



sonnedix



# GOVERNANCE POLICY & STANDARDS



# MESSAGE FROM OUR CEO

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Axel Thiemann  
CEO

“Sonnedix’s purpose is to harness the power of the sun to build a bright future, to make a positive difference for the communities we partner with, and the environments in which we operate. We don’t just talk about the potential for solar energy to transform the way people across the world live - it’s what drives us to do what we do every day.

Our Environmental, Social and Governance program is fundamental to how we work, whether we are striving to protect the environment, empower tomorrow’s problem-solvers, support local communities or adhere to the highest standards of accountability, transparency and diversity. Two of our company values - ‘do the right thing’ and ‘sustainable growth’ – act as our compass in how we operate and are at the heart of our business.

I believe that sharing our commitments, goals and progress will enable, and inspire, others to join our ESG journey. We are ambitious – and committed - to do more. We want to be at the forefront of raising standards, driving transparency and ultimately accelerating progress towards a world where the future of solar power is limitless. Thank you in advance for your continued commitment to achieving this ambition.”



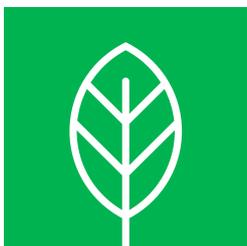
# OUR APPROACH TO SUSTAINABILITY

Sonnedix' approach to sustainability is governed by the Sonnedix Sustainability Strategy. The Sustainability Strategy outlines our strategic, voluntary commitment to sustainable growth and our contribution to the United Nations Sustainable Development Goals. Feeding into the Sustainability Strategy are our Environmental, Social and Governance (ESG) policies and standards, which represent our compliance framework and set out the rules and guiding principles for our day-to-day operation. These policies and standards ensure Sonnedix' continuous regulatory compliance and implementation of good international industry practice, both in our offices and on our projects.

Integrating responsible, forward-thinking corporate ESG policies and standards into our daily business practices is key to achieving our goal of smartly transforming the power of sun into clean energy to build a bright future. And it is what allows us to behave sustainably, ethically and accountably as we develop, finance, build and operate solar plants around the world, together with ensuring that we have a positive impact on our people and the environments and communities within which we work.

In order to proactively identify and assess ESG risks and opportunities for our projects and operations, and to put in place appropriate measures to mitigate these risks across our business lines, Sonnedix has developed a set of the following ESG policies and standards:

- Environmental policy and standards
- Social policy and standards
- Governance policy and standards (this document)



Environmental policy and standards



Social policy and standards



Governance policy and standards (this document)



# CORE INITIATIVE

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**Sonnedix believes that sustainable growth of our business will be ensured through integrity in action, fairness in conduct and respect for all. Therefore, our objective is to achieve 100% transparency, accountability, diversity and safety. This will be achieved through a number of sub-initiatives implemented at the corporate, office and project level as part of our Sustainability Strategy, and through effective implementation of the Sonnedix social policy and standards.**



*The Sonnedix team (Madrid office)*



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# THE GOVERNANCE POLICY

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**Integrity in action, fairness in conduct and respect for all—without these guiding principles in place we cannot achieve our goal of harnessing the power of the sun to build a cleaner, healthier future for people and our planet..**

That's why we must implement sound governance procedures across our global operations to ensure we have effective oversight and accountability mechanisms in place that allow us to attain the highest standards of ethics and business practices.

We will achieve this by:

- Clearly defining the roles and responsibilities of the management structures;
- Meeting the statutory obligations set out under local, regional, national and international law, as applicable;
- Working with relevant stakeholders (to include regulators, tax authorities and auditors) in an open and co-operative manner;
- Identifying potential governance risks or impacts and reporting these to the Risk Committee;
- Using accurate and transparent accounting methods;
- Recognizing and valuing the diversity of employees;
- Ensuring that our Code of Ethics and Business Conduct, Anti-bribery and Corruption Code, Whistleblowing Policy and other key policies are available to all employees through our internal I.T. systems and to the wider public through our external corporate website;
- Not undertaking Political Lobbying or making political donations;
- Communicating this policy and its supporting standards and procedures both internally and externally with our Global Partners;
- Ensuring that our Global Partners understand and demonstrate that they conform to our policies and meet the standards we expect of them;
- Resolutely investigating all governance issues and communicating any relevant lessons learned across the group;
- Undertaking regular audits and reviews to ensure that our governance is effective and that our projects are implementing its requirements;
- Establishing a formal grievance management procedure for receiving, investigating and responding to concerns raised by internal and external stakeholders relating to governance issues; and
- Ensuring employees feel comfortable reporting their governance concerns.

We are a responsible renewable energy producer, and it is our duty to ensure that our operations in pursuit of generating clean electricity are held to the highest governance standards.



# OVERVIEW

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## OBJECTIVE

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To provide leadership, management, employees and contractors on the application and administration of governance standards within the Sonnedix group of companies and to promote the effective functioning of the Sonnedix Group, its committees, and subsidiaries, to promote the interest of shareholders, and to ensure a common set of expectations as to how the officers, directors, and management should perform their functions.

## SCOPE

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These standards apply across the Sonnedix Group, including employees and those Global Partners working with us or on our behalf.

## RESPONSIBILITIES

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The content and intent of this standard is the responsibility of the Global Head of Legal & Compliance. The maintenance, revision and distribution of this standard is the responsibility of the ESG Manager. Everyone who works for Sonnedix, either directly or indirectly, is expected to understand and assist in implementing this standard.

**These standards are the minimum expected and where local legislation provides higher standards then these should be followed.**



# THE GOVERNANCE STANDARD



The Sonnedix team (London office)



# CORPORATE GOVERNANCE GUIDELINES

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The following principles have been approved to provide the Sonnedix Group Board of Directors (the “Board”), its various committees, individual directors and management with the framework for governance within the Sonnedix Group.

## 1. LEADERSHIP AND ACCOUNTABILITY - SONNEDIX GROUP BOARD OF DIRECTORS (THE “BOARD”)

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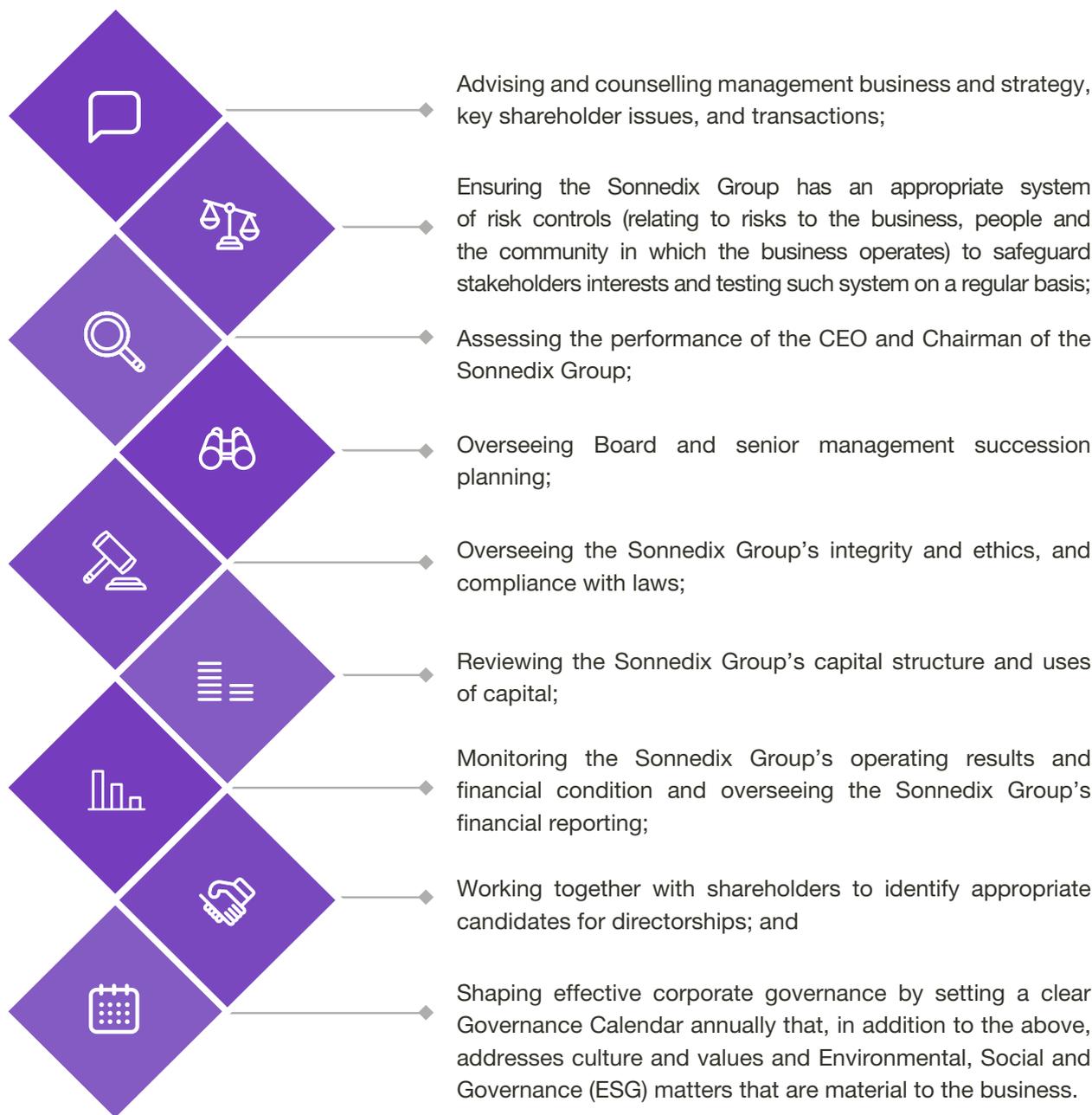
To the extent any of the below conflicts with the Shareholders Agreement for Sonnedix Power Holdings Limited (as amended from time to time, the “SHA”), the SHA shall govern and control.





## ROLE OF THE BOARD:

The Board is ultimately responsible for directing and supervising the company's business in accordance with applicable law. It establishes the strategic direction of the Sonnedix Group and monitors overall corporate performance and management. This includes the Board's approval of strategic plans presented by management (which, in turn, management is responsible for implementing). In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Sonnedix Group.



Shareholders should provide the Board with clear direction as to the objectives of the shareholders to supplement the objectives of the business as stated by management.



## EXPECTATIONS OF DIRECTORS:

In performing the duties of the Board, each director is expected to:



Exercise reasonable care, skill and the diligent and constructive oversight of the Sonnedix Group's business and affairs;



Have the appropriate competence, experience and capability to represent the interest of shareholders in achieving and promoting the long-term success of the company and compliment the skillsets of management;



Demonstrate the highest standards of professional and personal integrity, ethics and values and discharge their duties in accordance therewith, taking into account their conferred powers, the best interests of the Sonnedix Group and jurisdictional requirements;



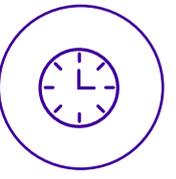
Exercise independent judgment and to have diversity of viewpoints, background, experience and other demographics, such as race, gender, ethnicity, sexual orientation, culture and nationality to ensure different viewpoints are raised and discussed;



Act with complete transparency and challenge management, shareholders and other critical stakeholders in order to ensure they are receiving such transparency from management and act swiftly to correct any failure in this regard;



Avoid conflicts of interest and promptly disclose if an actual or potential conflict of interest arises and try to resolve such conflict, failing of which the director shall recuse themselves from any discussion or decision affecting their personal, business or professional interests; and



Make every effort to attend meetings of the Board and commit appropriate time, energy and expertise to actively participate in meetings, review relevant materials, and prepare for meetings and discussions with management, and remove themselves when they are no longer willing/able to do so.



### Board Leadership Structure:

The CEO and Chairman of the Board are distinct positions. The Board shall review its leadership structure at least once every other year. As part of this review, the Board shall evaluate the leadership positions that the Company should maintain (e.g., whether to maintain distinct Chairman and CEO roles), the responsibilities of such positions, and the qualifications to hold such positions.

In conducting this review the Board shall consider, among other things:

- The effectiveness of the policies, practices and people in place to help ensure strong, independent Board oversight;
- The Sonnedix Group's performance and the effect that a particular leadership structure may have on the Sonnedix Group's performance;
- The views of the Sonnedix Group's shareholders; and
- Legislative and regulatory developments, if any, the practices at other global companies, trends in governance, and other information and data on the topic of board leadership structure as it considers appropriate.

### Role of the Chairman of the Board:

The Chairperson is at the center of the governance framework and, in order to drive outcomes on a timely basis, must provide strong leadership, clear organization and direction aimed at utilizing the Board for well-defined outcomes. In addition, the Chairman should, where appropriate, delegate responsibilities to Directors and management to leverage backgrounds and experiences and foster stakeholder engagement.

### Board Committees:

The Board has six (6) committees: Audit & Risk, Budget, HR & Compensation, Investment, Performance, and G2C / GFD. Each committee operates under a written charter that sets forth the purposes and responsibilities of the committee. Each committee is chaired by a Director who, in accordance with the committee charter, applicable law and the input of senior management and other committee members, determines the agenda, the frequency and length of the meetings and who has unlimited access to management, information and independent advisors, as necessary and appropriate. All committees report regularly to the full Board with respect to their activities.



*Carlos Guinand, presenting to the Board of Directors.*

**Director Independence:**

At least half of the directors should be independent from management. For a director to be considered independent, the board must determine that the director does not have any direct or indirect material relationship with the Sonnedix Group.

The Sonnedix Group values the experience directors bring from other business associations, including boards on which they serve and the other activities in which they participate, but recognizes that those activities may also present demands on a director's time and availability. Further, such activities may present conflicts or legal issues, including independence issues, that should be assessed. Directors should advise the Chairman before accepting a membership on other boards of directors, accepting membership on any audit committee or other significant committee assignment (such as a lead or presiding director role) on any other board of directors, or establishing or materially changing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to the Company.

**Board Agenda & Meetings:**

The Chairman and CEO set the schedule and agenda for Board meetings and determine the timing and length of the meetings of the Board, taking into account input and suggestions from other members of the Board and senior management. In addition to regularly scheduled meetings, unscheduled Board meetings may be called, upon proper notice, at any time to address specific needs of the Corporation.

**Executive Sessions:**

Non-management directors should have the opportunity to hold an executive (non-management directors only) session at every board meeting, allowing for sufficient time in such session to discuss all material matters. Any non-management director can request that additional executive sessions be scheduled.

**Board Access to Management and Independent Advisors:**

Management teams should provide the Board with periodic, clear, appropriately detailed and updated reports on strategy with regard to the objectives of the business and strategic, operational and financial imperatives for the business. Unanticipated material events should be communicated to directors as soon as reasonably practicable via email or phone call. Directors are encouraged and should have unfettered opportunities to speak directly to any member of management regarding any questions or concerns the Director may have. Directors should ensure management is considering input from other stakeholders and, when appropriate, directly solicit input from other stakeholders.

The Boards should receive formal risk reporting from management at least twice annually by and through the Audit & Risk Committee. Risk reporting should use consistent formats to allow for comparison between periods and review of management's success at anticipating risks and designing appropriate mitigation plans.

The Board and each Board committee have the right at any time to rely on the advice, reports and opinions of independent outside financial, legal or other third-party advisors. Except as otherwise provided in a charter of a committee, the Board shall have the authority to select, retain, terminate and approve the fees and other retention terms of its outside advisors.

**Director Evaluation & Tenure:**

Boards should undertake an honest effectiveness review at least every other year. Reviews should include an overall view of the effectiveness of the Board and a view of the effectiveness of each Director, including a self-review. If gaps are noted, the Board must act expeditiously to make necessary changes. Directors should be able to acknowledge that changing business needs, changing availability and changing industry requirements, among other things, may necessitate changes to a Board which are not a reflection on an individual's capabilities or past contributions.



While arbitrary term limits on directors' service are not applicable, directors should not expect to be re-nominated annually until they reach retirement age. The Board self-evaluation process described above will be an important determinant for board tenure.

#### **Succession Planning:**

The non-management directors plan exists for succession to the position of Chairman and Chief Executive Officer as well as certain other senior management positions. To assist, the Chairman and Chief Executive Officer should annually provide an assessment of senior officers and of their potential to succeed him or her. They should also provide the non-management directors with an assessment of persons considered potential successors to other senior management positions.

#### **Director Orientation and Continuing Education:**

The Sonnedix Group is responsible for providing an orientation program for each new director and periodic continuing education programs for all directors on subjects with respect to the industry and governance best practices that would assist them in discharging their duties. The orientation program for each new director should be designed to familiarize new directors with the Sonnedix Group's businesses, strategies and challenges and the continuing education programs should assist all directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. Continuing education programs for Board members may include a mix of in-house and third-party presentations and programs; provided, however, that external costs for such education programs shall not exceed €20,000 per director in any given three-year period.

#### **Executive Compensation:**

The Board must understand the components of compensation and ensure the effective alignment of interests with shareholders. To this end, directors should receive compensation at a level that allows the Board to secure and retain the highest-quality members. The Board should periodically review and recommend changes to Board compensation

to ensure that the total compensation remains competitive and appropriate.

#### **Insurance:**

The Sonnedix Group shall maintain Directors' and Officers' liability insurance that provides coverage for the Board.

#### **Speaking on Behalf of the Company:**

It is important that the Sonnedix Group speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a non-employee director to speak on behalf of the Sonnedix Group to one of these constituencies, the director should consult with the CEO.

#### **Delegation of Authority:**

The Board embraces the principle of empowerment: that governance and management are more effective and efficient when they are separated – the Board being responsible for governance, and the CEO generally for management – and when management decision-making authority is delegated as far into the Sonnedix Group as is consistent with levels of competence and capacity. Within the limits and policies established by the Board, authorities regarding various aspects of operations have been delegated to the CEO (and by the CEO to other management levels, including Corporate Actors, as defined below). For those to whom approval has been delegated in accordance herewith (as evidenced by the Sonnedix Group's approval matrix), this means that approval decisions may be made so long as such approval is in compliance with applicable law, relevant constitutional documents, Sonnedix Group policy and applicable budget. The CEO may grant additional authorities by way of a signed memorandum.



## 2. LEADERSHIP AND ACCOUNTABILITY

### - SUBSIDIARIES

To the extent any of the below conflicts with the constitutional documents for an Operating Entity (as amended from time to time, the “Constitutional Documents”), the Constitutional Documents shall govern and control.

#### Role of Corporate Actors :

For each entity within the Sonnedix Group, excluding Sonnedix Power Holdings Limited (each an “Operating Entity”), Corporate Actors shall govern and manage such entities in accordance with applicable law, taking into account the following.

#### Appointment of Corporate Actors:

Corporate Actors shall be identified and nominated by the Legal & Compliance Department and ratified by the Subsidiary Governance Panel in accordance with the procedures identified in Subsidiary Lifecycle Management section below. A basic principle of good governance is that no one individual should have unfettered power over decision-making in any Operating Entity. Accordingly, where permissible under applicable law, each Operating Entity shall incorporate at least two (2) Corporate Actors who shall govern and manage the Operating Entity in accordance with the policies and procedures contained herein (including any applicable delegation of authority).

#### Corporate Actor Orientation:

Upon appointment, each Corporate Actor shall be provided an orientation program designed to familiarize them with the Sonnedix Group’s businesses, strategies and challenges and to assist them in developing the skills necessary or appropriate for the performance of their responsibilities.

#### Expectations of Corporate Actors:

In performing their respective duties, each Corporate Actor is expected to:

- Exercise reasonable care, skill and diligence in the management of the Operating Entity’s business and affairs;
- Implementing strategic decisions and guidance from the Board and Senior Management of the Sonnedix Group and ensuring that the strategic objectives of the Operating Entity are congruent with the strategic objectives of the Sonnedix Group, including adoption and implementation of Sonnedix Group policies to the extent legally permissible;
- Have the appropriate competence, experience and capability to represent the interest of the Board and Senior Management of the Sonnedix Group in achieving and promoting the long-term success of the Operating Entity;
- Demonstrate the highest standards of professional and personal integrity, ethics and values and discharge their duties in accordance therewith, taking into account their delegated powers, the best interests of the Operating Entity and jurisdictional requirements;
- Act with complete transparency;
- Avoid conflicts of interest and to promptly disclose if an actual or potential conflict of interest arises and try to resolve such conflict, failing of which the Corporate Actor shall recuse themselves from any discussion or decision affecting their personal, business or professional interests;
- Make every effort to attend meetings of the Operating Entity’s governing body and commit appropriate time, energy and expertise to actively participate in meetings, review relevant materials, and prepare for meetings and discussions with the Board and Senior Management of the Sonnedix Group, and remove themselves when they are no longer willing/able to do so; and
- Provide periodic compliance certifications.



**Meetings:**

The Corporate Actors shall, taking into account applicable law, and with the support of the Legal & Compliance team, set the schedule and agenda for annual meetings and determine the timing and length of such meetings. In addition to regularly scheduled meetings, unscheduled meetings may be called, upon proper notice, at any time to address specific needs of the Operating Entity. Corporate Actors shall ensure, with the support of the Legal & Compliance team, that written records of all such meetings are documented and maintained in the Operating Entity's records and that the Legal & Compliance Department is kept apprised of any such meetings and associated decisions made.

**Corporate Actor Compensation:**

Except as required by applicable law, Corporate Actors are not usually remunerated for their role as Corporate Actors of Operating Entities.

**Insurance & Indemnification:**

The Sonnedix Group shall maintain Directors' and Officers' liability insurance that provides coverage for each of its Operating Entities. The Sonnedix Group shall, to the fullest extent permitted by applicable law, indemnify and hold harmless each Corporate Actor who was or is a party, or is threatened to be made a party, to any actual or threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of any actions or omissions or alleged acts or omissions arising out of such Corporate Actor's activities either on behalf of the Operating Entity or in furtherance of the interests of the Operating Entity or arising out of or in connection with the activities of the Operating Entity, against all losses of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by such Corporate Actor and arise out of or in connection with such action, suit or proceeding, except to the extent of such Corporate Actor's gross negligence, fraud, bad faith or other willful misconduct (including criminal activity).





### 3. SUBSIDIARY LIFECYCLE MANAGEMENT

Authority for lifecycle management of the Sonnedix Group subsidiaries shall be delegated to the Legal & Compliance Department, who shall be responsible for:

- Providing advice and counsel on all aspects of subsidiary governance (including affiliates and JVs);
- Partnering with business units on company transactions;
- Coordinating the preparation and filing of governance documents for subsidiaries, affiliates and joint ventures;
- Assisting in the preparation of governance documents;
- Maintaining a central calendar for annual requirements and central repository of governance documents; and
- Promoting consistency and best practices.

#### **Creating/Acquiring a New Subsidiary (a “SPV”):**

There should be compelling business reason for creating/acquiring a SPV – generally arising as a result of a wider strategic proposal, M&A deal, or partnership the Sonnedix Group intends to form. A short statement of the business case for establishing or acquiring a SPV shall be provided by a member of the Sonnedix team leading such business effort (generally a commercial team lead) to the Legal & Compliance Department, together with a completed Company Information Form no later than thirty (30) days prior to creation, or in the case of an acquisition, no later than five (5) days after such acquisition.

To the extent assistance is required in creating a SPV, written request shall be provided to the Legal & Compliance Department which shall include proposed:

- Name;
- Choice of jurisdiction;
- Corporate form;

- Corporate Actors;
- Capital Amount; and
- Any relevant provisions to be included in the Constitutional Documents.

Upon receipt of the Company Information Form or assistance request, as applicable, the Legal & Compliance Department will liaise with the Subsidiary Governance Panel to validate that the establishment of the SPV is the most appropriate vehicle and structure for the activity in question and that legal and regulatory requirements, tax considerations, and, if applicable, employment matters have been considered. To the extent that external legal advice is required, the Legal & Compliance Department will be responsible for engaging such support.

#### **SPV Changes (including re-organizations):**

For any changes to an existing SPV (i.e. a merger occurs, or there is a change to Corporate Actors, corporate name, shareholder, address, etc.), the member of the Sonnedix team leading such changes (generally a commercial team lead) shall provide the Legal & Compliance Department a completed Company Information Form indicating such changes no later than ten (10) days prior to such change.

To the extent assistance is required in changing an existing SPV, written request shall be provided to the Legal & Compliance Department which shall include a detailed statement of the proposed change necessary.

Upon receipt of the Company Information Form or assistance request, as applicable, the Legal & Compliance Department will liaise with the Subsidiary Governance Panel to validate that SPV changes and that legal and regulatory requirements, tax considerations, and, if applicable, employment matters have been considered. To the extent that external legal advice is required, the Legal & Compliance Department will be responsible for engaging such support.

**Evaluating Ongoing Needs:**

A key operating principle for the Sonnedix Group in managing its SPVs is to ensure that all SPVs are relevant and necessary for the Sonnedix Group's business. To this end, a Subsidiary Governance Panel shall be formed, comprised of functional representatives from Finance (treasury, accounting, and tax), Legal & Compliance (compliance), and Asset Management (Insurance). The Subsidiary Governance Panel shall meet twice a year to evaluate the effectiveness of the Sonnedix Group's corporates structure and make recommendations for change (if necessary).

**Terminating Subsidiaries:**

Prior to the dissolution of any SPV, the Legal & Compliance Department must be notified. The Legal & Compliance Department will liaise with the Subsidiary Governance Panel to determine that dissolution is the appropriate action and to ensure that information on the SPV is tracked and archived as appropriate.



*Axel Thiemann, in conversation.*



## 4. CONFLICTS OF INTEREST

### **Financial Conflicts / Other Conflicts of Interest:**

Each employee must not engage in any activity or maintain any financial interest that might interfere or reasonably appear to interfere with the independent exercise of your judgment and the performance of your responsibilities to act in the Sonnedix Group's best interests.

An example would be to have a material financial interest in any organization that is a customer, supplier or competitor of the Sonnedix Group. In addition, employees should not participate in decisions regarding the Sonnedix Group's business relationship with a firm that is a customer, supplier, or competitor if that employee has a spouse or close relative who is an employee and/or owner of such firm.

### **No Moonlighting Policy:**

Full-time employees are discouraged from accepting second jobs, whether through self-employment or otherwise. All employees holding or considering second jobs must notify HR and obtain written permission from their managers in order to ensure that a second job will not create a real or perceived conflict of interest with the employee's performance for the Sonnedix Group.

### **Gifts and Entertainment**

Business gifts and entertainment are commonly exchanged to develop and encourage strong working relationships with our clients, vendors and other business partners. In order to avoid even the appearance of a conflict of interest, please refer to the Sonnedix Anti-Bribery & Corruption Section herein for guidance on when and how such gifts and entertainment may be given.

### **Personal Relationships:**

Sonnedix Group employees should not be in a direct reporting line with another employee with whom he or she has a romantic relationship. Such a relationship could create the appearance of favoritism or could directly influence promotion, career, salary, etc. If such a relationship develops, the employees involved should disclose the relationship to either HR and/or their manager so that appropriate organizational changes can occur.

### **Employment of Family Members:**

To avoid the appearance of conflict and ensure that decisions are made in a fair manner, the Sonnedix Group discourages the employment of family members in the same work location. Employment of family members will not be allowed under any circumstances where there would be a manager/subordinate relationship or any situation that may produce an actual or perceived conflict of interest.

### **Reporting a Conflict or Potential Conflict of Interest:**

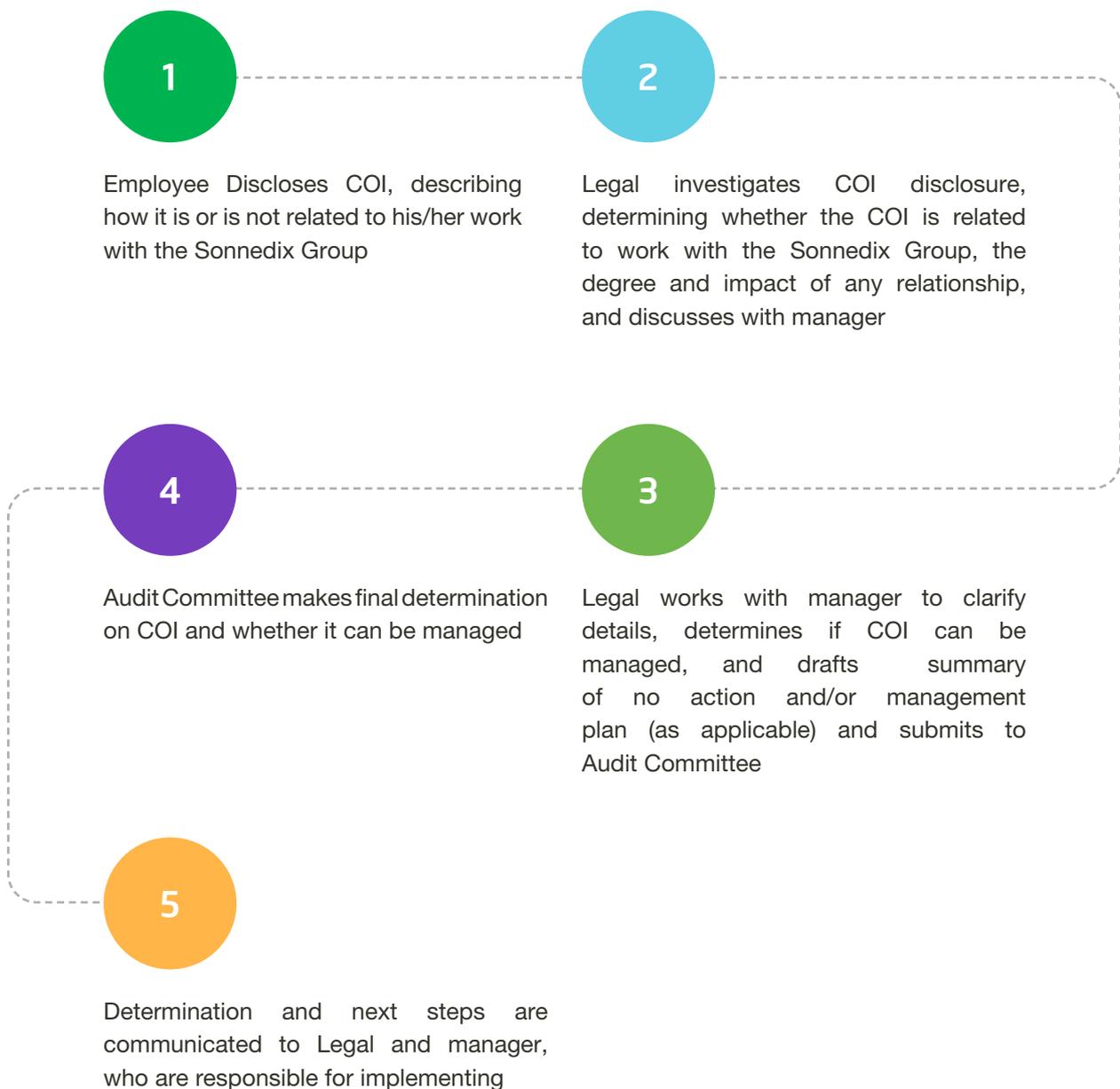
Full and prompt disclosure of situations raising questions of conflicts of interest (or the appearance of the same) is critical to the Sonnedix Group's ability to identify, manage, and eliminate conflicts of interest. As soon as an employee is aware of a potential situation that creates a conflict or the appearance of a conflict, the employee should disclose the situation to their manager and the Legal & Compliance Department.

The existence of a conflict or the appearance of one does not imply wrongdoing on anyone's part and does not necessarily mean that the employee may not continue working with the Sonnedix group. Upon receipt of a COI Disclosure, the Legal Department will review the disclosure in accordance with the below process:



The existence of a conflict or the appearance of one does not imply wrongdoing on anyone's part and does not necessarily mean that the employee may not continue working with the Sonnedix group. Upon receipt of a COI Disclosure, the Legal Department will review the disclosure in accordance with the below process:

### CONFLICT OF INTEREST PROCESS FLOW





## 5. COMPLIANCE CERTIFICATION

As a matter of course, all employees shall complete and submit a Compliance Certification, which will include, among other things, a conflict of interest disclosure, on an annual basis. All new employees shall complete the Compliance Certification within fourteen (14) days of the commencement of employment.



*The Sonnedix team (Japan office)*



# CODE OF ETHICS AND BUSINESS CONDUCT

Our Code of Ethics and Business Conduct (our “Code”) provides information, support and resources to help us to act ethically and comply with the laws and regulations that affect our business. Our conduct is the foundation of our reputation, and the foundation of our individual business decisions, and helps us to maintain the trust we have built with our investors and other stakeholders. For this reason, we have a continuing responsibility to understand and comply with our Code and seek guidance where appropriate. Sonnedix also encourages us to report violations that we observe violate the Code. This is an important dimension of accountability.

If you are ever unsure whether an action or decision is ethical and acceptable under our Code, ask yourself:

- Am I adhering to the spirit and meaning of all applicable laws, regulations and our Code and Company policies?
- Do my actions reflect the highest standards of honesty, integrity and accountability?
- Is my decision responsible and in furtherance of long- and short-term Company goals?
- Are my actions explainable and justifiable to my colleagues, managers, senior management, investors and other stakeholders?

If the answer to any of the above questions is not a resounding “Yes,” you should reconsider your proposed course of action and seek guidance immediately.

Similarly, if the answer to any of the below questions is other than a resounding “No,” you should stop immediately.

- Would I be embarrassed if my actions were reported publicly?
- Would Sonnedix suffer any potentially negative consequences due to my actions?



Sonnedix conducts business in many countries throughout the world. As a global organization, we must know and follow not only this Code, but the laws and regulations that apply to our work in all locations where we operate. If you are unsure of which rule to follow or generally have any questions about this Code, you may seek guidance from your manager, Global Function Head, Representative Director or Sonnedix’s Legal & Compliance Department.

Sonnedix will use all reasonable means to prevent and immediately halt the occurrence of conduct that violates our Code. Anyone who directly or indirectly performs, facilitates, condones or approves of any illegal or unethical conduct will be subject to disciplinary measures, consistent with applicable laws and regulations, up to and including termination of employment, if warranted.



## OUR EXPECTATIONS UNDER THE CODE

We are all expected to read, understand, and comply with our Code, all other Company policies, and all applicable laws and regulations. Keep in mind that this Code reflects general principles to guide us in making ethical decisions. It is not intended to address every situation that may arise. In situations where customary conduct is at odds with our Code, other Company policies or applicable local laws or regulations, we must comply with the more stringent standard. Any violation of law or regulations will also be considered a violation of our Code.

### Accepting Additional Responsibilities as Managers

Holding a management position at Sonnedix means accepting an additional set of responsibilities. Our managers, at all levels, are expected to demonstrate a strong commitment to professionalism and to lead by example. If you are a manager, you must:

- Act as a role model to inspire ethical conduct and compliance by others.
- Ensure that all of your direct reports understand their responsibilities under this Code.
- Create an “open-door” environment where your direct reports and other Sonnedix personnel feel comfortable asking questions or making reports.
- Encourage your personnel to voice their opinions and concerns about Company policies and internal practices.
- Consider professionalism and accountability to be an integral part of the performance evaluations of your direct reports.
- Supervise your direct reports to ensure compliance with this Code, other Company policies and procedures, and applicable laws and regulations.

## ADDRESSING OUR QUESTIONS AND CONCERNS

### 1. Making Reports

If you become aware of an actual or potential violation of this Code, another corporate policy or any applicable law or regulation, you have a duty to report it promptly, where allowed by applicable law. For more information regarding making reports, please see the Whistleblowing Policy herein.

### 2. Consequences

Violations of our Code, policies or the law may carry serious consequences for the individuals involved and our Company. Those engaging in unethical or illegal behaviour, or who otherwise violate our Code and policies, and those who direct, condone, approve or facilitate such behaviour, may be subject to disciplinary action up to and including termination, subject to local laws. Furthermore, such behaviour places all of us at risk of damaged reputation, hinders our professional prospects, and may subject us—as individuals and as an institution—to fines and civil or criminal liability.



## RESPECT AND INTEGRITY FOR OUR COMPANY

### 1. Promoting Respect in the Workplace

For our Company to succeed as a global energy firm, we must strive to reflect the diversity of the communities in which we operate. That means we must maintain a workplace atmosphere that attracts, develops and retains people from various backgrounds. If we do not treat one another with respect, we will not maintain a comfortable and professional atmosphere. Our professionalism is vital to building our Company's reputation and retaining our diverse talent base. Together, we must strive to create a workplace that is free from discrimination and harassment.

Discriminating against someone for his or her traits is a violation of our Code, Company policies and, in some cases, the law. Such actions have no place within Sonnedix. In addition, our Company does not tolerate harassment.

### 2. Upholding the Integrity of Our Work Environment

The work we perform for Sonnedix requires us to have sharp, clear minds. Therefore, we must never report to work under the influence of drugs, alcohol or any other substance that may impair our ability to work safely and productively. Our Company prohibits the possession, use, sale, purchase or distribution of any illegal drugs or non-prescribed controlled substances by any employee or Global Partner on Company premises, during working hours or when conducting Company business. While Sonnedix may permit limited alcohol use at approved Company events, you must always use good judgment and exercise moderation in these situations.

Acts of threats or violence interfere with our commitment to health and safety and will never be tolerated. Any threatening behaviour, even if made in a seemingly joking manner, must be reported immediately. Also, weapons are never permitted on any Sonnedix premises. If you or someone you know is in immediate danger, call local law enforcement

authorities immediately and then report the matter internally through normal channels or to the Legal & Compliance Department.

### 3. Upholding Human Rights

As part of our commitment to our global community, we uphold individual human rights in all of our operations. This means, in part, that we provide reasonable working hours and fair wages for those who work on our behalf. Sonnedix has a zero-tolerance policy for the use of child or forced labour, or human trafficking practices. Sonnedix explicitly states that it does not prevent employees from associating freely; it adheres to collective bargaining agreements where they exist. Further, we will not knowingly do business with Global Partners who violate these practices. Sonnedix could be held accountable for the conduct of these individuals and entities. Therefore, if you have reason to believe any third party is engaging in any of the above practices, report the misconduct immediately.

### 4. Adhering to Anti-Corruption Laws

We owe it to our clients, our colleagues and our communities to conduct ourselves ethically at all times. This means that we never use, support or promote corrupt practices in the locations where we do business. Many countries have enacted anti-corruption laws, and we abide by them wherever we work. For more information regarding compliance with anti-corruption laws, please refer to the Anti-Bribery & Corruption section herein.

### 5. Preserving Our Assets and Information

Intellectual property and other confidential information generated and gathered in our business is a valuable Company asset. Protecting this type of information plays a vital role in Sonnedix's success, and it must be maintained in strict confidence, unless otherwise required to be disclosed by law or our Company. Our responsibility to protect proprietary and confidential information continues even after leaving Sonnedix. This means that you must return all such information in your possession upon your departure. Further, you may never disclose such information to a new employer, no



matter how much time has passed since your employment with Sonnedix has ended.

### 6. Proper Expenditures

We are all accountable for the proper expenditure of Company funds within our responsibilities. This includes Company money spent on travel or other business expenses.

### 7. Using Sonnedix Technology Resources

We are all responsible for properly and appropriately using Sonnedix technology resources, including the e-mail system, the Internet, and Company-issued mobile devices and computers. The technology and hardware that our Company provides to us, or gives us access to use, is Sonnedix property. Incidental personal use of such resources is allowed as long as the usage does not interfere with your job performance, the performance of any other Sonnedix employees or could otherwise harm the Company.

### 8. Social Media

Social media affords us many opportunities through which to engage our stakeholders. However, we may use social media—including blogs, podcasts, discussion forums, and social networks—for Sonnedix-related business purposes only when allowed by authorized personnel, and only as long as such usage and communications comply with our Code.

Limited personal use of social media is allowed, provided it does not interfere with your duties:

- You safeguard confidential Company information at all times;
- You do not attribute your personal opinions to Sonnedix;
- You do not comment on Sonnedix and its business, services, clients, vendors or personnel matters;
- You do not convey the impression that you are acting in your capacity as a Sonnedix employee; and
- You do not make inaccurate, misleading or false statements

If you disclose confidential Company information through social media or networking sites, delete your posting immediately and report the disclosure to the Sonnedix Legal & Compliance Department.

Due to the highly critical nature of our energy business and the laws that apply to our work, even seemingly harmless disclosures could prove damaging to Sonnedix or our investors or stakeholders. If you believe you have witnessed the inappropriate use of Sonnedix's technologies or electronic communications in social media, notify your manager, Global Function Head or Representative Director and the Legal & Compliance Department immediately.



## RESPECT AND INTEGRITY FOR OUR INVESTORS

### 1. Maintaining the Accuracy of Our Books and Records

We must each do our part to make certain that the financial documents our Company discloses are both accurate and honest. While it may not seem as though some of the information we generate has an impact on our Company's financial records, we all play a role in ensuring this important duty is fulfilled. Therefore, every piece of data or information that we submit in Company records—including time and expense reports, by personnel and jurisdiction, and safety records—must be absolutely honest, accurate and complete. We must follow our Company's system of internal controls and all applicable accounting requirements when recording this data. We must also submit appropriate engagement and contract documentation, at all times.

In addition, we are responsible for reporting financial transactions accurately, completely, fairly, and in a timely and understandable manner. We are expected to ensure that the data we provide for the preparation of financial statements, regulatory reports and publicly-filed documents complies with all applicable accepted accounting principles, as well as our Company's internal control procedures and other applicable laws and rules. Our investors rely on us to fulfil these duties in order to accurately reflect our Company's operations and financial condition. Anyone who intentionally makes a materially false or misleading report, or falsifies financial information—directly or indirectly—is subject to disciplinary action to the fullest extent allowed by law. The same is true of anyone who makes a payment or establishes an account on behalf of Sonnedix with the understanding that such payment or account will be used in a way other than as described in supporting documentation.

### 2. Records Management

Managing our records is a critical component to building trust with our clients, regulators and investors. Such records include all electronic, emailed, imaged and paper documents created, received and maintained as evidence or information used by our Company for legal, regulatory, accounting and business purposes. Effectively managing these records allows us to meet our business needs and ensure our records are available when needed. In addition, it helps us comply with all applicable laws and regulations and preserve any relevant documents in case of litigation, audits or investigations.

### 3. Document Retention

We all must follow the records management practices, policies and retention schedules in the locations where we operate and the Sonnedix Handbook. A “legal hold” applies to records connected with subpoenas seeking information and actual or anticipated litigation or regulatory action. You must retain and preserve—not destroy—all records that may be responsive until you are advised how to proceed by Sonnedix's Legal & Compliance Department. If you become aware of a subpoena, pending or threatened legal or regulatory action, or if you believe that someone has improperly concealed, altered or destroyed a record, you should report it to Legal & Compliance Department.

### 4. Preserving Third-Party Information

To uphold our Company's reputation and best serve our clients, Sonnedix is committed to protecting the privacy of third-party information as vigilantly as we do our own. This means we must collect, use and safeguard client information as we would our own confidential information. We must never share the material, non-public information of our clients or vendors or business partners—whether inadvertently or intentionally—with a third party or any colleague who does not have a business need to know it.



Further, many countries have their own legal requirements governing the use, disclosure and/or privacy of client information.

In addition, we must never knowingly infringe upon the Intellectual Property rights of others. Be especially cautious when preparing advertising or promotional materials that use the name, logo or printed materials of another company, or when operating a software program on a Sonnedix computer.

### 5. Protecting Our Company Against Fraud

Fraud, theft, negligence and waste have direct adverse effects on our Company and are never tolerated. "Fraud" includes asset theft, as well as the falsification of information and financial statement fraud. Any such conduct is considered a disciplinary offense and may result in stronger consequences.



*The Sonnedix team (London office)*

Sonnedix's reputation depends on the integrity of all of our actions and dealings. As such, we are firmly committed to the prevention and detection of fraud. Acts of fraud may include the intentional concealment of facts with the purpose of deceiving or misleading others. Fraud may also include:

- Misstatements arising from fraudulent financial reporting (such as improper revenue recognition, overstatement of assets or understatement of liabilities);
- Misstatements arising from misappropriation of assets (such as wire fraud, or fictitious vendors);
- Expenditures and liabilities for improper purposes; and
- Fraudulently obtained revenue and assets, or the avoidance of costs and expenses.

### 6. Fraud in our fulfilment of disclosure obligations

Sonnedix has created a control environment intended to prevent, detect and mitigate the risk of fraud. We are encouraged to bring to the attention of your line manager or Global Function Head any opportunities or motives for fraud not adequately covered by existing controls. Any serious concerns regarding fraud or financial irregularities should be brought to the immediate attention of the Legal & Compliance Department.



# RESPECT AND INTEGRITY FOR OUR BUSINESS PARTNERS

## Providing Consistent, Quality Services

At Sonnedix, we compete effectively and with enthusiasm. There is no room for unfair or unethical business practices in what we do. We must remain honest in all of our sales, marketing, advertising and business pursuits. We must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information or any other intentional unfair practices. We must make only factual and truthful statements about Sonnedix and the exceptional services we offer. We should each be familiar with the marketing procedures that apply to our work. With new laws and regulations, as well as increased political and media focus, it is critical that you know the latest requirements on these disclosures and other legal constraints.



The Sonnedix team (London office)



## RESPECT AND INTEGRITY FOR OUR COMMUNITIES AND THE WORLD

### 1. Lobbying

Lobbying activities may require disclosure and may be subject to specific rules. The term “lobbying” covers many kinds of activity. You may be engaged in lobbying if your work involves:

- Contacts with legislators, regulators, executive branch officials or their staffs;
- Communications with government officials, including judges;
- Efforts to influence legislative or administrative action; or
- Providing gifts or entertainment to government officials.

If you intend to engage in lobbying work on behalf of Sonnedix, you must discuss any such activities with Sonnedix’s Legal & Compliance Department.

### 2. Employing Sustainable Practices

We demonstrate our dedication to the communities in which we work by considering the environment in all of our business activities. We aim to act as environmental stewards when conducting business on our Company’s behalf. This means that we must comply with all applicable environmental laws and regulations, as well as any guidelines set forth by our Company. We show our respect for the environment by striving to minimize any environmental hazards, conserve and protect natural resources, and manage our use of energy and other resources responsibly. We are, after all, a renewable energy producer, and thus should live up to goals of sustainability.





### 3. Abiding by Export Controls

As a global company, we deliver our energy services all over the world. It is therefore critical that we comply carefully with all applicable laws and regulations that regulate our international trading activity. We must understand and follow the laws relating to exports or imports from and to the U.S. and other jurisdictions.

An “export” occurs when a product, service, technology or piece of information is shipped to a person in another country. An export can also occur when technology, technical information or software is provided in any way (including verbally, in the case of information) to a non-U.S. citizen located in either the U.S. or a third country. Before engaging in exporting activity, you are expected to verify the eligibility of both the location of delivery and the recipient. You also must obtain all required licenses and permits, and pay all proper duties.

“Import” activity, or bringing the goods we purchase from a foreign or external source into another country, is also generally subject to various laws and regulations. Specifically, this activity may require the payment of duties and taxes, as well as the submission of certain filings.

### 4. Preventing Money Laundering and Terrorist Financing

Sonnedix is dedicated to the fight against money laundering and terrorist financing. These illicit activities have become the focus of considerable attention by governments, international organizations and law enforcement agencies around the world. This is an issue that our Company takes extremely seriously.

“Money laundering” is the process by which criminal funds are moved through the financial system in order to hide all traces of their criminal origin. “Terrorist financing” refers to the destination and use of funds that may come from legitimate or criminal sources.

It is extremely important that we know and comply with all laws and regulations aimed to halt money laundering and terrorist financing. To do this, we must be vigilant and exercise good judgment when dealing with unusual or suspicious client transactions. This, of course, means never alerting an organization or individual with whom you have a relationship of any impending or on-going investigation against them. You also have a duty to alert Sonnedix’s Legal & Compliance to any situation that seems inappropriate or suspicious.

## WAIVERS AND AMENDMENTS OF OUR CODE

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Waivers of our Code for executive officers or directors are made only in extremely limited circumstances. Waivers for executive officers and directors of Sonnedix must be approved in advance by the Sonnedix Board of Directors or a Committee of the Board that has been delegated that authority. Only the CEO of Sonnedix may grant waivers to other Sonnedix employees



# ANTI-BRIBERY AND CORRUPTION

Sonnedix is committed to the highest ethical standards in our work and in our interactions with customers, suppliers, utilities, co-investors, competitors and our community. To that end, Sonnedix has put in place a strict compliance program with regard to the active avoidance of corrupt practices and compliance with local laws, and the conduct of best business practices in general.

At the heart of this standard is the overarching policy that –

**No Sonnedix director, officer, employee, or Global Partner may pay, offer or promise to pay, or authorize payment of money, money equivalent, gifts or anything of value, in any amount, to any person or company, whether a Public Official or private person or company, in order to secure improper performance of duties or functions or, in the case of a public office, with any intention to gain influence for an improper business advantage in the performance of official functions.**

## What are the fundamental elements of this policy?



**No Bribery:** No Sonnedix director, officer, employee, or Global Partner shall bribe any Public Official or private person and shall not accept any bribes. No Global Partners shall be used to commit acts of bribery.



**Gifts & Hospitality:** Gifts & hospitality are never offered, promised or provided with the intent of causing the recipient to do something favouring Sonnedix and/or any Global Partner, to reward such behaviour, or to refrain from doing something disadvantaging Sonnedix and/or any Global Partner. Gifts and hospitality are modest, reasonable and infrequent, so far as any individual recipient is concerned.



**Payment for Routine Actions (Facilitation Payments):** No such payments are made, irrespective of whether or not local law permits them.



**Political Contributions:** Sonnedix will not make such payments, irrespective of whether or not local law permits them. If any Global Partners chooses to make political contributions, they must be made in compliance with all applicable laws, regulations and industry codes and standards, and must not be made with the expectation of direct or immediate return for Sonnedix and/or any Global Partner.



**Charitable Donations:** Donations must be made in compliance with all applicable laws, regulations and industry codes and standards, and must be made without expectation or acceptance of an improper business advantage in return for Sonnedix and/or any Global Partner.



**Global Partners:** Prior to entering into an agreement with any Global Partners, Sonnedix will perform proper and appropriate due diligence and obtain from the Global Partner certain assurances of compliance with our policies



**Lobbying:** Lobbying is not to be misused for any corrupt or illegal purposes, or to improperly influence any decision.



**Public Officials:** Any relationship between Sonnedix and/or any Global Partners and Public Officials is in strict compliance with the rules and regulations to which they are subject (i.e. any applicable rules or regulations in the particular country relating to Public Officials or that have been imposed by their employer). Any benefit conveyed to a Public Official is fully transparent, properly documented, and accounted for.



## GIFTS & HOSPITALITY

### THE BASICS:



**BEFORE** any gifts or hospitality are given or received, please carefully think through whether such gift / hospitality is necessary and whether it would create any appearance of impropriety or wrongdoing by the Sonnedix group

Any gift or hospitality given or received, must comply with the following **mandatory principles**:

- Not offered to gain improper advantage/ influence official action
- Permitted by local law
- Value is reasonable and appropriate for the circumstances
- Frequency of gifts/hospitality to recipient would not raise an appearance of impropriety
- Recorded fairly and accurately in Sonnedix books and records

### WHEN DO I NEED APPROVAL?



	No Pre-Approval	Line Manager	Legal & Compliance
<b>Gifts</b>	Nominal value (≤€100)	Exceeds nominal value	- Monetary gift - Prior gift required approval in last 6 months
<b>Meals</b>	- Reasonable Value - Business related - No guests	- Exceeds Reasonable Value - Not business related - Includes spouses or guests	If meal provided in last 6 months required approval
<b>Entertainment</b>	Sonnedix organized events		Any other event requires Legal approval

**Pre-Approval Form Available on the Intranet**



### WHAT RECORDS NEED TO BE KEPT:

- Donor / Recipient Details (name/position)
- Nature of gift / hospitality
- Business Purpose
- € Value
- Receipt (if SX providing)
- Written proof of approval (if necessary)
- Whether Donor / Recipient is a government official or person associated with a government



Please email to  
[legal@sonnedix.com](mailto:legal@sonnedix.com)



### CAUTION

Regardless of amount, no gifts or hospitality should be given to or received by anyone with decision-making authority over an anticipated or pending decision



## PAYMENTS FOR ROUTINE ACTION

Payments for routine action are small payments made to lower-level government or private sector employees, as a personal benefit to them, to secure or speed-up the performance of a routine action to which the payer is entitled. These are sometimes known as facilitating payments. Sonnedix prohibits payments for routine action.

✉ If you encounter anything that looks like a request for a payment to facilitate a routine action or if you make a payment that could possibly be misunderstood as a payment to facilitate routine action, you should notify [legal@sonnedix.com](mailto:legal@sonnedix.com) so that we can make sure that such request or payment is properly documented and find an alternative strategy.

Never attempt to disguise such payment as something else.

Particular issues tend to arise with movements of goods across borders. If you encounter any trouble with regard to clearing goods, or significant process delays, you should consult with Legal Compliance immediately.



## POLITICAL CONTRIBUTIONS

Political contributions refer to contributions of anything of value to support a political goal. Examples include local, regional or national political fundraising events, providing goods or services, paying employees during working hours to work at a political function, or paying for campaign expenses. Contributions to industry associations or fees for memberships in organizations that serve business interest are not considered to be political contributions. Sonnedix does not make company political contributions in any form.

**✉ You should notify [legal@sonnedix.com](mailto:legal@sonnedix.com) of any request to make a political contribution using Sonnedix' funds, facilities, goods or services.**

## CHARITABLE DONATIONS

Company donations are a part of Sonnedix' commitment to society and a way of contributing to worthy causes. They reflect our identity as a responsible corporate citizen. Donations include anything of value donated by Sonnedix to support charitable causes, made without expectation or acceptance of an improper business advantage in return. Donations can be cash or in kind, including goods or services. Fees for memberships in social and charitable organizations are also considered donations. Contributions to industry associations, fees for memberships in organizations that serve business interests are not charitable donations.

### Donations:

- May not be offered, promised or given if they are intended to influence official action or secure an improper advantage.
- May not be made to individuals, to for-profit organizations, to organizations that do not have tax-exempt status or whose goals are not compatible with Sonnedix's values or the principles our Code of Ethics and Business Conduct.
- Must be transparent.
- Should be tax deductible, if applicable.
- Must not be to private accounts or paid in cash.

A Project Initiative Application form must be completed, submitted to [ESG@sonnedix.com](mailto:ESG@sonnedix.com), and approved before making, promising, or giving any donation.

Always obtain an accurate receipt or letter of acknowledgment for any donation and make sure it is expensed accurately.



## GLOBAL PARTNERS

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Anti-corruption laws do not always differentiate between acts made by Sonnedix or Global Partners. We must be careful to avoid situations involving Global Partners that may lead to a violation of the law. It is entirely unacceptable for a Global Partner to provide or offer to provide any payment or Anything of Value to anyone on behalf of Sonnedix in attempts to acquire or preserve business or obtain an improper advantage. Prior to entering into an agreement with any Global Partners, Sonnedix will perform proper and appropriate due diligence and obtain from the Global Partner certain assurances of compliance with our policies. Sonnedix employees responsible for engaging any potential Global Partners must contact the Legal & Compliance Department before such engagement so that the proper due diligence can be conducted.

### Key Global Partners include the following:

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#### Business Development

- > – Project Developer
  - > – Off-taker
- 



#### M&A

- > – Seller
  - > – Target Company
  - > – Management company (if applicable)
  - > – Minority/ Majority Partner
- 



#### Procurement, Engineering & Construction

- > – EPC Contractor
  - > – Key Suppliers
  - > – Customs Broker
- 



#### Operations

- > – O&M Operator
- 



#### Other

- > – Joint Venture Partner
- > – Agents
- > – Brokers
- > – Any Party dealing with Public Officials  
for or on behalf of Sonnedix



The following guidelines apply when retaining, paying, or working with Global Partners who **perform services on Sonnedix' behalf**:

- Global Partners are selected solely on the basis of merit. A Global Partner may not be retained to do things that are prohibited herein.
- No oral agreements or arrangements are to be made with any Global Partners. All arrangements and contracts with a Global Partners must be in writing and must be reviewed and pre-approved in accordance with Sonnedix policies and processes.
- Payments to a Global Partner must be in amounts that are customary and reasonable in relation to the services provided. Payments must be properly reflected in Sonnedix' books and records.
- No payments may be made in cash, to third persons, or to bank accounts that are not in the Global Partner's name. Payments may be made only in the country where the Global Partner resides or where the services are rendered.
- The Global Partner must comply with Sonnedix' Code of Ethics and Business Conduct, this manual and the anti-corruption provisions in any contractual agreement.
- Arrangements with Global Partners should be reviewed regularly to ensure that they are in compliance with our policies.
- If the Global Partner is expected to deal with Public Officials, the agreement with the Global Partner and/or the Compliance Certifications received from the Global Partner should contain the following provisions:
  - A representation that the Global Partner will comply with the FCPA, Bribery Act and other applicable laws.
  - A representation that the Global Partner has reviewed this manual and agrees to be bound by its provisions.
  - The terms of the agreement may be disclosed to relevant government agencies, if deemed appropriate by Sonnedix.



*The Sonnedix team (London office)*



- The Global Partner shall not assign or subcontract work under the contract without the prior written approval of Sonnedix.
- The Global Partner shall disclose to Sonnedix any subsequent relationship between the Global Partner and a Public Official.
- Upon request, the Global Partner shall provide annual certifications of compliance with applicable anti- corruption laws as if the Intermediary were subject to them.
- If applicable, Sonnedix may withhold payments under the contract, or terminate the agreement, if it believes, in good faith, that the Global Partner has violated anti-corruption laws.
- If applicable, Sonnedix shall have reasonable access to the Global Partner's books and records and the right to audit them on a periodic basis.

The following guidelines apply when **acquiring a Target Company and/or seeking a joint venture with a third-party business** (the "Joint Venturer"):

- No oral agreements or arrangements are to be made with any Target Company or Joint Venturer. All such arrangements and contracts must be in writing and must be reviewed and pre-approved by Legal.
- All contracts with a Target Company or Joint Venturer must be on terms that are at arm's length or more favourable to Sonnedix and legal under all applicable laws.
- Payments for the acquisition of a Target Company must be in amounts that are customary and reasonable in relation to the assets of the Target Company being acquired and payments to a Joint Venturer must be based on the value of the Joint Venturer's contribution or otherwise comparable with rates of return for similar business arrangements either in-country or in similar circumstances. Payments must be properly reflected in Sonnedix' books and records.
- Joint Venturers and employees of Target Companies and Joint Venturer's must comply with Sonnedix' Code of Ethics and Business Conduct, this manual and the anti-corruption provisions in any contractual agreement.
- Arrangements with Joint Venturers should be reviewed regularly to ensure that they are in compliance with our policies.



The following steps must be followed to enter a contract with any Global Partner:

**1** **Risk Assessment.** Any sponsor/proposer seeking to establish a business relationship with a Global Partner must, prior to engaging the third party, perform a risk assessment using the Risk Rating Form to establish the level of diligence required (low, medium, high). The completed Risk Rating Form should be submitted to Legal & Compliance.

**2** **Due Diligence.** The Legal & Compliance department will conduct research on the Global Partner's background, reputation and qualifications in accordance with the Global Partner's specific required diligence level. This due diligence process is detailed in the Global Partner Due Diligence Process. The appropriate level of due diligence should be conducted upon signing a new agreement and then, upon the earlier of, contract renewal or every three years.

**3** **Documentation.** The Legal & Compliance department will prepare and maintain written documentation of the due diligence and risk assessment performed.

**4** **Approval.** Upon completion of due diligence, Legal & Compliance will either approve or reject the potential Global Partner.

**5** **Contractual Protections.** The Legal & Compliance department will document the relationship in a written agreement with standard required contractual protections. These contract provisions help communicate our expectations and permit Sonnedix to monitor and prevent violations of our standards.

**6** **Monitoring the Global Partner.**

- **Payments.** As necessary, monitoring payments to third parties on a periodic basis and ensuring compliance with the payment to intermediary's practices below.
- **Warning Signs.** Sonnedix employees should remain vigilant and look for red flags (a suggested red flag list is available during training and upon request) that might signal a risk and report them to the Legal & Compliance department. When any of these or other worrisome signs exist, additional investigation and inquiry is required.



The following requirements apply to payment to any Global Partners:

1. Payments must be made via check or wire transfer to the party or bank account specified in the Global Partner's contract.
2. No payments made in cash.
3. No payments may be payable to any party other than the intermediary at the Global Partner's normal place of business.
4. No payments may be made to an account outside of the country where the Global Partner performs services.

The Legal & Compliance department must approve any exceptions to the above.

Before making a payment to any Global Partner, the Sonnedix person responsible for approval of such payment must examine the invoice and determine whether the contractual requirements for payments are met and the payment is due.

## PERSONAL RISK EXCEPTION

In situations where the life and/or physical safety of Sonnedix personnel are at risk, payments may be made which would otherwise be prohibited by this Policy. If payments are made under these circumstances, they should be immediately reported to the Legal & Compliance department.



## RECORD KEEPING AND ACCURATE RECORDS

In order to combat corruption, it is important that transactions are transparent, fully documented and coded to accounts that accurately reflect their nature. Sonnedix' books and records must be kept with reasonable detail and accuracy so that they correctly reflect all transactions. All controls and approval procedures must be followed. Sonnedix' books and records must not contain any false, misleading or other artificial entries. Attempting to conceal a payment or falsify books and records can create a worse violation than the payment itself.

If you are aware or suspect that anyone is directly or indirectly falsifying the books and records or in any other way attempting to disguise a payment, you should report your concern immediate to the Legal & Compliance department.

## COMPLIANCE VIOLATIONS | CONSEQUENCES OF MISCONDUCT

Sonnedix has no tolerance for compliance violations. This means that we must have a robust process for dealing with those who are not prepared to take their responsibilities seriously.

Compliance means obeying the law, behaving in accordance with the policies of Sonnedix and following the processes laid down for the enforcement of those policies. Any violation will be treated as an extremely serious matter, with one or more of the following sanctions being applied:

- Informal warning (slight compliance violations only)
- Formal warning
- Forfeiture of variable pay
- Transfer to another position
- Suspension
- Termination



Every employee who commits a violation will have to complete remediation compliance training. Any violation that involves a formal warning will result in the employee being excluded from a salary increase in the next Performance Review. Eligibility for a salary increase and an improved assessment of potential in future years will be entirely dependent on successful completion of the remediation compliance training and demonstrating good conduct thereafter.

Any Global Partner found in violation of this Policy may be subject to termination of the business relationship with Sonnedix, as well as any other legal rights and remedial actions available to Sonnedix.

## COMPLIANCE SUPPORT

In order to help ensure that the policies in this section are enforced and that the necessary approval processes are in place, the following are available through the Legal & Compliance department:

- A PDF copy of this Anti-Bribery & Corruption guidance;
- Global Partner Materials:
  - A PDF Copy of Sonnedix' Global Partners Standards of Conduct
  - A PDF copy of the Sonnedix Compliance Certification
  - A PDF copy of the Sonnedix Due Diligence Questionnaire
- Access to training materials

## NEED TO RAISE A COMPLIANCE CONCERN? TELL US

Sonnedix has found that internal concerns usually can be resolved efficiently and expediently when they are raised with internal resources. You should consider whether you are comfortable raising your concern directly within your Sonnedix office, such as to your supervisor or to someone else in your department.

**✉ If you are uncomfortable doing so, if you don't know whom to contact, or if you believe your concern has not been satisfactorily addressed, you should notify [legal@sonnedix.com](mailto:legal@sonnedix.com).**

Any concerns raised to Legal Compliance are in complete privacy and confidence, and you can be assured that it will be discretely and comprehensively followed up with.

For more detailed information, please review Sonnedix' Whistleblowing Policy contained herein.



# WHISTLEBLOWING POLICY

Sonnedix is committed to the highest ethical standards in our work and in our interactions with customers, suppliers, utilities, co-investors, competitors and our community. An important aspect of accountability and transparency is a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they discover information that they believe shows wrongdoing.

Our Whistleblowing Policy is therefore fundamental to Sonnedix' professional integrity. In addition, it reinforces the value that the company places on officers and employees to be honest and respected

members of their individual professions. It provides a method of properly addressing bona fide concerns that individuals within Sonnedix may have, while also offering whistleblowers protection from victimization, harassment or disciplinary proceedings.

It should be emphasized that this policy is intended to assist individuals who believe they have discovered wrongdoing or impropriety. It is not designed to question financial or business decisions taken by the company nor should it be used to reconsider any matters that have been investigated under the harassment, grievance or disciplinary policies and procedures.



*The Sonnedix team (Puerto Rico office)*



### What does this policy apply to?

This policy covers situations where an individual (the “Whistleblower”) raises a concern about a risk, misconduct, malpractice or wrongdoing that affects Sonnedix, its officers and employees, Global Partners, customers, utilities, co-investors, competitors, or the public interest.

If an individual has any concern relating to their employment with Sonnedix, these should be raised the Human Resources Department rather than under this Policy.

This Policy is in addition to any statutory whistleblowing protections available to the Whistleblower.

### Who does this policy apply to?

This Policy applies to everyone who carries out an undertaking for Sonnedix’ global operations, including:

- Directors & Officers;
- Employees;
- Global Partners; and
- Interns or other trainees.  
(collectively, “Personnel”)

### What is whistleblowing?

Whistleblowing is the confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrongdoing or impropriety. Sonnedix considers such wrongdoing to include, among other things:

- Any criminal offence that has been or that might be committed;
- A legal obligation not being met by Sonnedix or any malpractice that is being committed by Sonnedix or any Personnel;
- Health & safety risks to Personnel or the public at large;
- Immoral or unethical conduct;
- Allowing significant impacts or risks to the environment;

- Potential infractions of the Sonnedix governance standards contained herein; and
- Any attempt to conceal evidence relating to any of these matters.

### What are the fundamental elements of this policy?

**Protection:** All Personnel are protected from victimization, harassment, retaliation or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.

**Investigation:** Any disclosures will be investigated fully, including interviews with all the witnesses and other parties involved.

**Anonymity:** The matter raised will be treated as highly confidential, and every effort will be made to keep the Whistleblowers identity confidential. Moreover, the Company will endeavor to protect the identity of the Whistleblower at all stages in any internal matter. However, while Sonnedix will use every effort to provide internal anonymity, it cannot guarantee this will be retained if external legal action flows from the disclosure. While Sonnedix encourages Whistleblowers to identify themselves, anonymous disclosures will nevertheless be taken seriously and investigated fully. However, the effectiveness of any whistleblowing enquiry may be limited where an individual chooses not to be identified.



## PROCESS FOR DEALING WITH WHISTLEBLOWING DISCLOSURES

### 1. Raising the Concern

Normally individuals should make disclosures internally, in private. Individuals may raise a concern through various channel, including:

- Their direct supervisor;
- Their office manager;
- Their Global Functional Head; or
- The Representative Director for their jurisdiction.

If these contacts are unavailable, or the Whistleblower is uncomfortable raising their concern with their supervisor, is unsure whom to contact, or is not satisfied that their concern has been satisfactorily addressed, they may:

- Contact [inform@sonnedix.com](mailto:inform@sonnedix.com);
- Visit <https://www.sonnedix.com/contact/grievance>; or
- Submit a report by mail (name or anonymously) to Sonnedix, 90 Union Street, First Floor, London, SE1 0NW, United Kingdom, Attention: Legal & Compliance. Reports mailed should be marked “Private and Confidential” with the reference “Whistleblowing.”

The Whistleblower should make it clear that they are making their disclosure within the terms of this Policy. This will ensure that the recipient of the disclosure realizes this and takes the necessary action to investigate the disclosure and to protect the whistleblower’s identity.

All whistleblowing disclosures made to the parties above will be treated as strictly confidential.

### 2. Anonymity

Usually, the best way to raise a concern is to do so openly. Openness makes it easier for the Company to assess the issue, work out how to investigate the matter, understand any motive and get more information. An individual raises a concern confidentially if he or she gives his or her name on the condition that it is not revealed without their consent. An individual raises a concern anonymously if he or she does not give his or her name at all. Clearly, if the Company does not know who provided the information, it is not possible to reassure or protect them.

### 3. Information to Provide

Supporting evidence for allegations, if available, is clearly helpful. However, Whistleblowers are not required to have evidence before reporting the matter. The Company would encourage you to raise such concerns at an early stage rather than waiting for proof.

### 4. Investigation

Upon the receipt of any disclosure by a Whistleblower, such disclosures will promptly be submitted to the Legal & Compliance Department, who shall be responsible for investigating the disclosure and, if necessary, coordinating corrective action with the appropriate internal supervisory bodies. The form of investigation will depend on the nature of the concern raised. However, any disclosure shall be investigated fully, including interviews with all the witnesses and other parties involved.



## POSSIBLE OUTCOMES AFTER REPORTING A CONCERN

There will be no adverse consequences for anyone who reports a whistleblowing concern in good faith. Whistleblowers will in no respect be treated any differently or more detrimentally than any other Personnel and will not be victimized or penalized in any way for raising their concern.

However, any individual found responsible for making allegations maliciously or in bad faith may be subject to disciplinary action up to and including termination. Additionally, any third party found responsible for making allegations maliciously or in bad faith may be found subject to termination of the business relationship with Sonnedix, as well as any other legal rights and remedial actions available to Sonnedix.

The Whistleblower will be kept informed of the progress and outcome of the investigation, within the constraints of maintaining confidentiality or observing legal restrictions generally. If, as a result of the investigation, it appears to the Company that there has been a wrongdoing committed by any person, appropriate action will be taken by the Company. A confidential record of the steps taken will be maintained by the Legal & Compliance Department.

*The Sonnedix team (Japan office)*





# CORPORATE RISK MANAGEMENT

Sonnedix has adopted principles set out in ISO 31000: Risk management – principles and guidelines, published by the International Organization for Standardization. Specifically, Sonnedix has adopted a 5-step risk management process which is then reinforced in a continuous loop:

## 5-STEP RISK MANAGEMENT PROCESS



The risk management process ensures that we have considered all of the Group’s key risks and that we are then able to demonstrate that fact and have a clear audit trail to support the process.

The Audit & Risk Committee, by and through the Global Head of Legal & Compliance, will maintain a Corporate Risk Management Handbook to provide leadership, management and employees with guidance, standards, and restrictions related to corporate risk management and in order to promote the effective identification, assessment, control, and monitoring of such risks across the Sonnedix Group in line with the above.



# CORPORATE HANDBOOK

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A Company handbook for each jurisdiction in which we work, which addresses expectations of Sonnedix employees, and what employees can expect from Sonnedix, together with our legal obligations as an employer and your employees' rights, shall be made available by the Human Resources Department.

## CONTRACTOR HSEC MANAGEMENT

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When engaging any contractor to undertake work on a Sonnedix project or site, Sonnedix must ensure that the contractor selected is competent for the task they are undertaking and that they implement suitable systems to safeguard the health, safety, environment and community of everyone affected by or involved in the activity.

The contractor may therefore be required to demonstrate to the satisfaction of Sonnedix:

- How they will be managing the work being undertaken;
- That all activities are fully addressed within a project risk register and the supporting Risk Assessment Method Statement (RAMS) or equivalent documents;
- How they will ensure that all work activities being undertaken by them or on their behalf are being done in accordance with RAMS and in compliance with Sonnedix standards;
- How they will monitor their work activities and those of their contractors to provide health, safety, environmental and quality compliance and assurance;

- How they will safeguard the health and safety of sub-contractors and 3rd party labour;
- How they will ensure that sub-contractors and 3rd parties comply with Sonnedix Standards and local legislation;
- How they will undertake due diligence and screening on 3rd parties to ensure that those they select have not been involved in bribery, corruption, immoral/illegal activities or violations of human rights; and
- That they will proactively investigate accidents or incidents and report these to Sonnedix in accordance with our incident reporting requirements.

All contractors shall comply with Sonnedix Standards and with all applicable legislation. Should a contractor find that a Sonnedix Standard is in any way in conflict with local legislation, they should notify the Sonnedix project lead who should seek advice from the ESG team before proceeding.



# HSEC INCIDENT REPORTING AND INVESTIGATION

Whilst all precautions should be taken to prevent incidents occurring on our projects and in our offices, it is essential that managers, supervisors and contractors understand what is required of them should an incident occur.

The Sonnedix Incident Severity Matrix , provides guidance on how an incident should be categorised and includes simple examples. If there is any doubt as to which category the incident falls under, it is best practice to always defer to the more severe option. It also details the level of investigation required and by whom.

## 1. INCIDENT INVESTIGATION

The investigation of incidents, is an essential part of managing the risks on our projects and in our offices. As such Sonnedix requires a level of investigation for all incidents, which is proportionate to the severity and potential severity of any incident.

All investigations should:

- Be factual, impartial and objective;
- Describe the events and mechanism of the incident;
- Record the details of those affected and how; and
- Identify the preventative actions needed.

Investigations of Moderate, Extensive and Significant incidents, should also:

- Identify any failure to comply with Sonnedix Standards and/or applicable legislation;
- Establish the immediate, underlying and root cause of any incident;
- Identify any significant contributing factors; and
- Highlight any gaps in management systems required to prevent re-occurrence.

## 2. SIGNIFICANT INCIDENTS

In the event of a **Significant Incident** on a Sonnedix Project or in a Sonnedix office, the following people should be contacted **immediately** by telephone and email:

- For construction projects – Sonnedix Global Head of Engineering & Construction;
- For all operational projects – Sonnedix Global Head of Asset Management;
- For Sonnedix offices - Representative Director for the country in which the incident takes place;
- Global Head of Legal & Compliance;
- Representative Director for the country in which the incident takes place;
- Insurance & Claim Manager;
- ESG Manager;
- HSE Manager - for HSE related incidents only.

In addition, other than making the immediate site/ personnel safe or, in the case of a spillage or leak, taking actions to control the pollution, all work on the project must stop and the incident scene must be left undisturbed until formal instructions have been received from Sonnedix senior management.

For incidents categorised as significant, Sonnedix will then convene a Major Investigation Team with representatives from Sonnedix Legal & Compliance Department, ESG and Functional Teams. Sonnedix will appoint an investigation lead who has demonstrable competence in incident investigation to lead the investigation and oversee the Major Investigation Team. The team will be supported by representatives of the O&M or EPC contractor, sub-contractors and any technical or professional experts or individuals, as deemed appropriate by Sonnedix. The final investigation report will be formally presented by the investigation lead and reviewed by the Sonnedix CEO and Chairman.



Any investigation of a significant incident is not time bound but should be completed at the earliest opportunity subject to all reasonable lines of enquiry having been exhausted. Prior to the investigation commencing in full, it is essential that the Legal & Compliance is consulted about the application of legal privilege to the investigation and materials prepared therein. As part of the investigation, a lesson learnt briefing presentation should be prepared for use internally and for briefing our contractors, subject to the approval of the Global Head of Legal & Compliance.

Sonnedix will notify its shareholders within 24 hours of all Significant incidents via email, ensuring that the Sonnedix Power Holdings board members are also copied.

### 3. EXTENSIVE INCIDENTS

In the event of an **extensive Incident** on a Sonnedix project or in a Sonnedix office, the following people should be contacted **within 6 hrs** by telephone and email:

- For construction projects – Sonnedix Global Head of Engineering & Construction;
- For all operational projects and offices – Sonnedix Global Head of Asset Management;
- For Sonnedix offices - Representative Director for the country in which the incident takes place;
- Global Head of Legal & Compliance;
- Representative Director for the country in which the incident takes place;
- Insurance & Claim Manager;
- ESG Manager;
- HSE Manager for HSE related incidents only.

In addition, other than making the immediate site/personnel safe or, in the case of a spillage or leak, taking actions to control the pollution, all work near the incident must stop and the incident scene must be left undisturbed until formal instructions have been received from Sonnedix senior management. Dependent upon the nature of the incident type, consideration should be given to stopping all work activity on site until formal instructions have been received from Sonnedix senior management.

For incidents categorised as extensive, Sonnedix will then appoint a lead investigator who has demonstrable competence in incident investigation and who may be supported by representatives of the business functions, the O&M or EPC contractor, sub-contractors and any technical or professional experts or individuals deemed appropriate by Sonnedix. A written report of the findings should be completed within 4 weeks. Prior to the investigation commencing in full, it is essential that the Legal & Compliance Department is consulted about the application of legal privilege to the investigation and materials prepared therein. As part of the investigation, a lesson learnt briefing note should be prepared for circulation internally and to our contractors, subject to the approval of the Head of Legal.

Sonnedix will notify its shareholders with 5 (five) business days of all extensive incidents via email, ensuring that the Sonnedix Power Holdings board members are also copied.



## 4. MODERATE INCIDENTS

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In the event of a **moderate incident** on a Sonnedix project or in a Sonnedix office, the following people should be notified **within 24 hrs** (this may be by email):

- For construction projects – Sonnedix Global Head of Engineering & Construction;
- For all operational projects and offices – Sonnedix Global Head of Asset Management;
- Insurance & Claim Manager;
- ESG Manager
- HSE Manager - for HSE related incidents only

The investigation of a moderate incident may be undertaken by a contractor’s Safety, Health and Environment (“SHE”) advisor, a Sonnedix project lead or office manager. The investigator should have sufficient knowledge and experience to undertake the investigation or seek the advice of the ESG Manager. The written investigation report they produce should be complete within one week of the incident and submitted to Sonnedix Legal & Compliance Department, the Insurance & Claim Manager and the ESG Manager. As part of the investigation, a lesson learnt briefing note should be prepared for circulation internally and to our contractors, subject to the approval of the Legal & Compliance Department.

## 5. NEGLIGIBLE OR INSIGNIFICANT INCIDENTS

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In the event of a **negligible or insignificant incident** on a Sonnedix project or in a Sonnedix office, the following people should be notified within **48 hrs** (this may be by email):

- Sonnedix Asset or Office Manager
- Insurance & Claim Manager;
- ESG Manager;
- HSE Manager - for HSE related incidents only

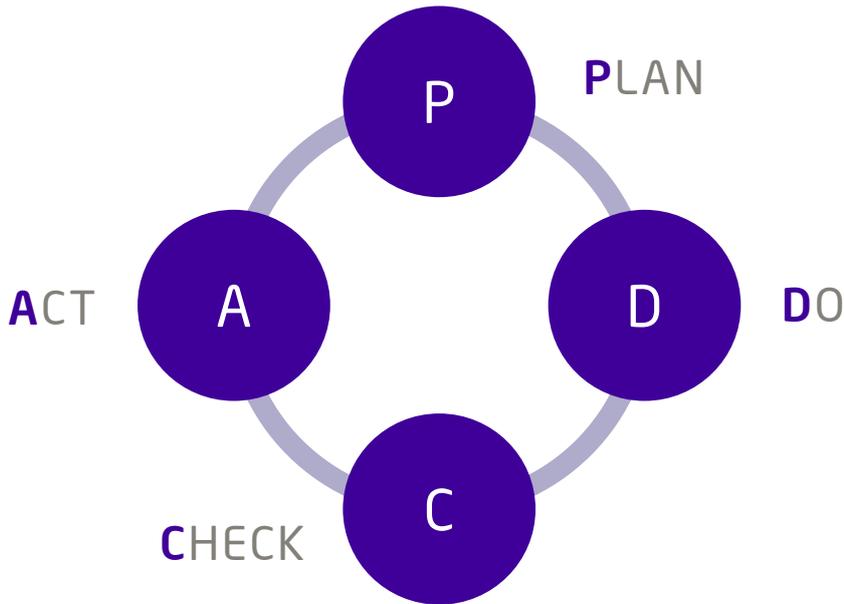
The memo required following a negligible or insignificant incident should be submitted to the above identified recipients within 48 hours of the incident.

Any extension to the above timescales will need approval by the ESG Manager in advance of it lapsing. Should any individual involved in an investigation be considered to have a conflict of interest, then that individual may take no further part in the investigation.

It should be noted that this standard focuses on incidents impacting Sonnedix that can be addressed in the confines of normal business procedures, and do not require a focused and tailored response outside of standard operating procedures. For critical events or situations which may dramatically impact an organization’s profitability, reputation, or ability to operate and due to its nature require to be managed outside of the standard operating procedures contained in this governance standard (eg risk management and this standard), refer to the Sonnedix Crisis Management Plan.



# ESG MANAGEMENT SYSTEM STANDARD



The objective of this standard is to ensure that adequate and effective management systems are in place to manage ESG issues in a way which meets legal requirements and other commitments, manages company risks and opportunities and achieves continual improvement in performance, in line with the Sonnedix ESG policies.

Sonnedix will maintain a formal system to manage ESG issues across the organisation, based on the internationally recognised “Plan Do Check Act” four-stage model.

## 1. PLAN

As part of the planning process, Sonnedix have committed to the ongoing development and implementation of policies, standards and processes across our global operations.

- Our policies will clearly state our commitments to Environmental, Social and Governance issues and the management actions needed to meet these commitments;
- Our standards will support our policies and clearly establish the standards we require of those working for us or on our behalf. These are the minimum standards and, should local legislation exceed these standards, then those working for us or on our behalf should meet the more onerous requirement. Compliance with our standards will form a key performance indicator for our internal functions and those of our global partners; and
- Our processes will provide a defined approach to specific tasks, activities or risk management.

Our policies, standards and processes will be communicated internally to those who work for us, and externally to our Global Partners, contractors and selected members of our supply chain.



Selected documents may also be made publicly available to inform others as to our commitments and expectations.

Sonnedix will identify key roles and responsibilities within the organisation and ensure that each has suitable and sufficient competent resources to enable the implementation of this ESG management system. Where sufficient training is not demonstrable for a role holder, they will either receive appropriate training or their suitability for the role and the associated responsibilities will be reviewed.

When planning activities that may impact the health, safety or wellbeing of our employees, we will consult with these employees or their representatives.

When planning activities which may affect communities and other stakeholders, we will engage with these external stakeholders or their representatives in an appropriate, timely and fair manner.

## 2. DO

The assessment of risk and impacts is an integral part of safeguarding our business and is essential in understanding what actions we need to take to alleviate or minimise the potential impacts on our business, employees or third parties.

- At corporate level, oversight of risk management is a function of the Audit & Risk Committee and this is formalised within the Audit & Risk Committee Charter;
- At project level where Sonnedix use third parties for the construction, operation and maintenance of project sites, our risk function will focus on ensuring that those third parties have the capability to, are competent for, and are assessing/managing the risks/impacts presented by the activities they are undertaking;
- At project/office level where Sonnedix are directly delivering or managing the activity, we will ensure that risks and impacts are assessed



*The Sonnedix team (London office)*



and that suitable measures are taken to mitigate these risks and impacts in accordance with a hierarchy of control.

- The assessment of risk and impacts will be based on sound international practices and be conducted by suitably competent persons.

Where appropriate, employees, stakeholders and external advisors may be involved in managing the risks and impacts of our activities. They may also be involved in decisions and communications relating to the preventative and protective measures required to manage our activities.

When engaging with external stakeholders, we will maintain records of these engagements and specifically any actions or commitments which arise from them.

Sonnedix affirm their commitment to ensuring that we do not negatively impact on our workers, the communities or the environment in which we operate. Therefore every person working on a Sonnedix project is empowered to stop work if they consider that by not doing so, they will cause or contribute to an incident which result in a negative impact.

### 3. CHECK

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Sonnedix or its representatives will implement a system of monitoring and/or auditing to ensure compliance with the requirements of our standards/processes and to assess the effectiveness of our management program. The degree and frequency of monitoring will reflect the nature of the activity and the potential risk presented. Where appropriate, external experts may be involved as part of this activity.

In order to learn from incidents which relate to our activities or the activities of those working on our behalf, we will implement a formal procedure for the investigation of incidents which occur in our offices or in connection with our projects. The findings of these investigations and the corresponding corrective actions may be communicated within Sonnedix and externally to other parties to prevent re-occurrences and to improve the management of risk and impacts.

Sonnedix will implement a formal process for receiving, investigating and responding to concerns raised by internal and external stakeholders. The intent of the procedure will be to satisfactorily resolve concerns raised and provide access to remedy where appropriate. The procedure will be understandable, transparent, culturally appropriate and accessible to all affected people at no cost and without retribution. The procedure should not impede access to judicial or administrative remedies.

Significant Issues identified during an audit, investigation, grievance or other similar mechanism will be tracked as part of an action plan.

### 4. ACT

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The senior management of Sonnedix will receive periodic reports which address the effectiveness of the management program and any incidents or compliance failures which have occurred. The periodic report may also provide an update on the issues contained within the action plan and their progress against completion.

All documented policies, standards and processes will be subject to periodic review, to ensure that they are still effective in terms of content and intent. In the event of an issue being identified with a policy, standard or process, especially if identified as part of any investigation, the periodic review may become immediate.



# COMPLIANCE, AUDIT AND ASSURANCE

## REQUIREMENTS

The requirements of this standard fall into the three distinct areas set out below. In practice, a certain amount of delivery and application overlap should be expected.

### 1. Monitoring Compliance

As part of our management approach, Sonnedix will implement a system of monitoring to provide a simple overview of ESG performance on our projects and in our offices. In addition to the regular verification of documentation and standards, this will require the monthly reporting of key metrics from our project, plants and office locations, which may then be reviewed for any indications or trends relating to project incidents, activities and contractors.

In addition to monthly reporting, Sonnedix or its appointed representatives may undertake announced and unannounced inspections in order to verify that risks are being appropriately managed and that all work is being undertaken in accordance with standards/legislation. These inspections may include elements of behavioural observation, worker engagement, environmental monitoring, equipment inspection, documentation and supervision review.

Any non-compliance identified during an inspection must be reported to the ESG team and be made the subject of an action plan which is provided to all parties involved.

The information obtained from the monthly reports and inspections will inform any decision relating to the risk rating of any project or office.

### 2. Auditing

Whilst it is expected that an O&M or EPC contractor will provide their own assurance mechanisms, Sonnedix may also undertake audits of projects and offices to ensure that our standards are being followed. Where deemed appropriate by Sonnedix, we may use the services of 3rd party providers or experts to act on our behalf.

The frequency and location of audits will be based upon a number of risk based factors including:

- The information obtained from monthly reports and inspections;
- The nature of the activities being undertaken;
- The location and environment in which the activity is taking place;
- The performance history of the location/contractor/employer/employee; and
- The accident, incident or audit history of the location/contractor/employer/employee;

In addition, audits may take place for the following:

- A complaint or grievance from a person working on the project or by a 3rd party;
- An incident or near miss; and
- A request from a member of the Sonnedix management team.

In addition to audits of our projects, plants and offices, Sonnedix or specialist supply chain auditors working on our behalf, may undertake audits of our supply chain partners and prospective suppliers. These audits will generally take place on the supplier's premises, including production facilities and may be extensive in terms of their scope.



Any non-compliance identified during an audit must be reported to the ESG manager and team and may be made the subject of an action plan provided to all parties involved.

Audits will generally be announced in advance and agreed upon with all parties involved, however Sonnedix may in exceptional circumstances decide to undertake an unannounced audit.

### 3. Assurance Reviews

Periodically, Sonnedix will undertake reviews of their Policies, Standard, Processes and supporting documentation. The purpose of these reviews is to ensure that the contents of these documents remain appropriate and effective, thereby providing a level of continuous improvement and assurance around the ESG management system.

In addition to reviewing documentation, stakeholders will be encouraged to provide constructive feedback as to how improvements can be made in terms of function or content.

When feedback requires only simple changes or measures to be implemented, these may be actioned on an ongoing reactive basis.

When the actions required are more significant in nature, then Sonnedix may only implement these changes at set frequencies over the year.

All documents produced as part of the ESG management system will be marked with version control and review information.



Sonnedix Suwa, Japan.



# GLOSSARY OF TERMS

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**Global Partners** are all of Sonnedix' suppliers, subcontractors, joint development partners, consultants, agents, and other parties with whom Sonnedix does business.

**Public Official means:** (1) person holding legislative, administrative, military or judicial office for any country; (2) person exercising a public function for any country, government or governmental agency; (3) employee of a government-owned or controlled enterprise; (4) official or agent of a public international organization; and (5) political party or official of a political party. As such, Public Officials include honorary government officials; members of boards, officers, directors and employees of governmental, quasi-governmental or government-owned companies; some members of royal or ruling families; and officials of such public international organizations as the World Bank, International Monetary Fund and the World Trade Organization.

**Reasonable Value** means that of an ordinary working meal under local standards.

**Sonnedix** or the **Company** refers to Sonnedix Power Holdings Limited and its subsidiaries and affiliates.



<b>Policy Owner:</b>	Legal & Compliance
<b>Applies to:</b>	Across Sonnedix Group, including employees and those working with us or on our behalf
<b>Review Period/s:</b>	Q3
<b>Effective Date:</b>	Anti-bribery and Corruption, Code of Conduct and Whistleblowing standards – 23/04/2014; Policy statement 01/01/2017; Other standards 01/01/2018
<b>Modified date and version</b>	20/06/2018; 01/01/2020
<b>Supporting Documentation:</b>	Sonnedix sustainability strategy, crisis management plan, anti-bribery and corruption exhibit 1-7 forms, senior manager report, RAMS, risk assessment, incident reporting and investigation procedure



sonnedix