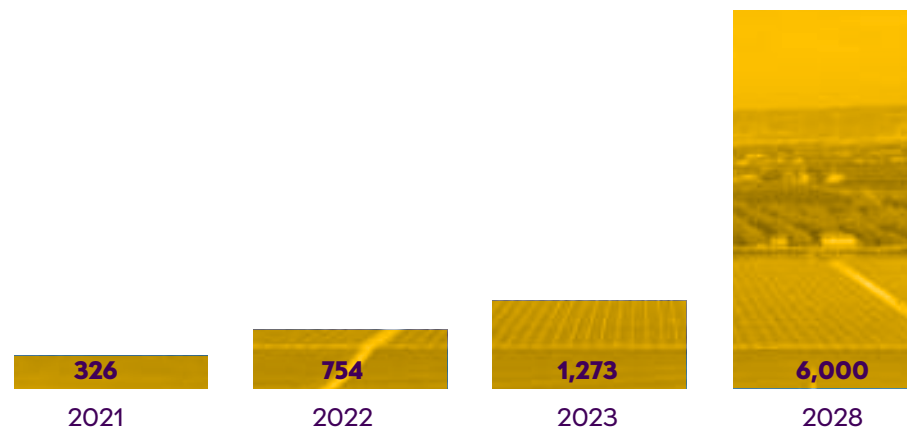
CO₂ Emissions Prevention

Nofar Energy has made significant strides in reducing greenhouse gas emissions from the electricity sector, achieving an accumulated avoidance of 1.3 million tCO₂e between 2021 and 2023. Nofar quantifies CO₂ emissions avoided by multiplying its effective solar energy generation by the emission factor associated with electric power generation in the specific countries where Nofar operates.* Solar energy generation significantly

reduces greenhouse gas emissions compared to traditional fossil fuel-based power production, with substantially lower emissions per megawatt-hour. Over time, large-scale solar installations can prevent millions of tons of CO₂ from entering the atmosphere, contributing to climate change mitigation and improving air quality by reducing harmful pollutants. The calculation of emission savings is based on the output of projects installed

by 2028, as outlined in Nofar's work plan. It incorporates actual market based emission factors from 2021-2023 and estimates the reduction in emissions using professional sources from the respective countries until 2028. Emission savings may vary due to changes in countries' emissions reduction targets, with potential adjustments depending on whether countries exceed or fail to meet their current plans.

Accumulated Avoided Emissions (ktCO₂e)



* Estimated avoided emissions for 2025 are based on projections for projects currently under construction and in pre-construction.

Minimizing land use and negative environmental impact

One of the main environmental challenges associated with solar energy production is the large land areas required for solar farms, which can disrupt natural habitats and biodiversity. To mitigate this impact, Nofar specializes in dual-use solutions in the solar energy sector, enabling sustainable energy generation with minimal environmental disruption. In 2023, 100% of Nofar's operations in Israel, Italy, and the USA are based on dual-use C&I solutions, accounting for 46% of total global production without negatively impacting biodiversity. This approach positions Nofar as a leader in this field and demonstrating a strong commitment to protect ecological corridors and biodiversity.

Floating Solar:

Nofar is a pioneering local producer of solar systems on water reservoirs. This innovative approach not only generates clean energy efficiently but also helps reduce water evaporation and can improve water quality, contributing to the sustainability of water resources. Currently, 88 floating solar systems are operational on reservoirs across Israel.



Rooftop Solar:

Nofar installs solar systems on the roofs of commerce & industry (C&I), offices, and residential buildings, allowing building owners to generate their own electricity. This solution not only provides significant cost savings but also enhances the value of the properties. Currently, 983 rooftop solar systems are operational across Israel.



Preserving Biodiversity

Nofar places strong emphasis on responsible site selection adopting an “avoid, minimize, and restore” approach when operating near critical biodiversity areas. Preserving biodiversity and the responsible use of nature is both an ethical and legal obligation for Nofar. Nofar is committed to ensuring that it does not and will not operate in nature reserves and areas that involve deforestation in any form.

Nofar ensures that all projects worldwide are preceded by comprehensive environmental assessments, either conducted by Nofar or provided as part of the due diligence (DD) process. These assessments evaluate the land and surrounding areas where projects are developed. In the construction and operation of its facilities, Nofar evaluates the impact on local fauna and flora. Each project undergoes a biodiversity exposure and assessment process at the project level, with

mechanisms put in place to mitigate any potential negative consequences.

A clear example of Nofar’s commitment to biodiversity is the planning and construction of its energy storage facilities. During the design phase, an assessment is conducted to ensure the project site is not located in nature reserves or areas with flood hazards, earthquake risks, or other environmental concerns. In some cases, measures are implemented to prevent attracting winged animals to the site, while others require the consideration of archaeological sites. In some projects, a drainage system is maintained to preserve the natural flow of soil, minimizing potential impacts on the local ecosystem. Additionally, facility lighting is used solely for maintenance purposes and is turned off as a rule to reduce disruption to nocturnal animals, whenever possible.

As required by regulations, Nofar ensures full compliance with local regulations, adhering to the guidelines set by the authorities. Nofar works with relevant regulators, such as the Ministry of Agriculture and Nature and Parks Authority, to minimize environmental impacts and ensures that suppliers adhere to the same standards. When undertaking dual-use or land projects in sensitive areas, Nofar adheres to environmental impact reports to mitigate potential risks related to radiation, soil balance, hazardous materials, waste, pollution of soil, water, and air quality. All processes involved in setting up solar facilities are conducted with the utmost care to preserve the natural environment, including measures to remove hazardous materials from the sites during the construction process.

Waste Management

Nofar collaborates closely with its suppliers by focusing on delivering products and services that incorporate higher percentages of secondary raw materials, consume less energy, and offer improved reuse and recycling rates. This approach provides superior products and drives the energy transition forward.

Nofar aims to build proficiency in life cycle analysis (LCA) to manage electronic waste generated by wear, end-of-use, and other factors for its products, minimizing environmental impact. Nofar has celebrated a decade of activity; as its products have an expected life of thirty years, it does not have any products that are out of use. As part of our engagement with contractors and panel suppliers, Nofar operates according to the regulations of the respective country. Responsibility for panels reaching end-of-use is determined based on the project's stage and local regulations with responsibilities assigned accordingly at each phase. Today, the only cases of electronic waste are faulty components, and the Company operates according to the relevant laws and guidelines for their disposal.



Non-hazardous waste:

Office waste, including paper, beverage cans, and packaging, originates from Nofar's office activities. Nofar's solid waste is managed in compliance with legal requirements and is transported to recycling facilities to minimize resource usage. In 2023, there was a noticeable reduction in office waste generated, primarily due to the increase in remote and hybrid work models implemented across the Company in Israel.



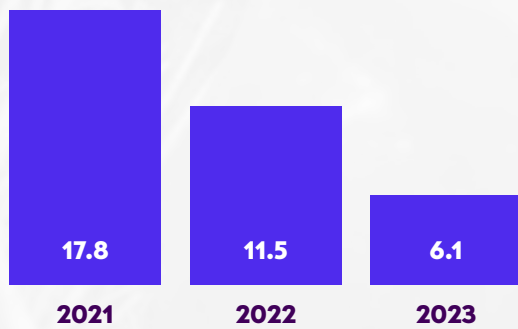
Hazardous waste:

When hazardous material is discovered onsite, Nofar is committed to removing and disposing of it responsibly, which has a direct, beneficial impact on the wellbeing of the people of the community. Removal of hazardous materials is undertaken by

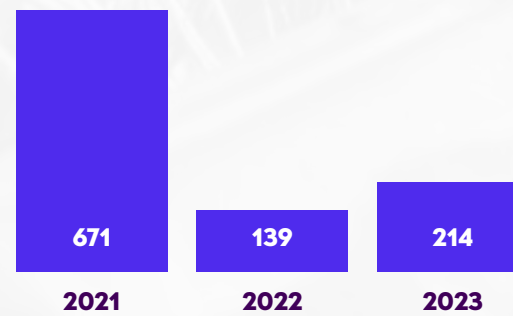
Nofar as part of its contractual duties. As part of the Company's policy of dual use, many facilities are installed on old roofs, many of which are made of asbestos. Therefore, the Company first dismantles this hazardous material.

In recent years, asbestos removal in Israel has been conducted according to the Israeli Law for the Prevention of Hazards from Asbestos and Harmful Dust, 2011, utilizing licensed asbestos contractors and with demolition and evacuation permits from the Ministry of Health and Welfare. In 2023, 214 tons of asbestos were removed from the roofs of hundreds of buildings in Israel and Italy, in compliance with local regulations. Regarding system component wear and tear in Israel, the Environmental Treatment of Electrical and Electronic Equipment and Batteries Law, 2012, provides that non-private owners of electronic equipment and batteries must contact a recognized competent contractor to dispose of equipment waste.

Non Hazardous Waste Sent to Recycling (tons)



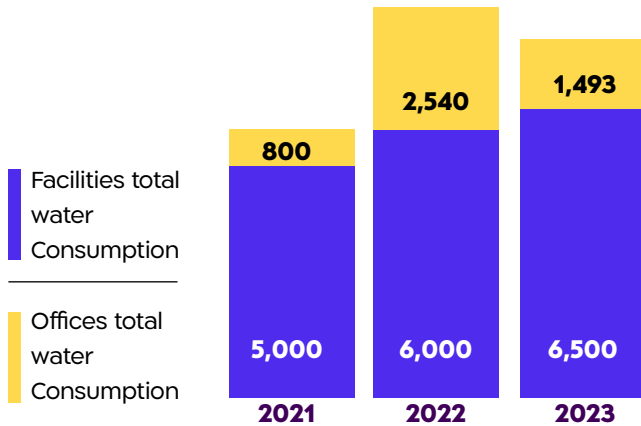
Hazardous Waste Sent to Landfills (tons)



Water management

Recognizing water as a vital shared resource, Nofar is committed to minimizing its environmental impact by continually optimizing water use across its facilities. As Nofar’s activities have expanded, water use has also increased, though office consumption specifically showed improved efficiency in 2023. Through these ongoing efforts, Nofar promotes sustainable water practices that support both ecosystems and community well-being.

Water Consumption (m³)



Fostering Innovative Future

At Nofar, innovation is at the core of our commitment to delivering sustainable energy solutions. As a company that values progress and forward-thinking, we continuously explore and implement cutting-edge technologies. Our focus is on integrating the most advanced and efficient products while meticulously addressing technical, engineering, and safety considerations.

Beyond the adoption of lithium batteries, we've focused on advancing alternative energy storage technologies. We continuously track these technological developments, actively seeking opportunities to launch projects that leverage emerging innovations.

Significant resources have been invested by solar panel manufacturers to enhance solar technology, aiming to improve the efficiency of photovoltaic cells and enable more effective electricity production over comparable (or even smaller) areas. These innovations not only

allow for greater electricity generation within a given space but also facilitate the upgrading of existing systems by replacing current panels with smaller, more cost-effective, and higher-capacity models. According to forecasts from Bloomberg, the average efficiency of photovoltaic cells is expected to rise from 16.8% in 2016 to 21% by 2025, reaching 24.4% by 2040.

Moreover, advancements in inverter technologies have significantly reduced the costs associated with converting solar energy into electricity for the grid, while also enhancing inverter efficiency. The progress in these technological solutions has streamlined the establishment of renewable energy production systems, positioning our company to significantly contribute to the growth and expansion of the renewable energy sector with a strong emphasis on sustainability.

Compliance with environmental regulation

Nofar complies with environmental regulation in all territories in which it operates and works alongside regulatory advisors and representatives. In all stages of a project – planning, construction, and operation of the facilities – environmental considerations are taken into account, including efficient use of land; landscape preservation; reducing negative effects on the environment – noise, sea, water, and land; damage to the owners; transition obstacles; and more. Nofar's employees are dedicated to minimizing environmental harm and risks as part of their everyday responsibilities. To further its commitment to the environment, Nofar has established internal measures.

- VP of Global operations and Asset management is the person appointed by the management to be responsible for the implementation of the environment policy in the company
- We are now implementing a subcommittee, managed by our VP of Operations, responsible for ensuring that our policies are effectively implemented and continuously monitored moving forward.
- In all areas of the company's activity, the appointed country manager is responsible for managing environmental risks in accordance with the required regulation
- All the company employees are regularly briefed and updated on environmental issues relevant to the current conduct and work
- The company's employees are required to demonstrate environmental responsibility in their work and report any possible damage to the environment to the organization's environmental officer, or to the additional referral channels listed in the ethical code.

Nofar had no environmental violations from 2020 to 2023. Our company incurred zero significant fines or penalties related to environmental or ecological matters.





03
Social

Highlights

124

employees in Israel

149

international employees through our platforms

107

new jobs created

6

countries represented among employees

25%

women in senior management

36%

women in the workforce

54%

of employees in Israel come from peripheral regions

5

average training hours per employee

100%

of employees in Israel engaged in safety courses

0

road accidents involving Nofar employees

0

workplace accidents involving Nofar employees

2

workplace accidents involving Nofar contract workers involving Nofar contract workers

Hundreds of Safety inspections conducted

More than **600** suppliers worldwide

Partnering with **109** kibbutzim, with ongoing expansion

Goals and Targets

Achieve zero accidents at all sites by 2028

Expand the workforce to 300 employees by 2028

Expand responsible disposal of hazardous materials within the community to 1,400 tons by 2028

Increase women's representation in the Company, Board of Directors, and management

Nofar Energy's Social Commitment

At Nofar, we understand that our success is deeply tied to our people. A robust value proposition centered on individuals is key to attracting, retaining, and inspiring talent. Nofar Energy is committed to supporting its employees and communities, especially during times of crisis. The recent organizational restructuring, including appointing a CEO for Israel and prioritizing strategic business development, enhances both operational efficiency and ESG outcomes. These improvements ensure the company's ability to scale projects without significantly increasing workforce size by focusing on workflow optimization and strategic resource

use. Our employees' professionalism and reliability drive our success. We invest in a respectful, safe, and healthy work environment with rigorous safety protocols, regular training, and opportunities for continuous learning, work-life balance, and well-being.

Nofar's Head of Human Resources oversees our human capital and well-being strategy, ensuring fair and effective workforce management while connecting employees to Nofar's green vision for a sustainable future. In 2024, Nofar will establish an HR subcommittee, led by the Head of Human

Resources, to focus on social aspects and ensure compliance with established ESG standards. The aim is to create a positive workplace that inspires excellence, innovation, and mutual respect. We also emphasize responsible practices across our supply chain and uphold high standards for our suppliers to align with our sustainable values.

Respecting Human Rights

Nofar Energy is committed to upholding and promoting the highest standards of human rights in all aspects of our operations. Nofar's public policy outlines the principles that guide our actions, applying to all employees, directors, managers, and contractors of Nofar Energy as well as our business partners, suppliers, and other stakeholders. All Nofar employees and business partners must mind the following human rights principles, in addition to Nofar's Code of Ethics and all relevant compliance policies.

Non-Discrimination and Equality:

We are committed to fostering an inclusive work environment that respects diversity and promotes equality. We do not tolerate any form of discrimination or harassment based on race, color, sex, gender identity, sexual orientation, religion, national origin, age, disability, or any other characteristic protected by law.

Fair Labor Practices:

We uphold the rights of workers to fair wages, reasonable working hours, and safe, healthy working conditions. We prohibit the use of child labor, forced labor, and human trafficking in all our operations and supply chains.

Freedom of Association:

We respect employees' rights to form, join, or refrain from joining trade unions and other lawful organizations of their choosing, as well as to bargain collectively.

Health and Safety

We are committed to providing a safe and healthy work environment for all employees. We continually assess and address health and safety risks and ensure that all employees have access to necessary safety information and training.

Privacy and Data Protection:

We respect the privacy of all individuals and protect personal data in accordance with applicable laws and our internal policies.

We regularly monitor compliance with our human rights policy and conduct assessments to identify and address potential risks. Employees and stakeholders are encouraged to report any concerns or violations through our established reporting mechanisms. Committed to continuous improvement, we adapt our human rights practices based on feedback, evolving standards, and best practices. Oversight of this policy falls under Nofar's Legal Department, which is responsible for its implementation, monitoring, and review. Any updates to the policy are communicated to all relevant parties.

Employee Support During Security Crises

Nofar Energy is dedicated to supporting its employees and the broader community, especially during national crises. In light of the security challenges following the Hamas attacks on October 7th, Nofar proactively reached out to all employees in Israel, offering support and assistance, particularly to those living in high-risk areas. The company has implemented comprehensive initiatives to ensure employee well-being and contribute to national and community resilience.

Nofar established a dedicated emergency task force to manage workforce needs during crisis. This team monitors the status and location of employees, provides assistance in finding temporary housing and transportation for those in conflict regions, and offers professional mental health support for both employees and their families.

A team of personalized support accompanies all employees and conducts regular phone check-ins, even during night hours, to address urgent concerns

swiftly. Additionally, Nofar provides targeted assistance to families of employees who are called for reserve duty. This support includes logistical help, continuous communication, and sending tailored care packages to children and partners.

Nofar also ensures that field workers who are unable to leave their homes due to safety concerns still receive their wages for days missed. Department managers are equipped with professional materials on emergency management, and information on available mental health resources is widely shared across the organization. Nofar has also introduced a new Emergency Preparedness and Response Plan Policy as part of its safety strategy, with more details to follow.

Building a Fair and Inclusive Workplace

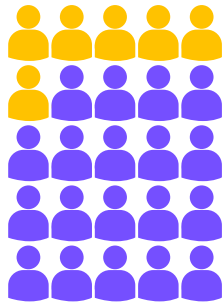
Our commitments

- Ensure fair and equitable treatment of all employees.
- Promote a safe, inclusive, and respectful work environment.
- Provide clear guidelines for employee development and management.
- Support compliance with all applicable laws and regulations.



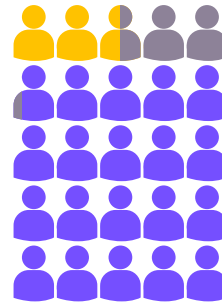


Gender diversity in board and executive management



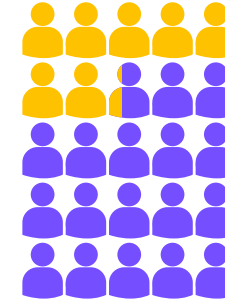
2 | **25%** | 5 | **75%**
Women | Man

Age Distribution of Employees



14 | **11%** | 12 | **10%** | 5 | **50%**
30 | 50+ | 30-50

Gender Distribution of Employees



72 | **30%** | 171 | **70%**
Women | Man

Nofar is dedicated to hiring the most qualified candidates while fostering diversity and equal opportunity. All job openings will be advertised both internally and externally, ensuring a broad range of applicants. The selection process is based on merit, qualifications, and job-related criteria to ensure a fair and inclusive recruitment process. New employees will receive a comprehensive orientation to introduce them to the company culture, policies, and their specific roles. Employment is established through personal contracts that vary from employee to employee

and reflect each employee's qualifications, education, and position. The employees' personal contracts regulate salary terms.

Employees are entitled to benefits, including contributions to provident funds, pension and severance pay funds, vacation, sick days, recuperation pay, and other benefits (such as a company cars, laptops and phones).

Employees at Nofar's subsidiaries abroad are employed in accordance with all relevant labor

laws and regulations in each territory. In Israel, all the Company's employees are signatories to Section 14 of the Severance Pay Law. The Company contributes to the employees' funds from the first month of their employment.

As a rule, bonuses are paid at the discretion of the company. However, some project development managers are eligible for variable pay based on the quality and outcome of project execution, and/or the classification of the company's rights in those projects.

* The gender diversity data for the board and executive management reflects the headquarters in Israel

Workplace Culture and Employee Well-being

Human capital is the engine that enables Nofar to achieve its goals; the Company therefore invests in the development and growth of its human capital. When recruiting employees, the Company takes their identification and engagement with the Company's activity and vision into consideration. Nofar and its management prioritize providing employees with various career development opportunities within the organization. Employees across different departments have access to a wide range of training, enrichment programs, and conferences. In 2023, a variety of training sessions took place, including those on ethics, safety, and first aid, with at least 50% of employees participating. Additionally, 23 technical training sessions were offered, covering topics such as software trainings, AutoCAD drawings, vehicle charging standards, and general training on control and communication, among others.

New employees participate in an orientation day where they are introduced to the Company's activities and vision, in addition to its values and expected employee conduct. The Company's management encourages employees to take part in training specific to their specialization, participate in conferences, and complete internal tutorials regarding regulations and other subjects.

Supporting employee well-being is a priority for Nofar, which has implemented a hybrid work model allowing employees to work from home on select days of the week. This flexible approach promotes improved work-life balance, enabling employees to manage their professional responsibilities alongside leisure activities and family needs. Nofar believes that maintaining a healthy lifestyle and achieving a good work-life balance significantly enhances the physical and mental health of its workforce.

Job stability is another core value at Nofar Energy. The company ensures continuous employment for all staff, with no unpaid leave or layoffs, and provides flexible work-from-home options as needed, along with the necessary equipment and infrastructure for effective remote work.

Additionally, in response to the electricity market reform in Israel, which privatized the supply segment from the Israel Electric Corporation to private companies, Nofar Energy has launched a new service.

Ensuring a Safe Workplace for All Employees

Nofar is dedicated to creating a safe and pleasant work environment, evidenced by its open-door policy and the fact that there have been zero complaints of sexual harassment from employees. Nofar upholds a zero-tolerance stance towards any form of harassment, particularly sexual harassment, perpetrated by managers, employees, suppliers, and partners.

Nofar recognizes the seriousness of harassment and sexual harassment issues within the workplace and is committed to fostering an environment free from such behavior. To fight this unwanted behavior, Nofar has appointed a sexual harassment officer in the company's headquarters in Israel, Head of HR and adopted regulation for preventing sexual harassment which was written in accordance with the law for the prevention of sexual harassment, and distributed the regulation to all employees.

Nofar operates its sites globally in compliance with the regulations and local legislation of each country. If employees suspect harassment, discrimination (on sexual or other grounds), or a romantic relationship between a manager and their subordinate, they are required to immediately contact the person responsible for preventing sexual harassment in their country. Employees may also reach out through an anonymous Gmail email service, free of charge.



Diversity, equality, and respect as the cornerstones of employment

We value and celebrate the diverse perspectives and backgrounds of our employees, including differences in race, ethnicity, gender, age, sexual orientation, disability, religion, and socioeconomic status. We strive to ensure that our workforce reflects the diversity of the communities we serve. We are committed to providing equitable access to opportunities, resources, and support for all employees while actively identifying and eliminating barriers that may hinder individuals from reaching their full potential. By fostering an inclusive environment, we encourage everyone to contribute their ideas and perspectives, promoting a culture of respect, collaboration, and open communication. We aim to create a sense of belonging where all individuals feel accepted, valued, and part of the team, recognizing and appreciating the contributions of every employee to foster a supportive and cohesive community.

Nofar is dedicated to implementing comprehensive strategies to promote diversity, equity, inclusion, and belonging (DEIB) throughout the organization. Our recruitment and hiring practices are designed to attract diverse candidates, with job postings and recruitment materials reflecting our commitment to DEIB. We regularly review our policies and practices to ensure they foster an inclusive environment and do not create inadvertent barriers. Additionally, we support employee resource groups (ERGs) that provide platforms for underrepresented groups to connect, share experiences, and advocate for change, offering them the resources necessary for success. To measure our progress in DEIB initiatives, we will establish metrics and report on them regularly, encouraging employees to provide feedback and report any concerns through established channels. Thanks to the deployment of the Company's business in Israel and abroad, it attracts workers who come from various regions,

including social and geographical peripheries.

Nofar enforces a strict non-retaliation policy, ensuring that no disciplinary action is taken against individuals who raise concerns or engage in DEIB initiatives. Additionally, the company upholds a clear policy of equal remuneration, actively preventing any form of discrimination among employees. In 2023 there were zero complaints of employee discrimination.

Advancing Gender Equality

Nofar is deeply committed to promoting gender equality across all levels of the organization. The Company strives to increase women's representation in every position, including leadership roles such as the Board of Directors, and is actively working to reduce the gender pay gap. Currently, the gender pay gap at Nofar does not exceed 10%.

Despite operating in the traditionally male-dominated renewable energy sector, Nofar is proud of its relatively high percentage of women in high management roles – right now 25%, and a total of 30% of all employees. The Company proactively posts open positions in relevant women's forums to attract qualified female candidates. In 2023, Nofar made notable strides in increasing female

representation by hiring 22 women. Moving forward, Nofar efforts include promoting representation at entry levels, empowering women in leadership roles, supporting work-life balance during key life moments, and focusing on developing the next generation of female leaders.

Parental Leave

In line with our dedication to creating an inclusive and supportive workplace, Nofar provides all employees, irrespective of gender or family situation, with sufficient time off to care for and

bond with their newborn child. By providing parental leave benefits, we empower employees to achieve a healthy work-life balance while supporting the well-being of both employees

and their families. Nofar offers parental leave in accordance with local laws in all the countries where we operate. In 2023, five female employees took parental leave, all of whom returned to work afterward.

Internal and external grievance mechanism

To ensure a respectful and inclusive environment, Nofar has introduced an Internal and External Grievance Mechanism Policy. This policy provides a structured process for addressing and resolving grievances effectively. This policy applies to all employees, contractors, suppliers, customers, and stakeholders, ensuring that concerns are handled promptly, fairly, and transparently. The primary objectives of the policy are to provide a clear process for raising grievances, ensure timely and fair resolution, promote a culture of accountability, and protect individuals from retaliation.

The grievance mechanism involves a step-by-step process for both internal and external stakeholders. For internal grievances, employees and stakeholders can submit complaints in writing, verbally, or by filling out online forms. Upon receipt, the HR department acknowledges the grievance within seven working days and conducts an initial

review. If necessary, an investigation is conducted by HR and legal teams, with findings communicated to the complainant. If unsatisfied, the complainant may request a review by senior management, and all grievances are documented confidentially.

For external stakeholders, grievances can be submitted via email, mail, or online forms. The designated external email is managed by the company's legal counsel. Internally, the process is overseen by the HR Manager and the Legal Advisor. Similar to the internal process, these grievances are acknowledged within seven days, reviewed by the relevant department, and investigated if needed. Resolutions are communicated to the complainant, and further reviews can be requested if necessary. Nofar ensures that all grievances and their resolutions are documented and maintained confidentially, reinforcing its commitment to transparency and accountability.

* Lost-time injuries frequency rate (LTIFR) – Any work-related injury that results in the company employee or third-party contractor employee not being able to return to work the next scheduled work day/shift. The LTIFR is the number of lost-time injuries per million hours worked, calculated using the formula: $LTIFR = (\text{number of lost-time injuries}) / (\text{total hours worked in accounting period}) \times 1,000,000$.

Managing workplace health and safety

0
workplace accidents involving Nofar employees

2
workplace accidents involving Nofar contract workers

100%
of employees in Israel completed safety training

0
incidents of work suspension due to internal contractor inspections

LTIFR of **3***

Managing workplace health and safety

Nofar is committed to maintaining the highest standards of health and safety for its employees, contractors, and the communities in which it operates, recognizing the inherent risks in constructing and operating solar facilities. In 2023, Nofar enhanced its safety culture with a robust, organization-wide safety policy and is working to implement IFC standards by 2024.

Our commitment to a safe work environment involves proactively identifying health and safety hazards and implementing preventive measures. This includes adherence to the Occupational Safety Ordinance and associated regulations, such as the Labor Inspection Organization Regulations, covering workplace safety in areas like work at height, construction, and electrical work. Nofar ensures that all projects are managed by qualified professionals to uphold these safety standards.

Nofar also strictly complies with all applicable occupational safety and health laws and regulations in the countries where it operates. In Israel, we

maintain and update our safety plan annually, while our main contractors in Romania follow a safety and health plan reviewed and approved by CIGA, our local operational entity, to ensure regulatory compliance. This safety framework is applied across all our operations, with a dedicated safety officer in each location conducting weekly inspections and submitting reports. These reports include observations, preventive/corrective/improvement measures, responsible personnel, and deadlines for implementation.

In addition, Company management places great emphasis on maintaining the qualifications of employees and contractor employees through training, lessons-learned from incidents, and improving processes, and is meticulous in promoting internal enforcement programs in the field. At the same time, the obligation to ensure a safe working environment falls on all employees and managers of the Company. For this purpose, it is ensured that the Company's employees familiarize themselves with the general factors and rules regarding safety

relevant to their role and function, and observe them fully; understand the risks and safety hazards involved in every action they perform and the causes of accidents and injuries; take action in any case where another person puts themselves or others at risk; and report without delay to the safety manager in the group or another relevant manager any safety hazard or event that may cause bodily injury or property harm.

All company employees are dedicated to upholding a safe environment for themselves and all stakeholders. Nofar maintains a strong safety culture, strictly enforcing compliance with safety policies and procedures without exceptions. In 2023, the company recorded zero road accidents, two work-related incidents involving contractors, and conducted weekly safety inspections at work sites. Additionally, 100% of employees in Israel completed safety training, and over 80 safety training sessions were held for contractors. No work was suspended due to internal inspections of contractors.

Safety management system

Workplace Accidents, 2021-2023

	2021	2022	2023
Number of workplace accidents of employees and contractors' employees	1	2	2
Number of road accidents	2	0	0
Number of road accidents Absence days of Nofar employees due to workplace/road accidents	0	0	0
Lost-time injuries frequency rate (LTIFR)*	8.8	5.0	3

Nofar's headquarters has established a dedicated H&S subcommittee, led by the Chief Operating Officer as the professional safety officer, to ensure full compliance with safety requirements. This includes quarterly safety committee meetings with management representatives, employee representatives, and the safety trustee, as well as appointing safety commissioners and implementing tailored safety procedures for specific work activities.

Nofar conducts regular tests and audits across company sites to monitor adherence to safety protocols. In the event of a safety-related incident, a thorough investigation is conducted, and findings are reported directly to the CEO. Any safety-related incidents are reported to the COO and CEO immediately. Any safety-related complaints of employees are referred to the Company's safety officer, who, in turn, refers them to be addressed by management. Safety-related complaints of contractor employees are referred to the project managers.

In Israel, the Company's safety committee was comprised of 14 representatives: three members of management and 11 employee representatives. The safety committee meets twelve times a year. In 2023, during these inspections, 33 cases were documented in which contractors' work was suspended due to inadequate conduct on site, and contractor employees were allowed to return only after all flaws were remedied. In case of repeated safety violations, the contractor employees are prohibited from working on Nofar's sites.

* As part of the data optimization process conducted this year, historical data was revised to align with the updated calculation methodology.

The Company's occupational health and safety policy



Management involvement:

Senior managers are required to demonstrate their involvement in the occupational safety and health policy by participating in safety patrols, holding safety talks, taking part in accident investigations, and meeting the safety targets specified below. Each manager sets a personal example in being careful about safety and health issues.



Employee participation:

Management actively participates with employees in all issues of maintaining occupational safety and health, within the Safety Committee and through the participation of the employees or their representatives in safety patrols, investigating accidents, writing or changing safety procedures, and in management meetings where the issues of occupational safety and health are discussed.



Providing information to employees about risks:

The Company's management informs all employees of risks to which they are exposed in their work, and instructs them on how to defend themselves against these risks.



Safety procedures and safety instructions:

For each activity that has risk factors, the Company has formulated procedures or work instructions to mitigate risks associated with various activities. Key measures include training programs tailored to employees, procedures for detecting safety hazards, and guidelines for approving new risk factors. Specific procedures address a range of scenarios, such as excavation work, working at

height, electrical tasks, and operating machinery, emergency reporting and evacuation, behavioral responses in emergencies, and first aid, safety in extreme weather conditions, fire prevention, and restrictions on eating and drinking in the workplace to ensure a safe working environment.



Safety risk management and activities to lower the level of risks at the Company:

Nofar annually updates its safety risks as part of the company's comprehensive safety plan. The main safety risks outlined in this plan include working at height and the associated risk of falls, hazards related to lifting and conveying operations, the danger of electric shock, and the potential for injury from heavy mechanical equipment. Nofar uses all of the means at its disposal to reduce significant risks that have been identified to an acceptable level of risk.



Safe work equipment and personal protective equipment:

The Company provides employees with proper and safe equipment and tools to use, which meet the requirements of the standards, and all personal protective equipment required by law, standards, procedures, and the manufacturer's or supplier's instructions.



Conducting regular safety inspections:

The Company's management conducts regular safety inspections at its activity sites to examine various deficiencies and the degree of compliance with the safety requirements. The results of the tests are recorded and discussed in the safety committee.



Determining an acceptable level of risk:

The management of the plant and the employees are obliged to comply with laws, regulations, and safety requirements and proofreading in Israel. Each employee is obliged, when necessary, to use personal protection according to the type of work and/or the process performed. Work that requires the performance of certification holders will only be performed by certified employees whose certification is valid.

Emergency Preparedness and Response Plan

Nofar's Emergency Preparedness and Response Plan (EPRP) policy is designed to ensure the safety and well-being of employees, suppliers, contractors, and visitors during emergencies. It outlines procedures and responsibilities for effectively preparing for and responding to various emergencies, such as missile attacks, natural disasters, fires, medical emergencies, and hazardous material spills.

The policy aims to minimize harm to individuals, protect assets, maintain clear communication, and facilitate a quick recovery to normal operations. The Emergency Response Team (ERT), comprising representatives from key departments, coordinates the overall response, conducts regular drills, and updates the plan as needed. All employees are required to familiarize themselves with emergency procedures, participate in training, and report hazards, while supervisors and managers ensure compliance with the EPRP.

Responsible supply chain

Nofar is dedicated to collaborating with suppliers who share our values and commitment to fostering a more sustainable and equitable supply chain. We view procurement as a critical component of our operations and for our stakeholders, and we take full responsibility for our supply chain. All, in order to ensure the procurement of products that were responsibly produced, while reducing environmental and social vulnerabilities along the supply chain. Currently, we work with more than 600 suppliers worldwide, among them 120 suppliers in Israel. 10% of the Company's procurement coming from small and medium-sized enterprises (SMEs).

We see our suppliers as partners and strive to create mutual, continuous, and respectful relationships, reflected in timely payments and open channels for addressing concerns and claims. Nofar diversifies its supplier base, enforces stricter penalties for delays, and emphasizes reliability and delivery times in supplier selection. We prioritize procuring products and services from local suppliers in line with the country of operation, as well as from SMEs.

Nofar is committed to sustainable, fair, and transparent procurement, incorporating ESG

criteria in supplier selection and partnerships. We promote fair labor practices, transparency, and accountability to continually improve our supply chain in alignment with ESG goals. Upholding a zero-tolerance policy for forced labor, we urge all stakeholders to join us in protecting and promoting human rights across our value chain.

As part of our ongoing commitment to sustainability and responsible procurement, Nofar has established an ESG procurement policy for Nofar Europe, ensuring that suppliers meet our ESG standards. This policy includes a comprehensive process for vetting, risk evaluation, and supplier selection based on ESG criteria, which we plan to expand to other regions where we operate, reinforcing our dedication to a sustainable supply chain company-wide. Additionally, we have implemented a thorough supplier evaluation and risk assessment process, selecting only those suppliers whose risks can be effectively mitigated.

Nofar has updated all policies in accordance with EBRD standards (European Bank for Reconstruction and Development) across all platforms in Europe, and the procurement policy has been incorporated

firstly in Romania. The policies update process is in progress in Nofar's platforms in Israel, USA and in The UK. We have also developed supply chain principles relevant to suppliers in Europe, USA and Israel. Nofar is currently working towards aligning its procurement practices with EBRD and IFC standards for all suppliers, including EPC contractors and suppliers through whom batteries and panels are purchased. In the EPC questionnaires, we included surveys that are aligned with both EBRD and IFC standards. We are in the process of assimilating procurement policies that are aligned with IFC's strict standards across all platforms, with full implementation expected in 2025.

In the coming year, Nofar will continue its efforts to ensure responsible supply of products, components, and services. Nofar will also request that its suppliers continue to adhere to the same social and environmental standards throughout our supply chain. This is especially true in cases where materials are used, with a particular focus on avoiding conflict-related materials. We plan to work closely with our suppliers to ensure our supply chain remains free from violations.

Supplier evaluation process

The supplier evaluation process at Nofar begins with identifying potential suppliers, who are then provided with a self-evaluation checklist. This checklist covers various ESG factors, helping suppliers assess their current practices and identify areas for improvement.

Nofar uses the supplier evaluation reports to make its final supplier selection decisions. Nofar gives preference to suppliers that have a strong track record of ESG performance. While this process currently applies to EPC contractors in Europe, Nofar intends to implement a similar procedure on

a global scale. By following this rigorous supplier evaluation process, Nofar can help to ensure that it is working with the best possible suppliers and that its supply chain is aligned with its ESG goals.



Key ESG Considerations in Supplier Evaluation

1

Environmental risk along the supply chain:

Nofar assesses environmental risks along the supply chain by examining compliance with local laws and the specific environmental aspects related to the type of product or service being procured.

2

Biodiversity:

Nofar emphasizes the importance of assessing its suppliers in relation to biodiversity impacts, ensuring they adhere to the same rigorous standards and implement necessary actions that minimize adverse environmental effects.

3

Social risk along the supply chain:

Nofar continually improves its procurement processes to ensure products are of the highest quality, safe, advanced, and responsibly manufactured. Nofar actively seeks to reduce social vulnerabilities along its supply chain by employing a clear and well-defined methodology for identifying social risks. This approach involves identifying the most relevant risks, such as child labor, forced labor, and unsafe working conditions. Nofar assesses the likelihood and impact of each risk, prioritizes those that need immediate attention, and develops and implements plans to effectively mitigate them.

4

Employee rights:

Nofar prioritizes employee rights by ensuring that all employment terms and conditions are clearly documented and communicated. The company provides written contracts or transfer agreements that comply with national labor laws, detailing job roles, compensation, benefits, working hours, leave policies, and accommodation arrangements. Nofar responsibly uses fixed-term or temporary contracts to meet operational needs while maintaining employee rights and social security obligations. These standards are equally expected of its suppliers, reinforcing Nofar's commitment to responsible labor practices throughout its supply chain.

5

Diversity and inclusion:

Nofar is dedicated to creating policies that ensure prompt action against incidents of mistreatment, which is a key aspect of supplier evaluation. The company's grievance procedure enables employees to confidentially report incidents, and Nofar takes all reports seriously, investigating them thoroughly and imposing appropriate disciplinary actions for policy violations.

Supplier risk evaluation process

Based on the ESG risk assessment Nofar develops and implements mitigation strategies to reduce the impact of potential supplier risks. In the process of risk evaluation, it is common to identify specific points where major risks are concentrated. In response to this, proactive actions can be taken to either reduce these risks or gain a clearer understanding of them. After conducting a thorough risk assessment, Nofar has devised comprehensive strategies to mitigate these risks effectively.

The risks are quantified, allowing for a nuanced understanding of their severity. This measurement serves as a critical foundation for taking the

necessary steps to ensure compliance with relevant regulations and laws. This often involves securing legal certifications from reputable certifying bodies that specialize in the specific domains.

In the case of product-related risks, Nofar can actively collaborate with its suppliers to obtain various certificates that validate risk mitigation measures or demonstrate a deliberate consideration of potential risks. This approach ensures that risk-related concerns are addressed and regularly evaluated through processes such as yearly ESG audits.

A similar approach extends to the evaluation of risks associated with various risk areas. Certifications and annual audits from respected certification schemes can be instrumental in not only mitigating risks but also in establishing a culture of continuous improvement and compliance within these domains.

In essence, Nofar's approach to risk mitigation is underpinned by precise risk measurement, legal compliance, collaboration with suppliers, and a commitment to maintaining high standards through regular audits and certifications.

Supplier selection process

The supplier selection process at Nofar aspires to establish a globally unified procedure for creating a pool of potential suppliers in the future. This process applies today to EPC contractors as well as panel and battery suppliers. Once all suppliers have been evaluated and a pool of top suppliers has been identified, Nofar will invite the shortlisted suppliers to a final evaluation call. During the call, Nofar will ask the suppliers to provide more information about their company, their products, or services, and their ESG performance. Nofar will also ask the suppliers to provide any documentation or certificates that were specified in the evaluation criteria. In addition, Nofar may ask for a third-party supplier auditor to audit the selected final supplier. The supplier audit will assess the supplier's compliance with Nofar's ESG standards and with any other relevant standards or certifications.

Nofar will carefully review the results of the supplier audit before making a final decision about whether to award the contract to the supplier. Nofar asks a third-party supplier auditor to audit the selected final supplier to confirm that it is able to meet Nofar's requirements and that it is operating in a responsible and ethical manner. If the supplier already has any of the ESG certification that can be considered and no third party audit need to be performed considering that the audit is valid for max 3 years with yearly surveillance audit. Nofar carefully reviews the results of the supplier audit before making a final decision about whether to award the contract to the supplier.

By following this rigorous supplier selection and auditing process, Nofar can help to ensure that it is working with the best possible suppliers and that its supply chain is aligned with its ESG goals.

Once Nofar has selected a supplier, it is important to monitor the supplier's performance on a yearly basis. This process involves tracking the supplier's ESG metrics, such as greenhouse gas emissions, water usage, waste generation, and adherence to labor and human rights standards. Nofar also performs regular audits to assess compliance with its ESG standards and relevant certifications, while meeting with supplier representatives to review performance and identify areas for improvement. Through this annual monitoring, Nofar ensures its supply chain aligns with its ESG goals and fosters a commitment to continuous improvement.

Empowering our partners and creating indirect economic Impact

Nofar's operations model and policy focus on peripheral regions, in view of the business opportunities these areas offer and the availability of land. Nofar has long-standing, strong relationships with kibbutzim, industrial plants, and real estate companies that own land, roofs, and water reservoirs, and are significant electricity consumers.

In Israel, most of the Company's business activities take place in rural areas, creating shared value for the Company, its partners, and customers, particularly the 109 kibbutzim which collectively

host 1,060 solar systems. Employees in Israel are geographically diverse, with more than 54% of them coming from peripheral regions. Furthermore, Nofar's activities generate extensive employment opportunities directly and throughout the supply chain, due to the need to employ a wide range of suppliers and employees in every project.

The Company's business development department in Israel works to expand activity and generate transactions in kibbutzim in Israel, in addition to those in which the Company already operates. In

some kibbutzim, Nofar is developing microgrid systems with autonomous operation capabilities, providing critical backup solutions that remain functional even during main grid failures.

Electricity infrastructures have been upgraded at almost all kibbutzim in which Nofar builds and operates projects. Moreover, in a considerable proportion of installations on rooftops, the work also includes the replacement of old asbestos roofs that can potentially cause lung diseases and other health issues. In addition, in some cases, some of the profits of the joint corporations are donated to local communities.

Community Contributions and Support

More than 40% of Nofar employees have actively participated in various volunteer activities, including supporting logistics centers, preparing meals,

and providing aid to displaced families. Nofar also formed a task force to coordinate with communities near Gaza, delivering tailored assistance based on specific needs.

These actions reflect Nofar Energy's unwavering commitment to the community, working to sustain life and livelihoods in Israel even in challenging times.



04

Corporate Governance

Highlights

42.8%

of the directors are independent

28.5%

of the directors are external

29%

of the directors are women

57%

of directors possess accounting and financial expertise

28.5%

have experience in the field of renewable energy

13

board meetings and 6 committee meetings took place in 2023

95.6%

attendance rate at Board of Directors meetings

9

men and 2 women are part of the Company's senior management

Goals and Targets

Increase diversity among the Company's Board of Directors and management

Hold training sessions for all employees within the code of ethics implementation plan

Review the manner of executing material transactions

Maintain zero incidents of bribery and corruption and zero incidents of improper business conduct

Reduce the number of "Red" risks identified in the 2022 risk assessment through targeted mitigation actions

Nofar Energy's Governance Commitment

Nofar is committed to high standards of corporate governance and constantly striving to strengthen its corporate governance requirements, which aligns with national and international best practices. The company's operations are governed by several key legal frameworks in Israel, including the electricity laws and regulations, planning and building laws and regulations, health and safety laws and regulations and the securities laws of 1968, along with any associated regulations and directives from relevant authorities.

Nofar's global activities – in the USA, Italy, Poland, Romania, Spain and the UK, are subject to applicable laws and requirements at the federal, state, and local levels within each jurisdiction. Additionally, operations in Israel and internationally require approvals from regulatory bodies and institutions, as well as

adherence to resolutions, procedures, and standards set by these entities—particularly those required before facility construction and the commencement of commercial operations. To ensure compliance with this extensive regulatory framework, Nofar has implemented internal procedures to manage these obligations effectively.

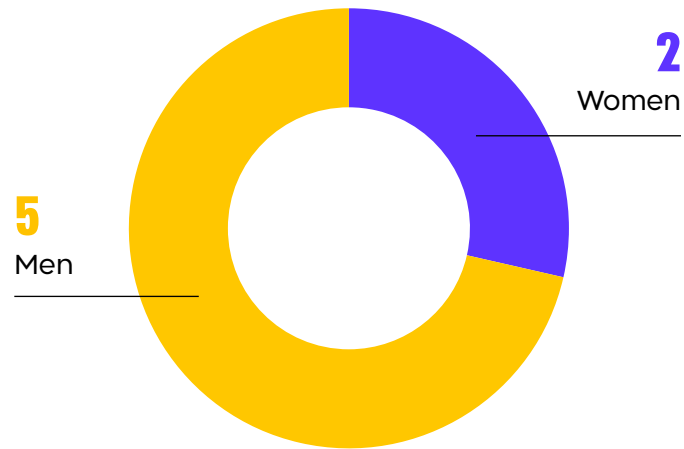
In 2024, Nofar established three dedicated subcommittees, each led by members of the management team, focusing on Human Resources, Climate and Environment, and Health and Safety. These subcommittees will operate in compliance with regulations and standards aligned with IFC guidelines in their respective areas. The subcommittees will include the Global COO, Head of Human Resources, VP of Global Operations, Legal Counsel, and Senior Director of Investor Relations.

Their mandate is to oversee ESG processes across the organization, ensure that Nofar's values and policies are consistently upheld across all regions of operation, and provide direct reports to the CEO.

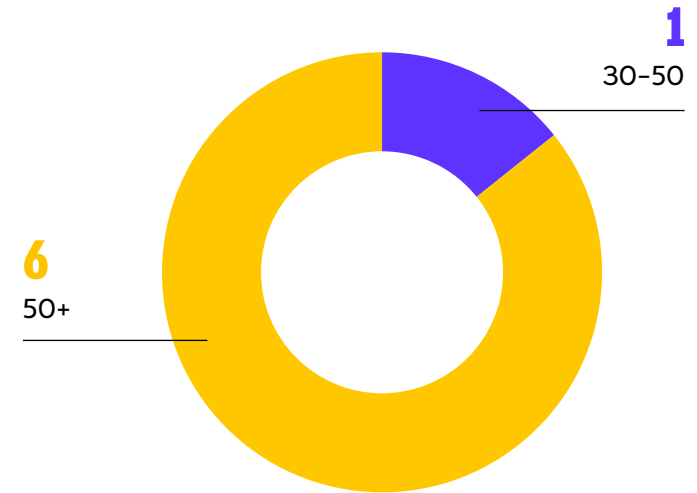
Nofar has several policies and procedures in place to ensure that it is managed in a responsible and transparent manner. These policies and procedures cover a wide range of topics, including conflict of interest, insider trading, corporate social responsibility, environmental management, health and safety, and whistleblower protection. Additional ethical policies include a Code of Ethics, an Anti-Bribery and Corruption Policy, an ESG Policy, a Diversity, Equity, Inclusion, and Belonging Policy, an Internal and External Grievance Mechanism Policy, and a Political Engagement Policy.

Structure of the Board of Directors

Gender Distribution of Directors



Age Distribution of Directors



1
director is independent
and external

3
independent directors

2
external directors

2
directors who are active
Kibutz members



Nofar's Board of Directors is composed of seven directors, of which five are men, and two are women. Most directors started serving on the Board of Directors after the Company's IPO. The board is responsible for overseeing the company's strategic direction and for ensuring that it complies with all applicable laws and regulations.

Directors are appointed based on their experience and potential contribution to the Company's growth and impact. In the process of appointing the directors, the Company's CEO, board of directors or the control shareholder highlighted the importance of business expertise, particularly in areas such as renewable energy, engagement with agricultural

settlements (primarily kibbutzim), financial operations, procurement and ESG.

To select the external directors, the board of directors examined the affidavits of the potential candidates, in which they detailed their education and business experience in accordance with the Companies Regulations (Conditions and Tests for a Director with Accounting and Financial Expertise and a Director with Professional Qualifications).

During 2023, Nofar's Board of Directors is diverse in terms of directors' skills and capabilities- two board members possess experience in the field of renewable energy (Ofar Yannay and Tzvi Levin), three

board members possess accounting and financial expertise. In addition, all board members have many years of business experience.

In accordance with legal requirements and the Company's procedures, Nofar's Board of Directors includes two external directors and one independent director. The Chairman of the Board also serves as the Executive Chairperson. For the Company's Board of Directors to fulfill its role optimally, it is open to receiving inquiries directly at the general meeting and through the VP of Legal Affairs. No inquiries were received in 2023.

Members of the company's board of directors as of December 31, 2023

Ofar Yannay
Executive Chairperson*

Gili Cohen
External Director

Yoni Tal
Independent Director

Dafna Cohen
External Director

Yonit Partuk
Director

Uri Orbach
Director

Tzvi Levine
Director

* Controlling Shareholder of the Company

Board of Directors committees

Nofar's Board of Directors exercises its judgment in managing the Company's material issues, aligning with both legal requirements and the recommendations and resolutions provided by its committees. To support the Board's oversight role, Nofar has established several committees, including the Financial Statement Review committee, the Audit Committee, and the Compensation Committee. These committees play a crucial role in ensuring effective governance, compliance, and strategic alignment across the organization, as detailed below.

Financial Statement Review committee

The committee consists of three directors, of which two are external directors, and one is an independent director. The Company's management presents to the committee a review of the Company's operating results, financial position, cash flows, critical events in the reporting periods, valuations, statement of sources and uses, and more. 4 committee meetings were held in 2023; meetings

Audit committee

The committee consists of three directors, of whom two are external directors, and one is an independent director. The committee is engaged, among other things, in the approval of related-parties transactions, maintaining an ongoing dialogue with the internal auditor, monitoring and supervising the internal auditor's work plans, Compliance Officer, assessing deficiencies in the management of the Company's businesses, assessing the management of the Company's risks,

Compensation committee

The committee consists of three directors, of which two are external directors, and one is an independent director. The Company's management presents to the committee a review of the Company's operating results, financial position, cash flows, critical events in the reporting periods, valuations, statement of sources and uses, and more. 4 committee meetings were held in 2023; meetings were attended by 100% of the

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

Management of ESG performance by the Board of Directors

In 2023, Nofar's Board of Directors further strengthened its oversight and management of the Company's ESG performance, continuing to refine its strategy in light of evolving global challenges. This year saw an enhanced focus on aligning ESG goals with long-term business growth, while also responding to the escalating urgency of climate risks and social responsibility.

Nofar remains committed to its vision, values, and sustainability objectives. A key development in 2023 was the creation of an ESG Committee, chaired by the Senior Director of Investor Relations, who continues to serve as Head of ESG. The ESG Committee now reports directly to the CFO, with quarterly updates to the CEO and annually to the Board of Directors, reflecting the increasing importance of ESG topics in the company's decision-making processes.


The Board has enhanced its guidance on ESG matters, providing clear directions to management to integrate ESG into all aspects of business operations. This includes refining risk management processes to better anticipate ESG-related risks and identify new opportunities tied to regulatory changes or market trends.

As part of its ongoing focus on climate-related challenges, Nofar accelerated its environmental agenda in 2023, expanding its renewable energy projects beyond Israel and Europe. New large-scale solar power generation and energy storage projects were launched, including the expansion of electric vehicle (EV) charging stations in partnership with local municipalities and private and public companies. A significant portion of these stations now operate using green electricity generated by Nofar's systems.

Nofar's management is responsible for developing and implementing the Company's vision, values, strategy, policies, and goals related to sustainability and corporate governance. With a strong emphasis on long-term ESG objectives, the company's management plays a key role in supporting these initiatives. It provides strategic guidance to management and employees, promoting improvements and addressing risks and opportunities across environmental, social, and governance areas

Environmental Board Management:

Nofar addresses environmental issues, including climate change and its economic ramifications, as a green energy company. The escalation of climate-related events globally, alongside geopolitical tensions, emphasizes the critical importance of renewable energy installations in Israel and worldwide. The Company's CEO presents quarterly updates to the Board of Directors, covering operations, environmental and climate considerations, global trends, market dynamics, and emerging opportunities. Additionally, a senior management subcommittee, comprising C-level executives, meets quarterly to review climate and environmental risks. Oversight of these risks is led by the VP of Global Operations. Currently, Nofar promotes large-scale projects that include mostly solar power generation and energy storage. The Company continues to promote the initiation and establishment of charging stations for vehicles, in the territories of its partners, among other things, with the aim that the charging stations will make use of the electricity produced in the systems.

 Nofar's policy regarding environmental risk management, as outlined by the company's management, focuses on adapting its systems to legal requirements to minimize possible adverse effects on the environment. Climate change is a central driver of the Company's business strategy, influencing critical factors such as sunlight hours and rainfall, which directly affect operations. Risk management is mainly overseen by the CFO and the head of Risk through ongoing monitoring of regulatory developments relating to the Company's operations. As well as a risk assessment held by a third party. This methodology is also relevant to locating business opportunities by identifying market trends, new relevant regulation and legislative procedures, etc.

Social Board Management:

Nofar's activities to promote social impact include Partnerships with the agricultural sector, which promote remote communities in peripheral regions in Israel, create jobs and stable incomes for the coming years, and contribute to the development of the local workforce.

Additionally, Nofar invests in, develops, constructs, and operates projects in Eastern European countries, generating employment and stable incomes, supporting workforce growth, and reducing dependency on Russian oil and gas resources. Periodically, Nofar also arranges fundraising events to support marginalized communities and individuals.

Nofar's controlling shareholder and the active chairman of the board, Mr. Ofer Yannay, is a well-known philanthropist that supports Israeli sport teams, various athletics competitions, and the Maccabiah Games. Furthermore, Mr. Yannay donates to diverse philanthropic initiatives for public benefit.

Governance Board Management:

Nofar's code of ethics, which was adopted by the Company and approved by the Audit Committee in February 2023, outlines the Company's vision, values, and code of conduct. The Board of Directors, through the Audit Committee, frequently discusses the Company's risk management, including sustainability risks, and



in any case at least once a year. The Company is in the advanced stages of implementing an internal enforcement plan, a voluntary framework supported by a robust set of organizational procedures. This plan will apply to all officers, employees, and relevant external consultants, requiring them to review and sign it annually. To support its implementation, Nofar has strengthened its legal team by hiring a corporate lawyer with extensive expertise in securities and corporate law. As part of the enforcement plan, the Company's designated enforcement officer will evaluate the effectiveness of the Board of Directors in ensuring compliance and upholding the highest governance standards.



Managing Nofar's risks

The Company's operations expose it to various financial and operational risks, including safety and environmental risks. Our risk management is supervised by our board of directors and Audit committee. Different members in the Company management perform the risk management itself. Financial, business interaction related and cyber risks are managed by the CFO and operational risks and safety risks by the Chief Operating Officer and Chief Engineering Officer. The VP of Legal Affairs also supervises different risks.

As part of its comprehensive risk management strategy, Nofar undertook a sensitivity analysis in 2021, led by the Internal Auditor. This analysis assessed various dimensions of risk, including operational, market, strategic business, and compliance risks, and identified two key areas requiring improvement. In response, the Company appointed an Internal Head of Risk and Project Finance. Reporting directly to the CFO, this role is

dedicated to overseeing all risk assessments and ensuring the effective implementation of mitigation measures to address identified vulnerabilities.

The initial risk assessment established the foundation for a multi-year internal audit plan, which is periodically updated based on environmental changes, such as geopolitical conflicts or shifts in urgency. The internal audit examines specific topics identified in the initial survey, such as IT systems or operational platforms. Following each audit, findings and recommended remedial actions with timelines are presented to management for review. Once finalized, these are submitted to the Audit Committee of the Board for approval. The resulting action plans are tracked by management through the ESG subcommittee to ensure consistent progress.

To strengthen its risk culture, Nofar aspires to implement policies that are aligned with International

Finance Corporation (IFC) requirements, promoting global best practices in compliance and risk management. Looking forward, Nofar is committed to refining its risk management framework through annual reviews of practices and the establishment of short- and long-term goals. This ensures alignment with the Company's strategic objectives and adaptability to regulatory developments.

In addition to these internal measures, Nofar mitigates exposure through liability insurance plans that cover multiple scenarios, including professional and product liability, third-party liability, and employers' liability insurance. These insurance arrangements are detailed in the Company's 2023 Annual Report. Through these efforts, Nofar continues to build a robust framework for managing risks, enabling the Company to address vulnerabilities, capitalize on opportunities, and maintain resilience in a dynamic operational environment.

Ethical business practices at Nofar

Nofar is committed to the highest standards of business ethics. Nofar's Code of Ethics serves as a guiding document for the Group, establishing principles of ethical conduct for senior officers, managers, and employees across all subsidiaries. Unlike regulations that set a minimum threshold, this code sets a higher standard, reflecting the ideals the company aims to achieve. It outlines core values such as responsibility, honesty, professionalism, and respect for others, regardless of their background.

The Code emphasizes compliance with legal provisions and international conduct, promoting respect and accountability in all professional interactions. While it cannot foresee every situation, it encourages employees to use sound judgment in

applying these principles. Managers are particularly responsible for exemplifying and enforcing these standards, both internally and with external partners.

The organizational Code of Business Conduct and Ethics, approved by the Board of Directors and management in 2021, outlines a policy that saw implementation within the Company by 2023.

The Code of Business Conduct and Ethics is under the responsibility of the Legal counsel of the Company. The Company believes that ethical conduct in its business is a supreme value and is required not only of the Company's management, but also of all of the Company's employees and

suppliers. All Nofar employees received training about the Code of Business Conduct and Ethics. The code, which is based on the company's values, provides basic guidelines of business practice, as well as professional and personal conduct, that all employees are expected to adopt and uphold.

All new employees hired to work in Nofar will be asked to read and sign the code of ethics. The ethical code will be attached to the employees' payslips and all employees will be asked to renew their signature on the code once every two years. In addition, the code of ethics will be sent to each new major supplier with whom the Company contracts.

Our ethical responsibilities

The Company's values define the rules of work between a person and his partner. Therefore, Nofar defined the following basic conditions as mandatory conditions for managing employees, and for working among colleagues:

Mutual respect

the Company doesn't agree and has no place for discrimination, harassment, abuse or intolerance of any kind. These are an expression of a lack of basic respect and this condition is a mandatory basic condition that must be respected at all levels and in all circumstances.

Trust

in an organization where trust prevails, the relationships between employees and between employees and managers, as well as between colleagues, are open, enable efficient and beneficial conduct, and contribute to the development of intra-organizational working relationships from casual relationships to binding relationships.

Transparency and honesty

communication based on facts and honest and open dialogue, establishes organizational transparency, stabilizes open communication, encourages sharing of abilities and creativity while delegating authority and effectively improves the management of organizational knowledge.

Cooperation

between employees, between colleagues and between managers and employees, is a basic condition for mutual fertilization, for establishing joint responsibility and for creating a synergistic environment. Working from a concept of cooperation improves processes, locates agreed and applicable solutions, and leverages work procedures and communication channels.

Political engagement at Nofar

Guided by Nofar's Code of Business Conduct and Ethics and its commitment to compliance with all applicable laws, Nofar abstains from any type of political activities, including lobbying to shape public policy, legislation and other governmental actions, and corporate contributions to electoral candidates, political organizations, or political campaigns. Nofar does respond to various requests for comments and similar requests issued by relevant regulators in so far as these are relevant to the Company's business, such as hearings held by the Israel Electric Authority.

Like many corporations, Nofar is a member of various industry trade organizations. Some of these organizations engage in lobbying activities, and some operate their own political action committees. Nofar may not necessarily agree with every position taken by each organization of which it is a member or of the other members of such organizations; however, Nofar believes that, on a whole, membership in and contributions to such organizations are

consistent with promoting the public good, which is aligned with the company's overall business objectives. When Nofar makes payments to these organizations, including membership fees and dues, it instructs the organization not to use the funds for any election-related activity, in every country in which we operate.

List of industry trade organizations:*

- The Federation of Israeli Chambers of Commerce
- The Israeli Association of Publicly Traded Companies
- The Green Energy Association of Israel
- Israel Builders Association
- The Manufacturers Association of Israel
- IIRF- The Israeli IR forum

The Company's Code of Business Conduct and Ethics covers how our employees may engage in the political process and how we interact with representatives of the government on behalf of Nofar. Decisions about joining trade unions and membership fee payments are made by Nofar's CEO, and CFO.

Payments to trade associations which may be used for political purposes are monitored by Nofar's CFO. We are committed to complying with internal policies, all relevant state, federal, and international laws and regulations, and applicable state and local restrictions on corporate political activity.

* In 2023, Nofar paid annual membership fees in the amount of 29,825 NIS.

Compliance with legal requirements

Nofar complies with the requirements of all laws, standards, and regulations applicable to its activities in the countries in which it operates. As of 2023, Nofar is in full compliance with environmental laws and regulations, and no sanctions or fines were imposed on the Company. Nofar strives to ensure proper conduct pursuant to the requirements of the law, and has further adopted an internal voluntary compliance mechanism. Furthermore,

Nofar promotes training and compliance on issues relating to the requirements of the laws and regulations. As noted, in 2023, 100% of the Company's employees in Israel and most of the employees internationally received training on regulatory compliance, corruption prevention, and insider information. Another aspect of Nofar's compliance is its IT system protocols, which govern employees' access to various programs and folders.

These permissions are granted through the CFO, following all necessary approvals. Where needed, Nofar separates positions and responsibilities and avoids giving a single worker too many permissions, especially if they are not directly relevant to the employee's duties.

Remuneration policy

In December 2020, the Company's board of directors and the general meeting of the Company's shareholders approved its remuneration policy for the officers of the Company. In July 2021, the Company's board of directors decided on the adoption of an option plan for employees and officers. The Company's Board of Directors reviews the policy from time to time in order to adapt it to the

changing needs of the Company, the input received from stakeholders, and the provisions of the law. In 2023, the ratio did not change significantly.

The policy sets guidelines as to the manner of compensating the Company's executives managers while supporting the execution of Nofar's goals, its business plan, and its policies in the long run. The

remuneration policy aims to create a reasonable and appropriate set of incentives to align the Company's executives with Nofar's operations, its risk-management policy, and its working relations with stakeholders while recruiting and retaining excellent managers, which are the foundation of Nofar's performance and the driver of its future development and success.



Nofar’s remuneration policy is mainly based on measurable criteria, quantitative tests, and the personal targets of all officers. The policy comprises a fixed component with respect to base salary, social benefits, and other related benefits, and variable components - sign-on/retention bonus, adaptation grants, and retirement terms, bonuses, special discretionary bonuses, the award of which is subject to the approval of the Compensation Committee. In 2023, the ratio set between fixed compensation components and variable compensation components as of:

Criterion Role	Maximum value fixed component of remuneration (monthly)	Ratio of cost of employment to average wage	Ratio of cost of employment to median wage
Chairman of the Board	NIS 120,000 *	3.08	3.28
CEO	NIS 80,000 *	2.44	2.6
CEO-subordinate executives	NIS 80,000 *	1.8	1.92

* Indexed to CPI for December 2020

The variable component

Apart from the fixed component in the executives' terms of employment, they are eligible for post-retirement savings, severance pay, disability insurance, vacation days, sick days, convalescence pay, and travel expenses as required by law. Executives are also eligible to receive a car at the Company's expense, a telecommunications package, holiday gifts, extra vacation days, professional training, professional bureau membership fees, and reimbursement of other expenses relevant to their position.

The variable component of remuneration is based on various parameters for the Company's or the executive's performance. For the Chairman of the Board and the CEO, this component shall not exceed 75% of the amount of their total fixed component. For the CEO-subordinate executives, this component shall not exceed 50% of the amount of their total fixed component.

The variable component can be allocated based on one of the following:

- Measurable goals grants – Including financial goals, strategic goals, personal goals, and corporate governance goals. These goals are determined annually, before the end of the first quarter, and the executive must attain at least two of the goals. The grant paid for each goal shall not exceed 25% of the executive's total fixed component.
- Discretionary grants – The Company may determine that the variable remuneration, in whole or in part, shall be granted according to qualitative criteria that are not measurable, at its discretion, given the contribution of the executive to the Company.
- A one-time grant – The Company is permitted to give its executives a one-time grant based on outstanding contribution and/or noticeable efforts, and/or in cases of extraordinary business accomplishment. Grants to the CEO and the CEO-subordinate executives shall not exceed 25% of the executive's total fixed component.

In the incident of biased financial information within 3 years of occurrence, the executive shall return the grant to the Company (claw back).

Capital remuneration

The Company is permitted, from time to time, to allocate options, phantom options, restricted stock units, and blocked stock to executives as part of the remuneration package offered to its

employees. The amount allocated is subject to the the authorized organ's discretion. This part of the remuneration diversity not exceed the sum of 12 monthly salaries. For more information about the

Group's compensation policy, see chapter 8 at the Company's shelf prospectus on the TASE website* from the 8th of December 2020, as well as in the Company's immediate reporting as of 2023.

Preventing conflicts of interest

Nofar is subject to all of the provisions of laws and regulations that ensure the prevention of conflicts of interest in the Group in general and in the Company in particular. Under the Company's Code of Business Conduct and Ethics, several internal organizational measures are being implemented to prevent conflicts of interest and ensure fair business

practices, including when appointing directors; the directors will be required to fill out a questionnaire and statement relating to affiliation and conflict of interest. In addition, the Company has adopted, as part of its internal enforcement plan, procedures for reporting to stakeholders and officers, under which, before issuing annual financial statements,

the Company sends the directors questionnaires regarding affiliation and conflicts of interest. The Company will adopt, as part of its internal enforcement plan, a procedure for transactions with interested parties, under which a list of the Company's stakeholders will be maintained.

* <https://maya.tase.co.il/reports/details/1337934/2/0>

Prevention of bribery and corruption; internal audit and supervision

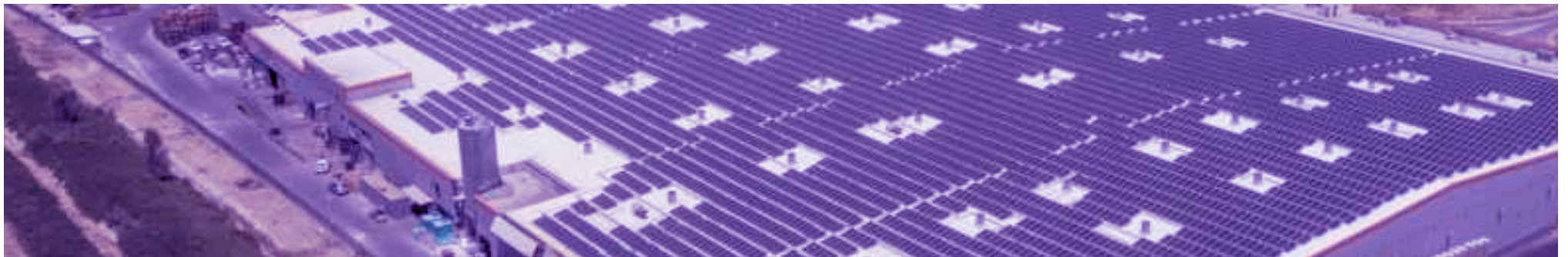
- Zero bribery and corruption incidents since the establishment of the Company
- Zero reported employee concerns
- Zero incidents of improper business conduct

As part of the internal enforcement program being adopted by Nofar, a procedure for preventing bribery is included. Under this procedure, the Company is committed to managing its business with fairness, integrity, reliability, and responsibility. This procedure is intended to ensure that the Company, the members of the Board of Directors,

its managers, employees, suppliers, and other service providers do not violate these provisions or other provisions of the law. The procedure will be distributed to all relevant employees for their signature, and the Company also ensures that anti-bribery and corruption provisions are agreed to and signed by external parties, including service

providers, contractors, and consultants, who act on its behalf and who serve as its representatives.

The Company also undertakes to comply with all applicable laws in the countries in which it conducts its business and activities to prevent bribery and corruption.



Mechanism for supervising and reporting of bribery and corruption incidents

The Company's Code of Business Conduct and Ethics includes a reporting mechanism for employees who are aware of or suspect a payment that may be considered bribery. Under the procedure, the employee is required to report the matter to their supervisor as soon as possible,

to the Company's CEO, CFO, corporate secretary or one of the law firms who represents the Company. Thereafter, the query will be investigated appropriately by the competent organ in the Company. The Company undertakes to protect the employee by all necessary means, including by

maintaining anonymity, while promising no harm to the employee following submission of a complaint. In 2023, no bribery and corruption incidents were reported or discovered at Nofar.

Internal auditing

As a public company, Nofar operates in accordance with the requirements of the law. In addition, based on the recommendations of the Audit Committee, the Board of Directors approved the appointment of an internal auditor who provides internal auditing services as an external service provider. The internal auditor prepared a multi-year plan,

in cooperation with the Company's management, which was presented to the Audit Committee and Board of Directors and approved by the board. The multi-year plan is based on audits of key company processes according to the level of risk exposure, assessment of the probability of occurrence of an event, and potential scope of damage. The Internal

Auditor does not have the discretion to deviate from the work plan; any change in this plan is subject to the approval of the Audit Committee. In addition, every year the internal auditor submits in advance an annual audit plan which is aligned with the multi-year working plans.

Information security

Nofar has adopted a set of internal information-security rules that establish an organizational, managerial, and professional outline for decision making relating to information security, while creating an organizational framework for dealing with ongoing and unusual issues relating to the implementation and assimilation of information-security aspects at the Company. The information

security officer is responsible for providing all of the Company's employees with annual training on information-security procedures and issues. External parties that engage with the Company are required to undertake to maintain confidentiality, insider information procedures, and information security.

In 2023, the company's auditor conducted an audit of the technological systems used by the finance department to verify their compliance with information security requirements.

the company has recently implemented a new Cybersecurity Policy to protect its data and systems from unauthorized access, use, disclosure, disruption, modification, or destruction.

Legal disclaimer

An ESG report is not included in Nofar's financial, periodical, or immediate statements. This report includes forward-looking statements (according to the Securities law, 1968), including: expectations, forecasts, objectives, goals, assessments, and plans regarding the Company's activity. Statements made in this report might be subject to changes

and revisions. All information and data presented in this report reflect the information regarding the Company's activity at the date of issue and the Company's knowledge. This document may include estimates, omissions, generalizations, errors, and/or inaccuracies. In any case of discrepancy or divergence between the information presented in

this report and the information appearing in the Company's public financial statements published on the website of the Tel Aviv Securities Authority and the Tel Aviv Stock Exchange (TASE), the information appearing in publications by the Securities Authority will prevail.



05

GRI content index

GRI content index

This report is prepared with reference to the Global Reporting Initiative (GRI) Standards, with the following index listing the indicators addressed in the report:

GRI STANDARD	Index	Description	Pages / response
GRI 2: General Disclosures 2021	2-1	Organizational details	<ul style="list-style-type: none"> • About Nofar Energy • Company Holdings Chart • Operations around the globe
	2-2	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> • Company Holdings Chart
	2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> • About our report • About Nofar Energy
	2-4	Restatements of information	<ul style="list-style-type: none"> • GHG Emissions • Managing workplace health and safety

GRI STANDARD	Index	Description	Pages / response
GRI 2: General Disclosures 2021	2-5	External assurance	<ul style="list-style-type: none"> • Dialogue with our Stakeholders • Supplier evaluation process • Internal auditing • Information security
	2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> • Dialogue with our Stakeholders • Respecting Human Rights • Diversity, equality, and respect as the cornerstones of employment • Responsible supply chain • Empowering our partners and creating indirect economic Impact
	2-7	Employees	<ul style="list-style-type: none"> • Social • Workplace Culture and Employee Well-being
	2-8	Workers who are not employees	<ul style="list-style-type: none"> • Structure of the Board of Directors • Respecting Human Rights
	2-9	Governance structure and composition	<ul style="list-style-type: none"> • Nofar Energy's Governance Commitment • Structure of the Board of Directors
	2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> • Board of Directors committees

GRI STANDARD	Index	Description	Pages / response
GRI 2: General Disclosures 2021	2-11	Chair of the highest governance body	<ul style="list-style-type: none"> • Management of ESG performance by the Board of Directors • Managing the Company's risks
	2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Nofar's Material Topics • Management of ESG performance by the Board of Directors
	2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Preventing conflicts of interest
	2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Preventing conflicts of interest • Prevention of bribery and corruption; internal audit and supervision
	2-15	Conflicts of interest	<ul style="list-style-type: none"> • Management of ESG performance by the Board of Directors • Preventing conflicts of interest
	2-16	Communication of critical concerns	<ul style="list-style-type: none"> • Internal auditing
	2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Remuneration policy
	2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Remuneration policy
	2-19	Remuneration policies	<ul style="list-style-type: none"> • Remuneration policy

GRI STANDARD	Index	Description	Pages / response
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	<ul style="list-style-type: none"> • Words from our Senior Management • Management of ESG performance by the Board of Directors
	2-21	Annual total compensation ratio	<ul style="list-style-type: none"> • Remuneration policy • Ethical business practices at Nofar
	2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> • Ethical business practices at Nofar • Setting Strategic ESG Goals and Targets
	2-23	Policy commitments	<ul style="list-style-type: none"> • Preventing conflicts of interest • Prevention of bribery and corruption; internal audit and supervision
	2-24	Embedding policy commitments	<ul style="list-style-type: none"> • Nofar Energy's Governance Commitment • Compliance with legal requirements
	2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> • Political engagement at Nofar
	2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Dialogue with our Stakeholders
	2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> • Nofar Energy's Governance Commitment • Compliance with legal requirements

GRI STANDARD	Index	Description	Pages / response
GRI 2: General Disclosures 2021	2-28	Membership of associations	<ul style="list-style-type: none"> • About Nofar Energy • Company Holdings Chart Operations in Israel
	2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Company Holdings Chart
	2-30	Collective bargaining agreements	<ul style="list-style-type: none"> • Ethical business practices at Nofar
GRI 3: Material Topics 2021	3-1	Process to determine material topics	<ul style="list-style-type: none"> • Nofar's Material Topics
	3-2	List of material topics	<ul style="list-style-type: none"> • Materiality matrix
GRI 201: Economic Performance 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Social • Empowering our partners and creating indirect economic Impact
	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> • Social • Setting Strategic ESG Goals and Targets
	201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • Risks and Opportunities related to climate change
	201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> • Remuneration policy • The variable component
	201-4	Financial assistance received from government	<ul style="list-style-type: none"> • Political engagement at Nofar

GRI STANDARD	Index	Description	Pages / response
GRI 202: Market Presence 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Management of ESG performance by the • Board of Directors
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none"> • Remuneration policy
	202-2	Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none"> • Structure of the Board of Directors
GRI 202: Market Presence 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Empowering our partners and creating indirect economic Impact
	203-1	Infrastructure investments and services supported	<ul style="list-style-type: none"> • Empowering our partners and creating indirect economic Impact
	203-2	Significant indirect economic impacts	<ul style="list-style-type: none"> • Empowering our partners and creating indirect economic Impact
GRI 204: Procurement Practices 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Responsible supply chain
	204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> • Responsible supply chain

GRI STANDARD	Index	Description	Pages / response
GRI 205: Anti-corruption 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Prevention of bribery and corruption; internal audit and supervision
	205-1	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> • Ethical business practices at Nofar • Compliance with legal requirements
	205-2	Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> • Ethical business practices at Nofar • Compliance with legal requirements
	205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> • Prevention of bribery and corruption; internal audit and supervision
GRI 302: Energy 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Nofar Energy's Environmental Commitment
	302-1	Energy consumption within the organization	<ul style="list-style-type: none"> • GHG emissions
	302-2	Energy consumption outside of the organization	<ul style="list-style-type: none"> • GHG emissions
	302-3	Energy intensity	<ul style="list-style-type: none"> • GHG emissions
	302-4	Reduction of energy consumption	<ul style="list-style-type: none"> • GHG emissions
	302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> • Advancing Renewable Energy Globally • Supporting the global transition to a low carbon economy

GRI STANDARD	Index	Description	Pages / response
GRI 303: Water and Effluents 2018	3-3	Management of material topics	<ul style="list-style-type: none"> • Water management
	303-1	Interactions with water as a shared resource areas	<ul style="list-style-type: none"> • Minimizing land use and negative environmental impact
	303-5	Water consumption	<ul style="list-style-type: none"> • Water management
GRI 304: Biodiversity 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Preserving Biodiversity
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> • Preserving Biodiversity
	304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> • Minimizing land use and negative environmental impact • Preserving Biodiversity
	304-3	Habitats protected or restored	<ul style="list-style-type: none"> • Minimizing land use and negative environmental impact • Preserving Biodiversity
GRI 305: Emissions 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • GHG emissions
	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> • GHG emissions
	305-1	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> • GHG emissions

GRI STANDARD	Index	Description	Pages / response
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> • GHG emissions
	305-4	GHG emissions intensity	<ul style="list-style-type: none"> • GHG emissions
	305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> • GHG emissions • CO2 Emissions Prevention
GRI 306: Waste 2020	3-3	Management of material topics	<ul style="list-style-type: none"> • Waste Management
	306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> • Waste Management
	306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> • Waste Management
	306-3	Waste generated	<ul style="list-style-type: none"> • Waste Management
	306-4	Waste diverted from disposal	<ul style="list-style-type: none"> • Waste Management
	306-5	Waste directed to disposal	<ul style="list-style-type: none"> • Waste Management
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Responsible supply chain • Key ESG Considerations in Supplier Evaluation
	308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> • Supplier selection process

GRI STANDARD	Index	Description	Pages / response
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	<ul style="list-style-type: none"> Responsible supply chain Key ESG Considerations in Supplier Evaluation
	308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> Supplier selection process
GRI 401: Employment 2016	3-3	Management of material topics	<ul style="list-style-type: none"> Nofar Energy's Social Commitment
	401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> Social Highlights Building a Fair and Inclusive Workplace
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Building a Fair and Inclusive Workplace Workplace Culture and Employee Well-being
GRI 403: Occupational Health and Safety 2018	401-3	Parental leave	Parental leave
	3-3	Management of material topics	<ul style="list-style-type: none"> Managing workplace health and safety
	403-1	Occupational health and safety management system	<ul style="list-style-type: none"> Managing workplace health and safety Safety management system

GRI STANDARD	Index	Description	Pages / response
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> ● The Company's occupational health and safety policy ● Emergency Preparedness and Response Plan
	403-3	Occupational health services	<ul style="list-style-type: none"> ● Managing workplace health and safety ● Safety management system
	403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> ● Managing workplace health and safety ● The Company's occupational health and safety policy
	403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> ● Managing workplace health and safety ● The Company's occupational health and safety policy
	403-6	Promotion of worker health	<ul style="list-style-type: none"> ● Managing workplace health and safety ● The Company's occupational health and safety policy
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> ● The Company's occupational health and safety policy ● Workplace Culture and Employee Well-being

GRI STANDARD	Index	Description	Pages / response
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> The Company's occupational health and safety policy
	403-9	Work-related injuries	<ul style="list-style-type: none"> Managing workplace health and safety
	403-10	Work-related ill health	<ul style="list-style-type: none"> Managing workplace health and safety
GRI 404: Training and Education 2016	3-3	Management of material topics	<ul style="list-style-type: none"> Nofar Energy's Social Commitment Workplace Culture and Employee Well-being
	404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> Workplace Culture and Employee Well-being
	404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> Workplace Culture and Employee Well-being
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	<ul style="list-style-type: none"> Building a Fair and Inclusive Workplace
	405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> Structure of the Board of Directors
	405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> Advancing Gender Equality

GRI STANDARD	Index	Description	Pages / response
GRI 413: Local Communities 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Dialogue with our Stakeholders • About Nofar Energy
	413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> • Community Contributions and Support • Community Resilience Through Nofar's Microgrid Solutions • Empowering our partners and creating indirect economic Impact
	413-2	Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none"> • Minimizing land use and negative environmental impact • Waste Management
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Responsible supply chain
	414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> • Supplier evaluation process • Key ESG Considerations in Supplier Evaluation
	414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> • Political engagement at Nofar
GRI 415: Public Policy 2016	3-3	Management of material topics	<ul style="list-style-type: none"> • Political engagement at Nofar
	415-1	Political contributions	Nofar avoids all political contributions



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