



2020
ESG Report



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As part of the growing awareness of the environmental and social responsibilities and consequences of corporate activities worldwide, I am proud of Energix's first annual ESG Report for 2020. While each of the corporations that are part of the Alony Hetz Group operates out of an obligation and responsibility to minimize the environmental impact of its activities, it is Energix that takes a leading role in the renewable energy revolution.

As a renewable energy Independent Power Producer, it is the core and natural outcome of Energix's business activity to contribute to the environment; and high standards of corporate governance, stringent ethical standards and high level of transparency are basic elements of the way Energix conducts its business. But Energix has also recognized that contribution to the community and other stakeholders is of high importance to allow its success to continue.

Energix's first ESG Report shows the Company's progress and achievements in establishing an energy model based on positive social and ecological impacts, while mitigating potentially adverse impacts.

As Energix grows as a business, our aim is to increase our positive environmental, social and economic impact. We remain committed to creating a profitable enterprise, while ensuring sustainable development at the same time, and increasing and expanding our transparency toward our various stakeholder groups.

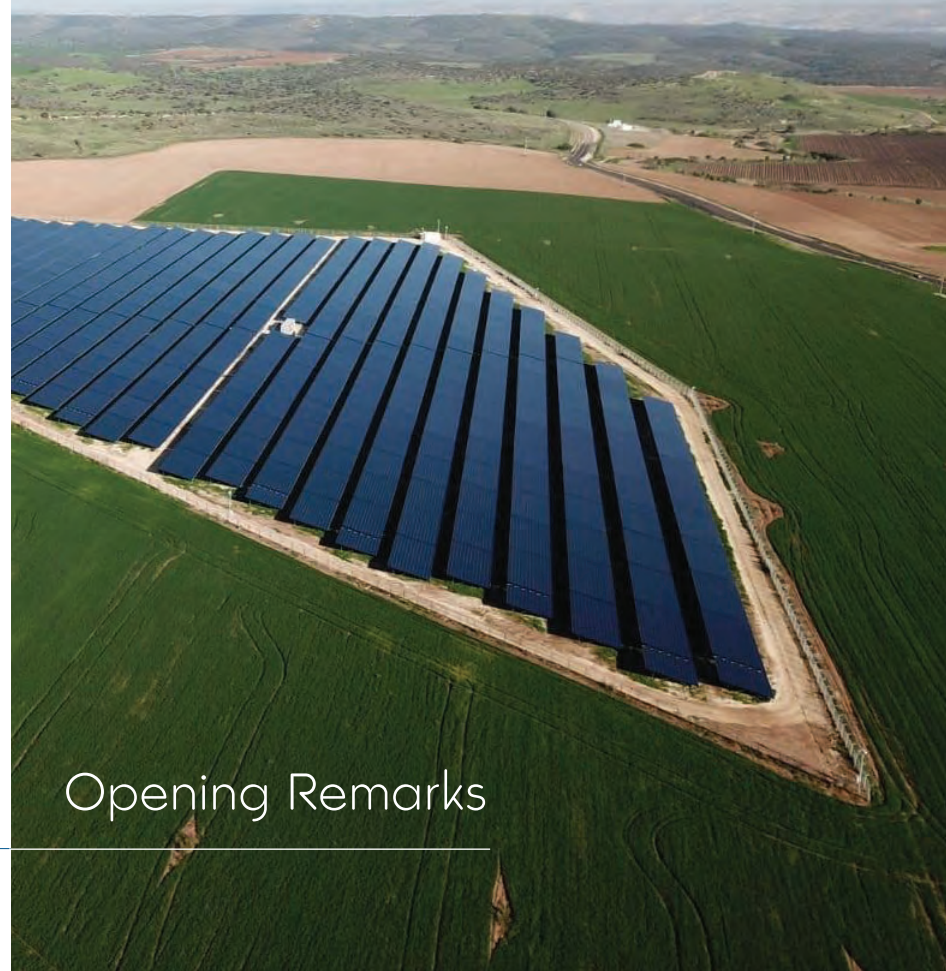
I am confident that the professional team of Energix can meet and overcome any inevitable challenge that we face along the way, through the innovative spirit of our talented employees, the trust and collaboration of our stakeholders, and the confidence of our investors. I have great faith in their ability to ensure that the impressive contribution of Energix to all its stakeholders as reflected in its ESG Report is only the beginning.

I invite you to learn more about Energix's doings in this ESG Report.

Nathan Hetz,
Chairman of the Board, Energix



Nathan Hetz,
Chairman of
the Board



Opening Remarks

Dear readers,

I am excited to present Energix's first Sustainability Report for 2020.

As we work in the field of producing clean, renewable energy, Energix's commitment to the environment is not only what we do, it defines who we are. One of our main goals is taking a leading role in the renewable "green revolution". I am pleased to see that the climate crisis – and the actions necessary to address it – is gaining a significant place in the public discourse, and that many countries have committed to taking significant steps in order to combat this issue. In addition to our role in this global effort, Energix has established additional goals for the coming year in order to continue our activity in all of the various social, environmental and community fields covered by this report.

We chose to compile this report in a unique way in order to emphasize the Company's core values: excellence, long-distance running, transparency, creativity, and team spirit. These values define the Company's culture and the way Energix and each of our employees operate.

- I am proud of the way Energix develops its projects, striving to allow sustainability and to maximize their value not only for the Company, but also for the community, local residents and many other of our stakeholders.
- As reflected in this ESG Report, among all the renewable energy companies in Israel, Energix's generation of clean energy is one of the largest, cleanest and substantial contributors to the reduction of carbon emissions and air pollution in Israel.
- I am particularly proud of Energix's ability to convert obstacles to advantages, as exemplified by the construction of the first large-scale PV project over the toxic waste pools of Ne'ot Hovav, Israel and by choosing to run 4 kilometers of cables underground, beneath a forest in Poland, creating a significant benefit for the environment and making it possible for local residents to continue to enjoy the natural landscape around them.
- Energix's Social Investment Policy, with a budget of 1% of its EBITDA, is aligned with the global best practice and is rated in the highest tiers among Israeli public companies. Through our policy, we have contributed to the benefit of numerous philanthropic organizations that share our values.

As we publish this Report for the year 2020, we are facing a new reality caused by the COVID-19 pandemic. This year presented both a different, challenging reality and new opportunities. COVID-19 forces us to re-evaluate and, ultimately, adapt our approach to business. From the beginning of the pandemic, Energix was defined as an "essential service provider" as an energy producer. Our efforts were therefore focused on maintaining continuity and the strength of our business while ensuring above all the health of our employees and contractors. I would like to take this opportunity to express my deep appreciation for all of our employees who successfully maintained "business as usual" and went even beyond that in the midst of considerable disruption, demonstrating their dedication, flexibility and care for each other in this difficult time.

Thank you for taking an interest in Energix's Sustainability Report, covering our performance and activities in 2020.

Asa (Asi) Levinger
CEO, Energix



Asa (Asi) Levinger
CEO



Opening Remarks

ESG Highlights 2020

Environmental

Emissions
of Carbon

By generating clean and green electricity, Energix contributes substantially to the avoidance of emissions of carbon and air pollutants. Through our operations, **497,348 tons of carbon emissions were avoided, along with 959 tons of air pollutants¹**

Prevention
of Water Waste

Our operations utilize natural resources efficiently and **we conserved 38,742 Megaliters of water through our renewable energy production**, relative to other forms of energy production

Environment
Conservation

No terrain was moved throughout construction, **maintaining the natural landscape in our sites**

In an effort to minimize the effect of our projects on local ecosystems, **we built 469 animal crossings and constantly** conduct surveys and utilize advanced technology to monitor bird and bat populations in the vicinity of our sites

Minimizing Our
Carbon Footprint

We acquire our solar and wind energy production platforms from leading manufacturers with greener operations, thereby increasing their quality, extending their life cycles, and reducing our carbon footprint

Through our Environment-related activities, we promote the following U.N. Sustainable Development Goals (SDGs):



For additional information regarding our Environment-related activities, please see the following chapters: About Energix | Supporting the Pursuit of the United Nation's SDGs | Climate Change and the Global Energy Revolution | Supply Chain Management | Biodiversity Conservation and Ecological Impact | Landscape Preservation | Water | Conservation | Environmental metrics

¹ Nox, Sox, and PM

ESG Highlights 2020

Social

Strengthening the
Local Economy

We see great importance in promoting the local economy where we operate and substantially **all of our subcontracting engagements are with local suppliers (95%+)**

Infrastructure
Construction and
Upgrade

We invested approximately **1.4 million NIS in public infrastructure and educational programs**, both through our Social Investment Policy and throughout our engagements

We support and improve local transportation infrastructure by **paving or renovating 23,900m of roads** in the area of our projects in Poland

Safety and
Security

We take care of our people throughout their activities, **with 0 severe work-related injuries occurring throughout our sites**

We protected our employees throughout the COVID-19 pandemic, with 0 employees' working conditions adversely affected by COVID-19

Through our Social-related activities, we promote the following U.N. Sustainable Development Goals (SDGs):



For additional information regarding our Social-related activities, please see the following chapters: About Energix | Supporting the Pursuit of the United Nation's SDGs | Climate Change and the Global Energy Revolution | Stakeholder Engagement | Community Engagement | Supply Chain Management | Employee Health and Safety | Considering Community Needs | Work Environment | Professional and Personal Development | Protecting our Team Through Covid-19 | Social Metrics

ESG Highlights 2020

Governance



5 Core Values

We operate in accordance with our 5 core values: **Excellence, Long-distance Running, Creativity, Transparency, Elite Team Spirit.**



Equal Opportunity Employment

Energix lends great attention to creating an equal opportunity employment, especially in our top tier positions. **Approximately 33% of our board members are women, as well as 40% in our senior management**



Independent at the Board

Our Board of Directors is committed to advancing the interests of our various stakeholders, with **50% of our Board being Independent Directors**



Meeting & Qualifying with International Standards of EBRD

As a recipient of EBRD² funding, **Energix meets the highest standards of environmental and ecological management**, social impact, and transparent operations required by EBRD in all entities to which it provides financing.

Through our Governance-related activities, we promote the following U.N. Sustainable Development Goals (SDGs):



For additional information regarding our Governance-related activities, please see the following chapters: About Energix | Our Values | Supporting the Pursuit of the United Nation's SDGs | Stakeholder Engagement Supply Chain Management | Business Continuity, Cybersecurity, and Fault Preventions | Corporate Governance | Ethical Business | Work Environment | Annex I: About this report | Governance Metrics

² European Bank for Reconstruction and Development

The Green Energy Revolution

About Energix

Energix Group is a leading renewable energy company. Energix's main business activities are managing the complete lifecycle of renewable energy projects, which include solar (photovoltaic (PV)) and wind farms projects. This includes planning and developing projects, project site construction, and continuous operation throughout the projects' lifetime.

Energix was founded in 2009 in Israel, with the vision of becoming a leading Independent Power Producer (IPP) that initiates, develops, constructs, and owns for the long-term, renewable energy projects. Today, in the midst of the global Green Revolution, our vision is to be a breakthrough Global Green Utility, committed to our future on the planet.

We achieve this by managing renewable energy projects from start to finish, while maintaining full control of all significant aspects of the project throughout its life cycle. Contributing to the environment is at the heart of our activity, and we believe that it is our obligation to share our success with the community.



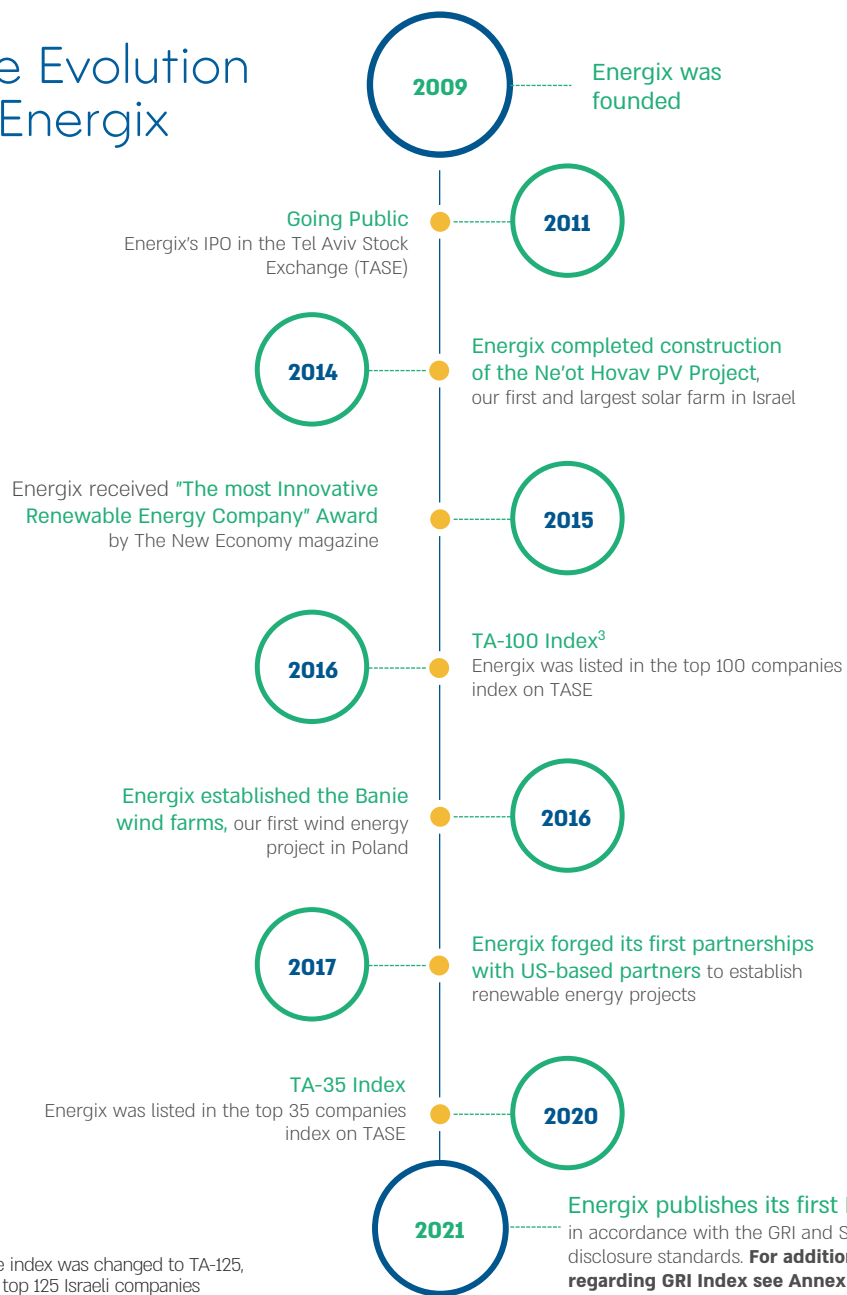
Therefore, we adopted the "Triple Win" strategy. We strive to create activity which simultaneously benefits the environment, society, and the company. We believe that this method is the most effective way to sustainably operate and grow our company's activity.

Today Energix is one of Israel's largest renewable energy companies. As of the end of 2020, we have a total energy capacity portfolio of ~1,600 MWh, and an operational energy production capacity of 402 MW in Israel, the United States, and Poland. We are rapidly expanding and constantly initiating and developing new projects with various financial, operational, and local partners.

Alongside energy production, energy storage is an integral part of providing renewable energy. The need for substantial energy storage facilities poses a significant challenge to the goal of renewable energy expansion and growth. Therefore, in many of our projects under development, energy storage is an inherent aspect thereof and we intend to significantly expand our capacity in the coming year.



The Evolution of Energix



³ In 2017, the index was changed to TA-125, listing the top 125 Israeli companies

Energix in Numbers



13

Years
of Activity



90

Employees



1.2_{GW}

Energy Portfolio
Under Development



1.6_{GW}

Energy Production
Portfolio



2,181_{GWH}

Energy Produced since
Establishment



402_{MW}

Operational Energy
Production Portfolio



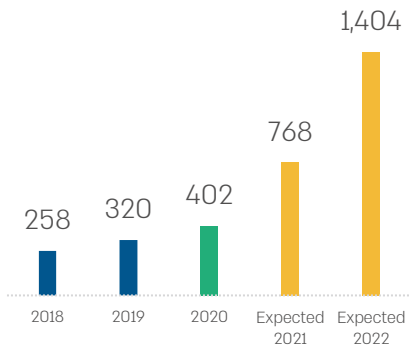
788_{GWH}

Energy Produced
in 2020

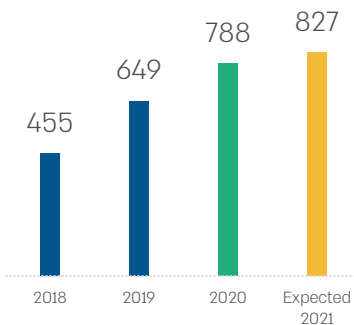


Energy Production

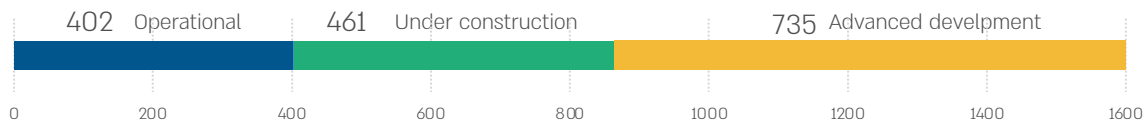
Operational Energy Production Capacity, MW DC



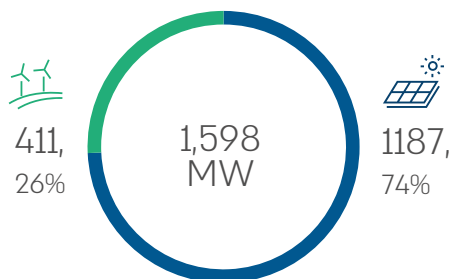
Energy Production



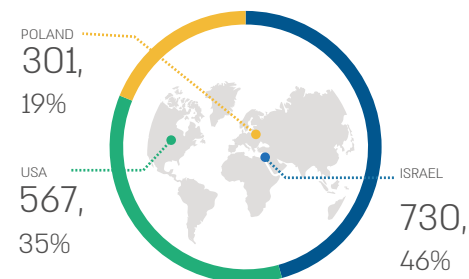
Energy Production Portfolio 2020, MW DC



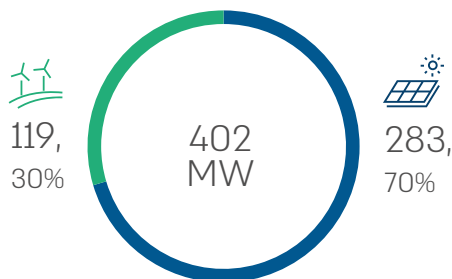
Operational Energy Portfolio, MW DC by type of production, 2020



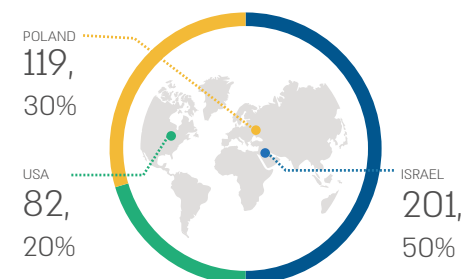
Operational Energy Portfolio, MW DC by country of activity



Total Energy Portfolio, MW DC by type of production, 2020



Operational Energy Portfolio, MW DC by country of activity



Supporting the Pursuit of the United Nation's SDGs

In 2015, the United Nations laid out a set of 17 global Sustainable Development Goals (SDGs). The purpose of these goals is to serve as a "blueprint to achieve a better and more sustainable future for all" and they relate to a vast range of areas of development. Since the ratification of these goals by the United Nations General Assembly, all member countries are required to act in a

manner that furthers them and report their progress on a regular basis. While these goals were originally targeted toward countries, many corporations, including ourselves, have taken it upon themselves to support our countries in achieving these goals.



As a sustainable company, we are deeply committed to furthering the SDGs relevant to our activity:



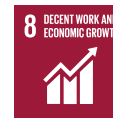
By providing an alternative source of energy to fossil fuels, we help to drastically reduce the emission of harmful pollutants, thereby greatly improving the health and wellbeing of people throughout the world.



Through our Social Investment Program, we contribute to educational programs for disadvantaged youths and youths with disabilities.



Through our numerous renewable energy production projects, we support the effort of creating sustainable and reliable sources of clean energy. We also work toward making these energy sources more accessible.



We provide meaningful and high-quality employment opportunities, including to those in local communities in rural areas, while setting high standards of employee safety and ensuring their wellbeing.



We create and operate sustainable utilities infrastructure. Our renewable energy projects diversify the electricity grid's sources of energy, thereby increasing its reliability and sustainability.



By providing green energy to communities throughout the world, we reduce pollution levels in urban areas in close proximity to power plants.



We responsibly source our platforms in order to minimize their environmental impact and extend their life cycle potential.



As a renewable energy company, we directly contribute to the Climate Action goals of reducing greenhouse gas emissions and mitigating the harmful effects of climate change.



When planning and operating our projects, we consider the many ecological implications of the project sites, such as maintaining the existing biodiversity, protecting endangered species, and preserving the land.

Climate change is the greatest challenge and threat to humanity in the 21st century. The steps that have been taken thus far to tackle the issue have been insufficient and ineffective.

With the looming threat of further severe climate change and global warming, the world must find innovative and impactful solutions. The main contributing factor to the phenomenon of global warming is the emission of greenhouse gases (GHGs), mainly carbon dioxide. These GHG emissions, which are caused by manmade industrial and economic processes, significantly impact the planet and those who inhabit it.

The energy sector alone is responsible for over 70% of the world's GHG emissions. Therefore, revolutionizing and reforming our means of energy production constitute a major tool in reducing GHG emissions and combatting climate change. Now, we are in the first steps of the green energy revolution. More and more, we are witnessing a shift to greener forms of energy production, particularly renewable sources of energy, such as solar and wind.

In addition, production and consumption of fossil fuel-based energy also has short-term implications, such as the emission of various harmful pollutants. Specifically, these processes emit NO_x, SO_x, and PM, which have significant detrimental effects on human health. In addition, these processes require substantial amounts of water consumption, thereby leading to the disposal of copious amounts of wastewater.

Climate change, along with the additional pollutant emissions, are a major threat to global human health in our times. Natural disasters, such as severe droughts, flooding, and hurricanes are plaguing the planet more and more frequently leading to the loss of lives, displacement and forced migration, and the emergence and spread of numerous diseases. Inconsistent and severe weather patterns are leading to crop failures, food insecurity, and increasing levels of malnutrition and starvation, especially among children and the elderly. Infectious diseases, are transmitted more easily in warmer climates, and increasing temperatures are boosting their propagation rates. Water, ground, and air pollution are causing numerous health issues and diseases

The ever-rising rate of climate change-based events and rising pollution levels necessitate action. Accelerating the advancement toward green energy can significantly reduce the effects of climate change and air pollution, mitigate their potentially drastic consequences, and support the global effort to achieve the Paris Agreement goals and the UN Sustainable Development Goals (SDGs).

Climate Change and the Global Energy Revolution





At Energix, we are proud to be at the forefront of implementing tangible and impactful solutions to the climate crisis. Facilitating the renewable energy revolution and being part of the global movement to transition to clean energy is a top priority for us. We see ourselves, and the renewable energy movement as a whole, as an integral part of the global effort against climate change and for the good of the planet and humankind.



In 2020, Energix produced 788 Gigawatt hours of clean energy, across three continents, by means of PV panels and wind turbines. We have enabled many people and businesses to use green and sustainable energy as part of their consumption.

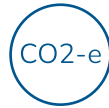


As with any large company, **our activities come with a cost and low carbon footprint of their own.** The main contributor to our carbon footprint is the manufacturing of the energy production platforms that we procure. **We are constantly making efforts to reduce our carbon footprint,** such as converting our corporate car fleet to more environmentally friendly vehicles and installing energy-reducing mechanisms in our offices.



Our clean energy production is critical in the effort to reduce humanity's carbon footprint and improve the wellbeing and health of people throughout the world. The green, renewable energy revolution is one of the most significant and influential solutions to ensure that our children inherit a safe and sustainable world.

By producing
788 GwH of energy,
we avoided:



The emission of
497,348
tonnes of CO₂-e



The emission of
959
tonnes of pollutants
(NO_x, SO_x, and PM)



The consumption of
38,742
Megaliters of water

This is Equivalent to ⁴

The amount of CO₂-e that would have been emitted from



consuming barrels
1,151,466
barrels of oil



burning
249,345
tonnes of coal



driving
108,000
cars for one year



Fully charging
60,498,726,93
smartphones



The amount of CO₂-e sequestered by planting
24,867,40
trees



The amount of water required to produce⁵
15,515 **49,041** **53,116,611**
tonnes of rice tonnes of bananas loaves of bread

⁴The US Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

⁵All water equivalency calculations based on the Institution of Mechanical Engineer's Global Food Report: https://www.imeche.org/docs/default-source/reports/Global_Food_Report.pdf/

Our Values

We believe that our business activities and operations must be rooted in a robust ethical approach.

During 2020, we conducted a formal, holistic process to define these values, which serve as our compass and guide, and promote them throughout the company.

In this process, we decided upon five core values which define the backbone of what is Energix:



Long-distance running

Long-term thinking, persistence, stability, long-term partnerships and collaborations

1



Excellence

Each task is done in the best way!
"No" is not an answer. We leave no stone unturned to try and find solutions. We will win because we are better (it's not a matter of luck)

2



Creativity

Knowing how to think differently, in an optimistic way, to achieve uniqueness, maintain the advantage over competitors, and overcome any obstacle

3



Transparency

Transparency from top to bottom, openness, mutual trust, credibility

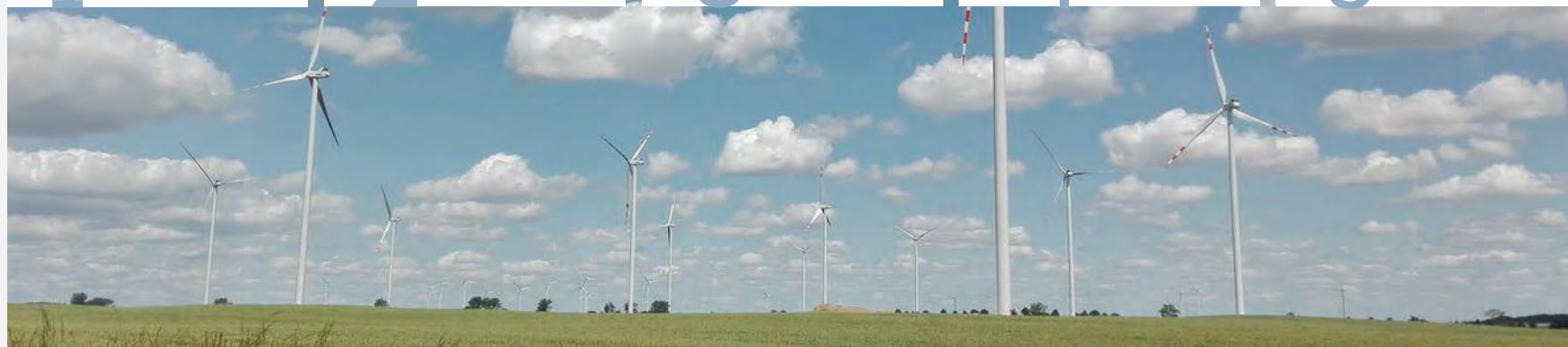
4



Elite team spirit

One cohesive team, a quality group, the best people, dedicated and caring. They do all that is possible to achieve their goals

5





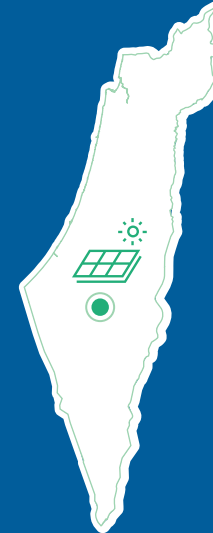
Case Study: Ne'ot Hovav

One of our flagship projects is the Ne'ot Hovav solar farm in southern Israel. Ne'ot Hovav is an industrial zone which holds many of Israel's hazardous waste disposal facilities, and therefore much of the surrounding land is contaminated and unusable. We decided to take advantage of the situation and turn it into an opportunity with a creative and unique solution: turning the toxic waste pools into an enormous solar farm.

for 180,000 people We started out by rehabilitating the toxic evaporation pools in the area. Then, we began construction of the 500 dunam solar farm on top of the rehabilitated pools. We installed a total of 400,000 PV panels at the site, providing electricity. In a place where no plant would grow for hundreds of years, we rejuvenated the barren land and turned it into a productive and beneficial renewable energy production site.

In addition to the solar farm, it was important to us to provide additional value for the site and its surrounding communities. The taxes we paid to the local municipality were used to rehabilitate more toxic pools, thus reducing soil contamination levels. We also establishing these days, together with the municipality, a sustainability environmental education center in the area of the site in order to promote environmental protection and conservation.

The project received international attention and commendation, further advancing and demonstrating the numerous advantages of innovative renewable energy production. This project truly exemplifies our triple-win strategy, by creating opportunities for the company to expand our activity, while simultaneously greatly benefiting the society and the environment.



50

hectare solar farm



400,000

PV panels



providing electricity for

180,000

people



Long-Distance Running

Energix is a long-term player who aims, among other goals, to maintain and promote the sustainability of our planet. As such, it is only natural that our thinking, planning and execution are carried out based on the value of Long-distance Running. Our mission, strategies, and business model are all based on the value of long-distance running, including the way we design our projects, the equipment we use in our facilities, and the formation of long-term relationships with various stakeholders relevant to our activity. These stakeholders include the communities with which we collaborate, leading equipment manufacturers, financing entities and investors. This approach allows us to build and maintain sustainable operations and relationships, while optimizing our generation of clean energy.

By doing that we create sustainable and reliable sources of clean energy (SDG #7), provided to communities throughout the world (SDG #11) using our responsibly sourced platforms (SDG #12). In addition, we provide meaningful and high-quality employment opportunities as part of our operations (SDG #8) and contribute to educational programs through our Social Investment Program (SDG #4).

One of our main goals is to take a leading role in the renewable energy revolution. This lofty goal cannot be seen or accomplished as a quick win, but rather as process that requires time and effort. Therefore, accomplishing our goals requires us to incorporate long term considerations into our business strategy and operational decision-making processes. In every action we take and every decision we make, we consider the potential long-term effects. We foster close, long-lasting, and sustainable relationships with our partners and stakeholders. We are mindful of the varying interests of our stakeholders and we go the extra mile in ensuring the highest quality in our operations and services. This approach enables us to garner the trust of our partners and offer them a sense of reliability and stability. Long-distance running is a core value of ours, for without an eye for the future, we cannot truly succeed in fulfilling our potential and achieving our goals.



Stakeholder Engagement

Our stakeholders are more than just business cohorts. They are genuine allies and partners who are essential to our success and whose relationship we cherish. Therefore, we prioritize providing for their needs and ensuring that they both lend and receive value from our partnership.

As part of our efforts to maintain fruitful relationships with our stakeholders, we take various steps which take into account our stakeholders' interests and needs. Among these steps are transparent communication, involving them in relevant decision-making processes, and ensuring the value and profit they make from our activities.

Our Main Stakeholder Groups



We view our relationships with each of our stakeholders as valuable assets, and we invest great amounts of time and effort into nurturing these relationships to maximize mutual long-term benefit.

Following are several examples of how we manage these relationships:



Neighboring Communities

We consider the local communities surrounding our project sites to be neighbors and partners in our projects, from start to finish. **Our partnerships are rooted in transparency and cooperation.** Throughout the planning process, we update the local leadership on every significant advancement and change and in every project, we have a dedicated community liaison from Energix who serves as a bilateral communicator. Our liaisons form close relationships with the local leadership and populace and gain a deep understanding of their needs, culture, and aspirations. They utilize that knowledge to help adjust projects' details in light of the community's needs. Our partnerships with local communities are planned to be decades-long, and we strive for our projects to not only not be a hindrance or disturbance, but a boon as well. As stated before, according to our "triple win strategy", we believe that **the people who live next to our project will cherish it, both during the development stage of the project and naturally throughout the operational stage.**



Electricity Utility Companies

Electricity utility companies are the intermediary between our electricity generation sites and the end-consumers of electricity. We know how important it is to our utility partners to provide excellent service to their customers. Our job is to provide them with **an uninterrupted, reliable supply of electricity.** We implement stringent safety mechanisms to **ensure operational excellence and maintain energy supply continuity** to the utilities, allowing them to continue providing high-quality service and rely on our renewable sources.



Employees

We do our best to provide our employees with optimal working conditions, making them feel as comfortable and satisfied as possible, while being as engaged and productive as possible. For further reading regarding our employees, see Elite Team Spirit chapter.



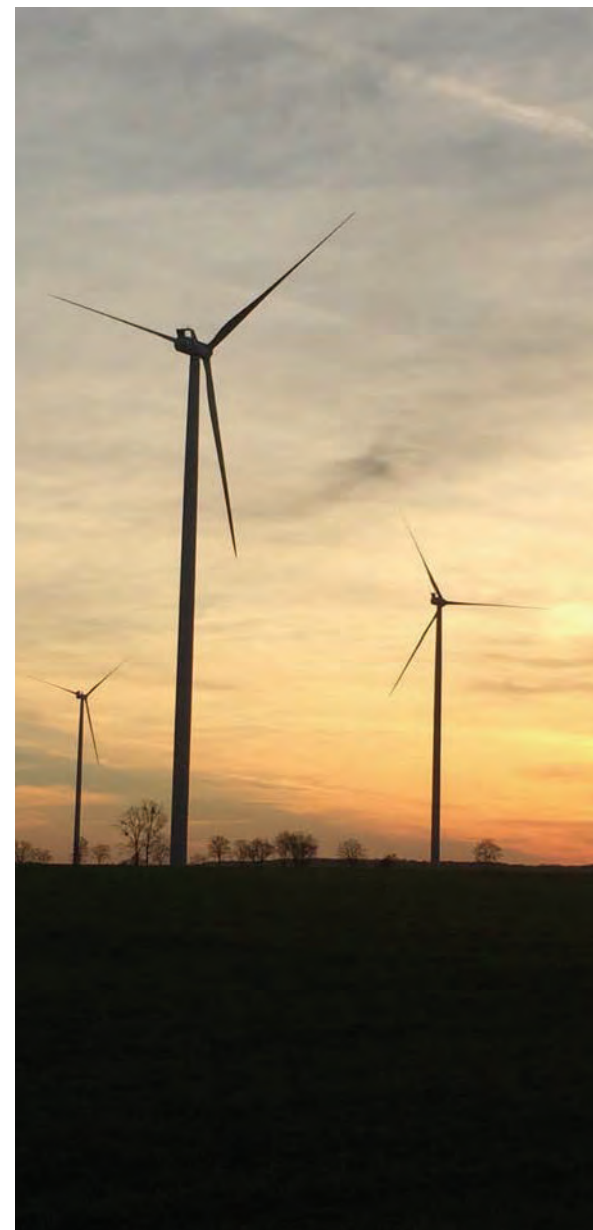
Environment

While our core activity inherently supports the environment, **it is our responsibility to implement environmental sustainability throughout our entire chain of production.** We comply with the environmental regulations in all countries in which we operate, working alongside regulatory representatives to maximize environmental protection. When constructing and operating our sites, we consider their effects on local flora and fauna and create mechanisms to mitigate any potentially harmful consequences.



Contractors

As the backbone of our company's activity, our contractors are our closest partners, accompanying us through thick and thin. Many of our contractor partners have been with us for multiple years, and we believe that these close-knit ties stem from our mutual respect and trust toward one another. For further reading regarding our contractors, see Supply Chain Management hereunder.



Community Engagement

At Energix, we believe that investing in our society means investing in our collective future. As our neighbors are an integral part of the communities and social ecosystems in which we operate, we strive to form and maintain positive relationships with them. **We do this primarily in two ways. The first is by being a considerate neighbor and creating economic value for local communities. The second is by supporting community support programs and assisting those in need throughout neighboring communities.**

These relationships enable us to achieve our long-term goals, while accommodating the needs of adjacent communities. We put much effort into nurturing the robust relationships with local representatives and local communities and ensuring that their needs are met by our projects. These efforts allow us to continue operations confidently and swiftly while minimizing objections and other impediments.

“ When working with a solar developer, you want a partner that is transparent, keeps their promises, and ultimately gets your project off the ground. I have found this to be the case with the Energix team. They have the knowledge, resources, and capital to make things happen. It’s been a pleasure working with them. ”

Ryan Johnson, Buckingham, VA



Alongside creating a flow of clean, renewable energy to the countries and districts in which we operate, our activity has numerous forms of creating economic value for local economies and the communities in which we operate.

Projects surroundings



The first and most prominent economic value we create is through **the payment of local taxes to governmental entities**. These taxes go toward offering services to the general local public in which we operate and serving the needs of the municipalities. In many communities with whom we collaborate, **the local taxes we pay have significant impact on the local economy**.



Another form of economic value creation is in the **improvement of local infrastructure**. Many of the roads around our sites are either degraded or otherwise unsuitable for use, so we invest in their renovation. **Throughout our operations until the end of 2020, we renovated approximately, 23,900m of roads in Poland**. These roads serve both our operational needs and the needs of the local populace.



We also invest in other forms of community infrastructure. In consultation with local representatives, we invest money toward renovating important public buildings that serve the community, as well as supplying local bodies with various forms of equipment, thereby solidifying our commitment to the wellbeing of local communities. For example, **in order to help a local school in Poland adapt to COVID-19, we made a donation for the procurement of sanitary equipment for students and staff, such as hand sanitizers and face masks**.

Creating Jobs Opportunities



Employment is the foundation of local economies and we prioritize bringing on local workers to our projects. **Throughout our operations until the end of 2020 we worked with 258 local contractors**. Hiring locally has had numerous benefits, including **an advanced understanding of the surrounding land and climate**. Additionally, when community members are embedded in a project, it strengthens the cooperation and mutual appreciation between us and local communities.



In some projects, such as our wind farms in Poland, our sites also serve as a tourist destination, particularly for local young schoolchildren. The children learn about our operations, renewable energy in general, and the importance of protecting the environment.



Creating Economic Value for the Communities surrounding our projects

Our Social Investment Policy

The second arm of our community engagement is our extensive Social Investment Policy. In 2020 we adopted a generous social investment policy, pledging to donate 1% of our annual profits (before taxes) to various charities. **In 2020 we have donated 702 thousand NIS to different charities promoting social causes, in accordance with our Social Investment Policy,** and another 684 thousand NIS through specific project donations.

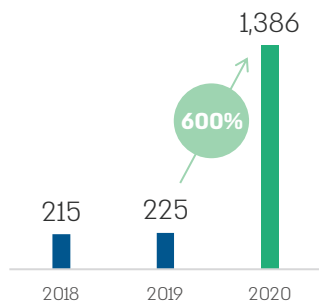
Our Social Investment Policy focuses mainly on three major areas of development: promoting sustainability and other environmental issues, supporting the communities adjacent to our project sites, and promoting education, leadership, and entrepreneurship among young people.

We believe that a combination of monetary contribution and collaborative activities between Energix and the various NGOs to which we contribute will maximize our impact and form meaningful, long-lasting bonds with members of the community. As such, we strive to integrate our employees in these relationships and provide them with opportunities to form interpersonal connections with the beneficiaries of the programs.



Annual Donation Amounts

Thousands of NIS



People with Special Needs

84,360 | 6%



Other

18,000 | 3%



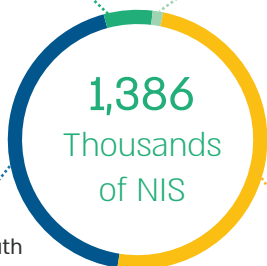
Education for Disadvantaged Youth

600,000 | 43%



Project Donations

684,000 | 50%





Case Study: Desert Stars

Desert Stars ("Kochvei HaMidbar") is an organization dedicated to building a generation of Bedouin leaders to promote a thriving Bedouin⁶ community and a strong Israeli society. Desert Stars' activities are focused in the Negev in Southern Israel, where many Bedouin communities live, and where we operate numerous projects, among which is our Ne'ot Hovav PV project site, one of our flagship projects. As such, we chose to contribute to our neighbors, local communities directly affected by our activity.

In 2020, Energix donated 180,000 NIS to Desert Stars, which funded two programs for Bedouin youth. The "Desert Stars School of Leadership" provides 240 teen Bedouin with educational assistance, leading to successful matriculation completion rates of 85%, far above the average completion rates for Bedouin students in the Negev region, and even above the national average. The program also encouraged community volunteering and an impressive 84% of the participants received awards of recognition for their contribution to their community. The "Leadership Program" equips Bedouin youth with essential life skills and prepares them for leadership roles, higher education, and quality future employment.

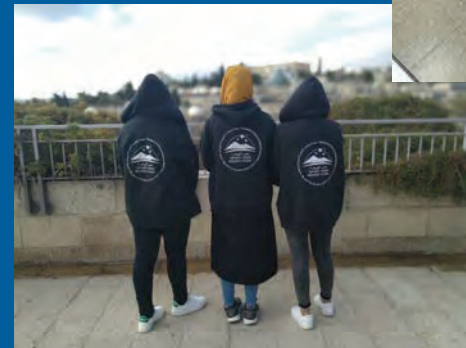
65% of the program's graduates were accepted to academic institutions, compared to 8.7% in the Bedouin community at large.

Energix's employees held professional workshops their participants, building meaningful relationships with them and providing them certain tools they require to succeed in a modern working environment.

Energix runs with the Desert Stars for some years and proud being a part of the success of the graduates and their progress. Besides the donation, the company employed one of the graduates as part of the collaboration between the association and the company

We thank you for your support in growing Bedouin leadership, and creating a better future for Bedouin society and a strong and equal Israeli society.

Quote from Desert Stars

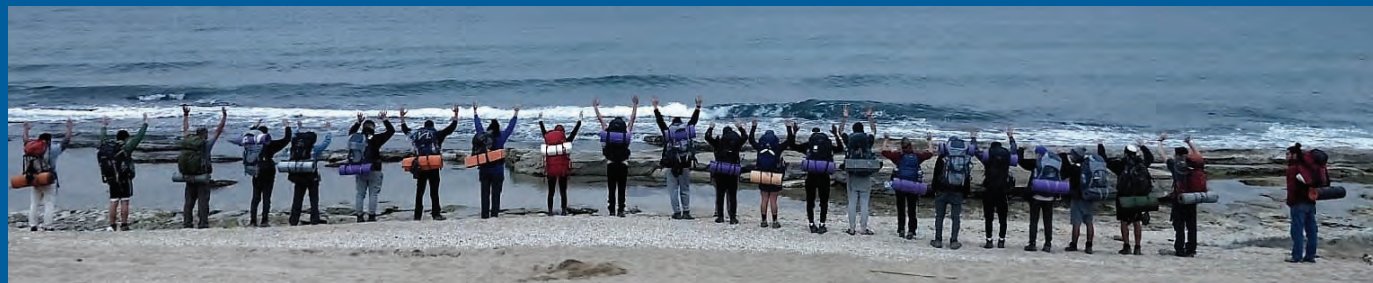


⁶ Bedouin are nomadic Arab tribes who live Israel's southern Negev desert region and constitute an often underrepresented and underserved minority in the country.



Case Study: Nirim

Nirim provides severely disadvantaged youth with an opportunity to overcome difficult life circumstances, discover their strengths, and become self-confident, successful, fulfilled, and contributing members of society. The Nirim boarding school holds 100 at-risk teens aged 14-18, referred to them by the Israel Youth Protection Authority or the Juvenile Court as an alternative to jail, who participate in an intensive educational program. In 2020, Energix donated 180,000 NIS to Nirim, which went toward an advanced STEM Environmental Studies program for its high school students, allowing the youth to pursue challenging courses of study and unlock their full potential. The program has three main components: theoretical, practical, and academic. The students learn about the science behind natural phenomena and participate in an environmental workshop in which they experience nature and the environment hands-on, including survival treks and cleaning up nature sites.



Additional partnerships:



Yad LaBanim

An organization dedicated to remembering and honoring IDF soldiers who fell in the line of duty. Our donation went toward scholarships that were given to the children of fallen Druze soldiers.



Taasiyeda (Industries for Advanced Education)

An educational organization dedicated to exposing Israel's youth to exciting opportunities in various industrial sectors and helping them develop personally and professionally.



Yad LaYeled ("Lend a Hand")

Founded in 2005 by a group of parents to children with special needs. Our donation went toward one of Lend a Hand's flagship programs - Special in Uniform - which works to integrate young people with special needs into army service, providing them the opportunity to experience productive work, alongside other soldiers.



Hetz Umatara

A charity that operates educational programs for children and youth with special needs focused on developing life skills through the physical, mental, personal and group challenges associated with cycling.

Green Certificates and Credits

As the demand for renewable energy increases, and the supply struggles to meet those demands, we at Energix are enabling more energy consumers to meet their renewable energy goals. We do this by trading different types of green certificates and credits, which are issued based on the amount of electricity generated from our operations.

Green certificates, such as RECs, IRECs, TGCs and GOOs, are tradeable commodities which reflect the additional economic and environmental benefits that come from generating electricity from renewable sources. Purchasing these certificates allows different organizations (including utilities companies, public companies, and governmental agencies) to ensure that they are consuming green energy and allows them to better manage the environmental impact of their operations.

Different organizations have different business benefits from procuring these certificates, including branding, compliance, risk management, raising investors' satisfaction, and meeting stakeholders' environmental demands. Each of these aims has a financial benefit to the organization, and by issuing the green certificates, we support various organizations in achieving these benefits.

Over 300 companies are members of the RE100 global initiative (Renewable Energy 100%), a group of companies committed to using 100% renewable energy in their business and operations. Many of these companies set up their operations in renewable energy hubs, such as Virginia, US, where we operate multiple renewable energy facilities. This allows them to easily engage with renewable energy companies in the area, like Energix, and purchase credits from them. This trend is continuing to grow and expand, with more and more companies choosing to make the move to renewable energy and collaborate with renewable energy companies. For example, numerous leading companies have decided to set up their data centers in the state of Virginia. These data centers require a significant amount of electricity in order to operate, and their choice to rely on renewable energy sources exemplifies the tectonic shift toward renewables throughout society.



RECs

IRECs

TGCs

GOOs

RE 100

Supply Chain Management

Our suppliers are an integral component of our global activity, and as such we see them as strategic partners. We take great care in selecting our suppliers, incorporating considerations of ethical behavior and quality of products and services when deciding with which suppliers to work. These considerations are instrumental in creating a responsible supply chain and ensuring that the actions and values of our suppliers are compatible with our own.

Our energy generation platforms - solar panels and wind turbines - are the foundation of all our operations. We choose to form strategic, long-term partnerships with Tier 1 companies who meet advanced ESG standards. The decision to work with the leading platform manufacturers and suppliers in the field, prioritizing quality and values over price, has multiple advantages, including improved durability and extended life cycles. This reduces the amount of materials used for our operations and thus reduces our carbon footprint, while also reducing costs in the long run. This high quality also improves the energy production efficiency and capacity of the panels, thereby allowing for more electricity to be generated while utilizing the same area of land. Working with industry leaders has the added benefit of stability and long-term reliability, along with the opportunity to be creative in cases of unforeseen events.

When it comes to our contractors, we prioritize initiating partnerships with contracting companies who meet certain legal and ethical standards. All of our contractor partners are officially licensed and implement fair work practices. We require our contracts with them to include clauses regarding labor rights and employee safety and we ensure those clauses are put into practice. Many of the contracting companies with which we work have been our partners for multiple years, and throughout that time we have watched them grow and improve. Having strong, responsible partners who share our values and goals lends credence to our approach of long-term investment in our supplier partnerships.

With all of our supplier partnerships, we have strict, high standards for dealing with them fairly and transparently. Over the years, we have had the opportunity to offer a helping hand to our partners in times of need, and they did not hesitate to return the gesture. We know that in the long-term, having open channels of communication with our partners and cooperating towards shared goals is key to our mutual success and prosperity.





Excellence



Excellence is more than an outcome for us, it's a way of doing business. We are here to stay for the long haul and excelling at everything we do is our way of establishing ourselves as a sustainable, reliable, and achievement-oriented company that always strives to bring the best results possible. Our partners, suppliers, and clients know that when they work with us, they can expect uncompromising quality that meets the standards they expect.

As a result, we manage to continuously contribute to the climate action goals of reducing greenhouse gas emissions and mitigating the harmful effects of climate change (SDG #13). Our excellence allows us to create sustainable and reliable sources of clean energy (SDG #7), including to communities throughout the world (SDG #11), while diversify the electricity grid's sources of energy and thereby increasing its reliability and sustainability (SDG #9). This, while providing meaningful, safe and high-quality employment opportunities (SDG #8).

We believe in excellence as a value and a virtue. In every task we undertake, every project initiated, every panel and turbine installed, every worker hired, we give our all to reach peak performance. We believe that it is in our long-term interest to get it right the first time and establish top-quality, sustainable foundations that will serve us far into the future. We procure the highest quality materials and platforms and build the most efficient energy production sites. We form partnerships with experienced contractors and hire motivated, capable employees who drive our company beyond expectations.





Employee Health and Safety

We go above and beyond when it comes to our people's safety. It is a top priority for us to ensure the long-lasting safety, health, and wellbeing of our people. Much of our operational activities include numerous safety risks for our employees and contract workers. In order to ensure all our people return home safe at the end of the day, we invest a vast amount of resources and efforts.

The safety risks associated with working at a project site vary widely, including operating heavy machinery; working at heights; noise hazards; working with construction tools; and working in rough terrain. Additionally, working with electricity and electrical wiring adds specific risks. Vehicle safety is another risk to be addressed. Whether driving to, from, or in project sites, any activity involving a vehicle entails inherent risks that must be addressed.

We pride ourselves on our vast network of safety measures, far exceeding the required regulatory standards. Beyond protocols and practices, we maintain a distinct culture of safety among our employees. All our employees and contractors know that safety is a red line that should never be crossed. With hundreds of contract workers and dozens of Energix employees out in the field, we acknowledge the immense responsibility we have toward them and their families. Since the creation of our company, we have successfully preventing any incidents of serious injury among our people.



Safety Governance

Given the importance of the issue of safety in the company, we have created a robust governance structure to manage the various aspects of employee safety. Our safety governance is led by our Safety Forum, which is led by our VP of Construction and Operations and overseen by the Board of Directors. The forum supervises the various safety-related aspects of our activity and guides our corporate safety policy.

The responsibilities of the Safety Forum span from assessing potential safety risks, to formulating appropriate responses to those risks, to the execution of decisions made and protocols created. The forum consists of internal and external operational and safety experts, including representation from both management and employees at Energix. Our VP of Construction and our VP of Operations heads the forum, and additional Energix employee members include a Construction Manager, Construction Supervisor, Operations Manager and Technical Operations Manager. The forum also includes representatives of our safety consulting company in the form of their CEO and Safety Trustee.

The Safety Forum convenes approximately once a month (for a minimum of eight times a year). In these meetings, the forum discusses various aspects of employee safety, including the enforcement of safety protocols, procurement of safety equipment, safety preparations for upcoming projects, and lessons learned from safety incidents and audits. The Safety Forum consolidates the various safety-related actors and issues into one body, thereby streamlining safety processes and procedures and ensuring a holistic approach.

In 2020, our employees and contract workers across the world spent over 500,000 cumulative hours in the field. Due to the risk involved throughout these operations, we manage on-site safety in a strict manner, and ensure our contractors' commitment as well. We post multiple supervisors at project sites to ensure compliance with stringent safety protocols and measures. We require all contractors, workers, and employees to go through the relevant safety training courses, have relevant equipment, and legal permits and authorizations.

There are no fewer than three people in charge of employee safety at a project site under construction:



Safety Trustee

The safety trustee accompanies our activities throughout all process, including construction, operation, and maintenance. The trustee determines and writes up the safety protocols, performs safety training for employees, and carries out frequent safety audits at our sites.



Contractor Safety Supervisor

In every project, the main contractor designates a dedicated safety supervisor whose sole responsibility is to examine and supervise operations and ensure the safety of employees and contract workers.



Energix Safety Supervisor

Every site has a company representative who supervises the work and ensures that the safety foreman performs their duties.

This multi-person, multi-layered safety management strategy goes the extra mile to maximize the effectiveness of and compliance with our safety protocols. In addition, we conduct periodic safety audits on our sites, which support the effort to maintain the highest levels of safety at each site and ensure compliance with safety protocols.



Ongoing Safety Management

At Energix, we have a comprehensive and stringent set of safety protocols and measures. All contract workers are bound by our safety protocols, as are all Energix employees in Israel and the U.S. In Poland, a portion of employees - 23% - work solely in our offices and do not have access to project sites and are therefore not bound by safety protocols.

Safety Training

Every worker is their own best guardrail against safety hazards, and it is up to us to train and prepare them for those risks. As such, all workers at our project sites receive general safety training before stepping foot on a site. These safety trainings are performed by trained company safety officers, and external safety experts with whom we work in accordance with local regulation. All in all, in 2020 we invested 524 hours in safety training for 62 of our employees (30% of total training hours) and 201 of our contract workers (70% of total training hours).

A portion of the work at project sites entails specific risks which require higher levels of specific safety training. All personnel working in these specialized areas receive the relevant in-depth training.

Safety Incidents

Through our strict safety policy and protocols, we have succeeded in minimizing the number of safety incidents at the workplace. Throughout 2020, only eight safety incidents have occurred throughout our project sites in all three countries of our activity. Only half of those incidents led to superficial injuries and none whatsoever led to serious injury. Following every safety incident, a full investigation is conducted into the causes and outcomes of the incident, laying out if and how the incident could have been avoided and which improvements can be made in order to avoid such incidents in the future. The findings of investigations are presented to all relevant parties in order to raise awareness of the significance of safety protocols and precautions, and to prevent repeat incidents.

Safety Incidents in 2020	Number of safety incidents	Number of safety incidents that led to injury	Number of employees injured	Number of workers injured	Energix employee injury rate	Contractor injury rate ⁷
 Energix Israel	6	2	0	2	0	1.7
 Energix USA	2	2	0	2		
 Energix Poland	0	0	0	0		
Total	8	4	0	4		



Public Safety

Many of our project sites are situated adjacent to communities (including sites which are located up to 8-22 km from near communities). The presence of non-professionals in the vicinity of our sites, including children, adds significant risks and we do our utmost to protect the safety of the public. Where necessary, our sites are blocked off with barriers or fences to prevent unaware passers by from accidentally entering the property and entrance and exit from project sites are permitted only to those authorized to do so, and only during work hours.

⁷ The injury rate (LTIFR) was calculated per 200,000 outdoor work hours. Energix employees worked a total of 16,599 field hours, while contractor employees worked a total of 469,680 field hours.

Business Continuity, Cybersecurity, and Fault Preventions

We are deeply committed to providing service to our projects at the highest level possible, that includes implementing mechanisms to manage and mitigate risks posed to our operational continuity. Those risks include various threats to our physical and digital infrastructure. We devote significant resources to creating robust apparatuses that protect our infrastructure and secure our operations.

Continuous Energy Supply

The preservation of supply continuity starts with the planning and construction of the platforms. **Our platforms are procured from top-tier suppliers and installed by highly professional contractors. This ensure their robustness and resistance to potential disruptions. Throughout 2020, we had no instances of unplanned energy supply disruptions.** All downtime was part of planned, temporary maintenance-related shutdowns, after which operations continued smoothly and consistently. As an additional defense mechanism, in case of malfunction, we are capable of isolating and shutting down only the faulty portion of a facility, while the majority of the site continues to operate.

Maintenance procedures are necessary to allow for continuous, efficient, and smooth energy production operations. We treat every project site according to its unique needs and conditions. Numerous factors, such as the site's location, type of energy production, and local weather patterns affect how we maintain our platforms to ensure proper and continuous functions and extend their life cycle as much as possible. The management and execution of platform maintenance is performed internally by company personnel. This allows for top-quality service, as well as close monitoring of the maintenance process.

At our solar farms in Virginia, US, rainfall is frequent and plentiful, and therefore we perform water-free cleaning maintenance on an annual basis. In addition to cleaning, weekly maintenance visits are performed at the sites in order to ensure optimal functioning.

In Israel, where rainfall is less common at the locations of most of our sites, cleaning of the solar panels is required every two months, using water to clean off dust and other debris on the panels and restoring them to their maximal efficiency. As such, approximately 3.607 ML of water were used for cleaning maintenance in 2020. As in the US, maintenance visits in Israel are frequent, being carried out on a biweekly basis.

Our wind turbines (currently in Banie and Ilawa in Poland) require no cleaning whatsoever. Maintenance visits are thus less frequent, with some sites receiving comprehensive maintenance every 4-20 months, dependent on the turbine model.

The final significant method of ensuring continuous energy supply is constantly monitoring the sites' activity. Projects sites are installed with advanced on-site and off-site monitoring systems which monitor electricity flow and other indicators throughout the site. Our on-site monitoring stations are manned 24/7 and any indications of faults are immediately reported, examined, and if necessary, repaired.



Cyber Security

Throughout the past year, we have significantly invested in strengthening our cyber defenses. We have a comprehensive arsenal of defensive technological mechanisms to repel cyber-attacks, including robust firewalls, multi-factor authentication mechanisms, and VPN connections. We constantly monitor our systems in order to detect threats in a timely manner, and we have strict, fast-acting protocols to mitigate them.

No cybersecurity defense would be complete without taking into account the human element. We strive toward a culture of cybersecurity awareness and we enforce stringent protocols for dealing with anything cyber-related. Throughout their work at EnerGix, including in our onboarding process, our employees receive information and guidelines regarding cybersecurity practices. Additionally, frequent updates are sent to company staff regarding additional safeguards, close calls that occurred, and emerging threats.

If a cybersecurity incident does occur, our response is swift and efficient. Our protocols lay out the precise sequence of events and chain of command in the event of a cybersecurity breach. Any incident is reported immediately to the relevant cybersecurity supervisor and the necessary actions are taken.



Creativity

Creativity fuels our activity and our growth. It's what separates us from other renewable energy companies and what makes us stand out. Creativity is an integral aspect of our decision making and our day-to-day activity. We utilize the creativity of our people throughout our operations, finding innovative and out-of-the-box solutions to various challenges, ranging from finding creative solutions with partners and communities to managing our impact on local ecosystems. These creative solutions allow us to successfully implement our triple-win strategy and meet the unique needs of the company, society, and the environment. Our creativity allows us to provide sustainable and reliable sources of clean energy to communities throughout the world (SDG #11), which reduce the emission of harmful pollutants and thereby greatly improving the health and wellbeing of people throughout the world (SDG #3). Our activity diversifies the electricity grid's sources of energy and thereby increasing its reliability and sustainability (SDG #9). This, by using our responsibly sourced platforms (SDG #12) and integrating various ecological implications of the project sites when planning and operating our projects (SDG #15).

Creativity is thinking different, being different, and acting different. It means being innovative and discovering new paths to achieve our goals. Creativity is finding unique and ground breaking solutions and knowing how to implement them most effectively. We chose creativity as a core value, and we choose to implement it every day, because we believe that it is the ideal way to overcome any obstacle and reach our full potential.

We implement our creativity throughout all our operations. We utilize it to engage with our stakeholders and seek out unique projects which require us to think creatively outside of the box. We come up with creative solutions and compromises to any challenge that arises, in order to ensure all sides are satisfied with the proposed solution. We use creativity to grow swiftly and sustainably, trying out new methods and ideas. We dare to walk off the beaten path and pave our own way to growth and success. We also implement our creativity when managing the ecological aspects of our activity, devising inventive practices to preserve natural habitats and maintain the balance of the ecosystems at our project.



Considering Community Needs

We care about the communities that surround our sites and their needs. Throughout all stages of our projects, we meet with them, collaborate with them, and we do our best to cater to their needs. Establishing and operating solar and wind farms is a complex process which can have significant effects on local communities. We always strive to find the best ways to be good neighbors and to prevent local residents from opposing to the project, coming up with creative and innovative solutions to complex challenges.

For example, in some of our PV projects, we are facing certain difficulties in the planning stage. In order to successfully promote the project, the company invests much thought and creativity to achieve a win-win situation, starting in the planning phase. One such example of a successful solution to community concerns was the decision to transfer water infrastructure from one plot to another to allow the continuity of crops on agricultural land, as well as initiating construction of a PV project.

Another example of our approach is the ARAN project in northern Israel, a wind energy project managed by a dedicated subsidiary, Clean Wind Energy LTD. Throughout the planning and development stages of the project, local residents raised concerns regarding the proximity of the project to their community. We have been engaged in in-depth negotiations with them in an effort to assuage their fears and reach a mutually agreeable solution, while fulfilling our responsibility and commitment to successfully execute, construct, and operate the facility. As of the date of the report, final agreement is not yet reached, and community's concerns are still in place.

Biodiversity Conservation and Ecological Impact

Biodiversity and the conservation of ecosystems is one of the greatest challenges of the twenty first century. Biodiversity has an immense impact on many aspects of our lives, and the environment as a whole. It supports ecosystems by ensuring the continuity of vital ecological processes.

We recognize that the biodiversity of ecosystems has a delicate balance which can easily be disturbed if not taken into consideration. As a company whose business is sustainability, we are aware of the potential biodiversity risks involved in the construction of projects in rural areas. We acknowledge our responsibility to integrate our platforms into the surrounding ecosystems as seamlessly and smoothly as possible. Many of our projects are located near protected nature areas which contain unique ecosystems which include endangered species.

The following protected nature areas are situated in the vicinity of our projects sites:



Poland

- Banie - Bukowa Forest Landscape Park | Unteres Odertal National Park
- Sepopol - Stoja Warmiisk National Park



USA

- Hollyfield - Tidal Hardwood Swamp
- Hickory - Heritage Park; Northwest River State Natural Area Preserve; and Northwest River Park



Israel

- Many of our projects are located in close proximity to various protected nature areas throughout the Negev desert area.






Case Study: Banie, Poland


When we plan and execute a project, we strive to implement our triple-win strategy as much as possible. In our wind farm project in Banie, Poland, we analyzed different aspects of the project and saw various opportunities to create additional value. Our project created hundreds of job opportunities for local residents throughout its different stages. We also paved and renovated many of the roads in the area, thereby meeting our needs for safe and direct access to the site, while generally improving the local transportation infrastructure for local residents.


Alongside these contributions, we donated money for the construction of a playground and soccer field in Banie, as well as renovating a local church. These donations were given after close deliberation and collaboration with local representatives and were part of our effort to create value for local communities.


During the planning phase of the project, we received authorization to cut down an entire forest in order to run electrical cables through the area. However, in accordance with our triple-win strategy, we wanted to find a way to avoid causing harm to the environment. We collaborated with environmental organizations and decided to lay out the cables underground. **We set 4 km of cable underneath the forest and total of 30km underneath the ground, leaving the forest and its inhabitants undisturbed.** Besides the significant environmental benefits of this investment, it also had a substantial social impact on the local residents by allowing them to continue enjoying the natural landscape to which they were accustomed.



- 
Hundreds of job opportunities

- 
Paved and renovated local transportation infrastructure

- 
Donated money for the construction of a playground and soccer field

- 
30 km of cable placed underground



Biodiversity Conservation and Ecological Impact

Animal Crossings



As part of our effort to allow for the natural continuance of ecosystems, we have created dedicated crossings for animals in the vicinity of our sites. These crossings allow local fauna to travel on the routes to which they are accustomed and minimize our impact of the local environment.

We have constructed a total of 469 such animal crossing across our project sites in Israel. The crossings are built with the guidance of local environmental authorities in accordance with the specific needs of each site and its local animal populations.

Bird and Bat Conservation



We make a considerable effort to protect winged creatures around our wind farms. Wind turbines have the potential to pose risks to birds and bats living in or migrating through the area. Before initiating construction of a wind project site, we conduct in-depth ecological surveys of the surrounding areas in order to determine which bird and bat species are in the area and the possible impacts of our operation. Where necessary, we alter aspects of our site in to accommodate existing flight paths and nesting areas. We also conduct quarterly and annual monitoring reports to assess whether any changes have occurred and whether additional action or changes are necessary.

In our wind farm in Ilawa, Poland, due to the sensitive location of the site, we have installed advanced technological monitoring systems which use ultrasound to detect birds and bats in the site's vicinity and alert the site's manager to their presence. These measures are important in protecting birds and bats, especially endangered species such as Eurasian curlews and red kites.

We go above and beyond when it comes to bird and bat conservation efforts. For example, at our project site **in Sde Tzvi in Israel, we constructed birdhouses for the local barn owl population to allow them to continue living in the area undisturbed.** Another effort we made was at our Banie site in Poland, where we transferred the nesting sites of endemic birds in order to prevent disturbance to them throughout construction and operation.

Landscape Preservation



In line with our approach to minimize our impact on the ecosystems surrounding our sites, we take great care in preserving the natural landscape of the area. During planning, we meticulously note the natural formation of the land in the site's vicinity and incorporate landscape preservation considerations into the project plans. Every project site undergoes a comprehensive land survey and a landscape preservation plan is prepared in accordance with its findings. We are committed to keeping all land moved throughout construction within the boundaries of the project site, and in 2020 we successfully implemented that practice by keeping all materials on-site.

We also actively take steps to maintain and improve the integrity of the soil. For example, we plant plants endemic to the area, whose roots strengthen the soil and prevent degradation. Maintaining the natural form and integrity of the terrain is a win-win situation, avoiding harm to the local ecosystem, while making our platforms sturdier and more durable in the long term.

When planning our projects, we aspire to utilize land in the most effective manner possible, preferring to construct and operate projects on lands which cannot be used for other purposes. For example, our solar farm in Ne'ot Hovav was constructed on top of rehabilitated toxic evaporation pools, where the soil is contaminated and cannot be used for other purposes. In an additional project, **we erected solar farms on the perimeter of TESHEN's fuel storage facilities, on land with no other potential use.**

Water Conservation



At our US sites, we work with various parties to manage our water-related biodiversity conservation efforts. We carry out wetland and stream delineation processes together with the US Army Corps of Engineers, in order to assess possible effects of our activity and minimize or avoid them. Where necessary, we create Resource Protection Areas around critical watersheds in the form of setbacks and buffers, and purchase nutrient credits to ensure the protection of local watersheds and property. We strictly follow local regulation related to water quality and water conservation, and work diligently alongside the Virginia Department of Environmental Quality (DEQ) to protect natural resources and water sheds.



Transparency

Transparency is at the heart of every strong and healthy relationship. We believe that being transparent and communicating clearly and openly with our partners and stakeholders is key to long-term success. Therefore, we implement transparency measures and practices throughout our business, both internally and externally, and our partners have reciprocated this approach, to our mutual benefit.

Among other things, this allows us to foster economic growth and provide meaningful and high-quality employment opportunities, including to those in local communities in rural areas (SDG #8).

We believe that transparency lies at the core of every successful partnership and we strive to be transparent in every dealing with our stakeholders. We integrate transparency in different areas of our activity, and throughout the years we have seen the tremendous benefits of having a transparent and ethical operation and reputation.

Transparency means openness. It means our management having open and clear communication channels with our employees and not being afraid to come up with new ideas and share them with the team. Externally, openness means being honest with our stakeholders, providing them with the information they need in order to make the best decisions and being upfront with both our concerns and our praises.

Transparency means trust. Trust between our management and our employees, between our project leaders and local communities and contractors, and between us and our partners and shareholders. This deep sense of mutual trust has been built over years of working and growing together. It stems from our persistence in being open, honest, and fair with our partners. Our partners know that they can place their trust in us and that we will do our best to create the highest shared value for them and for us. Trust has created a firm base that has allowed us to explore new and innovative directions.

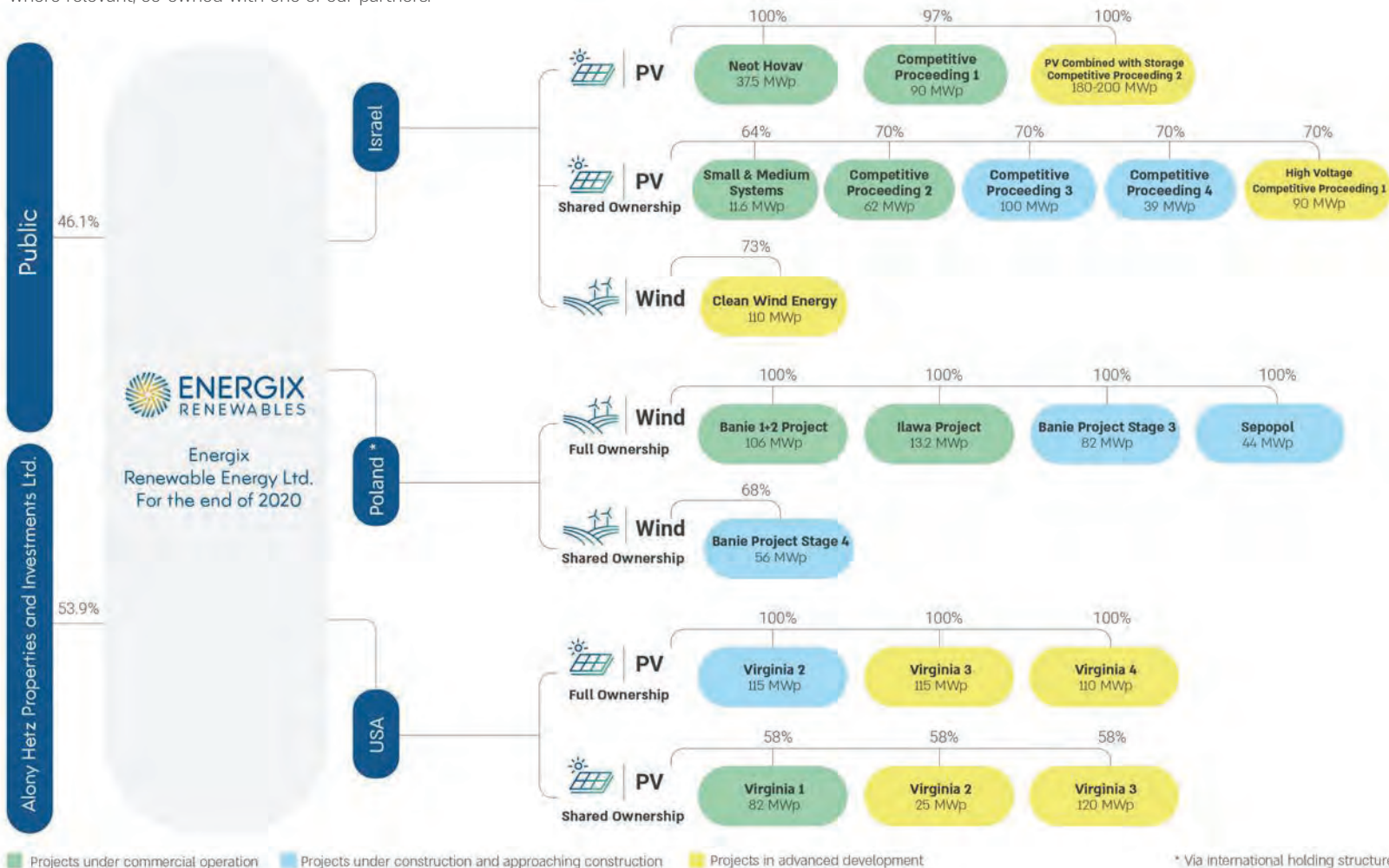
This ESG Report embodies our endeavour to be as transparent as possible. Its goal is to lay out the inner and outer workings of the company so that our stakeholders have a clear and deep understanding of our sustainable activities, and efforts to create shared value with them.



Corporate Governance

Energix Group is an Israeli-based company, which has been listed in the Tel Aviv Stock Exchange since 2011 (TASE:ENRG). Energix currently operates in three countries: Israel; Poland; and the US. In Poland and the US, our activities are conducted by fully owned subsidiaries, Energix Poland and Energix US accordingly. Each one of our projects is owned by a distinct SPE⁸ which in turn is owned by us or our local subsidiaries and, where relevant, co-owned with one of our partners.

The group's Board and Management are those of our Israeli office and comply in accordance with Israeli corporate governance regulation. They oversee and lead the activity of the group and its subsidiaries, as well as running our HQ in Israel. The HQ provides services to all our subsidiaries in a variety of fields.



⁸ Special Purpose Entity

Board of Directors

Energix's Board of Directors is responsible to determine our long-term strategy and goals. It is then the Senior Management of the company, with the supervision of the Board, which is in charge of implementing the strategy as part of by the company's day to day activity. The Board approves the group's goals, KPIs, budget, work-plans and policies, among other things, which are set in accordance with the company's strategy set by the Board. In addition, the Board has the responsibility to oversee the company's financial status and its risk assessment and management practices. The Board operates through its plenum, and through its two committees - the Audit & Remuneration Committee and the Balance-Sheet Committee.

The Board is deeply involved in the company's ESG-related practices and oversight. ESG issues are discussed in Board meetings and are seen as highly important. In the course of 2020, the Board discussed various ESG-related topics, including employee safety, protection of employees during the Covid-19 pandemic, operational continuity and community contribution. The company's annual community contribution plan is presented to the Audit & Remuneration Committee and approved by the Chairman of the Board.

As of the end of 2020, the Board⁹ was comprised of six members, half of whom are independent directors (two of are considered external directors according to Israeli regulation). The other members are representatives of Alony-Hetz Properties and Investments, Energix-Group's founder and holder of the controlling interest (53.96%). **The Board's decision to nominate 50% independent directors reflects our commitment to the interests of all our shareholders, and to the company's thriving in the long term.** Members of the Board are selected and appointed in a thorough and rigorous process, which includes a series of personal interviews, to ensure all board members provide substantial added value to the company. All Board members are appointed by a majority vote in the General Assembly of shareholders.

“ There is no doubt that the operation of a corporation should be for the benefit of all stakeholders – customers, employees, suppliers, communities, and shareholders. I believe that integrating ESG into Energix enterprise risk management activities is crucial for better understanding the risks and opportunities of Energix in general and especially with respect to sustainability and climate change. As the Chair of the Audit Committee Remuneration and as a Board member I am proud of Energix's first ESG Report and committed to ensure that the substantial role of the ESG at Energix shall continue to grow. ”

Alona Sheaffer, Chair of the Audit & Remuneration Committee

Board of Directors



Natan Hetz
Chairman of the Board
since 2009
CEO of Alony-Hetz
Properties and Investments



Aviram Vertheim
Director since 2011
Chairman of the board of
Alony-Hetz Properties and
Investments Board



Oren Frenkel
Director since 2014
CFO of Alony-Hetz
Properties and Investments



Alona Sheaffer (Karro)
Independent Director*
since 2014
Former Director General of the
Ministry of Environmental Protection



Linda Benshoshan
Independent Director*
since 2017



Meir Shani
Independent Director
since 2019

* External according to the Israeli law

⁹ As of the date of this report, the composition of the Board of Directors has changed since 2020, with the addition of Orna Hozman-Bechor, an Independent Director, reflect 57% of independent directors

The Audit & Remuneration Committee

In line with global corporate governance best practice, the Audit & Remuneration Committee consists of the Board's three independent members. This committee holds, among others, two responsibilities: authorizing Energix's executive remuneration packages and reviewing the internal business management and ethical conduct of the company.

Our remuneration packages are intended to create a balance between short- and long-term objectives and incentivize our executive team to reach high performance levels and take reasonable, calculated risks for the benefit of the company. Compensation related company decisions, packages, and updates are drafted and approved by the Audit & Remuneration Committee. The matter is then approved by the Board of Directors after which, if necessary, a vote is held in the General Assembly, where it is authorized.

The committee's second responsibility is to oversee the company's business activity and ensure it is managed in accordance with the company's conduct policies and norms, strategy, and approved risk appetite. The committee oversees the activity of the company's Internal Auditor and periodically confers with them. The committee authorizes significant or irregular actions and enforces our strict policies regarding fair business practice.

The committee guides the activity of the Internal Auditor. It approves the company's annual internal audit plan and ensures that it focuses on the company's most relevant and pressing risks. The committee receives and discusses internal audit reports and approves the internal audit recommendations laid out in the report.

Balance-Sheet Committee

Our Balance-Sheet Committee is comprised of the Board's three independent members. The committee's role is to oversee the formulation and publishing of the company's financial statements. The committee is responsible for overseeing the process, discussing various aspects of reports, and coming to the Board with recommendations regarding key areas.

Global Senior Management

Energix's Senior Management spearheads the company's operations and implements its strategy throughout all areas of activity. It leads Energix's global operational activity, forming new partnerships, securing resources, managing the work of our employees, and constantly improving our mode of operations. The Senior Management also ensures that ESG issues are taken into account in day-to-day operations and implemented in our activities.



Asa (Asi) Levinger
CEO



Nevo Brenner
CFO



Dafna Reznik
EVP General Counsel and
Corporate Secretary



Moran Birman
EVP Business Development



Ariel Yotzer
EVP Israel

Ethical Business

As a company, we are committed to fair and ethical business practices. We and our people have pledged to act in accordance with the highest standards of ethics throughout our operations, both internally and externally.

In accordance with our commitment to overseeing an ethical operation, we created a distinct code of ethics to outline our standards and expectations. **Our code of ethics provides a framework and guide for how we handle business dealings ethically and fairly. It outlines the proper behavior expected from employees, toward one another and toward our partners and stakeholders, including how to deal fairly and transparently with our partners, as well as measures and guidelines to prevent corruption, bribery, and other types of unethical behavior.**

Employees are introduced to the code of ethics throughout their onboarding process, and sessions are held throughout the year to reenforce the code among employees. We have zero tolerance when it comes to ethics violations and breaches incur severe sanctions. Any ethics complaint received is reviewed in an internal inquiry by the company's relevant bodies. If the issue is deemed relevant, specifically in cases involving senior executives of the company, senior decision-making and audit bodies (e.g. the Board of Directors, the Audit committee, and the Internal Auditor) will be involved in the process as well. These bodies will examine and review the information and findings, and if it determines that there may be an indication of unethical behavior, the matter is resolved accordingly. As to the publication of this report, the company has not discovered any wrongdoing in its operations.

As of the date of this report, the company is updating and renewing its code of ethics in accordance with the growth and culture of the company. The company will undergo an extensive process to implement the new code in our activity and ensure that it reaches every employee in all countries of activity.

As part of the code's implementation, we have established a dedicated "Ethics Hotline" for employees if they feel that they are engaging in potentially gray areas of conduct. All reports received via the Ethics Hotline are received directly by the Chair of the Audit and Remuneration committee. The complainant has the right to preserve their anonymity when filing a report. In 2020, no reports or complaints were filed via the Ethics Hotline. The company strictly prohibits retaliation against any employee who steps forward.





Elite Team Spirit



Our people are the engine of our company. Their dedication, innovation, and collaboration drive us forward and allow us to achieve our goals. We sincerely acknowledge the value our people have and create. Their diverse and unique voices contribute greatly to the company and to all aspects of our activity. We go to great lengths to ensure that we have a stimulated, active, and happy workforce. We strive for our people to unlock their full potential and reach for the stars. We invest in them and create the optimal environment for them to thrive and constantly improve and evolve.

By doing so, we therefore strive to provide meaningful and high-quality employment opportunities, while setting high standards of employee safety and wellbeing (SDG #8).

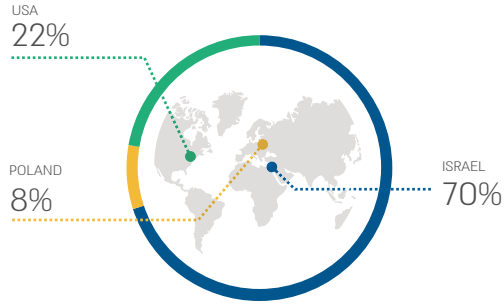
Our people are our greatest asset. We are more than a company - we are a family. We deeply respect and appreciate each other. For us, an elite team spirit means working together to achieve our mutual goals. It means being inclusive and respecting every team member's unique skills and background. When working as a tightly knit unit, we are more innovative, more creative, and more able to reach our collective potential.

Our employees are the roots that allow us to continue sustainably growing, expanding, and improving our activities. In order to enable them to fulfil their potential, we strive to create the ideal conditions to allow them to express their creativity, innovation, and knowledge. We encourage collaboration and cooperation between our employees, allowing for the proliferation of new ideas and innovative solutions.

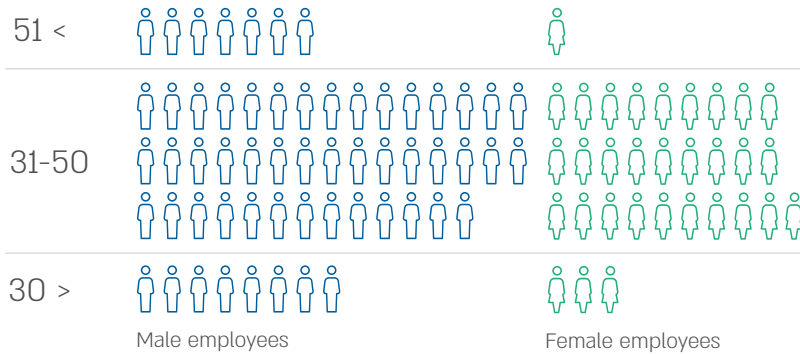


Employees

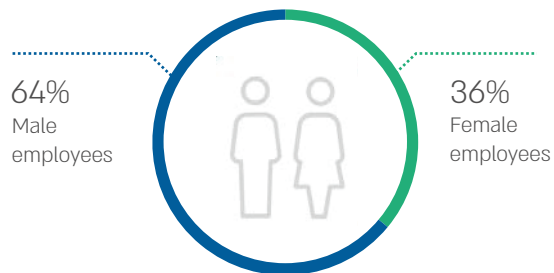
Employees, by country of operation



Employees, by age and gender



Employees, by gender



Work Environment

We at Energix go to great lengths to create a comfortable and stimulating environment for our people. From ergonomic working stations to well-equipped kitchens, our work environments are meticulously designed in order to promote maximum employee productivity and satisfaction.

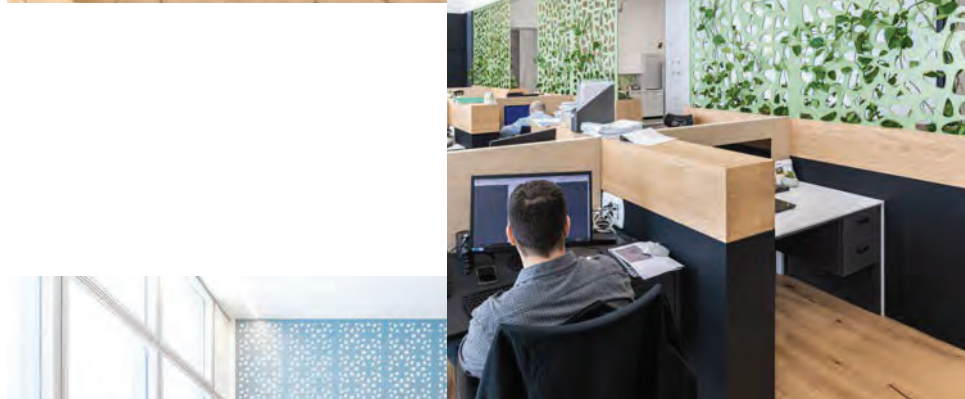
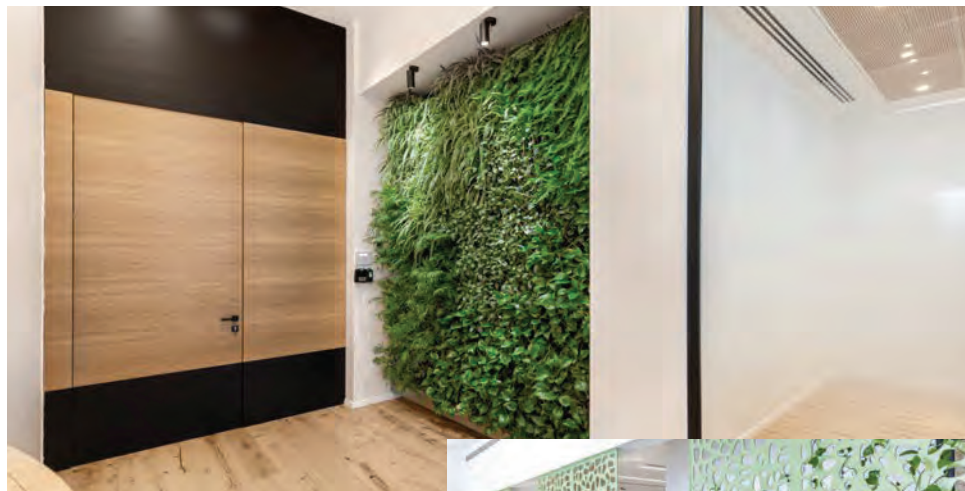
We also go to great lengths to promote a positive work culture and environment. An inclusive and respectful work environment promotes the free flow of ideas and allows for varying viewpoints and opinions to be expressed. This creates opportunities for innovative and creative solutions and allows our people to feel heard and valued.

We have strict protocols to prevent unwanted and disrespectful behavior and instances of discrimination and harassment of any kind are seen with great severity. Our protocols outline the expected behavior of all employees, including the reporting channels available to employees if an incident occurs. Thus far, we have had zero reports in relation to discrimination, sexual harassment, or harassment and abuses of any other kind.

In addition to anti-discrimination and anti-harassment protocols, we rigorously protect the rights of our employees, going above and beyond the legal requirements. For example, in the U.S. we offer employees up to six months of parental leave. We offer all employees extensive social benefits, such as subsistence allowances and provident funds beyond pensions. In terms of compensation, our stock option plan is offered to all employees, and bonuses are granted in accordance with performance.

“ Working at Energix means waking up every morning and knowing that you are taking part in global change and making the world a better place. ”

SARI HAKSHUR, ENERGIX EMPLOYEE, ISRAEL OFFICES



Transparency & Communication

As a swiftly growing company, we have the privilege of having close-knit ties between management and employees. This connection is fostered through high levels of internal transparency and channels of communication. Management, including our CEO, hold meetings with employees' multiple times a week and our modus operandi is built around multi-level collaboration and involvement. In addition to day-to-day meetings, we hold monthly company updates to all our employees, in which we present the company's activity and performance, as well as developments in the field of renewable energy throughout the world. We also conduct more comprehensive quarterly meetings, as well as sending out frequent updates regarding accomplishments, new reports and other information relevant to our employees.

When making important decisions for the company, the viewpoints of each of our employees is taken into consideration. The breadth and diversity of our employees power our innovation and unique way of thinking.

Throughout the years, many significant solutions and decisions have risen from employee contribution. Their willingness to actively participate and share their opinions is indicative of their high levels of engagement and collaboration.



Professional and Personal Development

Both our employees and we have a mutual interest in reaching their full personal and professional potential. We believe that as our company grows, our employees should grow and flourish with it. To that end, we have introduced mechanisms to foster their development through dedicated training programs and frequent, comprehensive evaluations, as well as designing their day-to-day tasks to ensure they are always challenged and inspired.

Employee evaluations are an opportunity for our people to reflect upon their successes, the progress they have made, and the areas which require some improvement. All our employees receive comprehensive evaluations at least annually. During the evaluation process, the employee receives feedback regarding their professional and interpersonal skills, as well as their performance. The process is conducted in a collaborative and bilateral manner, in which the employee and manager openly and freely discuss their expectations. In 2020, 92% of our employees in all countries received formal evaluations. Leading management is deeply involved to the evaluation process, and our CEO meticulously overviews each individual evaluation.



360

working hours
invested in training



5.7

Avg. of hours
per employee.



92%

Of our employees
received formal evaluations

Protecting our Team Through Covid-19

This past year, the Covid-19 pandemic presented us with unique challenges. We found ourselves swiftly adapting to a changing reality. **At every step of the way, we made extraneous efforts to protect the health, safety, and wellbeing of our people, while maintaining their high level of engagement and performance.** We implemented strict office protocols to prevent contraction of the virus and transitioned to at-home work when necessary. Beyond efforts to maintain the wellbeing of our employees, we established mechanisms for them to continue their work to the best of our ability. We encouraged frequent virtual meetings, both for work efficiency and for the social benefits. We shifted to innovative and dynamic workflows and means of communication and our people swiftly adapted to the new reality.

As an essential company whose activity is vital, our employees are designated as essential workers. That designation comes with a significant responsibility, which we regard with the utmost seriousness. Throughout Covid-19, we have successfully maintained the full operability of our energy production and storage sites and avoided negative effects on our various stakeholders.

This period was an opportunity for us to show our commitment to our employees. At the beginning of the crisis, we transparently reflected the prospected impact on the company, and let them know that by current expectations, none of them will be negatively affected. We lived up to that commitment and succeeded in avoiding harm to our employees, while keeping all of them on in their pre-Covid capacity and terms.



Appendix

Annex I: About this report

This is the first ESG report of Energix-Group. The report outlines the scope of our renewable energy project development and operation activities and assesses their environmental, economic and social impact in 2020.

The decision to prepare this report and the extent of disclosure stems from a meaningful commitment to our company's values and stakeholders. We believe that this report is part of our ongoing efforts to increase and expand our transparency toward our diverse stakeholder groups. It is an opportunity for us to lay out the significant avenues of impact relevant to our activity. In addition, we see the report as managerial tool, helping out to point out our main sustainability strengths and weaknesses, and realize where our focus for improvement should be.

The information and details contained within this report refer to the company's various activities and impact in 2020. All the data disclosed in this report refers to our activities in 2020, unless specified otherwise. We plan to publish subsequent sustainability reports on an annual basis. The scope and planned frequency of the report is our way of ensuring the highest levels of transparency and accuracy in our reporting.

The report was written in accordance with leading non-financial disclosure standards. The main standard by which the report was composed was the GRI Standards SRS: Core option (full GRI index can be found in Annex III: GRI Index). This report was also written according to the reporting guidelines of the SASB.

The relevant SASB disclosures for the company are those of the Solar Technology & Project Developers sector and Wind Technology & Project Developers sector (full SASB index can be found in Annex IV: SASB Index). As Energix is not a technology developer or manufacturer, some of the SASB standards were irrelevant to the company's activities, as stated in the index. In addition, the United Nations Sustainable Development Goals were referenced and acknowledged throughout the report.

These frameworks represent robust, globally accepted reporting standards, and we chose multiple frameworks in order to ensure the highest levels of transparency. Comprehensive indices of these reporting standards can be found in the end of this document. The information and data in this report refer to our activity in group-level, unless specified otherwise. Where relevant, we have detailed country-specific information and noted this. All monetary values are represented in U.S. dollars (USD), and conversions from other currencies were performed at an exchange rate of 3.44:1 for New Israeli Shekels (NIS) and 3.9:1 for Polish Zloty (PLN), the average exchange rate in 2020. In the event of a discrepancy between what is stated in this report and the company's financial statements, the wording of the financial statements is binding.

We appreciate your interest in this report and in Energix activity to transform the world into a greener place. We always wish to improve our performance, and therefore we welcome your feedback in relation to the report and the described activity. For any comments, questions, or clarifications regarding this report, please feel free to contact us at info@energix-group.com

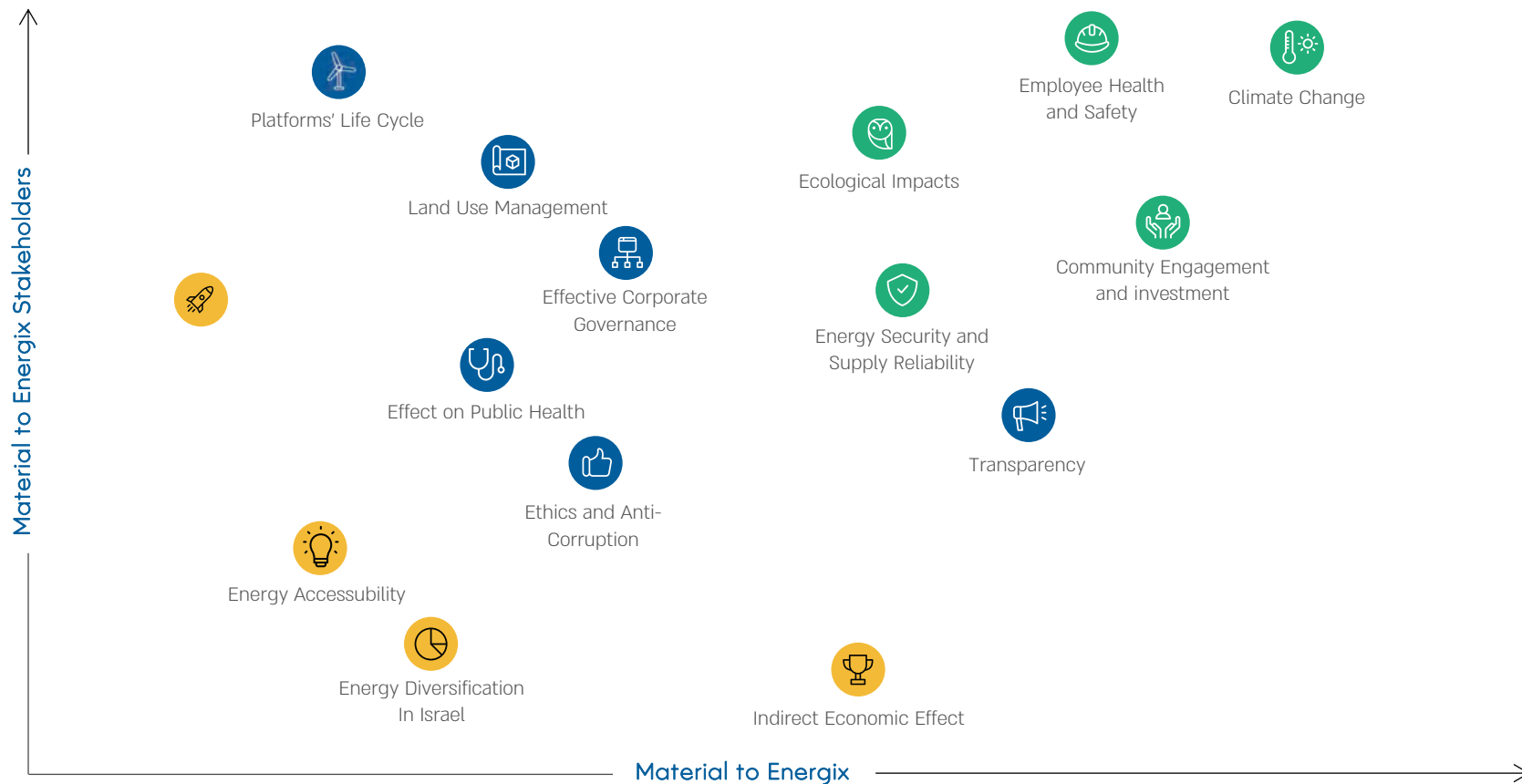


Appendix

Material Topics

Throughout the process of preparing this report, we conferred with various stakeholders in order to deepen our understanding of the most pressing issues affecting us as a company and society at large. This process allowed us to focus on the issues that really matter to both us and our stakeholders and maximize our impact in those areas. The cooperation between our stakeholders and us allows to strengthen our relationships with them and create real, sustainable value for them. We see these consultations as an essential aspect of this report in particular and of our stakeholder engagement writ large.

Following the aforementioned process, we mapped out and prioritized our ESG material topics and outlined them in a materiality matrix. These issues constitute the main areas of focus in this report, and the level of disclosure meets the materiality level of each topic. The more a topic is closer to the top-right corner of the matrix, the most material it is both to the company and to its stakeholders.





Public Health Impacts | Reducing the harmful public health effects of conventional energy production by replacing it with clean energy.



Community Engagement and Investment | Being attentive to the needs of local communities, involving them in our business processes, and investing in improving local infrastructure and social programs.



Energy Security and Supply Reliability | Investing in high quality platforms and implementing risk management measures to ensure their sustainability and reliability and the continuous supply of energy to our various clients.



Energy Accessibility | Increasing the access of communities to reliable energy sources, by reducing the cost of energy consumption.



Employee Health and Safety | Establishing and enforcing stringent protocols and measures to ensure the safety of our people in the work environment.



Indirect Economic Effects | Providing economic benefits to the communities adjacent to our project sites (from taxes, employment, tourism, etc.).



Innovation and R&D Investment | Utilizing innovative technological solutions to improve our energy production and project management



Diversification of Energy Sources | Creating new sources of reliable energy to ensure a variety of energy sources for our clients, thereby creating more sustainable grids.



Raw Materials and Lifespan of Platforms | Ensuring our solar and wind platforms are responsibly sourced and built to maximize their lifespan with relatively low environmental impacts.



Climate Change | Combatting climate change and its effects through the development and operation of sustainable renewable energy farms and constant reduction of our carbon footprint.



Ecological Impacts | Managing the effects of our projects on local ecosystems and implementing measures to encourage sustainability and coexistence with the fauna and flora in the area.



Land Resource Management | Responsibly, efficiently, and sustainably utilizing the land on which our projects are constructed and operated, while minimizing terrain-related impacts.



Transparency | Being open and honest with all our partners and stakeholders in our reporting, operations, and dealings, while expanding the level of disclosure.



Ethics and Anti-corruption | Establishing and maintaining robust mechanisms to create a positive and ethical workplace and preventing any corruption or conflicts of interest in our operations and dealings.



Effective Corporate Governance | Establishing and implementing robust corporate governance mechanisms to ensure that the company is run smoothly and effectively.

Annex II: ESG performance

Environmental metrics

GHG Emissions

Metric	Unit of Measurement	2020
Energix Israel emissions		Scope 1 201
		Scope 2 23
		Scope 3 6,991
		Total 7,214
Energix US emissions	Tonnes of CO ₂ -e	Scope 1 -
		Scope 2 9
		Scope 3 871
		Total 880
Energix Poland emissions		Scope 1 37
		Scope 2 -
		Scope 3 2,770
		Total 2,807
Total		Scope 1 237
		Scope 2 32
		Scope 3 10,632
		Total 10,901
Emissions intensity	Tonnes of CO ₂ -e / MWh produced	Israel 0.0216
		US 0.0212
		Poland 0.0068
		Total 0.0138

Project Site Environmental Management

Metric	Unit of Measurement	Country	2020
Terrain Moved (for operational purposes)	m ³	Israel	0
		USA	0
		Poland	0
		Total	0
Operational Waste	Metric Tonnes	Israel	Plastic 0
			Cardboard 0.5 (100% recycled)
			Glass 12 (100% landfill)
			Metal 0
Animal Crossings	Number of crossings	Israel	Electronics 0
			469

Resource Usage

Metric	Unit of Measurement	2020
Water Usage	Megaliters	Israel 25.24
		USA 0.06
		Poland -
		Total 25.3
Energy Usage	KwH	Israel 42,209
		USA 20,958
		Poland -
		Total 63,167
Gasoline Usage	Liters	Israel 83,036
		USA -
		Poland 16,191
		Total 99,227

Social Metrics

Employees

Metric	Data
Average age of employees (Israel)	39.5 years old
Average seniority of employees (Israel)	3.73 years
Ratio between highest and median salary, 2019	5:1
Ratio between highest and median salary, 2020	4.9:1

Employees, by age and gender

	Up to 30	31-50	51+	Total
Male	8	43	7	58
Female	3	28	1	32
Total	11	71	8	90

Employees, by country and gender

	Israel	US	Poland	Total
Male	41	13	4	58
Female	22	7	3	32
Total	63	20	7	90

Employees and Management, by gender

	Employees	Management	Total
Male	47	11	58
Female	26	6	32
Total	73	17	90

Societal Contribution

Metric	Currency (Country)	2020
Donations	NIS (Israel)	702,400
Contribution to Local Community Projects	NIS (Israel)	684,000

Taxes and Subsidies

Metric	Unit of Measurement	Country	Entity	2020
Taxes Paid	USD Thousands	US	Federal	2,240
			State	804
			Total	3,044
		Poland	Total	594
		Total		3,638
Subsidies Received	USD Thousands	US		1,457
Total direct financial value generated to governments	USD Thousands	Total		2,181

Hiring Local

Metric	Unit of Measurement	Country	2020
Contractors hired	Number of contractors hired	Israel	250
		US	16
		Poland	4
		Total	270
Contractors hired from local communities	Number of local contractors hired (percentage of total contractors)	Israel	250 (100%)
		US	6 (37.5%)
		Poland	2 (50%)
		Total	258 (95.5%)
Expenditure for hiring from local communities	USD Thousands	Total	2,984

Governance Metrics

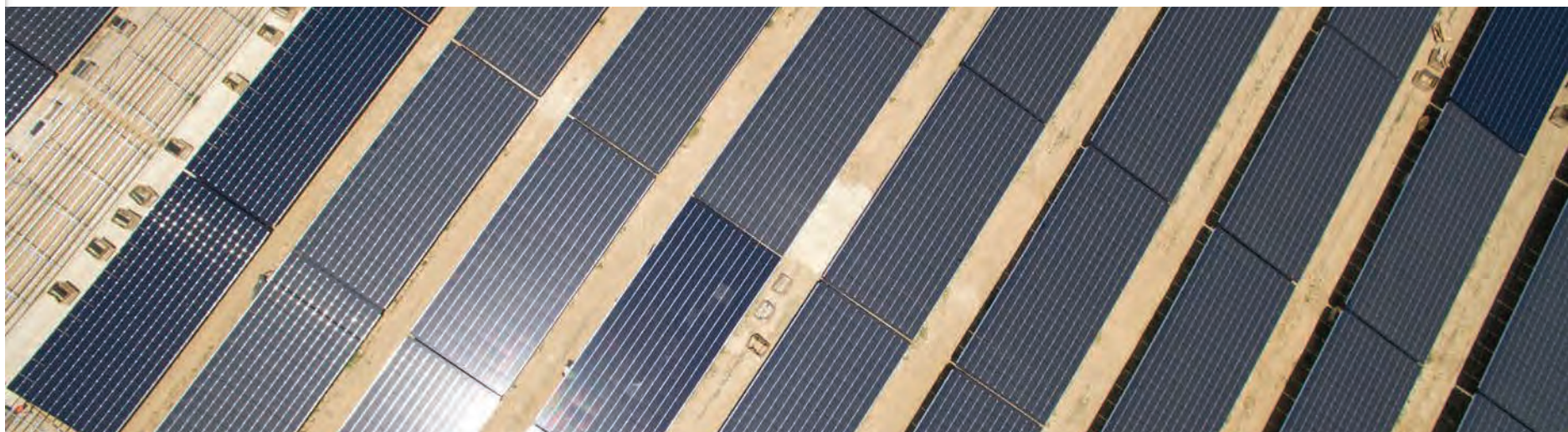
Composition of the Board of Directors⁸

	Natan Hetz - Chair	Aviram Vertheim	Oren Frenkel	Alona Shefer (Karro)	Linda Ben Shushan	Meir Shani
Age	67	61	52	53	55	75
Seniority	13.5 years	9.5 years	6 years	6 years	3 years	1 year
Committee Membership	None	None	None	Both	Both	Both
Gender	Male	Male	Male	Female	Female	Male
ESG proficiency	No	No	No	Environmental professional	No	No

Number of Board and Committee Meetings

Metric	Unit of Measurement	2020
Board of Directors meetings	Number of meetings held	13
Audit and Remuneration Committee meetings		6
Balance-Sheet Committee meetings		4

⁸Age and seniority data are correct as per the 31.12.20



Annex III: GRI Index

Standard	Disclosure	Description	Page
GRI 102: General Disclosures 2016	102-1	Name of the organization	Page 8
	102-2	Activities, brands, products, and services	Page 8
	102-3	Location of headquarters	2 Jabotinsky st., Ramat Gan, Israel
	102-4	Location of operations	Page 8
	102-5	Ownership and legal form	Page 37
	102-6	Markets served	Page 8
	102-7	Scale of the organization	Page 10
	102-8	Information on employees and other workers	Page 50
	102-9	Supply chain	Page 27
	102-10	Significant changes to the organization and its supply chain	N/A
	102-11	Precautionary Principle or approach	Page 8
	102-12	External initiatives	N/A
	102-13	Membership of associations	N/A
	102-14	Statement from senior decision-maker	Pages 3,4
	102-15	Key impacts, risks, and opportunities	Pages 8,13,14
	102-16	Values, principles, standards, and norms of behavior	Page 16
	102-17	Mechanisms for advice and concerns about ethics	Page 40
	102-18	Governance structure	Pages 38,39
	102-19	Delegating authority	Pages 38,39
	102-20	Executive-level responsibility for economic, environmental, and social topics	Page 38
	102-21	Consulting stakeholders on economic, environmental, and social topics	Pages 19,20
	102-22	Composition of the highest governance body and its committees	Pages 38,39
	102-23	Chair of the highest governance body	Page 38
	102-24	Nominating and selecting the highest governance body	Page 38
	102-25	Conflicts of interest	Page 38
	102-26	Role of the highest governance body in setting purpose, values, and strategy	Page 38
	102-27	Collective knowledge of highest governance body	Page 38
	102-28	Evaluating the highest governance body's performance	Not performed
	102-29	Identifying and managing economic, environmental, and social impacts	Page 20
	102-30	Effectiveness of risk management processes	Pages 38,39
	102-31	Review of economic, environmental, and social topics	Pages 38,39

Standard	Disclosure	Description	Page
GRI 102: General Disclosures 2016	102-32	Highest governance body's role in sustainability reporting	Page 38
	102-33	Communicating critical concerns	Page 40
	102-34	Nature and total number of critical concerns	None
	102-35	Remuneration policies	Page 39
	102-36	Process for determining remuneration	Page 39
	102-37	Stakeholders' involvement in remuneration	Page 39
	102-38	Annual total compensation ratio	Page 50
	102-39	Percentage increase in annual compensation ratio	Page 50
	102-40	List of stakeholder groups	Page 19
	102-41	Collective bargaining agreements	There are no collective bargaining agreements
	102-42	Identifying and selecting stakeholders	Page 47
	102-43	Approach to stakeholder engagement	Stakeholder Engagement
	102-44	Key topics and concerns raised	Page 47
	102-45	Entities included in the consolidated financial statements	See company's annual reports
	102-46	Defining report content and topic Boundaries	Page 47
	102-47	List of material topics	Page 47
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	Page 46
	102-51	Date of most recent report	N/A
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Page 46
	102-54	Claims of reporting in accordance with the GRI Standards	Page 46
	102-55	GRI content index	Pages 52,53,54
	102-56	External assurance	Not performed

Standard	Disclosure	Description	Page
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 21
	103-2	The management approach and its components	Page 21
	103-3	Evaluation of the management approach	Page 21
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Page 22
	203-2	Significant indirect economic impacts	Pages 22,23
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 50
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 27
	103-2	The management approach and its components	Page 27
	103-3	Evaluation of the management approach	Page 27
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	None
	205-2	Communication and training about anti-corruption policies and procedures	Page 40
	205-3	Confirmed incidents of corruption and actions taken	The company is not aware of any incidents of corruption
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 33
	103-2	The management approach and its components	Page 33
	103-3	Evaluation of the management approach	Page 33
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 33
	304-2	Significant impacts of activities, products, and services on biodiversity	Page 35
	304-3	Habitats protected or restored	Page 34,35
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 35
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 14
	103-2	The management approach and its components	Page 14
	103-3	Evaluation of the management approach	Page 14
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 49
	305-2	Energy indirect (Scope 2) GHG emissions	Page 49
	305-3	Other indirect (Scope 3) GHG emissions	Page 49
	305-4	GHG emissions intensity	Page 49
	305-5	Reduction of GHG emissions	Page 14
	305-6	Emissions of ozone-depleting substances (ODs)	N/A
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx)n and other significant air emissions	N/A

Standard	Disclosure	Description	Page
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 29
	103-2	The management approach and its components	Page 29
	103-3	Evaluation of the management approach	Page 29
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Pages 29,30
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 29,30
	403-3	Occupational health services	Irrelevant to the company's activity
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 29,30
	403-5	Worker training on occupational health and safety	Page 30
	403-6	Promotion of worker health	Irrelevant to the company's activity
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 30
	403-8	Workers covered by an occupational health and safety management system	Page 30
	403-9	Work-related injuries	Page 30
	403-10	Work-related ill health	Irrelevant to the company's activity
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Pages 29,30
	103-2	The management approach and its components	Pages 29,30
	103-3	Evaluation of the management approach	Irrelevant to the company's activity
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 33
	413-2	Operations with significant actual and potential negative impacts on local communities	Page 33



Annex IV: SASB Index

The SASB index refers to the SASB reporting standards of two industries in which we operate - Solar Technology and Project Developers & Wind Technology and Project Developers. As Energix has no activity in the field of technology development and manufacturing, parts of the disclosure standards were found irrelevant to the company's activity. These are marked as "N/A".

Topic	Metric	Code	2020
Solar Technology and Project Developers			
Energy Management in Manufacturing	Total energy consumed, percentage grid electricity, percentage renewable	RR-ST-130a.1	Annex II: ESG Performance
Water Management in Manufacturing	Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RR-ST-140a.1	Annex II: ESG Performance; All water consumed from regions with no high baseline water stress
	Water management risks and discussion of strategies and practices to mitigate those risks	RR-ST-140a.2	Creativity
Water Management in Manufacturing	Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RR-ST-140a.1	Annex II: ESG Performance; All water consumed from regions with no high baseline water stress
	Water management risks and discussion of strategies and practices to mitigate those risks	RR-ST-140a.2	Creativity
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RR-ST-150a.1	0 tons of hazardous waste generated
	Number and aggregate quantity of reportable spills, quantity recovered	RR-ST-150a.2	N/A
Ecological Impacts of Project Development	Number and duration of project delays related to ecological impacts	RR-ST-160a.1	As of the reporting period, two projects are still delayed, total delay time is yet unknown
	Efforts in solar energy system project development to address community and ecological impacts	RR-ST-160a.2	Creativity Long distance running

Topic	Metric	Code	2020
Management of Energy Infrastructure Integration & Related Regulations	Risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	RR-ST-410a.1	Renewable energy projects risks relate to multiple factors, including technological challenges, regulation, business activities, and local communities. We heavily rely on external parties in our business, such as landowners, regulatory bodies, and electricity utilities, and different factors, which we invest in managing to best of our ability, could affect these relationships. Construction of our facilities could adversely affect utilities infrastructure in the vicinity, requiring us to survey the area ahead of time and make necessary adjustments. Grid connectivity, a vital aspect of our operations, is a complex technological process which can be subject to technological, operational, and regulatory complications. Some local communities have concerns regarding the possibility of radiation emitted from our facilities. Despite the fact that no material electromagnetic radiation is emitted outside of the confines of our facility and no hazardous materials are used, we regularly perform and publish radiation reports to put their mind at ease. There are additional risks associated with the prices of goods required for construction and operations, such as PV panels and energy storage batteries. Price changes have the potential to affect our operations and finances.
	Risks and opportunities associated with energy policy and its impact on the integration of solar energy into existing energy infrastructure	RR-ST-410a.2	A significant opportunity for us is policy makers interest in advancing and incentivizing the production of clean renewable energy, such as through financial incentives. In Israel, the construction and operation of high voltage facilities are bound by several types of regulations. At times, these regulations are complex and challenging to adhere to. However, our projects are initiated by tenders, which clearly lay out and consolidate the required processes and standards for the projects, simplifying and easing the complexity of the regulation. An additional regulatory risk is the regulators' desire to preserve open areas. This requires us to come up with creative solutions for utilizing land resources, such as establishing dual-use solar farms, PV installations that are not on the ground, but rather on other surfaces, such as interchanges, parking lots, and others.
Product End-of-life Management	Percentage of products sold that are recyclable or reusable	RR-ST-410b.1	N/A
	Weight of end-of-life material recovered; percentage recycled	RR-ST-410b.2	240 tons (including solar panels and electrical cables), 100% recycled
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	RR-ST-410b.3	N/A
Materials Sourcing	Description of approach and strategies to design products for high-value recycling	RR-ST-440a.1	N/A
	Description of the management of risks associated with the use of critical materials	RR-ST-440a.2	N/A
	Description of the management of environmental risks associated with the polysilicon supply chain	RR-ST-440a.2	N/A

Topic	Metric	Code	2020
Wind Technology & Project Developers			
Workforce Health & Safety	Total recordable incident rate and fatality rate for (a) direct employees and (b) contract employees	RR-WT-320a.1	Excellence
Ecological Impacts of Project Development	Average A-weighted sound power level of wind turbines, by wind turbine class	RR-WT-410a.1	V126-3.45MW: 104.4/107.3 dB(A) V110-2.0MW: 105 dB(A)
	Backlog cancellations associated with community or ecological impacts	RR-WT-410a.2	N/A
	Description of efforts to address ecological and community impacts of wind energy production through turbine design	RR-WT-410a.3	N/A
Materials Sourcing	Management of risks associated with the use of critical materials	RR-WT-440a.1	N/A
Materials Efficiency	Top five materials consumed, by weight	RR-WT-440b.1	N/A
	Average top head mass per turbine capacity ,by wind turbine class	RR-WT-440b.2	N/A
	Description of approach to optimize materials efficiency of wind turbine design	RR-WT-440b.3	N/A
Activity Metrics			
Activity Metrics	Number of delivered wind turbines, by wind turbine class	R-WT-000.A	N/A
	Aggregate capacity of delivered wind turbines, by wind turbine class	R-WT-000.B	N/A
	Amount of turbine backlog	R-WT-000.C	N/A
	Aggregate capacity of turbine backlog	R-WT-000.D	N/A
	Total capacity of photovoltaic (PV) solar modules produced	RR-ST-000.A	N/A
	Total capacity of completed solar energy systems	RR-ST-000.B	402 MW
	Total project development assets	RR-ST-000.C	See company's financial statements



Disclaimer

This ESG Report lays out the activities and operations of Energix Group ("the Company") in the year 2020 focusing on sustainability, environmental and social responsibility, and corporate governance. The report describes the manner in which the Company implements sustainability and corporate responsibility throughout its various business activities. This report is intended to reflect these activities to our various stakeholders, including but not limited to local communities and authorities, strategic partners, employees, shareholders, regulators and governmental entities, financiers, customers and electricity consumers, suppliers, contractors, electric utility companies, and the environment and its representatives.

This is the Company's first ESG report. The report covers the activities of the Company in the year 2020, except where explicitly noted otherwise.

All information and data included in this document accurately reflect the Company's activity as of the date of publication, to the best of the Company's knowledge. As with any report, this document may include estimations, generalization, inaccuracies, errors, and omissions. The Company is not responsible for any inaccuracies or omissions, and the Company does not give permission to rely on the information included in this document by any party. In any case of contradiction between the information in this document and information appearing in the Company's public reports published on the distribution websites of the Securities Authority and the Tel Aviv Stock Exchange, including the Company's Annual and Quarterly financial statements, the information on the distribution websites will take precedence.

This report includes forward-looking statements, as defined by the 1968 Securities Law. These statements regard, among others, expectations, predictions, targets, goals, estimations, intentions, plans and projections relating to the activity of the Company. These statements reflect assessments carried out by the Company at the time of the compilation of the report and in no way constitute a guarantee of realization by the Company. By their nature, forward-looking statements entail risks and uncertainties and are subject to change. The Company does not intend to alter or update the information in this document in the future, including forward-looking statements.

This report is intended to serve our stakeholders information regarding our ESG activities and should not be relied upon in investment considerations and decisions. The information in this report does not constitute an alternative to the Company's financial statements.





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