



Environmental, Social and Governance (ESG) Policy

Nel ASA

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With a business model of unlocking the potential for renewables, Nel is at the forefront of enabling renewable hydrogen to reach fossil parity, which will be instrumental for accelerating usage of zero-emission solutions leading to a carbon neutral planet. Sustainability is an integral part of our identity, and this is reflected in our vision which is to “empower generations with clean energy forever”. Nel is a company which is founded on a strong commitment to both our stakeholders and the environment

The Board of Directors (BoD) is responsible for sustainability at Nel and is the owner of the ESG policy. The Board Audit, Risk and Sustainability Committee (BARSC) is the preparatory body to assist the BoD in exercising its oversight of ESG matters. Further, the Chief Executive Officer (CEO) has delegated the authority and responsibility to the Chief Financial Officer (CFO) for implementation and execution of the key principles as outlined in this policy. General follow-up and execution of daily operations is conducted by a dedicated ESG committee, consisting of members from group management and the business line.

The key principles Nel will adhere to includes:

- Nel will report ESG efforts in the annual report based on the European Sustainability Reporting Standards (“ESRS”) and laws and legislation in the applicable jurisdictions.
- Nel will integrate its process of identify and manage sustainability impacts, risks, and opportunities to the Enterprise Risk Management (“ERM”) process.
- Nel is committed to foster in its workforce a culture of energy and carbon savings, which further underpins sustainable innovation in Nel’s businesses.
- Nel will operate within the guidelines of the EU Taxonomy as adopted by Norway to ensure that the company contributes to climate change mitigation. Nel will strive towards full alignment with the principle of “do no significant harm” and comply with the minimum safeguards as set out in the classification system.
- Nel aims to reduce greenhouse gas emissions per produced item by 25%, 50% and 100% within 2030, 2035 and 2050, respectively, compared to 2020. Nel will monitor the reduction plan by improved reporting procedures and data quality for material scope 1, 2 and 3 emissions in accordance with Science Based Target initiative (SBTi) and the Greenhouse Gas Protocol.
- If Nel scale up production capacity, it must meet state-of-the-art sustainable production facilities
- Nel will develop a methodology to estimate and report avoided emissions from our business.
- Nel will follow the common principles, practices and procedures as set out in the Nel Business System (NBS), the standard operating system for sustaining and improving safety, quality, and productivity within Nel.
- Nel will conduct business activities according to the precautionary principle as set out by the European Commission.
- Nel will continue to work on targeted actions that embed diversity and inclusion in our people and development processes, retaining and attracting people, management training, and activities shaping inclusive organizational behavior with equal opportunity for all.
- Nel will conduct thorough integrity due diligence for engagement with all customers and suppliers.
- Nel adhere to the guidelines stated in the Nel Code of Conduct and we have made available a procedure for reporting on potential misconduct through the Nel Ethics Hotline.
- Nel will enhance reporting on material product and corporate governance matters with emphasis on quality management systems (QMS), post-sales responsibility, external audits through ISO management systems and third party certifications that certify compliance with national and international codes and regulations.