




2021
ESG Report

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Alony Hetz Group is committed to contributing to society and promoting responsible business practices, and Energix, as a key player in the Group, exemplifies these values at its core. In the past year, Energix has continued to stand out as a leader in sustainability, harnessing innovative solutions and high standards to drive growth and promote positive environmental and social impacts, while minimizing potentially harmful effects in its operations. We are proud to have a company such as Energix among the ranks of the Alony Hetz Group.

Today, we are seeing an increasing demand for reliable and sustainable energy, and Energix holds a leading role in fulfilling that need. Energix's stalwart dedication to integrating ESG measures throughout its business strategies drive its operational excellence and continues to be an engine for tangible growth.

I am pleased to present Energix's second annual ESG Report, laying out the Company's consistent progress and achievements in areas with a pivotal importance to its sustainability efforts. The Company remains committed to sustainable and significant business growth, while increasing its substantial positive impact on the environment, communities, and other stakeholders.

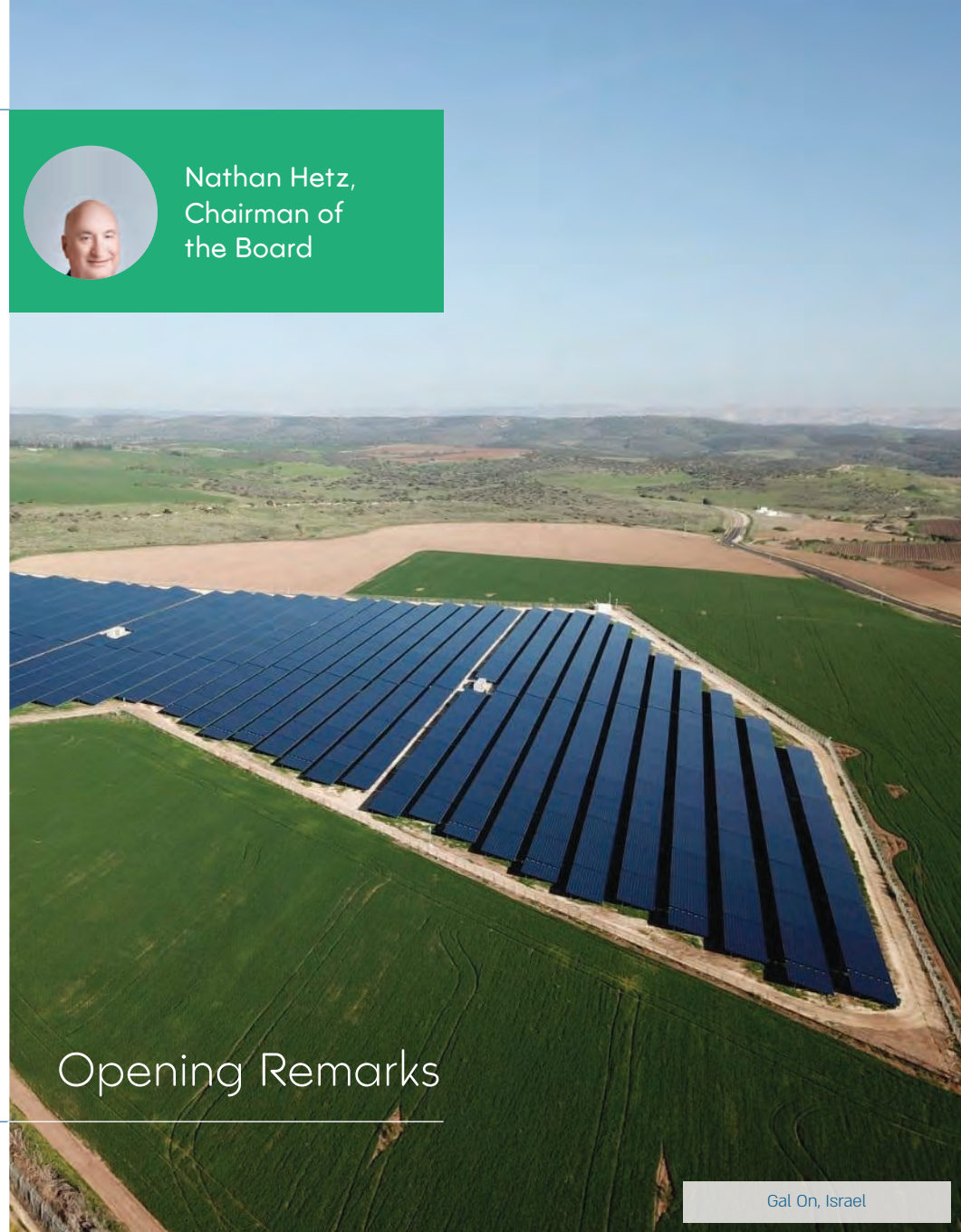
I have great trust in the Energix team, their dedication, and their ability to faithfully advance the ESG performance of the Company. I am also grateful to our stakeholders and investors for their trust and support. These meaningful collaborations and partnerships enable Energix to continue its remarkable success and growth.

I welcome you to explore how Energix has continued to grow and increase its impact in 2021.

Nathan Hetz,
Chairman of the Board, Energix



Nathan Hetz,
Chairman of
the Board



Opening Remarks



I am proud to present Energix second annual ESG Report for 2021, in which we portray our consistent and notable performance and growth towards sustainability and our increasing impact as a leader in the global renewable "green revolution".

This report demonstrates Energix's commitment to the environment, the community, our employees and other key stakeholders. 2021 has been a year of substantial progress for Energix. Alongside our exceptional business growth and expansion, we have continued to invest in our ESG-related performance and activity. We have set 12 ambitious ESG goals to ensure that our sights are set on the highest standards. These goals touch upon issues ranging from combatting climate change, through promoting gender equality, to investing in local communities. Setting these goals reflects our genuine commitment to responsible conduct and respect for all our stakeholders. We will continue to report on our progress toward these goals in subsequent reports and we look forward to sharing this progress with you.

Our company and our people remain committed to our core values, which continue to guide our operations and constitute an integral component in our decision-making process. We are dedicated to deliver on our purpose, and our actions - coupled with meaningful partnerships with various stakeholders - ensure that sustainability remains a top priority and a key driver of growth.

Thank you for taking an interest in Energix's 2021 ESG report.

Asa (Asi) Levinger
CEO, Energix



Asa (Asi) Levinger
CEO



Opening Remarks

Our Activity | 2021 Snapshot



13

Years of activity



136

Employees

(+51% annual increase)



3,120_{GWh}

Generated over the years



939_{GWh}

Generated in 2021

(+19% annual increase)



2,126_{MW}

Total mature energy generation portfolio

(+32% annual increase)



602_{MW}

Commercially active energy generation capacity

(+50% annual increase)



664_{MW}

Energy generation capacity under construction / preconstruction

(+40% annual increase)



860_{MW}

Energy generation capacity in advanced initiation

(+17% annual increase)

ESG Highlights 2021

Environmental



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



Curbing Emissions

665,576 metric tons of CO₂-e emissions **were avoided through our clean energy generation¹**



Water Conservation

6,214 Megaliters of water were conserved through our efficient clean energy generation



Ecological Conservation

\$5.5 million were invested in ecological conservation at our sites, such as landscape preservation and wildlife protection efforts



Landscape Preservation

Throughout the construction and operations of our projects, no terrain was removed from our project sites, maintaining soil integrity and preserving the natural landscape



Biodiversity Protection

711 animal crossings are in place across our sites, of which 242 were constructed in 2021



Sustainable Procurement

100% of the company's solar panels and wind turbines are procured from suppliers with robust sustainability frameworks, including setting ambitious decarbonization and waste reduction goals



Reducing Our Carbon Footprint

48% of the company fleet are hybrid vehicles and the company's **offices in Israel and the United States are located in LEED Platinum and LEED Gold buildings, respectively.**

¹ Relative to other conventional forms of energy production

For detailed information regarding our environmental management and performance, see pages 13-19

ESG Highlights 2021

Social



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



Social Investment

Through long-term partnerships with nonprofit organizations, **\$182,000 were invested in social causes** through our Social Investment Plan



Community Engagement

\$239,000 thousand were invested in community infrastructure and projects for local communities in the vicinity of our sites



Employee Development

1,330 hours were invested in employee training, averaging 9.8 annual hours per employee



Employee Safety

0 severe injuries occurred among employees and contractors due to the company's robust safety management practices



Diversity and Inclusion

202 hours were invested in employee training on diversity, inclusion, and respect in the workplace

For detailed information regarding our social management and performance, see pages 20-27

ESG Highlights 2021



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



Values-based Operations

The company's activities are founded upon our 5 core values: Excellence, Long-distance Running, Creativity, Transparency and Elite Team Spirit. Throughout 2021, we continued to implement these values in our corporate culture.



Diversity in Senior Management

40% of the company's Senior Management positions are held by women², reflecting our commitment to equal opportunity.



Board Independence

57% of the Board of Directors are independent directors, reflecting our commitment to promote and represent the interests of a broad range of stakeholders.



Board Diversity

43% of Board member positions are held by women.



International Standards

Energix meets the highest environmental, social, and ethical standards set forth by the EBRD³ in all entities to which it provides financing.

² As of 31/12/21. In 2022, Tanya Fridman was appointed Acting CFO, bringing the share of women in Senior Management positions to 60%.

³ European Bank for Reconstruction and Development

Our mature projects include commercially active projects, partially completed and partially connected projects, projects under construction/preconstruction, and projects in advanced in advanced stages of initiation.

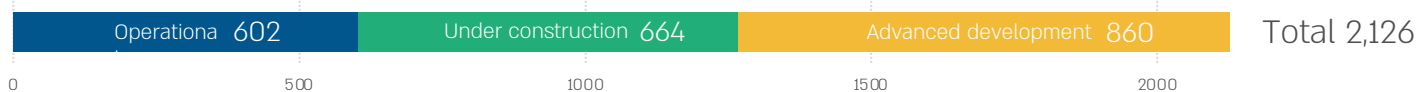
For detailed information regarding our corporate governance management, see pages 28-31

About Us

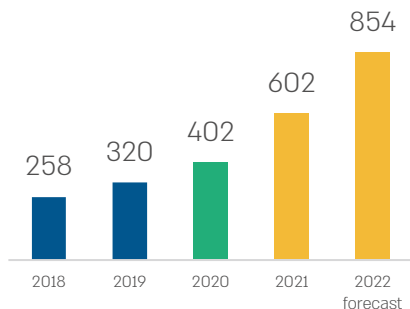
Energix Group is a global renewable energy company, with operations in the United States, Poland, and Israel. We are a one-stop-shop for renewable energy projects, managing the full lifecycle of solar (PV) and wind energy generation projects, from the planning and construction stages through their operational activity. Our vision is to be a breakthrough Global Green Utility ("GGU"), committed to our future on the planet.

We are a significant player in the renewable energy market, with a mature portfolio of 2.1 GW (of which 715 MW is fully operational), and an additional 6.4 GW under development⁴. We are currently working toward expanding our activity to include projects focusing on energy storage in the countries in which we operate. Effective and sustainable energy storage is a major challenge in today's energy environment, and we strive to do our part in implementing successful solutions. Energix Group's second annual ESG Report describes the environmental, social, and economic impacts of our activity. In our first ESG Report (see ESG Report 2020), we described our activity in-depth and laid the foundation for future reporting. In this report, we intend to provide key updates regarding our activity in 2021.

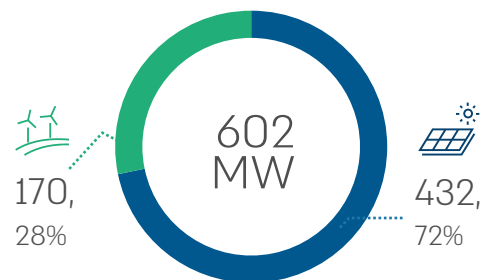
Energy Production Portfolio 2021, MW DC



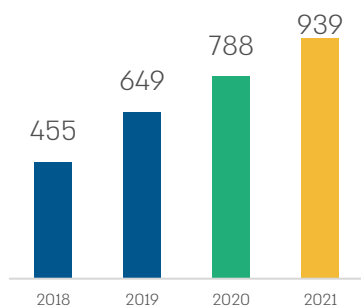
Operational Energy Production Capacity, MW DC



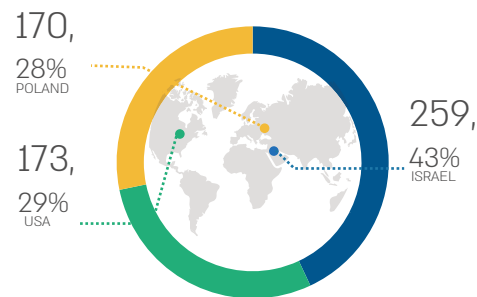
Operational Energy Generation Capacity, MW DC by type,



Energy Produced, GWh



Operational Energy Generation Capacity, MW DC by territory



⁴ Our mature projects include commercially active projects, partially completed and partially connected projects, projects under construction/preconstruction, and projects in advanced in advanced stages of initiation.

Our Values and Goals

Our activities are rooted in our triple-win strategy, through which we strive to simultaneously create value for the environment, the company, and society at large.

<p>Long-distance running</p>	<p>Excellence</p>	<p>Creativity</p>	<p>Transparency</p>	<p>Elite team spirit</p>
<p>Stability and persistence, fostering long-term partnerships</p> <p>1</p>	<p>Striving always to achieve the best result</p> <p>2</p>	<p>Thinking outside the box and always looking for unique solutions to overcome obstacles</p> <p>3</p>	<p>Total mutual trust and credibility</p> <p>4</p>	<p>Operating as one cohesive group in accomplishing our goals</p> <p>5</p>

This strategy is driven by our core values, which guide us and our actions every day. **Our values lead us to always strive to be better, both in our business activity and in our interactions with our stakeholders.** Our activity, as a whole, inherently has a positive impact on the world. Yet we constantly strive to better ourselves and improve our environmental, social, governance, and ethical performance.

Therefore, in the past year, we have designated ESG has a key focus issue of the Company. Under the auspices of the Board of Directors, the Company's Senior Management and our internal ESG leadership set out on a rigorous process of determining our ESG path forward.

One of the key steps we have taken is setting 12 ambitious ESG goals in areas which we consider to be material to our activity. Our goals range from key environmental and social issues, such as carbon neutrality and social investment, to vital corporate governance issues, such as responsible and sustainable supply chain management.

These goals reflect our commitment to continued improvement across the ESG issues most relevant to the company's activity and most significant to our various stakeholders. Following the approval of our goals, we immediately began planning and implementing the necessary frameworks to achieve them. We look forward to providing updates on our progress in subsequent reports.



A comprehensive list of the company's ESG goals and their impact can be found on page 43 (Annex IV: Our ESG Goals)

Our ESG Goals



By 2023
2023
By 2025
2025
2026
By 2027
2027
2028
2029
By 2030
2030

“ Energix has undergone an in-depth process of setting its ESG goals. I am proud of the collaboration and engagement conducted with stakeholders as part of this process, and its outcome. Working toward and achieving these ambitious goals will substantially increase the Company’s environmental and societal impact in the short, medium and long term, including in areas outside the scope of the Company’s core business as a global green utility ”

Alona Sheaffer (Karro), External Director

- 

Conduct ethics training workshops for 100% of employees E S G
- 

Implement ecological management systems in 100% of projects E S G
- 

Senior Management and the Board of Directors will be 50% women E S G
- 

Double the amount of hours invested in employee and contractor safety training E S G
- 

Obtain ISO 14001 and ISO 45001 certifications for environmental and safety management E S G
- 

Invest 50% of employee training hour in personal and professional development E S G
- 

Perform ESG audits of 100% of suppliers and contractors E S G
- 

Invest 3,500 hours in employee volunteering E S G
- 

Carbon Neutrality across all operations (scopes 1, 2, and 3) E S G
- 

Generate NIS 15 million in economic value for local communities E S G
- 

Recycle 80%+ of energy generation platforms E S G
- Ongoing  Maintain 50%+ independent directors on the Board of Directors E S G

Our Commitment to Sustainable Development

We are committed to promoting the advancement of the United Nations' Sustainable Development Goals. These goals set the foundation for sustainable growth and our activity and operations contribute both directly and indirectly to a number of these goals:



Targets: 3.9

Our renewable energy generation significantly reduces the amount of pollutants released to the air compared to fossil fuel energy generation. This, in turn, has a positive impact on the health, safety, and wellbeing of people and communities in which we operate.



Targets: 11.6

Our clean energy generation reduces pollution levels in urban areas close to conventional energy generation plants and provides cities and communities with a steady flow of green energy.



Targets: 4.4 | 4.5 | 4.7

We contribute to multiple youth education programs through our Social Investment plan, focusing on disadvantaged youth.



Targets: 12.2 | 12.5 | 12.7

Our energy generation platforms are responsibly sourced from environmentally sustainable companies with lower carbon footprints and low-waste efforts. These platforms have extended lifecycles and reduce the adverse environmental impacts of energy generation.



Targets: 7.1 | 7.2

We generate significant amounts of clean, renewable solar and wind energy in three countries and work toward making these sources of energy more accessible and reliable.



Targets: 13.3

Our clean renewable energy generation directly contributes toward achieving climate goals by reducing and avoiding greenhouse gas emissions resulting from conventional energy generation.



Targets: 8.4 | 8.8

Our operations create high-quality, well-paying jobs for local communities throughout our areas of activity. We also set and maintain high standards for ensuring employee safety, health and wellbeing.



Targets: 15.1 | 15.9

We have robust ecological management practices in place across our sites to protect local ecosystems, including biodiversity management and landscape and water source preservation efforts.



Targets: 9.4

Our sturdy renewable energy infrastructure directly contributes to the energy diversification of electricity grids across the world, thereby increasing both their reliability and sustainability.



Targets: 17.7

We generate and provide Renewable Energy credits and other green certificates to companies which enable them to improve their sustainability performance and meet their climate goals

Climate change is one of the most pressing global challenges, affecting every country, disrupting economies, and putting millions of people and communities at risk. As weather patterns are changing, sea levels are rising, and extreme climate events are becoming more frequent, entire industries and supply chains are placed under threat.

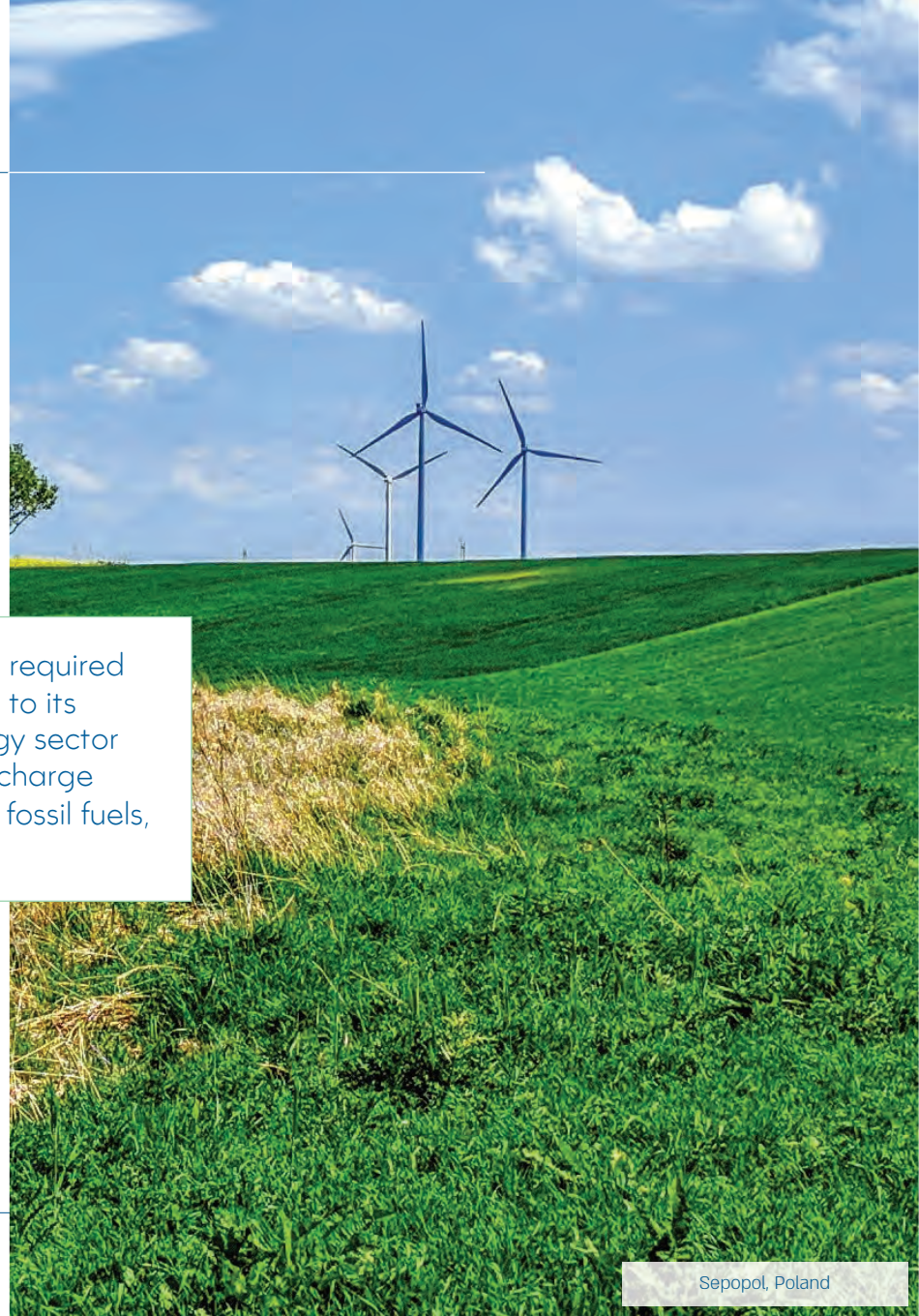
According to the IEA⁵, energy-related CO₂ emissions grew to 36.3 Gigatons in 2021, an all-time record high⁶. Global CO₂ emissions from energy combustion and industrial processes rebounded in 2021 to reach their highest ever annual level. The 6.9% increase in CO₂ emissions from the electricity and heat sectors in 2021 was driven by the largest ever year-over-year increase in global electricity demand. This constituted a 900 Megatons increase in emissions, accounting for 46% of the total global increase in emissions.

It is evident now, more than ever, that urgent action is required to mitigate the impacts of climate change and adapt to its adverse effects. We believe that the renewable energy sector has a crucial role in paving the path and leading the charge against climate change, through reducing reliance on fossil fuels, and countering the effects of climate change.

We believe in the power of collaboration to promote real change. As such, Energix Group and its subsidiaries are members of various renewable energy organizations and associations. These include the Green Energy Association of Israel, the Polish Wind Energy Association, and the Chesapeake Solar & Storage Association (CHESSA) and the Solar Energy Industries Association (SEIA) in the United States. Through these organizations, we work alongside fellow member companies to promote the generation of clean and sustainable renewable energy.

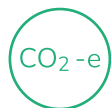
⁵International Energy Agency

⁶Global Energy Review: CO₂ Emissions in 2021, IEA:
<https://iea.blob.core.windows.net/assets/c3086240-732b-4f6a-89d7-db01be018f5e/GlobalEnergyReviewCO2Emissionsin2021.pdf>



Our Environmental Impact

In 2021, by producing 939 GWh of clean energy, we avoided:



The emission of
665,576
metric tons
of CO₂-e
+ 168,228 metric tons
compared to 2020



The emission of
1,142
metric tons of pollutants
(NO_x, SO_x, and PM)
+143 metric tons
compared to 2020



The consumption of
46,214
Megaliters
of water
+7,472 Megaliters
compared to 2020

This is Equivalent to

The amount of CO₂-e that would have been emitted from⁷ :



consuming
1,540,949
barrels of oil
+389,483 barrels
compared to 2020



burning
334,025
metric tons of coal
+84,680 metric tons
compared to 2020



Fully charging
80,962,425,951
smartphones
+20,463,699,019
smartphones
compared to 2020



driving
143,411
cars driven for one
year
+35,411 cars
compared to 2020



The amount of CO₂-e sequestered by
11,005,356
tree seedlings grown for 10 years
+2,781,664 trees
compared to 2020



The amount of water
required to produce⁸
15,515
metric tons of rice
+2,994 metric tons
compared to 2020

58,503
metric tons of bananas
+2,994 metric tons
compared to 2020

⁷ The US Environmental Protection Agency's Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

⁸ All 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/



Pamlin, USA

Reducing Our Carbon Footprint

In addition to our renewable energy generation, we also make efforts to reduce the carbon footprint of our own operations:



Transition to a Low-Carbon Corporate Fleet

We have transitioned 48% of our corporate fleet to hybrid vehicles.



Green Offices

Our HQ offices in Israel are in a LEED Platinum certified building, which is the highest LEED certification available, demonstrating our commitment to the preservation of environmental resources and to the health and safety of our people and our surroundings. Our U.S. offices are located in a LEED Gold certified building.



Sustainable Supply Chain

Our commitment to suppliers who are pioneers of sustainability in their fields with robust decarbonization efforts and plans allows us to reduce our supply chain emissions.

Enabling Sustainable Business

Over 370 companies are members of the RE100 global initiative (Renewable Energy 100%), a group of large companies committed to consuming 100% renewable energy. A large number of these companies meet this standard by purchasing Renewable Energy Credits (RECs), generated by renewable energy companies, like Energix. By providing RECs to leading companies, we allow them to meet their need for renewable energy consumption, fulfil their climate commitments and improve the sustainability of their operations.

Sustainable Energy Generation

Sustainable energy and sustainable energy generation are at the core of our value chain and cut across our business model as well as our operations and supply chain. Our core business is generating sustainable energy and we make sure that our supply chain and processes follow suit.

We procure sustainable solar panels and wind turbines and optimize their end-of-life treatment. In this way, we are committed to generating renewable energy in the most sustainable manner possible.

We make sure that our suppliers have robust sustainability programs in place. From sustainably sourcing the materials required to produce the energy generation platforms to ambitious climate and waste goals.

Our two platform suppliers and strategic partners, First Solar and Vestas, are industry leaders in sustainability. Both constantly make efforts to increase the share of recycled materials in their products and to improve their environmental and social performance. Together, we are building the foundation for a future of sustainable, clean energy.

We are in the process of finalizing an arrangement with First Solar to recycle used solar panels. First Solar reuses approximately 90% of the key materials from recycled panels. Until the platform recycling plan is in place, we are storing used panels from our U.S.-based projects in the company's warehouses as to avoid sending them to landfills.



Ecological Management & Biodiversity Conservation

Ecological conservation, and particularly biodiversity, are vital to the continuity of ecosystems. As a sustainability-focused company, we acknowledge the profound responsibility we have toward maintaining and supporting local ecosystems. We are committed to integrating our operations into their environments as seamlessly as possible, minimizing adverse impacts on the landscape and wildlife and strengthening ecosystems.

Biodiversity & Wildlife Conservation



In 2021, we constructed 242 animal crossing across our sites, bringing their total number up to 711.

Our wind projects are equipped with advanced bird and bat detection technologies to reduce collisions with wind turbines. All projects undergo a rigorous ecological survey before construction is initiated and solutions are implemented to preserve local wildlife.

In 2021, at our U.S.-based projects, we initiated plans to implement pollination meadows and bee colonies at our sites, supporting bee populations and local pollination efforts.

At our wind project in Banie, Poland, we elected to set down 4 km of cable underneath a local forest and a total of 30 km underneath the ground, despite receiving authorization to cut down the entire forest. This allowed us to keep the forest and its inhabitants intact and undisturbed, reflecting our commitment to biodiversity and landscape preservation.

In 2021, we invested \$5.5 million in environmental and ecological conservation efforts at our sites



Ecological Management & Biodiversity Conservation (cont.)

Landscape preservation



In 2021, we maintained our policy of zero terrain removal from project sites. All terrain was preserved within the boundaries of the site.

We heavily invest in maintaining soil integrity and implementing measures to control erosion and stormwater. In 2021, these efforts included hydroseeding and planting endemic plants and trees.

We strive to optimize land usage across our projects, constructing and operating the largest amount of renewable energy platforms on as little land as possible.

We try, where possible, utilize land which can serve no other purpose. For example, at our solar energy project in Ne'ot Hovav, Israel, we constructed a 500,000 m² site on contaminated land adjacent to an industrial zone. After rehabilitating the toxic pools on the land, we erected 400,000 PV panels which provide electricity for 180,00 people.

Water stewardship



In an effort to protect local bodies of water, we erect silt fencing and conduct wetland and stream delineation processes. Where relevant, we purchase nutrient credits at our U.S.-based sites.

We partner with relevant institutions, such as the U.S. Army Corps of Engineers and the Virginia Department of Environmental Quality, to explore and implement creative solutions to water conservation challenges.

We are constantly seeking to optimize water consumption in our panel cleaning protocols. We use water to clean panels at our Israel-based sites only, due to the relatively low amounts of rainfall. In 2021, we consumed a total of 3.3 Megaliters of water in our renewable energy generation, thereby conserving 46,214 Megaliters that would have been consumed through conventional energy generation.





Case Study SEPOPOL, POLAND

In Sępopol, Poland, we faced significant environmental challenges which provided us with unique opportunities to come up with creative and innovative solutions. Half of the site's wind turbines are located in the Natura 2000 "Ostoja Warmińska", a breeding and resting site for rare and threatened species, and birds in particular. To minimize our effect on the local wildlife, we conducted extensive bird observations and surveys to assess the birds' activity in different areas. Following the surveys, we installed advanced bird deterrent systems on each one of our turbines which identify and analyze approaching bird movement and send out a warning to the birds with sounds and lights.

Our next challenge arose when we discovered rows of trees covered in protected lichens on our planned turbine delivery route. Our original plans required cutting down some of these trees to transport our platforms from public roads to the site. However, when faced with this challenge, we decided to go the extra mile to ensure that our clean energy will be generated while protecting local flora. Instead, we created an alternative route without cutting down a single tree. Despite requiring an additional investment, we felt that this solution is aligned with our values and our goal of minimizing adverse environmental impacts.

In addition to the extensive ecological conservation efforts implemented in the project, we fostered close ties with the Sępopol community. We listened to them, acknowledged their needs, and contributed to various social projects. For example, we donated funds to the restoration of historic buildings in Sępopol's town square and contributed to providing volunteer firefighters with critical uniforms.

Leading up to the operation of the site, we held an opening ceremony in order to celebrate together with the community. The ceremony coincided with the local Children's Day, so we organized an art competition for school students and a family picnic in Sępopol's stadium.

In Sępopol, we implemented our holistic triple-win strategy to provide creative solutions to coexist with local wildlife and ensure that local communities remain happy, healthy, and satisfied.



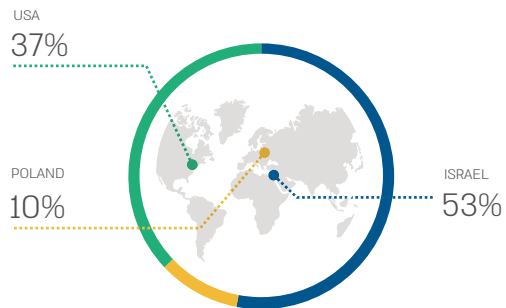
Sępopol, Poland

Our People

We are only as great and innovative as our employees. We deeply appreciate their efforts and commitment to creating sustainable growth and success. As the drivers of the company, we go to great lengths to foster their creativity and ensure their wellbeing.



Employees, by country of operation

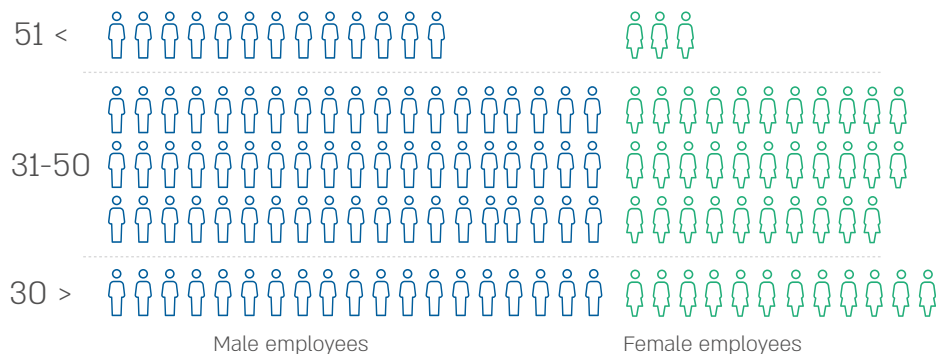


Employees, by gender



We have grown and expanded substantially in the past year. As of the end of 2021, we have reached 136 employees across our countries of operation, representing a 51% increase in our headcount. Through out this expansion, we have remained committed to maintaining the gender balance of our workforce, both in management-level positions and across our entire workforce.

Employees, by age and gender



Creating a Positive Work Environment

The wellbeing of our employees is our top priority. We invest great efforts in creating a comfortable and stimulating work environment and a respectful and inclusive work culture. Our goal is to create optimal working conditions to foster creativity and accommodate the needs of our employees. We offer flexible working hours and work-from-home days to accommodate our people's personal lives and schedules. We also hold company vacations and retreats to show our appreciation for our employees and offer them a well-deserved break. We believe that these efforts foster innovation and creativity and allows our employees to feel heard and valued.

We have a strict zero-tolerance policy for all forms of harassment and discrimination and have set in place clear protocols and reporting mechanisms so that all employees at all levels can feel safe and protected. In 2021, we held a Diversity and Inclusion workshop for all our U.S.-based employees which focused on unconscious bias and discrimination. The workshop dealt with issues such as managing biases and preventing harassment and discrimination. In addition, all our employees are required to complete an online tutorial on prevention and management of discrimination and harassment in the workplace.

Employee Development

Our people are our most valuable asset, therefore we place great emphasis on employee development. Our training initiatives cultivate a stimulating working environment and encourage curiosity and creativity, as well as personal development. Throughout 2021, we invested a total of 370 hours in personal and professional employee development training in varying topics, including public speaking, English language skills and more. In addition, 195 hours were dedicated to diversity and inclusion training. Over 110 hours of compliance training were also provided, addressing sexual harassment awareness, data security, and management compliance training.

In 2021, we invested an average of **9.8 hours** in training per employee, an increase of 4.2 hours from the previous year. 2.7 of which were dedicated to personal and professional development

Employee performance reviews are conducted annually for each employee, in a bilateral setting involving employee-manager open discussion and comprehensive evaluation and setting professional goals for the employee to achieve in the upcoming year.

In 2021, **99%** of our employees worldwide underwent in-depth performance reviews.



Engaging with Our Stakeholders

Our stakeholders are more than business cohorts; they are genuine allies and partners who are vital to our success and whose relationship we cherish. We deeply value our relationships with our stakeholders and invest in fostering new relationships and strengthening existing ones. Therefore, we prioritize providing for their needs and ensuring that they both lend and receive value from our partnership.

How We Engage with Our Stakeholders

We invest greatly in fostering and maintaining close ties with our stakeholders. We consistently engage with our partners, employees, clients, suppliers, contractors, local communities, and other key stakeholders.

For examples on how we manage our relationships with key stakeholders, please see the following chapters: Suppliers and Contractors - Supply Chain Management (p. 31), Employees – Transparency & Communication (2020 ESG Report, p. 44), Local Communities – Community Relations and Investment (p. 23), and the environment – Environmental (p. 13-19).

Our Main Stakeholders



Community Relations & Investment

Transparent Communication with Local Communities

Clear and consistent communication with local communities and the satisfaction of the local residents is key to the success of our projects. To that end, each of our projects is assigned a Community Liaison. Community Liaisons are responsible for forming close relationship with community leadership and keeping communities updated. They work alongside community representatives to better understand the needs of the community and find and implement creative solutions to any issues or objections that come up. This communication channel guarantees that any community suggestion or complaint is heard and addressed. If complaints are received, we consider all aspects and cooperate to find and implement a solution acceptable to all sides. For example, in 2021, at our solar energy project site in Eshel HaNasi in Israel, we received complaints regarding the proximity of the panels to critically endangered plants. In response, we reduced the number of panels in that area in order to address the concern.

Supporting Local Economies

In addition to providing clean and reliable energy, our activity has significant indirect economic impacts on local communities. Our tax dollars create local job opportunities for community residents and fund local government initiatives. In 2021, we paid a total of \$9.1 million⁹ in taxes to local municipalities and state and federal governments in the U.S, Poland, and Israel. In our Israel projects, we provided \$219 thousand to local municipalities in payments for nonconforming land use in 2021. We also actively invest in community projects and infrastructure in order to strengthen our ties with our neighbours.

Taxes Paid to Local, State, and Federal Governments, 2021



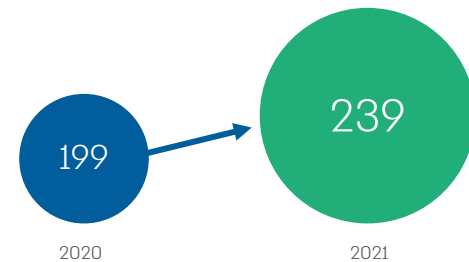
⁹ This figure includes \$4,459,536 in taxes for the year 2021 which were paid in 2022.



“Fostering and maintaining our relations with local communities is the foundation of a successful project. By being attentive to their needs and investing in local culture and infrastructure, we become a part of the community and our projects become truly mutually beneficial”

Lior Siew, VP Project Development, Israel

Investments in Community Infrastructure, USD thousands



In 2021, we invested a total of \$239,000 in local projects and infrastructure in communities around our projects. These investments included paving and renovating roads, replacing irrigation infrastructure, and more.



Case Study Buckingham, Virginia

After our solar energy site in Buckingham, Virginia was connected to the grid in 2020, we remained dedicated to keeping in touch with the local communities and being attentive to their needs. We are always looking for ways to engage with communities and give back, and a particularly special opportunity arose when we were contacted by QuickStart Tennis. QuickStart Tennis is an organization dedicated to providing children with educational opportunities through tennis. When they alerted us to the urgent need for children's reading books, we sprang into action and supplied books to all 210 preschoolers and kindergartners at Buckingham Preschool and Buckingham Primary School, along with fun and exciting giveaways. Our hearts were warmed weeks later when we received letters of appreciation from the children.



“ We are proud of our long-term partnership with Buckingham County, and we are honored to make a contribution that benefits young people in the community. When Energix develops a project, we are not only committed to developing a top tier solar facility. Our commitment goes well beyond that. We invest in the communities where we operate and work alongside local governments to identify opportunities and benefits for the community

Itamar Sarussi, COO of Energix US



Supporting Social Causes

Since 2020, our donations and volunteering activities have been carried out in accordance with our Social Investment Policy. This policy provides that we pledge to donate 1% of our pre-tax annual profits to various charities and organizations. In 2021, we pledged a total of \$285,000 in donations and carried out \$182,000 of that pledge (the remainder of the allocated pledged funds were carried over to 2022).

These donations went toward organizations promoting social causes, focusing on environmental sustainability, supporting local communities, and fostering young leadership and innovation. Our social investment is carried out through long-term relationships with non-profits aligned with our values and goals. **By supporting these activities, we are able to give back to the community and promote initiatives with a real impact on people, and youth in particular, across Israel.** We make no contributions to political campaigns or lobbying organizations.



We supported the following organizations through our social investment activities in 2021:



Desert Stars

An organization dedicated to fostering leadership and entrepreneurship among Bedouin youth, through leadership and educational programs and professional workshops. Our donation funded two leadership programs for hundreds of Bedouin youth.



Nirim

A boarding school housing approximately 100 severely disadvantaged youth aged 14-18 and provides them with the opportunity to discover their strengths and become self-confident and contributing members of society. Our donation went toward an advanced STEM educational program for the students.



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.



Ofanim

A nonprofit organization providing interactive educational activities to children in Israel's geographic and social periphery.



Hetz Umatar

A charity operating 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.

Occupational Safety

We are deeply committed to protecting the health and safety of our people and contractors with whom we engage. We have established robust safety governance and management system in order to foster a culture of safety and maintain a high standard of safe work environments. In 2021, we continued to strengthen our employee safety frameworks and invest in the safety of employees and contractors.

As with any construction and field work, our operations come with inherent safety risks, ranging from operating heavy machinery and working at heights to noise hazards and vehicle safety. Extensive risk assessments are carried out before every project and the appropriate counter measures are put in place to reduce the risks involved. In addition, regular audits are performed at all of our sites to ensure that safety protocols are followed and any safety hazards are identified. Audit findings are closely examined, and relevant corrections and improvements are implemented.

Safety Governance

Given the importance of safety, we established a dedicated Safety Forum to oversee the company's safety management. The Forum is headed by the VP of Construction and its members include construction and operation managers and the CEO and Safety Trustee of our safety consulting firm. The Forum holds monthly meetings where key safety issues such as safety protocols, infringements, and initiatives to improve safety management are discussed. In 2021, the Safety Forum met eleven times to discuss safety targets and safety training, analyse potential safety issues at various sites and provide instructions to remedy these issues.

Our operations require extensive field work, and we go above and beyond to safeguard employees and contractors across our sites.

There are three people responsible for ensuring employee safety at our project sites at all times:





Safety Management

Our safety management is codified in an expansive set of safety protocols and procedures, by which all contract workers and Energix employees in Israel and the U.S. are bound. In Poland, a majority of our employees work exclusively in our offices, and therefore 35% of our Polish employees are bound by our safety protocols.

Safety Training

We invest greatly in providing employees and contract workers with the training and knowledge they require to carry out their work in a safe manner. All workers at our project sites receive general safety training from trained company safety officers and external safety experts with whom we work prior to entering a worksite. In 2021 we invested a total of 1,368 hours in safety training, 616 of which were provided to 89 employees and 752 of which were provided to 512 contract workers.

Certain operational activities entail unique risks which require specialized, in-depth training. In 2021, 28 Energix employees and 60 contract workers underwent specialized safety training programs.

In 2021, we invested an average of
6.9 hours in safety training per employee

Safety incidents

Safety incidents at our projects are few and far between. In 2021, only 4 safety incidents occurred across our sites, and only half led to minor injuries. This represents a 50% annual reduction in safety incidents and injuries from the previous year. A comprehensive investigation is conducted into every incident, providing recommendations for avoiding similar occurrences in the future. Investigation results are presented to all relevant parties to raise awareness and prevent future incidents.

In 2021, we had **361 incident-free days**
and reduced by 50% the number of
safety incidents, an increase from 358
incident-free days in 2020

“ Ensuring the safety and wellbeing of our people is a top priority. We go above and beyond to make sure that our employees and contract workers are safe and protected throughout their workday”

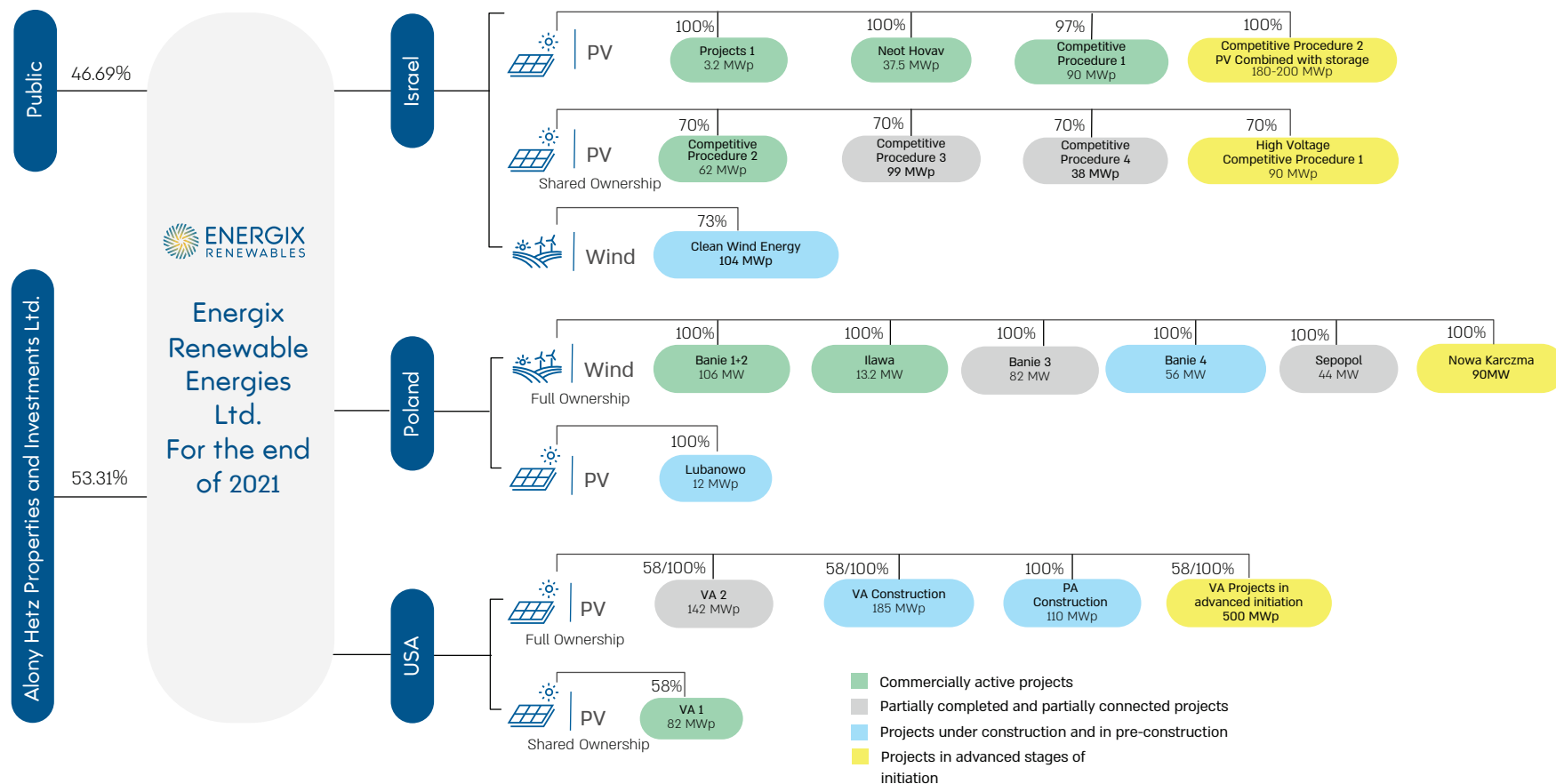
Israel Aviram, VP Engineering & Construction



Corporate Governance

Energix Group is a public Israeli-based company which has been listed on the Tel Aviv Stock Exchange since 2011 (TASE:ENRG). The company currently has extensive operations in the United States, Poland, and Israel. In the U.S. and Poland, our operations are carried out by fully owned subsidiaries, Energix US and Energix Poland. Each one of our projects is owned by a

distinct SPE¹⁰ 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 Senior Management, based in Israel, oversee the group's global operations and are compliant with all relevant Israeli corporate governance regulation.



¹⁰ Special Purpose Entity

Board of Directors



Natan Hetz

Chair of the Board
since 2006
CEO of Alony-Hetz
Properties and Investments



Aviram Vertheim

Director since 2011
Chair of the board of Alony-
Hetz Properties and
Investments



Oren Frenkel

Director since 2014
CFO of Alony-Hetz
Properties and Investments



Alona Sheaffer (Karro)

External Director since 2014
Former Director General of the
Ministry of Environmental
Protection



Linda Ben Shushan

External Director since
2017



Meir Shani

Independent Director
since 2019



Orna Hozman-Bechor

Independent Director since
2021

In 2021, Orna Hozman-Bechor, an independent director, was nominated to the Board, bringing the Board to seven members, creating an independent director majority (57%) and bringing the share of female directors up to 43%.

Our Board of Directors is responsible for outlining our long-term strategy and goals and overseeing their implementation by the company's Senior Management. The Board's responsibilities also include overseeing the company's financial status and its risk assessment and management practices. The Board performs its roles through its plenum and through two committees - the Audit & Remuneration Committee and the Balance-Sheet Committee.

The company's independent-majority Board reflects our commitment to the interests of all our shareholders and the company's long-term success. The other three members are representatives of Alony-Hetz Properties and Investments Ltd., Energix Group's founder and holder of the controlling interest.

ESG Oversight by the Board and Audit & Remuneration Committee

The Audit & Remuneration Committee consists of three of the Board's independent members and is charged with authorizing Energix's executive remuneration packages and reviewing the internal business management and ethical conduct of the company. Alongside these duties, the Committee oversees the company's ESG activity and monitors its performance in key ESG areas across the company's operations.

The Board and Audit & Remuneration Committee are consistently involved in overseeing the company's ESG-related activities. In an effort to increase the robustness of the Board's ESG oversight, two directors were designated as the Board's ESG representatives to directly oversee the company's ESG-related activities. The two assigned directors are Alona Sheaffer (Karro), the Board's most senior independent director, and Oren Frankel, CFO of Alony-Hetz Properties and Investments. In this role, they communicate with the Senior Management on ESG issues and receive regular updates in relevant areas of activity. Using their unique and diverse expertise, Mrs. Sheaffer (Karro) and Mr. Frankel oversee the company's ESG efforts, ensuring their materiality, effectiveness and overarching impact.

In 2021, ESG-related topics were raised and discussed in nine out of twelve Board meetings. These included an assessment and update of the company's social investment plan, a discussion regarding the company's employee safety efforts, an analysis of extreme climate events in the United States and their potential impacts on the company's operations, discussions regarding the company's ESG reporting, and other ESG topics.

For information on the Board's two committees, please see our 2020 ESG Report (p. 39)

Senior Management

The role of our Senior Management is to successfully execute and implement the company's strategy across its operations and activities. This includes fostering and strengthening business partnerships, managing the company's workforce throughout its global locations, and more. The Senior Management team is also responsible for incorporating ESG considerations in day-to-day operations and acting to improve the company's ESG performance.



Asa (Asi) Levinger
CEO



Tanya Fridman
Acting CFO¹¹



Dafna Reznik
EVP General Counsel and
Corporate Secretary



Moran Birman
EVP Business Development



Ariel Yotzer
EVP Israel

Ethical Business

We are committed to fair and ethical business practices, and we strive to meet the highest standards of ethics throughout our operations. The ethical conduct of our employees is based on our Code of Ethics, which provides an ethical framework for our people to follow during business interactions, both internally and externally. Employees are introduced to the Code of Ethics during their onboarding training. We are currently in the process of updating our Code of Ethics and intend to implement the new code through ethics training and workshops.

We have zero-tolerance to infringement and breaches of our Code of Ethics and such violations carry severe sanctions. All ethics complaints are subject to a rigorous internal investigation process. All relevant complaints are escalated to the relevant board committees, where they are reviewed and resolved accordingly. Furthermore, as part of our efforts to tackle ethical violations, we have established an Ethics Hotline for anonymous reporting, allowing employees of all levels to report or inquire about all ethics-related issues without fear of retaliation. In 2021, no reports were received through this hotline.



¹¹ As of 2022



Supply Chain Management

We engage with top-of-the-field tier-1 energy generation platforms suppliers with deep commitments to sustainability and ethical business practices. These suppliers are aligned with our values and our efforts to generate clean, sustainable energy.



Solar (PV) Panels

We source our solar (PV) panels from First Solar, a leading global supplier of PV technologies and platforms. Alongside the high quality of their platforms, First Solar has robust sustainability management programs in place to reduce their carbon footprint and minimize the adverse environmental effects of their production. They have set ambitious goals to reduce greenhouse gas emissions and report astonishing material recovery rates for recycled PV systems, including recovering 90% of semiconductor and glass materials.



Wind Turbines

Vestas, a pioneer in sustainability, supplies our wind turbines. Ranked the "most sustainable company in the world"¹², Vestas strives toward optimizing its environmental and social performance and has set far-reaching sustainability goals, including carbon neutrality by 2030 and zero-waste wind turbines by 2040.



Contractors

We consistently engage with contractors who meet the legal and ethical standards we expect from partners. These standards include holding official licensing and respecting the rights of their workers, including zero tolerance for forced labor, child labor or human trafficking of any kind. Our written agreements with contractors include clauses safeguarding labor rights and employee safety and we monitor the enforcement of those clauses. When we identify a labor right incident with one of contractors, we demand immediate remediation, and if this is not performed in a timely fashion, there have been cases in which we terminated our relationship with contractors due to these considerations.



Responsible Procurement

In order to establish the necessary supply chain management framework and practices, we will initiate a process to compile and enforce a Responsible Procurement Policy. This policy will outline the ESG criteria by which we select our suppliers, the mechanisms in place to audit suppliers, and our expectations of our suppliers in terms of environmental, social, and ethical performance. This policy will apply to platform and materials suppliers, as well as contractors, where we will focus on issues of workers' rights and wellbeing and ethical business practices.



Ensuring Operational Continuity

We understand that our stakeholders rely on us to provide a steady and reliable flow of clean energy. Therefore, we invest in creating robust infrastructure to secure our operations and protect them from both physical and digital threats.

We constantly monitor our sites' operations with advance on- and off-site systems which detect any anomalies in the flow of electricity. These monitoring systems are manned 24/7 and any unusual indicators are reported and assessed immediately.

We also go to great lengths to ensure the cybersecurity of our digital systems and protect them from any attacks or breaches. Alongside firewalls, MFA requirements and VPNs, our strict cybersecurity protocols provide employees with the information they require. Employees receive regular updates and undergo training sessions throughout the year on cyber issues. In 2021, no material I.T. breaches occurred.

Our choice to engage with sustainability leaders in PV and wind turbine production is part of our supply chain management strategy to reduce our upstream emissions. Engaging with these suppliers will enable us to achieve our sustainability goals and work together to create a more sustainable future.

“ Our long-term relationships with our strategic partners are key to our mutual success. Our close ties, which are founded on trust and respect, drive the shared value that we create ”

Moran Birman, EVP Business Development



¹² In the 18th annual Global 100 ranking published by Corporate Knights.

Annex I: About This Report



This report was written in accordance with two leading non-financial disclosure standards: (i) The primary standard used was the Global Reporting Initiative (GRI) Standards SRS: Core option (full GRI index can be found in Annex II: GRI Index), as well as (ii) the guidelines of the Sustainability Accounting Standards Board (SASB). These standards were selected to ensure that our reporting meets the highest levels of globally accepted transparency and consistency throughout our sustainability reporting.

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)¹³. In addition, the United Nations Sustainable Development Goals were referenced and acknowledged throughout the report. Comprehensive indices of these reporting standards can be found in the end of this report.

Unless otherwise indicated, the information and data in this report draws on our group-level activity. Where relevant, we have detailed country-specific information and noted it as such. All monetary values are represented in U.S. dollars (USD), and conversions from other currencies were performed at an exchange rate of 3.231:1 for New Israeli Shekels (NIS), 0.845:1 for Euro (EUR), and 3.861:1 for Polish Zloty (PLN), representing the average exchange rates in 2021. In the event of discrepancies between what is stated in this report and the company's financial statements, the wording of the financial statements shall prevail.

For information regarding Energix Group's material ESG topics, including the company's ESG Materiality Matrix, please see our 2020 ESG Report (p. 47-48).

¹³ 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.

Annex II: ESG Performance Metrics

Environmental metrics

GHG Emissions

Metric	Unit of Measurement		2020	2021
Greenhouse gas emissions	Metric tons of CO ₂ -e	Scope 1	237	407
		Scope 2	32	39
		Scope 3	10,632	- ¹⁴
		Total	10,901	446
Emissions intensity (Scope 1 and 2)	Metric tons of CO ₂ -e / MWh produced	Scope 1 & 2	0.000341	0.000475

Resource Usage

Metric	Unit of Measurement	2020	2021
Water consumption	Megaliters	25.3	3.3
Electricity consumption	KWh	63,167	81,718
Gasoline consumption	Liters	99,227	143,936
Diesel consumption	Liters	-	21,223
Energy consumption	GJ	3,680	6,125
Energy intensity	GJ consumed / GWh generated	4.67	6.52

Project Site Environmental Management

Metric	Unit of Measurement	Country	2020	2021	
Terrain moved (for operational purposes)	m ³	Israel	0	0	
		USA	0	0	
		Poland	0	0	
		Total	0	0	
Operational Waste	Metric Tons	Israel	Plastic	0	0
			Cardboard	0.5 (100% recycled)	0
			Glass	12 (100% landfill)	60 (100% landfill)
			Metal	0	0
			Electronics	0	0
Animal Crossings	Number of crossings	Israel	469	711	

¹⁴ In 2020, scope 3 emissions were limited to the emissions resulting from the production energy generation platforms. As the company did not procure any new energy generation platforms in 2021, scope 3 was not included in GHG emissions accounting.

Social Metrics

Employees

Metric	2020	2021
Average age of employees (Israel)	39.5 years old	39.1 years old
Average seniority of employees (Israel)	3.7 years	3 years
Ratio between highest and median salary	4.9:1	4.7:1

Employees, by age and gender

	Up to 30	31-50	51+	Total
Male	19	57	13	89
Female	12	32	3	47
Total	31	89	16	136

Employees, by country and gender

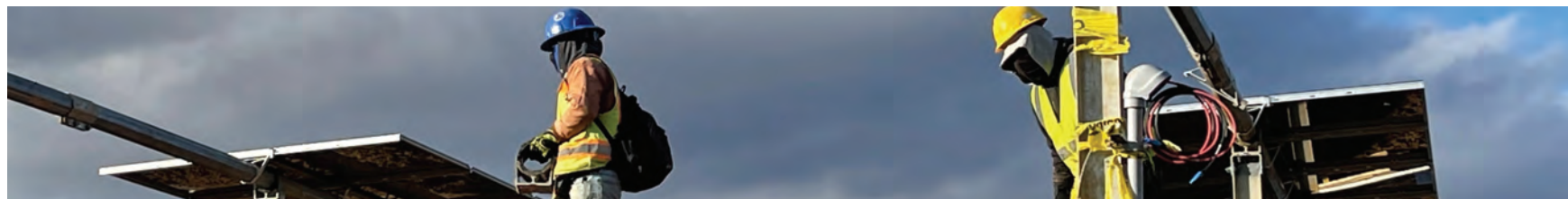
	Israel	US	Poland	Total
Male	49	32	8	89
Female	23	18	6	47
Total	72	50	14	136

Employees and Management, by gender

	Employees	Management	Total
Male	66	23	89
Female	34	13	47
Total	100	36	136

Work Safety Incidents

	Number of safety incidents	Number of safety incidents that led to injury	Number of workers injured	Number of serious injuries	Lost Time Injury Frequency Rate (LTIFR) per 200,000 hrs
Employees	0	0	0	0	0
Contract workers	4	2	2	0	1.9



Taxes and Subsidies

Metric	Unit of Measurement	Country	Entity	2021
Taxes Paid	USD Thousands	Israel	Local	\$913.8
		US	Federal	\$4,958.4
			State	\$1,614.6
		Poland	State	\$197.9
			Local	\$1,417.2
Total		\$9,101.9		
Subsidies Received	USD Thousands	US		\$355.1

Social Investment

Metric	Unit	2020	2021
Donations	USD thousands	204.3	211.7
Contribution to local community projects and infrastructure	USD thousands	199.3	240.1
Total social investments	USD thousands	403.6	451.8

Governance Metrics

Composition of the Board of Directors¹⁵

	Natan Hetz - Chair	Aviram Vertheim	Oren Frenkel	Alona Shefer (Karro)	Linda Ben Shushan	Meir Shani	Orna Hozman-Bechor
Age	67	61	52	53	55	75	52
Tenure	17 years	11 years	7.5 years	7.5 years	4.5 years	2.5 years	4 months
Committee Membership	None	None	None	Both	Both	Both	Balance-sheet
Gender	Male	Male	Male	Female	Female	Male	Female
ESG proficiency	No	No	No	Environmental professional	No	No	No

Number of Board and Committee Meetings

Metric	Unit of Measurement	2020	Director Attendance
Board of Directors meetings	Number of meetings held	12	100%
Audit and Remuneration Committee meetings		9	100%
Balance-Sheet Committee meetings		4	100%

¹⁵Age and seniority data as per 31/12/21

Annex III: GRI Index

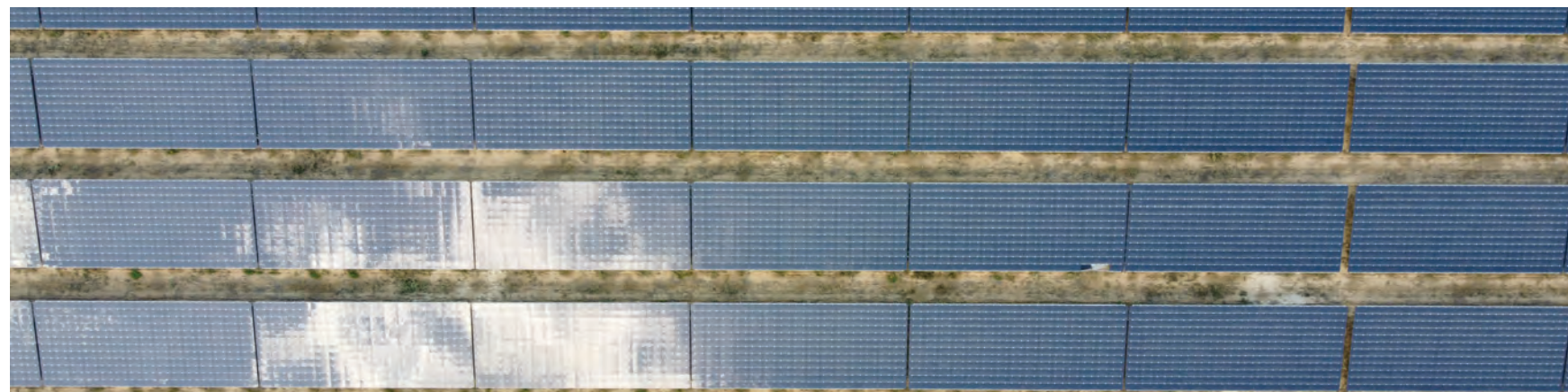
Standard	Disclosure	Description	Page
GRI 102: General Disclosures 2016	102-1	Name of the organization	Page 10
	102-2	Activities, brands, products, and services	Page 10
	102-3	Location of headquarters	2 Jabotinsky st., Ramat Gan, Israel
	102-4	Location of operations	Page 9
	102-5	Ownership and legal form	Page 28
	102-6	Markets served	Page 9
	102-7	Scale of the organization	Pages 5,9
	102-8	Information on employees and other workers	Page 34
	102-9	Supply chain	Page 31
	102-10	Significant changes to the organization and its supply chain	None
	102-11	Precautionary Principle or approach	Page 9
	102-12	External initiatives	N/A
	102-13	Membership of associations	13
	102-14	Statement from senior decision-maker	Pages 3,4
	102-15	Key impacts, risks, and opportunities	Pages 6-8, 10-11
	102-16	Values, principles, standards, and norms of behavior	Page 10
	102-17	Mechanisms for advice and concerns about ethics	Page 30
	102-18	Governance structure	Pages 29,30
	102-19	Delegating authority	Pages 29,30
	102-20	Executive-level responsibility for economic, environmental, and social topics	Page 29
	102-21	Consulting stakeholders on economic, environmental, and social topics	Pages 22
	102-22	Composition of the highest governance body and its committees	Pages 29,30
	102-23	Chair of the highest governance body	Page 29
	102-24	Nominating and selecting the highest governance body	2020 ESG Report, p.38
	102-25	Conflicts of interest	2020 ESG Report, p.38
	102-26	Role of the highest governance body in setting purpose, values, and strategy	Page 29
	102-27	Collective knowledge of highest governance body	Page 29
	102-28	Evaluating the highest governance body's performance	Not performed
	102-29	Identifying and managing economic, environmental, and social impacts	Page 29
	102-30	Effectiveness of risk management processes	2020 ESG Report, p.38,39
	102-31	Review of economic, environmental, and social topics	Page 29

Standard	Disclosure	Description	Page
GRI 102: General Disclosures 2016	102-32	Highest governance body's role in sustainability reporting	Page 29
	102-33	Communicating critical concerns	Page 30
	102-34	Nature and total number of critical concerns	None
	102-35	Remuneration policies	2020 ESG Report, Page 39
	102-36	Process for determining remuneration	2020 ESG Report, Page 39
	102-37	Stakeholders' involvement in remuneration	2020 ESG Report, Page 39
	102-38	Annual total compensation ratio	Page 34
	102-39	Percentage increase in annual compensation ratio	Page 34
	102-40	List of stakeholder groups	Page 22
	102-41	Collective bargaining agreements	There are no collective bargaining agreements
	102-42	Identifying and selecting stakeholders	Page 22
	102-43	Approach to stakeholder engagement	Page 22
	102-44	Key topics and concerns raised	Page 23
	102-45	Entities included in the consolidated financial statements	See company's annual reports
	102-46	Defining report content and topic Boundaries	2020 ESG Report, Page 47
	102-47	List of material topics	2020 ESG Report, Page 47
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	Page 45
	102-51	Date of most recent report	Page 45
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	2020 ESG Report, Page 46
	102-54	Claims of reporting in accordance with the GRI Standards	Page 32
	102-55	GRI content index	Pages 36-39
	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 23
	103-2	The management approach and its components	Page 23
	103-3	Evaluation of the management approach	Page 23
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Page 23
	203-2	Significant indirect economic impacts	Pages 23,24,25
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2020 ESG Report, p.50
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 30
	103-2	The management approach and its components	Page 30
	103-3	Evaluation of the management approach	Page 30
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 30
	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 17
	103-2	The management approach and its components	Page 17
	103-3	Evaluation of the management approach	Page 17
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 17,18
	304-2	Significant impacts of activities, products, and services on biodiversity	Pages 17,18,19
	304-3	Habitats protected or restored	Pages 17,18
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 17,18
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 13
	103-2	The management approach and its components	Page 13
	103-3	Evaluation of the management approach	Page 13
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 33
	305-2	Energy indirect (Scope 2) GHG emissions	Page 33
	305-3	Other indirect (Scope 3) GHG emissions	Page 33
	305-4	GHG emissions intensity	Page 33
	305-5	Reduction of GHG emissions	Page 15
	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 26
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 26
	103-2	The management approach and its components	Page 26
	103-3	Evaluation of the management approach	Page 26
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Pages 26,27
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 26,27
	403-3	Occupational health services	Irrelevant to the company's activity
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 26,27
	403-5	Worker training on occupational health and safety	Page 27
	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 27
	403-8	Workers covered by an occupational health and safety management system	Page 27
	403-9	Work-related injuries	Page 27
	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	Page 23
	103-2	The management approach and its components	Page 23
	103-3	Evaluation of the management approach	Page 23
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 23
	413-2	Operations with significant actual and potential negative impacts on local communities	Page 23



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	Page 33 (100% from grid)
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	Page 33; 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	Page 13
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	None
	Efforts in solar energy system project development to address community and ecological impacts	RR-ST-160a.2	Pages 17-18, 22-24



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	None
	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	RR-ST-410b.3	N/A
	Description of approach and strategies to design products for high-value recycling	RR-ST-440a.1	N/A
Materials Sourcing	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	Page 34
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
	Top five materials consumed, by weight	RR-WT-440b.1	N/A
Materials Efficiency	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	432 MW
	Total project development assets	RR-ST-000.C	See company's financial statements



Banie, Poland

Annex V: Our ESG Goals (1-6)

	Goal	Impact	Baseline
1	By 2030, Energix will be carbon neutral across all operations (scopes 1, 2, and 3)	Carbon neutrality will solidify our commitment to combating climate change and reduce the adverse environmental impacts of our operations	10,901 CO ₂ -e
2	By 2025, 50% of employee training hours will be invested in personal and professional development	Supporting the personal and professional development of our employees empowers them and allows them to improve and grow personally and professionally as individuals and employees	20% (approx.)
3	By 2030, Energix will transfer at least 80% of its energy production platforms to recycling	End-of-life treatment for renewable energy production platforms constitutes a major environmental issue and challenge. Recycling our platforms will make our operations more sustainable by ensuring that environmental considerations are implemented across our entire value chain	0%
4	By 2027, Energix will perform ESG audits of 100% of its suppliers and contractors, to ensure they comply with our supplier code of conduct	Ensuring the sustainability and ethical conduct of suppliers will allow us to safeguard our environmental, social, and ethical standards throughout our supply chain and increase its resilience to external risks	0% - No audit plan was in place
5	By 2025, Energix will implement an ecological management system in 100% of its projects	Implementing robust management structure for such an important issue will ensure the strictest protection and conservation of local ecosystems	0%
6	By 2023, in order to implement its new Code of Ethics, Energix will conduct ethics training workshops for 100% of its employees	Effective ethics implementation and training is essential to instilling the company's values in the workforce and collaboratively understanding and internalizing the importance of ethical conduct	-

* Baseline refers to - baseline of 2020

Annex V: Our ESG Goals (7-12)

	Goal	Impact	Baseline
7	By 2030, Energix will generate NIS 15 million in economic value for local communities, through investing in community projects, infrastructure and local taxes	Generating economic value form local communities will help strengthen our connection with these communities and contribute to their continued development	NIS 1,386 thousand
8	By 2025, Energix will obtain ISO 14001 for environmental management and ISO 45001 for employee safety management certifications	Robust management systems are key to improving and maintaining environmental and safety performance	-
9	By 2030, Energix will invest a total of 3,500 hours in employee volunteering activities	Giving back to the community through volunteer efforts support local causes and connects employees to the communities in which they work	Not recorded in 2020
10	By 2025, women will comprise at least 50% of both the Senior Management and the Board of Directors	Diversity at senior levels is key to finding creative solutions to challenging and ensuring our commitment to equal opportunity	Senior Management – 40% Board of Directors – 33%
11	By 2025, Energix will double the number of hours invested in safety training for employees and contractors	Safety training is crucial in creating a culture of health and safety and protecting our employees and contractors	2 hours (average for 263 employees and contractors)
12	Energix will maintain at least 50% independent directors on its Board of Directors	Maintaining Board independence increases the robustness of the company's self-governance	50%

* Baseline refers to - baseline of 2020

Disclaimer

This ESG Report lays out the activities and operations of Energix Group ("the Company") in the year 2021 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 second ESG report. The report covers the activities of the Company in the year 2021, 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.



Ta'ashur, Israel



THANK
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