



# Sustainability Report 2021

# Contents

<b>1. Overview</b>	<b>4</b>
1.1 About Photon Energy Group	4
1.2 Statement on Sustainability	5
1.3 Prioritising Sustainability	6
1.4 Sustainability Highlights	8
1.5 ESG Key Performance Indicators	9
<b>2. Environment</b>	<b>11</b>
2.1 Environmental Commitments	12
2.2 Carbon Footprint	12
2.3 Waste Management	13
2.4 Quality Control	15
2.5 Community Impact	15
2.6 Water Consumption	17
2.7 Biodiversity	17
<b>3. Social Conduct</b>	<b>20</b>
3.1 Social Commitments	20
3.2 Corporate Social Responsibility and Employment Practices	20
3.3 Workplace Health and Safety	21
3.4 Measures Connected to COVID-19	21
3.5 Data Privacy and Security	21
<b>4. Corporate Governance</b>	<b>23</b>
4.1 Corporate Governance Commitments	23
4.2 Governance Rules and Codes of Conduct	23
4.3 Financial and Business Records	24
4.4 Anti-corruption	24
4.5 Responsible Procurement	25
4.6 Donations	25
4.7 ESG Reporting Standards	25
<b>5. Green Financing Report</b>	<b>27</b>
5.1 Use of Proceeds from Our Green Bond	27
5.2 Impact Report	28
<b>6. Contact Details</b>	<b>29</b>
<b>7. Annex: ESG Key Performance Indicators</b>	<b>30</b>



# Overview

# 1. Overview

## Clean energy and water. The fundamentals of life.

### 1.1 About Photon Energy Group

#### Delivering the fundamentals of life

At Photon Energy Group, we are dedicated to ensuring that everyone has access to clean, affordable energy and water. We deploy technology to provide these fundamentals and help build a thriving, sustainable world.

We take a holistic approach to our work, within our companies and as a group, offering solutions that can be delivered separately or as an integrated package. This allows us to meet the complete needs of our customers and takes us closer to a world where energy and water – the fundamentals of life – are clean, safe and accessible to all.

Photon Energy N.V., the holding company for Photon Energy Group, is listed on the Warsaw, Prague and Frankfurt Stock Exchanges.

We are headquartered in Amsterdam, with offices in Australia and across Europe.



Our solar power solutions and services cover the entire lifecycle of photovoltaic systems. We develop, own, build and operate PV installations around the world.



We offer comprehensive clean water solutions for all environments, from treatment and remediation services to the management of wells and other water resources.



#### Our Values



**Innovation:** We think creatively to deliver solutions and actualise our vision.



**Community:** We believe it is our responsibility to enrich every community we are a part of.



**Safety:** We prioritise the health and well-being of everyone impacted by our work.

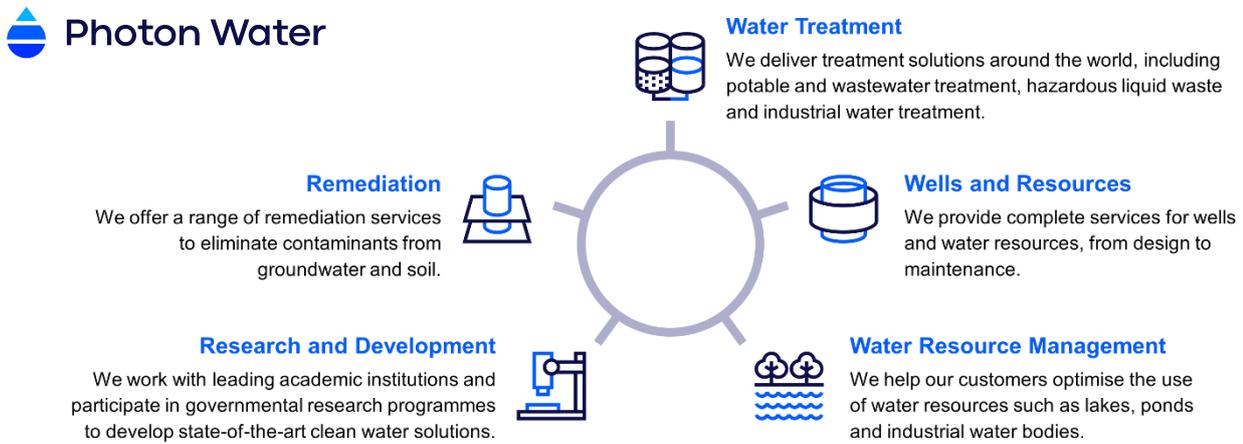


**Integrity:** We operate with honesty and respect, and we never compromise our values.



**Sustainability:** We understand the importance of foresight and long-term thinking.

## What We Do



### 1.2 Statement on Sustainability

At Photon Energy Group, sustainability is one of our core values. It's also central to the continual growth and success of any business. A key element of our increasing focus on sustainability is the development of strong ESG practices.

We understand our responsibility to ensure that our work provides consistent, long-term benefits to the people and communities impacted by our work and to the world at large. This belief is fundamental to our ethical principles and is essential for our ongoing success and the growth of our business. As such, we are committed to upholding the highest environmental, social and corporate governance (ESG) standards in all of our practices, on every scale.

This report formally expresses our commitment to delivering sustainable outcomes and provides an overview of our efforts to integrate environmental, economic and social sustainability into our business practices, planning and decision making. It is intended to provide clarity and guidance to all our stakeholders on sustainably integrated procedures and an overall sustainable way of thinking.

#### We are committed to:

- ▶ A corporate culture committed to the highest standards of health and safety.
- ▶ Supporting our stakeholders and their communities through the provision of renewable energy and clean water services.
- ▶ Seeking sustainable solutions and partnering with suppliers to deliver services that contribute to a more sustainable world.
- ▶ Strictly adhering to all regulatory requirements regarding policies and standards for our operations, products and services, including all environmental and health and safety requirements.
- ▶ Improving our performance by protecting and enhancing all aspects of our environment, as the foundation for the company's success.
- ▶ An inclusive, engaging and socially responsible working environment for employees.
- ▶ Effectively communicating our policies to all employees and ensuring open channels of communication within our organisation.

### 1.3 Prioritising Sustainability

In adopting a strategic approach to sustainability, we address material external risks, helping us to become more resilient and adaptable in the face of challenges such as climate change, and creating a space for new ideas and creative responses. Many of these issues require innovative solutions that will ultimately position us as a thought leader in our industry.

#### Sustainability Management

In 2020, we laid the foundations for strategic management, controlling and reporting practices that are fully geared toward sustainability. A sustainability department was created to work closely with the board of directors and representatives from several business units within the Company. The objective of the department is to monitor the strategic coordination of the Company's sustainability plans.

Our sustainability strategy creates a cohesive purpose, providing a link throughout the business that employees can identify with, as can *potential* employees, who are increasingly seeking purpose-driven organisations to work with. This brings cohesion within the Company and a commitment to a common identity. Another core aspect of our strategy involves engaging and supporting the communities in which we operate. The human focus of our work is an integral component of our drive to ensure the continued success and positive impact of our activities.

Our sustainability strategy defines our reputation in the market. By displaying our values, the dedication towards sustainability development is also exhibited to customers, suppliers and shareholders.

#### Sustainability Rating

Independent sustainability ratings provide valuable feedback ensuring the highest standards in addition to providing stakeholders with confidence in our genuine commitment to a sustainable business model. We believe in a culture of continuous improvement throughout the Group, aligning with our sustainability commitment.

In 2021, we were awarded a rating of ['very good' by imug | rating](#), at a score of 75/100. This was the second highest ranking achievable, on our first audit.

imug | rating has been active in the fields of sustainable finance and socially responsible investment (SRI) for over 20 years. It is one of the leading sustainability rating agencies in Germany and a specialist in customised ESG research.

This rating was followed by a [Second Party Opinion from imug | rating](#), confirming that the framework for our first green bond issuance is in line with the Green Bond Principles 2021.

#### Sustainability Priorities

In 2022, we will continue our efforts to strengthen and standardise our corporate environmental and social management systems for all projects, with a focus on the following:

##### Caring for the Environment

- ▶ Maintain active dialogues with key stakeholder groups, in order to identify risks to and impacts on employees, communities and the environment.
- ▶ Avoid or minimise and compensate for negative environmental impacts by monitoring the effects of our projects throughout all phases of development and operation, such as the audit on our waste management practices in 2021.
- ▶ Pursue the data collection process related to our CO<sub>2</sub>e emissions. Our scope 1 and 2 emissions were evaluated for the first time in 2021.

##### Being a Responsible and Trusted Business Partner

- ▶ Ensure the health, safety and overall well-being of employees and contractors as well as other stakeholders, our assets and the environment. No accidents were reported 2021.
- ▶ Strictly adhere to our corporate anti-corruption policies and maintain a zero-tolerance policy for bribery and corruption. A misconduct policy and a whistleblowing channel were set up in February 2022.
- ▶ Partner with suppliers to promote sustainable business practices and monitor compliance through regular audits and interactions. Our procurement practices were revised and strengthened in 2021.
- ▶ Provide support to organisations whose vision and values align with our own.

##### Structuring Our ESG Goals

- ▶ Implement ISO certification for all relevant business entities. All of our Australian Operations have been ISO 9001, 14001 and 45001 certified, with the most recent audit delivering zero non-conformances. Our Operations in the Czech Republic, Slovakia and Hungary have been ISO 9001 and ISO 14001 certified. Our operations in Poland have been ISO 9001 certified in March 2022.
- ▶ Reinforce our internal policies to achieve the most efficient and effective integrated management system by utilising the following performance objectives: environment, quality, and workplace health and safety. Going forward, an executive team will conduct a regular review of our internal procedures to ensure their compliance and efficacy, and to measure sustainability actions so that our goals can be adjusted when necessary.

To ensure a structured approach to sustainability priorities, we have identified material ESG topics along our value chain.

## ESG Material Areas

					
	Supply Chain	Design and Project Development	Construction	Operation and Maintenance	End of Life

Environment	Environmental Impact Assessment				
		Biodiversity Projects			
		Waste Management			
				CO <sub>2</sub> e Savings	
					Recycling

Social Conduct	Human Rights				
		Community Engagement			
			Health and Safety, Working Conditions		
		Non-Discriminatory Environment, Diversity			
		HR Development, Management, Belonging			

Corporate Governance	Sustainability Management				
	Ethics and Compliance				

## 1.4 Sustainability Highlights

### Key Highlights of 2021

#### ESG Management

- ▶ Publication of our first annual **Sustainability Report**.
- ▶ Rating of **'very good' and 75/100** received from sustainability rating agency imug | rating, the second highest rating possible.



#### Our Green Bond Issuance

- ▶ We received a **Second Party Opinion** from imug | rating for our first green bond issuance in November 2022.
- ▶ Our **Green EUR Bond is rated 'attractive'** by KFM Deutsche Mittelstand AG.
- ▶ We received the **"Best Issuer Green SME Bonds 2021"** award from Bond Magazine.



#### ESG Actions

- ▶ Tracking of our **carbon footprint** across Scope 1, 2 emissions.
- ▶ Audit of **waste management** practices at our offices.
- ▶ **Pilot biodiversity projects** in Australia and in the Czech Republic.
- ▶ Establishment of **HR key performance indicators**.
- ▶ Internal **ESG survey** conducted to ensure that our team is directly involved with the development of our practices.
- ▶ Additional measures implemented to mitigate **supply-chain related risks**.
- ▶ Creation of a **whistleblowing system** to report concerns.
- ▶ Preparation of **anti-bribery and anti-corruption training**.



### 1.5 ESG Key Performance Indicators

#### ESG KPIs

Environment			
<b>103.3 GWh</b>	<b>43,867 t</b>	<b>100%</b>	
Clean energy produced <b>(+47.6% YOY)</b>	CO <sub>2</sub> e emissions saved <b>(+47.8% YOY)</b>	Revenues generating sustainable value	
Social Conduct			
<b>37 %</b>	<b>18</b>	<b>44%</b>	<b>0</b>
Female employees, up from <b>33%</b> in 2020	Nationalities	Employees provided access to training, up from <b>37%</b> in 2020	Lost time injuries
Corporate Governance			
<b>0%</b>	<b>95%</b>	<b>0%</b>	
Revenue contributing to political parties	Technology purchases subject to due diligence	Claims against the company ruled by a court	

Detailed table in Annex.



# Environment

## 2. Environment

Environmental sustainability is the foundation of our business model. All of our work, and 100% of our revenue is connected to activities adding sustainable value to the environment.

### Our Work

#### Photon Energy

- ▶ **Project Development.** We develop ourselves or acquire photovoltaic projects at all stages of development and guide them to completion. With years of experience on a broad range of projects, and as owners and operators of our own solar power plants, we have strong expertise and a proven track record to navigate any project – large-scale power plants to off-grid energy systems in remote communities – through every stage of development.
- ▶ **EPC Solutions.** We have a proven track record of delivering engineering, procurement and construction services that can deliver any solar energy project, providing our customers with sustainable, efficient and reliable energy as well as significant long-term cost savings.
- ▶ **Technology.** We procure and engineer world-class technology to fit the specific project location, design and budget. Our services cover all aspects of the technology procurement process, including after-sales support.
- ▶ **Operations and Maintenance.** We build our assets to perform over the long term, delivering to the communities they serve. As a function of this, we provide a full range of O&M services, including monitoring and inverter maintenance. Our philosophy is to maximise environmental and financial benefits for our clients by carrying out preventative maintenance to optimize and extend the useful life of their assets. Photon Energy is an asset owner as well as a service provider; we deeply understand our clients' needs because we provide O&M services to ourselves. The power plants we manage run with an average uptime of more than 99%.

### Our Priorities

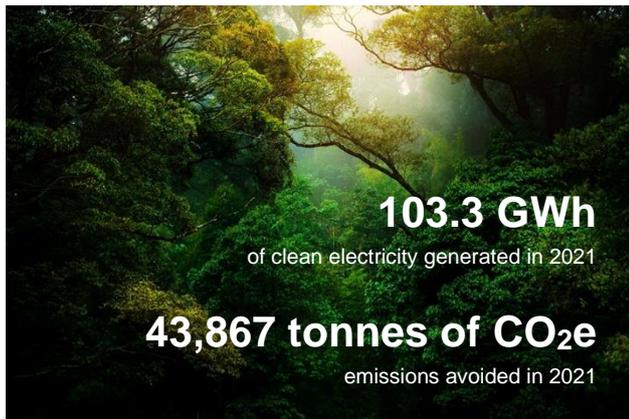
To conduct our business responsibly, we have prioritised the following long-term environmental principles, in line with various international organisations including the EU taxonomy objectives and the sustainable development goals of the United Nations:

- ▶ **Climate change mitigation** through the delivery of affordable and clean energy, through the development of green energy systems including energy storage.
- ▶ **Innovation as a means to enhance the efficiency of infrastructures** by developing new solutions and relying on partnerships with RayGen and Lerta, our new investees, as a priority.
- ▶ **Helping to make cities and communities sustainable** by developing and operating environmentally friendly and emission-free power plants.

#### Photon Water

- ▶ **Water Treatment.** We deliver treatment solutions around the world, including potable and wastewater treatment, hazardous liquid waste and industrial water treatment. Our solutions are customisable and comprehensive, ranging from the treatment of drinking water to the large-scale treatment of hazardous liquid waste.
- ▶ **Remediation.** We offer a range of remediation services to eliminate contaminants from water and soil. Water and soil contamination can be harmful to local communities and the Earth itself. Through the process of remediation, we remove dangerous pollutants, leaving soil healthy and water safe to use. Different methods of remediation are available depending on the site and the type of pollutants involved. We have the expertise to assess our customers' needs and provide the safest, most effective remediation solutions.
- ▶ **Wells and Resources.** We provide complete services for wells and water resources, from design to maintenance. We have the expertise and proven track record to provide customised water well solutions using state-of-the-art technology and techniques. Our work is research-based and prioritises both safety and efficiency, grounded in our mission to ensure access to clean water for people and communities around the world.
- ▶ **Resource Management.** We help our customers make the best, most efficient use of their water resources, lakes and ponds. Our work is research-based and prioritises both safety and efficiency, grounded in our mission to ensure access to clean water for people and communities around the world.
- ▶ **Contribution to a healthy ecosystem** by conducting environmental impact studies prior to the installation of power plants.
- ▶ **Enhancing biodiversity** by working proactively on projects that are beneficial to local ecosystems and wildlife.
- ▶ **The sustainable use of water** through the delivery of water treatment solutions, the conservation of water, and a range of remediation services to eliminate contaminants from groundwater and the environment.

## 2.1 Environmental Commitments



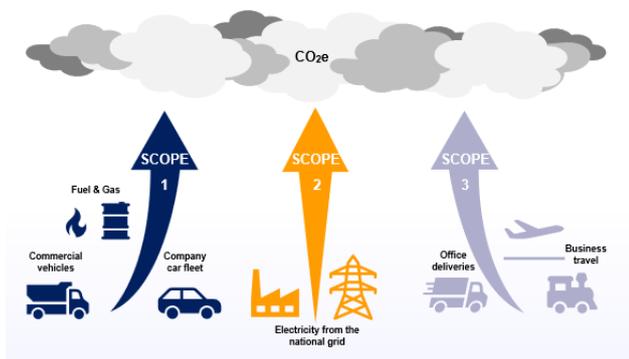
Beyond our work developing solar energy and clean water solutions, we have various policies in place to ensure that our dedication to environmental causes is also reflected in our internal practices.

- ▶ All of our field operations are subject to local environmental regulations, which we strictly adhere to.
- ▶ When disposing of waste, all recyclable materials such as metal, wood, plastic, glass and paper are sorted and recycled.
- ▶ We generally do not use chemical fertilisers or pesticides for landscape management.
- ▶ For the cleaning of PV panels, we use only demineralised water, no chemical agents.
- ▶ When clearing land to construct new power plants, we conduct in-depth biodiversity studies and implement measures to ensure that any unavoidable impact is minimised or reversed.
- ▶ We follow all local guidelines and regulations regarding community involvement and consultation.
- ▶ When working with subcontractors, we prioritise local suppliers to have a positive impact on the local economy through job creation.

## 2.2 Carbon Footprint

Making a positive contribution to carbon reduction to mitigate climate change is our top priority.

The aim of our core business is to reduce carbon released during electricity generation. In 2021, our solar power plants generated **103.3 GWh of clean electricity** and **43,867 tonnes of CO<sub>2</sub>e emissions were avoided** as compared to conventional electricity production. This figure represents carbon emissions avoided annually by replacing the equivalent quantity of electricity generated from conventional electricity generation with clean generation from PV power plants. This equivalent quantity is based on the total production of our proprietary portfolio of power plants. The calculation is updated annually and utilises a carbon emissions factor. The emission factor considers the current electricity market and fuel mix for countries in which Photon Energy Group operates and owns PV power plants.



As part of our ESG strategy, it is important to record and reduce the carbon emissions of our own activities. To date, we have not monitored our carbon emissions but have now initiated the implementation of an integrated approach to calculate our carbon footprint. In the first phase of this approach, data was collected on 2021 CO<sub>2</sub>e emissions and used to evaluate level scope 1 and 2 emissions connected to our activities.

Scope 1 emissions correspond directly to emissions from sources owned or controlled by the Group. This year the assessment focussed on our car fleet, comprised of 62 vehicles.

Scope 2 emissions are detailed as indirect emissions produced by electricity consumption at our offices.

In 2021, total scope 1 and 2 emissions amounted to 343 tonnes of CO<sub>2</sub>e, representing a 20% increase from 2020. This increase is consistent with our reported business growth, in addition to a shift in work related travel associated with Covid-19- restrictions. Photon Energy Group aims to improve monitoring practices and the closeness at which company car fleets are examined. At the time of this report’s publication, this fleet includes 3 hybrid vehicles and one fully electric vehicle.

This data collection represents a starting point, enabling Photon Energy Group to set up and improve carbon reduction targets. Moving into subsequent phases of our carbon emissions reporting program, data will encapsulate scope 3 emission or indirect emissions not included in scope 2. This reporting will include emissions associated the value chain, including both upstream and downstream emissions.

	2021	2020
<b>CO<sub>2</sub>e Emissions Scope 1 and 2 (in tonnes)</b>	342.8	286.6
<b>Number of Employees</b>	144	136
<b>CO<sub>2</sub>e Emissions Scope 1 and 2 per Employee (in tonnes)</b>	2.38	2.11
<b>CO<sub>2</sub>e Savings (in tonnes)</b>	43,867	29,778

We have commenced a pilot project in Australia developing a simple and effective protocol to calculate our scope 3 emissions. This protocol is based on an ‘ESG tracker’ tool gathering data in the

areas of waste management, travel to and from work sites (including raw materials as well as air, car, and construction site travel). Having this tracker in place for all projects is a necessity moving

## 2.3 Waste Management

Both on-site and in our offices, we aim at maximising recycling and to minimising non-recyclable waste. All waste is separated and disposed of accordingly, in our installations and in our offices.

### On-site Waste Management

Our field operations are subject to local environmental regulations, which we strictly support or exceed. When disposing of waste, all recyclable materials such as metal, wood, plastic, glass, and paper are sorted and recycled, and we generally do not use chemical fertilisers or pesticides for landscape management. Environmental requirements also include, for example, the correct, ecologically sound disposal of PV components.

We are committed to developing and continuously improving our waste management systems, which includes the sorting and correct disposal of all recyclable materials. We currently transfer our waste to specialised companies with a waste management permit, in accordance with the provisions of local environmental laws and regulations.

When constructing PV power plants, our subcontractors are responsible for the management of waste related to their work (packaging materials, etc.). In Hungary, third parties also provide us with statements regarding the total amount of waste they have collected for the payment of associated taxes.

forward to accurately measure scope 3 emissions, in addition to data related to waste management and air travel at our offices.

In 2021, one PV power plant in Tolna, Hungary (with a total capacity of 1.4 MWp) and two in Leeton, NSW, Australia (with a combined capacity of 14.6 MWp) were constructed and commissioned. During the construction phase of the Tolna plant, 11.6 tonnes of waste was collected. Pallets were not recycled but sold to third parties to be reused.

A preliminary ESG reporting was initiated at the Wodonga Solar Farm in Australia, where we are finalising the development of a 3 MWp hybrid solar PV power plant with off-grid capacity adjacent to a wastewater treatment plant. An ESG spreadsheet has been developed to track waste, fuel, electricity, and local employment. One of the main objectives of this pilot ESG project is to analyse and identify areas for improvement for future projects, including waste management practices.

### Office Waste Management

In 2021, we organised a review of waste management practices in the five offices housing more than 90% of our employees. An inventory of the types of waste produced by each office was prepared, as well as a description of current waste, reuse, recycling, and sorting practices. The different categories of waste and recyclable materials include organic waste, soft plastic, metal, hard plastic and glass, paper, electronic waste, and other waste that cannot be reused, recycled, or remanufactured. Areas for improvement were identified, and revised waste prevention rules are being established.

## CASE STUDY

### PHOTON ENERGY

#### Solar Energy Solutions for a UNESCO World Heritage Site



Source: Lord Howe Island Board, Credit: Jack C Shick

#### OVERVIEW

Location: Lord Howe Island, Australia

Service: The development and construction of a hybrid solar and battery storage system.

#### THE CHALLENGE

Help the island's community to not only significantly reduce diesel and greenhouse gas emissions, but also to prevent spills and pollution in a pristine environment.

#### THE SOLUTION

Built on the World Heritage-listed remote island located in the Tasman Sea 700 km north-east of Sydney, the system consists of 1.2 MWp solar PV array and a battery system with over 3.2 MWh capacity. The ground-mounted PV power facility combined with solar battery storage is integrated with the local microgrid and diesel generators, which currently form the main power source for the island's community. Fencing was customised to allow flesh-footed shearwaters to nest in ground and to get out of the area easily.

The system was purpose-built for a small, remote location and now provides more than two thirds of Lord Howe Island's electricity.

## 2.4 Quality Control

The highest standards of quality in our products and services are vital not only to our business, but to managing the environmental impact of our work. In addition to our own standards and practices, we strictly adhere to all relevant laws and regulations concerning product quality and safety.

Practices during the development and construction of power plants:

- ▶ Our assets and operations are subject to various environmental laws and regulations in the jurisdictions in which we operate. These environmental requirements include ecologically responsible disposal of PV components. Waste record keeping and transfer of waste to specialist companies with practising management permits in accordance with local environmental law also features in our quality control procedures.
- ▶ Regular checks are made with subcontractors, including a Provision Acceptance Test (PAT), and a Final Acceptance Test (FAT). The PAT consists of a visual inspection of all components, while the FAT focuses on the functionality of major components, such as the emergency off switch, switchboards, bus bar, circuit breakers and modules.

## 2.5 Community Impact

We strive to avoid or minimise any detrimental changes to local landscapes. The potential negative environmental impact of our projects is identified during the development stage, and corresponding investigations are carried out for small-scale projects. For larger projects, environmental impact assessments (EIS) are carried out. For the company's major projects in Australia, EIS's are conducted at the outset. During the first year of development, a large amount of information on the environmental impact of each project is documented and then published as part of the approval process. Our projects are very often large-scale and long-term (the life cycle of a PV installation is generally at least 25 to 30 years), and as such we take great care assessing, managing, and monitoring any possible impacts on local communities.

The development and construction of PV power plants and water treatment installations can make significant impacts on local ecosystems, and as such are subject to stringent environmental regulations as well as regulatory requirements in the form of building permits. In Australia, development approvals for PV power plants are subject to public inquiry and consultation, which brings together representatives of central and local government as well as environmental and other associations. A dedicated website is set up at the commencement of an Australian project providing transparent project information to the public and a direct contact line during the project's development.

In addition to these regulatory requirements, and for every projected location worldwide, we engage in preliminary discussion with local authorities as a means of ensuring each project's compatibility with territorial and community policies. We have local teams in place in every country we operate, allowing us to

Practices during the operation and maintenance of power plants:

- ▶ Preventative maintenance as the central component of our approach. This includes targeted inspections and testing to ensure that any potential problems are identified and resolved before they become a fault, minimising downtime.
- ▶ Regular technical audits, aligned with a continuous improvement culture, which consist of in-depth inspections and data analysis in order to assess performance, identify problems and implement solutions.
- ▶ Online monitoring and analysis services for all types of PV projects, ensuring that system abnormalities are identified and rectified, and that sites run at optimal performance.

Our approach to quality control allows for optimal performance of components by minimising operational and energy losses, and to ensure compliance with local government and environmental regulations, thanks to our forecasting tools.

communicate with and provide information directly to local authorities and residents in order to ensure the clear, accurate presentation of a project and its challenges.

We believe local requirements are appropriately stringent in the countries where we operate, and we are not currently developing projects in any countries with a high corruption perception index. However, if we choose to develop projects in other countries in the future, notably emerging countries, we may go beyond what is required by local environmental regulations if deemed inadequate. In such cases, we will make use of the guidelines published by the International Finance Corporation (IFC).

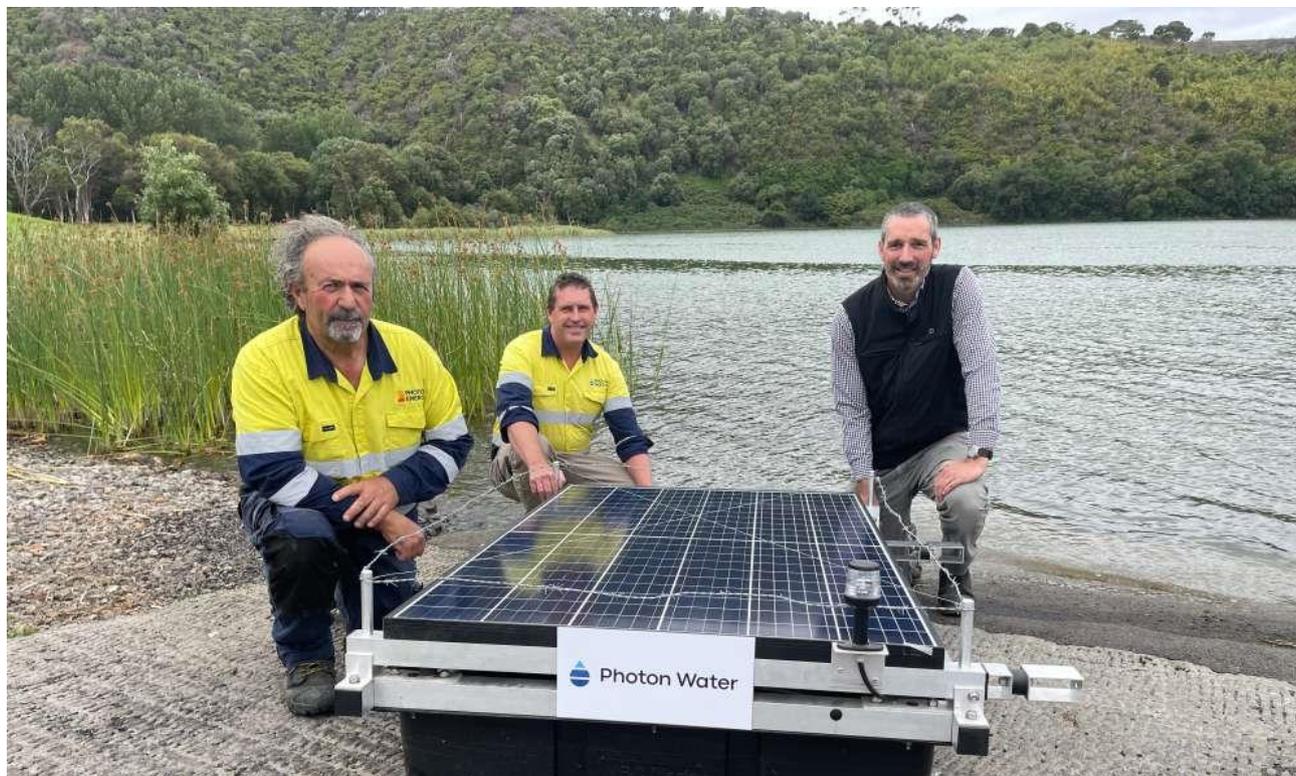
Our activities contribute to the supply of sustainable clean energy and water solutions and provide local communities the benefit of positive economic impacts from our projects and installations via taxes, the leasing of land and job creation. When possible, we always prefer to work with local subcontractors, as a contribution to the local economy. This is applicable in all our markets. We also strive to empower community groups and support intern programs to assist with our construction, technical and operational projects.

Our approach to taxation is applied across all our locations and reflects our ethical guidelines. As an international organisation, Photon Energy Group pays taxes, duties and other contributions which may be significant in the countries in which we operate. We apply tax rules rigorously and are compliant with all local requirements, international treaties and the guidance provided by international organisations. We only create foreign entities for the purpose of developing our activities or responding to operating requirements.

## CASE STUDY

## PHOTON WATER

## Water Quality Monitoring and Control Floats in Mount Gambier, Australia



## OVERVIEW

Location: Valley Lake, Mount Gambier, Australia

Service: Deployment of water quality monitoring and control floats to characterise water quality and determine the algae species present in the water as a first step towards improving water quality within the lake.

## THE CHALLENGE

During the summer period, the Valley Lake experiences algal blooms due to increased water temperature and light conditions which negatively impact the recreational value of the water. Our monitoring and control floats have been installed to determine the most appropriate method to eliminate these blooms and reduce summer cyanobacteria and algae counts. The aim is to support water quality that meets levels outlined within Australia's National Health and Medical Research Council guidelines for managing risk in recreational water.

## THE SOLUTION

Prior to improving the lake water quality, it is critical to understand the dynamics of the lake.

Photon Water have deployed two floats on the lake to investigate the water quality at a variety of depths across the entire lake profile. This water management approach will ensure that scientifically principled and verified engineering solutions are considered and applied to improve the water quality. At the time of this report's publication, the first phase of the project has been implemented. The floats will measure several water quality parameters in real time, including temperature, dissolved oxygen, pH, algae and oxidation/reduction Potential.

The floats will be positioned on the lake throughout the year. The lake can still be used for recreational purposes during the investigation period as the floats are situated out of the way of watercraft and are clearly visible to ensure the safety of water users. The results will inform the second stage of the project, which will involve implementing a range of water quality control solutions to reduce algal blooms and improve the health of this aquatic ecosystem.

## 2.6 Water Consumption

We consume water in office buildings and through the operation of our PV power plants. In office buildings, water is consumed in small quantities. The operation of our PV power plants does not require significant water consumption. Water is used to clean solar modules, in small quantities.

### Photon Water's Clean Water Solutions

Through the comprehensive solutions and services offered by our Photon Water Division, we help to ensure that clean water is accessible to everyone.

In addition to supplying both large- and small-scale water treatment units, we can provide a range of clean water solutions, including the treatment of industrial wastewater, hazardous and non-hazardous liquid waste. As well as technical treatment and management solutions, we provide guidance in areas such as regulation and compliance and emerging waste strategies. We offer a variety of chemical programs and process-optimisation services for potable drinking water.

## 2.7 Biodiversity

Installing PV power plants requires land clearing, which may have an impact on biodiversity disturbing and causing a loss of habitat for local wildlife. Biodiversity considerations must be part of environmental and social due diligence and baseline studies. If an impact is unavoidable, we implement measures to minimise it and restore previous levels of biodiversity.

For all projects, site clearance is executed in a sensitive manner minimising the impact on fauna. Project-specific measures are identified for the removal of vegetation including directional clearing, and avoidance of clearing during bird nesting seasons. Relevant measures during construction and operational phases incorporate fencing off storage areas and keeping lighting to a minimum.

Habitat enhancement and the creation of new conservation areas are options that are considered whenever impact cannot be fully mitigated.

### Photon Water's Work with Wetland Preservation

Global awareness of the importance and impact of wetlands is growing, and this is a significant focus area within Photon Energy Group. Along with a project in the Czech Republic dedicated to natural wetland restoration, Photon Water is also collaborating on the development of a unique technology called Wetland+ at Jaworzno, a site in Poland, as part of an international consortium to implement the EU-funded project Innovative Technology Based on Constructed Wetlands for Treatment of Pesticide-Contaminated Waters (LIFEPOPWAT).

Through the process of remediation, we remove harmful pollutants, leaving soil healthy and water safe to use. Different methods of remediation are available depending on the site and the type of pollutants involved. We can guide our customers through every stage of the process to provide the safest, most effective remediation solutions.

As part of our ongoing research and development work, we have developed a unique nanoremediation solution to address the growing problem of per- and polyfluorinated substances (PFAS) contamination in ground water, as well as other contaminants. A pilot remediation project for the Australian Department of Defence to remove PFAS contamination from soil and groundwater using this patented nanoremediation process was begun in 2020 after several months of preparation, analysis and ground testing. We are now at the final stage of implementing the in-situ technology.

More information can be found at [photonwater.com](https://photonwater.com).

The heavily research-based technology is expected to reduce the levels of HCH in stream waters near the site. Lindane, a form of HCH, was widely used in the EU as a pesticide and a treatment for lice and scabies until its production and application were banned in 2004. Nevertheless, this persistent organic pollutant still poses serious health risks for the residents of affected areas.

The Polish part of the consortium is represented by the Central Mining Institute (pl. Główny Instytut Górnictwa) and the City of Jaworzno. In addition to Photon Water, participants in the consortium include the Technical University of Liberec (CZ) and Aarhus University (DK), as well as SERPOL (FR) and the Czech state-owned company DIAMO (CZ). The project commenced in 2020 and is scheduled to end on 31 December 2023.

In parallel with the LIFEPOPWAT project, Photon Water is part of another EU-funded consortium project to map and improve the knowledge base regarding the presence and disposal of HCH and lindane in the EU. Photon Water has been sub-contracted by the company leading the project, Tauw BV, to help with the inventorisation of HCH-contaminated sites in the Czech Republic and to assist one of the site owners with HCH-contaminated site management.

### Agreement with the Czech University of Life Sciences Prague

Biodiversity projects are planned to be developed at eight of our power plants in the Czech Republic, as part of an agreement with the Department of Ecology of the Czech University of Life Sciences Prague. The first step of this long-term project is currently ongoing and consists of studying biodiversity characteristics for each location. Insect and crop specialists will be involved in the process of identifying the appropriate crops to be planted around the panels.

CASE STUDY

PHOTON ENERGY

Biodiversity at Our Leeton Solar Farms



OVERVIEW

Location: Leeton, New South Wales, Australia

Service: Sheep grazing the land, as a first step of our biodiversity plans for utility-scale power plants.

THE CHALLENGE

To control the growth of weeds without the use of herbicides and support the planting of animal-friendly grasses.

THE SOLUTION

We have a total of 30 sheep on the farm and are looking to increase the numbers over the coming months. The sheep create a more environmentally friendly way to control weeds. Chemical requirements are reduced, as are emissions from diesel tractors required for mowing.

This is the first step in Photon Energy's biodiversity plans. It will take several years to get the weeds on this site fully under control. The plan is to then plant a competitive species that is beneficial to the environment, preferably a native species that supports endangered flora and fauna.



# Social Conduct

### 3. Social Conduct

We are proud to have built a dynamic, diverse team of colleagues, comprised of 18 nationalities in locations around the world. We recognize this vibrant community as one of our greatest strengths, and we are dedicated to its continued enrichment.

Our dedication to community extends beyond our company: one of our guiding principles is to prioritise the well-being of everyone impacted by our work.

#### 3.1 Social Commitments



- ▶ We have stringent health and safety policies and procedures in places, and all employees are responsible for complying with any applicable laws and regulations.
- ▶ We embrace all forms of diversity and provide equal employment opportunities without regard to gender, race, religion, disability, sexual orientation or age.
- ▶ We provide an open, inclusive and non-retaliatory work environment, and discrimination of any kind is not tolerated.
- ▶ We ensure that all employees are treated equally and objectively in opportunity and remuneration, using merit-based criteria.
- ▶ We understand our obligation to protect the privacy of our customers and suppliers. We have strict policies and procedures in place to ensure that sensitive data is protected. This includes electronic data stored in our systems.

#### 3.2 Corporate Social Responsibility and Employment Practices

One of the key factors resulting in the continuous growth of Photon Energy Group has been the development of a culture that prioritises shared values and seeks to encourage the ongoing development of its employees. Based on this, we have a two-tiered approach in our employment practices: attracting a strong, diverse pool of talent and encouraging professional development.

We never engage in the use of forced or child labour, nor do we condone the mistreatment of individuals. In view of the high labour and legal standards in the European Union and Australia, the risks of human rights violations and violations of labour law – such as child and forced labour or the suppression of freedom of association – are extremely low.

The renewables industry is burgeoning, with a rapidly increasing workforce. Within this fast-growing industry, a major challenge for employers is to recruit, onboard and train new talent to enable continued expansion.

##### ESG Survey

We believe that employees are the strongest advocates and enablers of Photon Energy Group’s ongoing development.

There is no standard career path within Photon Energy Group. Instead, each employee may adapt their journey according to their individual objectives and available opportunities. Internal mobility is a major factor in developing employees’ competencies, and we are encouraging team members to expand their experience through advancement into new positions within the organisation.

As we continue to grow and develop our ESG policies and practices, it is vital that we hear employees’ voices and gather their input. This is why we decided to conduct an internal ESG survey: to better understand our employees’ perception of ESG issues and open discussions around any challenges that we face.

We support and provide ongoing training and professional development, especially in areas related to health and safety – in particular training for accreditation for electrical work – workstation training for the adoption of new tools and the development of other competencies such as linguistic skills. In March 2022, we instituted an anti-corruption training program.

The survey was conducted in September 2021; all responses were completely anonymous, and conclusions were shared with participants.

Employees are supported in the achievement of both personal and professional goals, and programs including talent development, individual development planning and mentoring will be implemented in the future.

The survey was completed by more than 100 people, representing 73% of our organisation. This is a truly impressive result for an employee survey, and a clear demonstration of the shared commitment within Photon Energy Group to developing a culture of sustainability.

Overall, the results of the survey have offered us an opportunity to improve our performance in areas that matter.

We were pleased to see that our team places a high level of importance on working for a 'green' company with ethical values. 97% of respondents find it personally motivating to work in a green industry, 96% of respondents believe that our organisation provides equal opportunities to everyone, regardless of gender, age, religion, sexual orientation or ethnicity.

### 3.3 Workplace Health and Safety

Along with sustainability, safety is one of our core values. We place the highest value on the safety and well-being of employees, as well as that of the communities and environments in which we operate. Our goal is for every employee and contractor to return home safely at the end of every day.

Our location-based work, such as the construction, operation and maintenance of PV power plants is of particular focus for addressing and mitigating health and safety risks, which can include risks associated with the use of machines and live electrical environments.

Every employee is responsible for complying with applicable health and safety laws and following our internal policies and practices. If an unsafe situation is observed, the situation will be rectified, and we make it clear to employees that safety is our highest propriety is to ensure that they feel comfortable stopping unsafe work practices or assisting others in the development of safer practices. We constantly reinforce that 'The standard you walk past is the standard you set'

When working with subcontractors, health and safety aspects are considered pre-contract, since the selection of subcontractors depends upon their effective capacity to provide equipment and services of quality in line with our standards and values. Contractors are also required to respect all local regulatory requirements.

### 3.4 Measures Connected to COVID-19

The global spread of COVID-19 has had wide ranging effects. Beyond the economic impacts, the pandemic has created increased health risks. As a result, we have implemented both business continuity plans and specific health and safety policies to ensure that all employees and contractors are safe and compliant with government directives.

### 3.5 Data Privacy and Security

We have implemented strict policies and procedures to ensure that sensitive data and other information valuable to the company and our stakeholders is maintained and protected. This includes electronic data stored in our systems. All employees are responsible for complying with the relevant privacy and security policies, including the General Data Protection Regulation.

Also, of high importance to staff is waste and energy management, health and safety practices and training/professional development, to name a few key issues. While we are performing well in some of these areas, we need to work on others: 70% of respondents think our organisation manages energy consumption in a way that is efficient and environmentally responsible, 71% have clear goals set and feedback on progress from their line managers. These are two areas where we intend to improve our performance.

During the construction of PV power plants, the project manager is responsible for ensuring compliance with health and safety requirements by the teams under the responsibility of each contractor. The project manager must ensure the due application of all necessary measures and onsite compliance with the terms of the contract. Risks are identified, mitigated, controlled, and monitored. Necessary actions are taken to prevent recurrence. If discrepancies are noted between the required measures and their implementation, applicable controls may be reinforced and all activity at the site could potentially be suspended. Prior to the hiring of a new team member, our subcontractors must organise training related to the working environment and safety rules, and also make them aware of any potentially hazardous situations employees might encounter.

All types of risks including the use of tools, biological factors, chemical factors and psycho-social factors are documented and reported by our subcontractors. For every project, we rigorously monitor the occurrence of health and safety incidents for employees under contract, and in 2021 there were no serious workplace accidents.

This type of monitoring ensures that working conditions that are as safe as possible for employees. These parameters also have a direct impact on the quality of service we provide.

In all the countries where we operate, we have introduced a home office regime and have asked employees to adopt all measures recommended by public health authorities in their private life to minimise the risk of contracting the virus.

We initiated our business continuity procedures to ensure the uninterrupted provision of essential services to our clients while continuing to prioritise the health of all our stakeholders.

Whenever we receive requests to disclose or share potentially sensitive or confidential information, any disclosure must be both appropriate and legally necessary. We understand our obligation to protect the private data of our customers and suppliers. All employees take great care to never jeopardize the security of that information.



# Corporate Governance

## 4. Corporate Governance

Good corporate governance is essential to our sustainability because it creates an atmosphere of trust and allows us to build solid, lasting relationships with all of our stakeholders, from suppliers to investors.

### 4.1 Corporate Governance Commitments



As Photon Energy Group continues to grow, we are committed to maintaining and strengthening our focus on the responsible management of our operations and affairs at a corporate level.

- ▶ We have an independent supervisory board and audit committee in place to provide guidance and oversight to the management board on the general affairs of the company.
- ▶ As a listed company, we apply the Dutch Corporate Governance Code and Warsaw Stock Exchange Best Practices.
- ▶ We are committed to ensuring that all employees, customers and suppliers act in an ethical manner and that stakeholders are not subject to unethical behaviours such as corruption, bribery or extortion.
- ▶ We have an anti-corruption policy and a whistleblowing system in place, and an insider trading policy is signed by all employees when they sign their contract of employment.

### 4.2 Governance Rules and Codes of Conduct

Companies in the renewables sector has the potential to have close relationships with government officials, as well as with suppliers, third-party contractors and utility customers. Any one of these relationships can be exploited by employees for financial gain. The utilities sector generally has historically experienced a range of incidents related to ethical misconduct, including procurement fraud (e.g. bid rigging, false invoices or collusion with vendors) and bribery. Best practices for utilities include strong anti-corruption policies and whistleblowing systems, as well as due diligence on third-party transactions.

Photon Energy N.V., the holding company for Photon Energy Group is publicly traded on regulated markets, which leads to heightened scrutiny of its governance practices and increases the importance of governance structures, practices and behaviours.

The listing of our shares on the main markets of the Warsaw and Prague stock exchanges also resulted in the adoption of the Dutch Corporate Governance Code as well as the Warsaw Stock Exchange Best Practices, as guidelines for our corporate governance.

A supervisory board and an audit committee were established on 4 December 2020. Both bodies are comprised of the same two members: Boguslaw Skowronski and Marek Skreta, each appointed to a four-year term of office. These changes to our corporate structure were connected to the transfer of our share listings to the regulated market of the Warsaw Stock Exchange and the standard market of the Prague Stock Exchange. We implemented these changes in order to be in full compliance with the laws and regulations imposed on public companies as well as the best practices of the regulated markets.

Both members not only possess extensive experience as entrepreneurs and executives at international institutions, but also know Photon Energy Group and its end-markets extremely well, and the membership reflects great diversity. These multi-layered, diverse perspectives are obviously of enormous value, and we are confident it will ensure the continued growth of Photon Energy Group.

#### Supervisory Board

The Supervisory Board is responsible for supervising and advising the Management Board. In exercising its role, the Supervisory Board follows the applicable law, the Articles of Association of the Company, Dutch Corporate Code of Conduct, Rules of Procedure of the Supervisory Board, and the Company's interests. It is a separate body that operates independently of Photon Energy Group's Management Board.

In 2021, the Supervisory Board met 9 times. In the meetings, the Supervisory Board discussed the financial plan and quarterly results for 2021, the outcome of the audit and financial statements, current operational, financial and legal affairs, the private placement of the Company's shares, the Company's green bond, the current situation on energy markets, the Company's strategy and internal risk management, which was assessed as sufficient.

A Remuneration Policy and Supervisory Board Profile were also approved in March 2021, as well as the financial statements 2020. Furthermore, the Supervisory Board reviewed the Company's compliance report with the Dutch Corporate Governance Code and the Warsaw Stock Exchange Best Practices. The Supervisory Board also prepared the Remuneration Report for 2021, which will be presented to the upcoming Annual General Meeting.

### Audit Committee

Photon Energy Group's Audit Committee undertakes preparatory work for the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of its internal risk management and control systems. The committee maintains contact with the external

auditors and monitors the Board of Directors in connection with the company's funding, tax policy and application of IT technology, especially with respect to cybersecurity.

Further information on our corporate governance can be found in our 2021 annual report.

## 4.3 Financial and Business Records

Our books and records are prepared in regulatory detail and accurately reflect our transactions. All financial information is registered and reproduced in accordance with generally accepted accounting principles, with a system of internal accounting controls assuring that transactions are executed in compliance with management's authorisation: a controlling mechanism is used to facilitate delegation levels of authority and increase transparency with the four-eyes principles applied to every transaction.

Any accounting information is registered in accordance with applicable laws and relevant accounting standards. From the financial years 2013 to 2019 our Management Board appointed Grant Thornton Accountants en Adviseurs B.V. to serve as the auditor for

Photon Energy N.V. and the group with its subsidiaries. The appointments were confirmed by the general meetings of Photon Energy N.V. The auditor's reports were part of our annual reports, which are available on our website.

Starting from the financial year 2020, the Management Board appointed PricewaterhouseCoopers Accountants N.V. to serve as the auditor for Photon Energy N.V. and the group with its subsidiaries. The appointment was confirmed by the Extraordinary General Meeting of Photon Energy N.V. held on 4 December 2020. PricewaterhouseCoopers Accountants N.V. performed also the audit of the Group's financial statements for the financial year 2021.

## 4.4 Anti-corruption

Our reputation for integrity is critically important, and we are committed to ensuring that all employees, customers and suppliers act in an ethical manner and ensure that stakeholders are not the subject of unethical behaviours such as corruption, bribery, extortion or insider trading. We believe in free competition and will compete fairly, through honest business practices.

Corruption erodes trust, weakens democracy, hampers economic development and further exacerbates inequality, poverty, social division and environmental degradation. Photon Energy Group has never the subject of any controversies, illustrating our ability to manage its relations with stakeholders.

### Anti-corruption and Anti-bribery Policy

As previously reinforced, renewable energy companies may have close ties with government officials, as well as relationships with suppliers, third-party contractors and utility customers, and these relationships could be exploited for financial gain. We have recently implemented an anti-corruption and anti-bribery policy within the company and have introduced a whistleblowing system and an ad hoc disciplinary committee, composed representatives from our HR and Legal departments, a Member of the Board and a Compliance Officer. This committee will be assembled to discuss any breaches of our anti-corruption and anti-bribery policy and decide on the necessary course of action.

This policy was updated in February 2022 to include rules on providing and receiving gifts, as well as reporting violations in accordance with the rules of the Photon Energy Group Misconduct Reporting Policy described below.

### Misconduct Reporting Policy and SpeakUp Line

In line with current regulations as well as our own values and expectations, we have developed a Misconduct reporting policy and instituted the Photon Energy Group SpeakUp Line, a channel for employees, consultants, suppliers, and stakeholders to report misconduct related to our business and operations.

This includes activities which could be interpreted or perceived as:

- ▶ illicit or illegal
- ▶ in contradiction with the values and principles described in our Code of Ethics and other internal policies
- ▶ harmful to Photon Energy Group, our employees or contractors, or our reputation as an entrepreneur, competitor and employer

This whistleblowing channel is available through internal channels and our corporate website. The system is encrypted and administered by an independent third-party service provider. All whistleblowers have the option to remain anonymous.

For employees, the SpeakUp Line is a means to report concerns through a secure, confidential channel in cases where they may be uncomfortable going through their line manager.

As of this report's publication, no incidents have been reported through the SpeakUp Line.

### Training

In 2021, a set of materials was prepared and adapted for all our subsidiaries in their local languages to provide training related to anti-corruption and anti-bribery. The implementation of these training sessions began in March 2022.

### Insider Trading Policy

An insider trading policy is signed by all employees along with their contract of employment. This policy was developed to make sure employees understand their obligations to preserve the confidentiality of undisclosed information and to protect them and the company against legal liability. Employees who have permanent access to confidential information are subject to trading restriction periods and to trading notifications. They are reminded of their obligations on a quarterly basis.

## 4.5 Responsible Procurement

Keen to engage in long-term relationships with our stakeholders, we are careful in our selection of suppliers and subcontractors, seeking responsible partners who comply with our exacting standards for responsible procurement.

We have in place both a Code of Ethics and a Procurement Policy, as well as a strengthened due diligence process. The Procurement Policy provides detailed guidelines for the selection of suppliers, and a first due diligence on our top suppliers was performed in 2020. In 2021, this due diligence process was renewed and extended, and a reporting system defined.

### Code of Ethics

The Code of Ethics contains a section with specific rules of conduct for purchasing and procurement. According to this, purchasing decisions must be strictly aligned with Photon Energy Group's interests, which exclusively concern objective criteria such as anti-corruption, quality, price, production requirements and logistics. Employees involved with procurement are explicitly banned from seeking personal benefits in return for preferential treatment, with the acceptance of gifts and event invitations also restricted to an absolute minimum.

We have no reason to believe that any of our individual suppliers have infringed upon human rights, in particular the right to freedom of association or collective bargaining, nor the ban on child and forced labour. If we become aware of violations of the ban on child

and forced labour in accordance with International Labour Organization (ILO) conventions, or the enforcement of statutory minimum health and safety standards through audits or notifications, this will lead us to halt all business with the supplier concerned.

Our Code of Ethics was updated in February 2022 to integrate principles regarding the prohibition of gender-based violence and harassment (GBVH).

### Due Diligence for Our Supply Chain

In 2020 we conducted a due diligence audit of our ten largest suppliers, checking the suppliers' internal E&S policies. As we were seeking to improve our supply chain risk management, we expanded the scope of our audit to 20 suppliers. They represented 54% of our total net purchasing volume in 2021.

In addition, we created a Third-party Code of Conduct setting clear expectations for our technology suppliers with regards to ethics, human rights principles, health and safety, and environmental issues. The document was acknowledged and signed by suppliers representing 95% of the technology (modules, inverters, batteries) we purchased in 2021. The remaining 5% are connected to one supplier with whom a trial purchase was organized, with no further collaboration anticipated.

We are not aware of any significant violations of our procurement principles in 2021.

## 4.6 Donations

### Donation Policy

In order to define a relevant and structured scope of action related to charities, donations and sponsorships, a team of people is working on a Donation Policy. This policy has the following objectives:

- ▶ providing guidelines around donations
- ▶ supporting initiatives consistent with one another
- ▶ better delivering on our commitment to support organisations whose vision and values align with our own.

## 4.7 ESG Reporting Standards

Since one of our goals is to continually improve the quality of the services we provide, we are committed to working according to internationally recognized standards.

An environmental management system is in place, which takes into consideration environmental and climate protection as well as maintaining an active dialogue with key stakeholders to identify the environmental risks and impacts of our work.

As of the publication of this report:

- ▶ All our Australian operating entities have been ISO 9001, ISO14001 and ISO 45001 certified.
- ▶ Our operations and maintenance entities in the Czech Republic, Slovakia and Hungary have been ISO 9001 and ISO 14001 certified. Our operations in Poland have been ISO 9001 certified in March 2022.

### Laptop Donation Initiative

In 2021, our IT team organised the donation of discarded but functional laptops to a Czech charity for single mothers.

We believe that reuse through donations such as this have both social and environmental benefits. It allows us to assist some of the most vulnerable members of our local communities – people who have been hit particularly hard by the COVID-19 pandemic – while also extending the lifecycle of these laptops, providing the highest environmental benefit of all methods of electronics disposal.

Although we have successfully met these ISO standards, we will continuously improve and develop our ESG principles and policies in order to remain a reliable partner for our customers. We are planning to obtain ISO certification for all our relevant corporate entities.

For projects which may be developed in emerging countries in the future, we intend to perform stakeholder and engagement analyses in accordance with the International Finance Corporation's performance standards. These standards address and mitigate negative local impacts by developing and implementing resettlement and livelihood restoration plans and require the establishment of long-term monitoring mechanisms.

Our priority is to redesign our internal policies to achieve the best and most efficient integrated management system by utilising quality, workplace health and safety, and environment as performance objectives. A team of managers has now been assigned to regularly review our internal procedures to ensure they are compliant and effective, and to measure sustainability actions to adjust our goals as necessary.



# **Green Financing Report**

## 5. Green Financing Report

Our Green Financing Framework has obtained a second party opinion from imug | rating, an independent institution in Germany, confirming that the framework for our first green bond issuance, which we started in November 2021, is in line with the Green Bond Principles 2021.

This framework provides the basis of all allocations and impact reporting in this Green Financing Report to enable investors, bondholders and other stakeholders to follow the development of the assets and projects funded by our 2021/2027 green bond.

- ▶ In November 2021, we successfully placed our 6.50% Green EUR Bond 2021/2027 (ISIN: DE000A3KWKY4) in the amount of EUR 55 million.
- ▶ This was our first green bond and was confirmed by imug | rating with regards to its sustainability and compliance with the ICMA principles in a Second Party Opinion. It is traded on the Open Market of the Frankfurt Stock Exchange.

### 5.1 Use of Proceeds from Our Green Bond

An amount equivalent to the net proceeds from our green bond will be used to finance or refinance, in part or in full, projects or assets providing distinct environmental benefits or financial instruments that were used to finance such projects or assets ('Green Eligible Projects').

Green Eligible Projects are more specifically defined as investments in renewable energy sources. This also includes the development and acquisition of such projects as well as investments in share capital of companies with such assets, where Photon Energy Group has significant operational influence and where the use of proceeds should be directly linked to the book value of the Green Eligible Projects owned by the acquired company, adjusted for the share of equity acquired.

Our green bond provides funds for investment activities and related expenditures, directed towards the acquisition, development and/or construction of facilities that produce electricity from solar power or hybrid solutions, possibly combined with energy storage. Only activities that comply with the criteria below will be deemed eligible.

Net proceeds can be used for:

- ▶ The financing of new Green Eligible Projects and assets.
- ▶ The refinancing of existing green eligible assets, or the refinancing of financial instruments that were used to finance such projects or assets which were developed and built in Hungary and Australia from 2017 to date.

<b>Green EUR Bond 2021/2027</b>		
EUR 55 million		
6.50% p.a., quarterly payment		
23 November 2021		
<ul style="list-style-type: none"> <li>▶ imug   rating Second Party Opinion</li> <li>▶ KFM Barometer 4 of 5 stars</li> <li>▶ Best Issuer Green SME Bonds 2021</li> </ul>		
Secondary market: trading on Open Market of the Frankfurt Stock Exchange since 23 November 2021		
<ul style="list-style-type: none"> <li>▶ Dividend restriction (max 50% if EBITDA/ICR &gt; 2)</li> <li>▶ Group equity ratio ≥ 25%*</li> <li>▶ Cross default</li> <li>▶ Negative pledge</li> <li>▶ Pari passu</li> <li>▶ Change-of-Control Clause</li> <li>▶ Transparency clause</li> </ul>		
EUR 1,000		
Six years / 23 November 2027 at par		
DE 000A3KWKY4		

In 2021, the net proceeds of our first green bond amounting to EUR 53.8 million were allocated to:

- ▶ New projects in Hungary and Romania for a total of EUR 3.5 million, including a EUR 1.5 million allocation to one PV power plant in Tolna, which was commissioned in December 2021. This PV power plant is our first ever merchant project in Europe. The remaining EUR 2.0 million was allocated to projects in development/under construction.
- ▶ The refinancing of our existing EUR Bond 2017/2022, by the means of an exchange offer for EUR 21.3 million.
- ▶ Liquid assets for a total amount of EUR 29.0 million.

With our allocated green bond proceeds, we support progress towards the Paris Agreement and aspire to have a transformative impact on the UN Sustainable Development Goals: #7 on affordable and clean energy and #13 on climate action.

<b>Green EUR Bond 2021/2027 Placement</b>		<b>EUR 55,000 thousand</b>
Transaction costs		EUR -1,232 thousand
<b>Total Net Proceeds</b>	The net proceeds correspond to the sum of the issue price for the Bonds less the total costs for the preparation of the Bonds issue and the Offer.	<b>EUR 53,768 thousand</b>
<b>Share of Proceeds from Green EUR Bond 2021/2027 Used for Financing (as a % of Net Proceeds)</b>		<b>6%</b>
<b>Green Eligible Projects</b>	<b>Green Asset Category</b>	<b>Capacity / Expected Capacity</b>
		<b>Status</b>
		<b>Amount Allocated</b>
Tolna 1, Hungary	PV project.	1.4 MWp
		Commissioned in Dec. 2021
Tolna 2, Hungary	PV project.	1.4 MWp
		Under construction
Other Tolna projects, Hungary	PV projects.	25.8 MWp
		Development
Yadnarie, Australia	PV project combined with energy storage.	300.0 MWp and 3.6 GWh of energy storage
		Development
Various projects, Romania	PV projects.	169.0 MWp
		Development
Various projects, Poland	PV projects.	24.1 MWp
		Development
<b>Total</b>		<b>EUR -3,451 thousand</b>
<b>Share of Proceeds from Green EUR Bond 2021/2027 Used for Refinancing (as a % of Net Proceeds)</b>		<b>40%</b>
Exchange Offer	The result of the exchange that was offered for the existing EUR Bond 2017/2022.	<b>EUR -21,281 thousand</b>
<b>Share of Unallocated Proceeds from Green EUR Bond 2021/2027 (as a % of Net Proceeds)</b>		<b>54%</b>
Liquid Assets		<b>EUR 29,035 thousand</b>

## 5.2 Impact Report

The Impact Report discloses the environmental impact of the Green Eligible Projects financed under our Green Financing Framework.

- ▶ **Annual renewable energy generation (MWh), in total and compared to plans:** for every project, an audit is conducted by an external party to determine what the output will be like on a monthly basis. Thanks to our in-house monitoring system we are able to track the annual renewable energy generation (MWh) compared to these audits. Starting from 2022, we will disclose the actual energy generation of our Tolna 1 PV power plant, commissioned in December 2021. This PV power plant represents the first investment of proceeds from our 6.50% Green EUR Bond 2021/2027.
- ▶ **Capacity of renewable energy power plants constructed (MWh), in total and per renewable energy technology (solar power, concentrated solar):** we are able to track this breakdown as we are building our projects in house.
- ▶ **Estimated annual greenhouse gas emissions avoided (tCO<sub>2</sub>e):** the CO<sub>2</sub>e savings connected to the green electricity generated by our proprietary portfolio are based on the European Investment Bank 2021 Carbon Footprint Report, which can be found [here](#).
- ▶ **Energy storage and other energy solutions – capacity and technology of electricity storage installed (MWh):** the capacity associated to projects will be provided by our project development teams, which are determined based on individual project characteristics. These data are subject to evolution over the time, until the end of the construction process.

Green Eligible Assets (Connected)	Capacity	Annual Expected Production	Status	Estimated annual greenhouse gas emissions avoided
	<i>In MWp</i>	<i>In MWh</i>		<i>In tonnes of CO<sub>2</sub>e</i>
Tolna 1, Hungary	1.4	2,101	Commissioned in Dec. 2021	668
<b>TOTAL</b>	<b>1.4</b>	<b>2,101</b>		<b>668</b>

Green Eligible Projects (development / construction)	Expected Capacity	Annual Expected Production	Status	Estimated annual greenhouse gas emissions avoided
	<i>In MWp</i>	<i>In MWh</i>		<i>In tonnes of CO<sub>2</sub>e t</i>
Tolna 2, Hungary	1.4	2,136	Under construction	679
Other Tolna projects	25.8	35,659	Development	11,340
<b>Total Hungary</b>	<b>27.3</b>	<b>37,795</b>		<b>12,020</b>
Various projects, Romania	169.0	254,719	Advanced Development	115,897
<b>Total Romania</b>	<b>169.0</b>	<b>254,719</b>		<b>115,897</b>
Various projects, Poland	24.1	26,758	Development	20,460
<b>Total Poland</b>	<b>24.1</b>	<b>26,758</b>		<b>20,460</b>
Yadnarie, Australia (3.6 GWh of storage capacity)	300.0	1,000,000	Development	646,000
<b>Total Australia</b>	<b>300.0</b>	<b>1,000,000</b>		<b>646,000</b>
<b>TOTAL</b>	<b>520.4</b>	<b>1,319,272</b>		<b>794,377</b>

## 6. Contact Details

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Amsterdam, 11 April 2022



Georg Hotar, Member of the Board of Directors



Michael Gartner, Member of the Board of Directors

## 7. Annex: ESG Key Performance Indicators

Environmental Data	2020	2021
Percentage of revenues connected to activities which create sustainable value	100%	100%
Clean energy generated by our Proprietary portfolio of PV power plants	70.0 GWh	103.3 GWh
CO <sub>2</sub> e savings	29,799 tonnes	43,867 tonnes (+47.8%)
<b>Social Data</b>		
Number of full-time staff / number of employees	133 / 136 (98%)	141 / 144 (98%)
Percentage of female employees	33%	37%
Nationalities	21	18
Number of employees who completed training courses	50 / 136 (37%)	64 / 144 (44%)
Lost time injuries	0	0
<b>Governance Data</b>		
Contributions to political parties as percentage of total revenues	0%	0%
Claims against the Company ruled by a court as a percentage of total revenues	0%	0%
Responsible procurement, subjected to due diligence		95% of our technology purchases