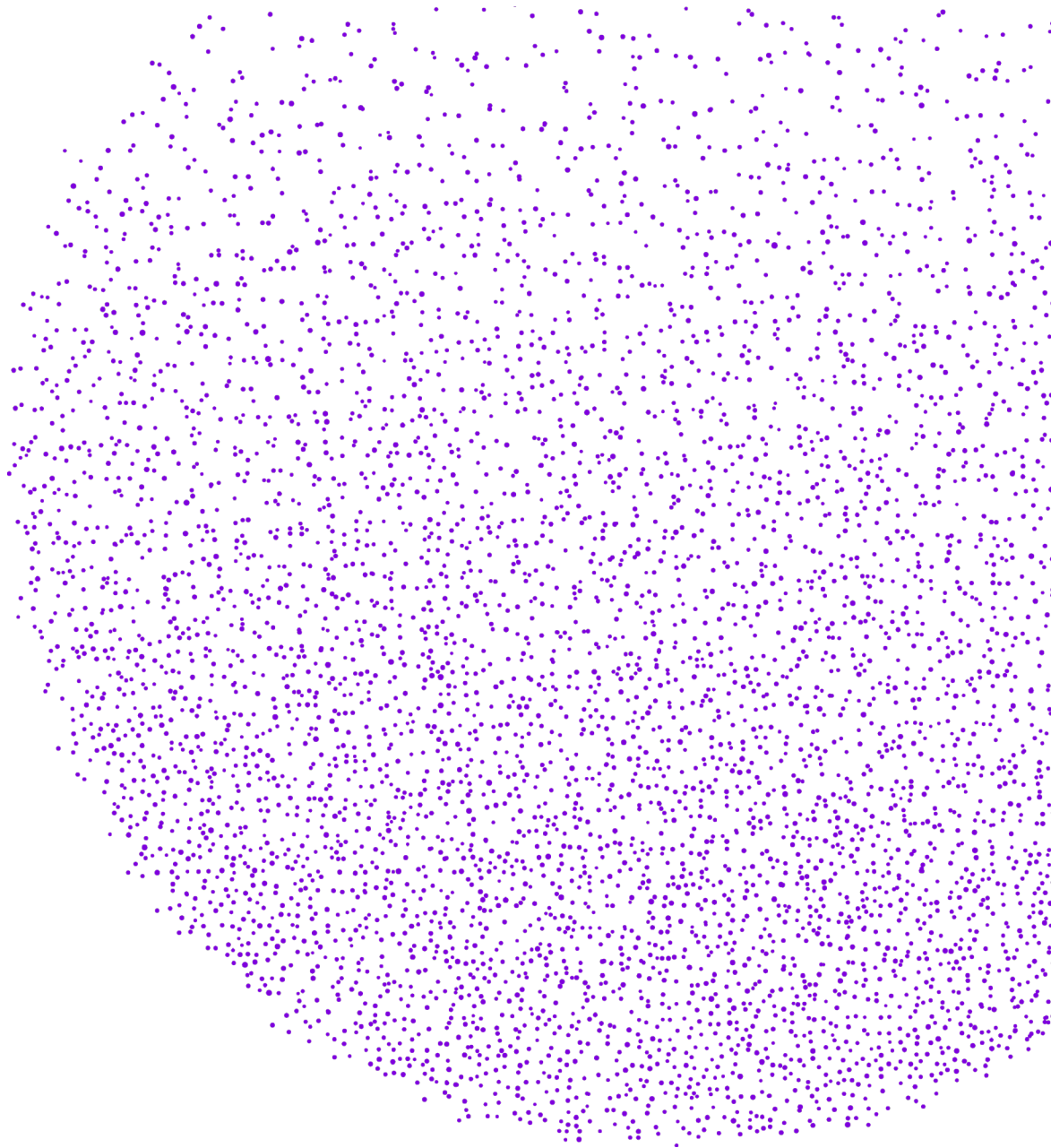




Environmental, Social and Governance (ESG) Policy

Nel ASA

Environmental, Social and Governance (ESG) Policy – Nel ASA

Nel is a company which is founded on a strong commitment to sustainability and the environment. 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 “abundant clean energy for all”.

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 which assists 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 outlined in this policy. The day to day execution and follow-up of ESG in Nel is conducted by a dedicated ESG committee, consisting of members from group management and the business lines.

The key principles Nel will adhere to include:

- Nel will publish its integrated annual report, including ESG disclosures, in accordance with the Voluntary Sustainability Reporting Standard for SMEs (VSME) on an annual basis, ensuring proportionate transparency and alignment with evolving EU sustainability expectations.
- Nel will incorporate its procedures for identifying and managing sustainability impacts, risks, and opportunities into the Enterprise Risk Management (ERM) process.
- Nel is committed to fostering 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 the Norwegian government 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 will measure the GHG emissions at the product level for relevant products in the product portfolio.
- Nel plans to cut greenhouse gas emissions per product by 25% by 2030, 50% by 2035, and 100% by 2050, compared to 2020. Progress will be tracked with enhanced reporting and data quality for scope 1, 2, and 3 emissions, in line with Science Based Target initiative (SBTi) and the Greenhouse Gas Protocol.
- Nel will develop and implement policies focused on advancing the circular economy and promoting recycling initiatives.
- Nel will ensure that any scale-up in production capacity is supported by sustainable benchmark production facilities.
- Nel will report avoided emissions from its operations in alignment with stakeholder expectations and in accordance with an established industry standard, should an applicable estimation methodology be available.
- Nel will conduct business activities according to the precautionary principles set out by the European Commission.
- Nel is committed to providing equal employment opportunities to all employees and applicants. Discrimination or harassment based on any characteristic protected by law is strictly prohibited. Nel is dedicated to creating a respectful and inclusive workplace with equal opportunity for all.
- Nel will conduct a thorough integrity due diligence of all customers and suppliers.
- Nel adheres to the Nel Code of Conduct and the company has a procedure for reporting potential misconduct, including a channel allowing anonymous reporting.
- 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.
- Nel will maintain an information security program designed to prevent, detect, and respond to unauthorized access and misuse of data. This program follows ISO27001 and includes risk-based audits, vulnerability management, security training, and threat detection with incident response.
- Nel will collaborate with its stakeholders through engagement and strive to provide relevant information and data each stakeholder needs to achieve their own ESG targets.