REPORT ON THE FUNCTIONING OF THE APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE OF GRENERGY RENOVABLES, S.A. FOR THE 2023 FINANCIAL YEAR

I.- INTRODUCTION

In accordance with Recommendation 6 of the Good Governance Code of Listed Companies and Article 31 of the Regulations of the Board of Directors of Grenergy Renovables,
S.A. ("**Grenergy**" or the "**Company**"), the Nomination, Remuneration and Sustainability Committee (the "**Committee**") prepares this report on its own performance during the financial year 2023 (the "**Report**").

II.- REGULATION OF THE COMMISSION

The Committee is regulated by article 28 of the Articles of Association and article 31 of the Regulations of the Board of Directors of the Company.

Grenergy's corporate rules, including the rules indicated in the previous paragraph, are published on the Company's corporate website at the following link: https://grenergy.eu/normas-corporativas/.

III.- COMPOSITION OF THE COMMISSION

Pursuant to article 31 of the Regulations of the Board of Directors, the Committee must be composed of a minimum of 3 and a maximum of 5 non-executive directors, the majority of whom must be independent. The Chairman of the Committee must be an independent director.

The composition of the Committee as at 31 December 2023 (unchanged between then and the issuance of this report) is as follows:

Councillor	Cargo	Typology	Date of first appointment as director	Date of appointment as a member of the Commission
Ms Rocío Hortigüela Esturillo	President	Independent	15.11.2019	15.11.2019
Ms Ana Peralta Moreno	Vocal	Independent	27.06.2016	15.11.2019
Mr Nicolás Bergareche Mendoza	Vocal	Independent	27.06.2016	15.11.2019
Ms María Merry del Val Mariátegui	Vocal	Sunday	29.06.2021	27.07.2021

The academic and professional profiles of the previous board members can be consulted on the corporate website at the following link: https://grenergy.eu/organos-de-gobierno/

The Secretary of the Committee is Ms. Lucía García Clavería, as she is the Secretary of the Board of Directors of the Company.

IV. FUNCTIONS OF THE COMMISSION

The responsibilities and functions assigned to the Committee by virtue of the provisions of article 31 of the Board of Directors' Regulations are as follows:

1. Assess the skills, knowledge and experience required to sit on the Board of Directors. To this end, it shall define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties properly.
2. Organise and coordinate the periodic evaluation of the Board, as well as, where appropriate, that of the chief executive of the Company.
3. Establish a target for representation of the under-represented sex on the board and develop guidance on how to achieve this target.
4. To submit to the Board of Directors proposals for the appointment of independent directors for appointment by co-option or for submission to the decision of the General Meeting of Shareholders, as well as proposals for the re-election or removal of such directors by the General Meeting.
5. Report on proposed appointments of the remaining Directors for appointment by co-option or for submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-election or removal by the General Shareholders' Meeting.
6. Examine and organise the succession of the Chairman of the Board and the chief executive of the Company and, where appropriate, make proposals to the Board for such succession to take place in an orderly and planned manner.
7. To report on proposals for the appointment and removal of senior management and the Secretary and the basic terms of their contracts.
8. Propose to the Board the members of each of the Committees that are set up, in accordance with the provisions of these Regulations.
9. Propose to the Board of Directors the remuneration policy for Directors and general managers or those who perform senior management functions reporting directly to the Board of Directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive Directors, ensuring compliance therewith.
10. Propose to the Board of Directors the basic conditions of the contracts of the Senior Executives.
11. Verify compliance with the remuneration policy established by the Company.
12. Periodically review the remuneration policy applied to Directors and Senior Executives, including share-based remuneration schemes and their application, and ensure that their individual remuneration is proportionate to that paid to other Directors and Senior Executives of the Company.
13. Ensure that potential conflicts of interest do not impair the independence of the external advice provided to the Nomination, Remuneration and Sustainability Committee.

14. Verify the information on Directors' and Senior Management remuneration contained in the various corporate documents, including the Annual Report on Directors' Remuneration.
15. Propose to the Board of Directors for its approval a policy for the selection and diversity of directors and verify compliance with this policy on an annual basis, reporting on it in the Annual Corporate Governance Report.
16. Supervise compliance with the Company's policies and rules on environmental, social and corporate governance matters, as well as with the Internal Codes of Conduct and corporate governance. For these purposes, the Appointments, Remuneration and Sustainability Committee shall be specifically attributed the following minimum functions:
    a) Overseeing compliance with the company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purpose and values.
    b) The evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.
    c) Monitoring that the company's environmental and social practices are in line with the strategy and policy.
    d) Monitoring and evaluation of stakeholder engagement processes.
17. Propose to the Board of Directors any other matters it deems appropriate in matters within its sphere of competence.

The following section VI of this Report describes the most significant activities carried out by the Commission during the financial year 2023 in relation to the functions and tasks described above.

V. FUNCTIONING OF THE COMMISSION

During the financial year 2023, the Committee met 7 times, in accordance with the tentative agenda of meetings approved at the end of the financial year 2022. In addition, there was one meeting in writing and without a meeting, as well as one joint meeting with the Audit Committee. The Committee has therefore fulfilled its duty to meet as often as necessary to effectively carry out its functions. All meetings were held in person and lasted an average of three hours, with members dedicating an adequate number of hours to the study and analysis of the matters to be discussed.

The meetings are planned by the Chairman of the Committee in accordance with an agenda agreed at the end of the previous year by all members of the Committee, taking into account the schedule of meetings of the Board of Directors, the publication of certain reports and other relevant issues affecting the functioning of the Company.

Attendance is checked at the beginning of each meeting and recorded in the corresponding minutes. During financial year 2023, the members of the Committee attended all meetings in person. In addition, the Committee meetings have been attended as guests when required by different members of the Company's team and, in particular, of the teams of human resources, ESG, health and safety and digital transformation. In addition, the Committee meetings were attended by representatives of WTW, in relation to the review of the remuneration of non-executive directors, and of KPMG, in relation to the external verification of the non-financial information statement.

At all meetings of the Committee, the different matters submitted for its deliberation and, where appropriate, approval, have been dealt with in due depth. Prior to each meeting, the members of the Committee were provided with information on the matters to be discussed at the meetings, thus encouraging their participation and the informed adoption of resolutions.

The Secretary has drawn up the corresponding minutes of all the meetings of the Commission held, reflecting their progress, deliberations and agreements adopted.

VI. SIGNIFICANT ACTIVITIES UNDERTAKEN BY THE COMMISSION DURING THE FINANCIAL YEAR 2023

At its meetings, the Committee deals with issues arising from legal requirements and the recommendations of the Good Governance Code of Listed Companies, as well as matters of interest to it that fall within its remit. The most significant activities carried out by the Committee during financial year 2023 are detailed below:

Appointment of directors and officers

- Favourable report to the Board of Directors on the proposal for the re-election of proprietary directors.
- Proposal for the re-election by the General Meeting of an independent director, as well as the waiver of the obligation not to engage in activities that may involve effective competition with the Company.
- Preparation of a report justifying proposals for the re-election of directors.
- Coordination of the search process for a new independent director.
- Proposal to the Board of Directors for the appointment by co-option of a new independent director.
- Favourable report to the Board of Directors on the proposal to reduce the term of office of directors.
- Updating of the matrix of competencies of directors.
- Proposal to the Board of Directors for the appointment of a new member of the Audit Committee.
- Favourable report on the appointment of a new senior manager.

Remuneration of directors and executives

- Determination of the degree of compliance with the objectives set for the purpose of making a proposal to the Board of Directors for the variable remuneration of the Chairman and senior management for the 2022 financial year.
- Proposal to the Board of Directors of valuation metrics for the variable remuneration of the management team and the Chairman in the financial year 2023.

- Proposal to the Board of Directors, with the advice of WTW, for a review of the remuneration of non-executive directors.
- Proposal to the Board of Directors to amend the directors' remuneration policy for the financial years 2023-2025.
- Drafting of a report justifying the modification of the directors' remuneration policy.
- Favourable report to the Board of Directors on a new grant of options under the 2019-2023 Stock Option Plan in favour of senior management and employees of the Company.
- Favourable report to the Board of Directors on the increase in the salary remuneration of the Company's executives.
- Favourable report to the Board of Directors on the annual Directors' Remuneration Report for the financial year 2022.
- He has ensured compliance with the remuneration policy established by the Company.

ESG

- Favourable report to the Board of Directors on the non-financial information statement for the financial year 2022.
- Monitoring and validation of compliance with the objectives set for the financial year 2023 within the ESG roadmap 2023.
- Favourable report to the Board of Directors on the new ESG strategy 2024-2026.
- Favourable report to the Governing Board on the health and safety policy.
- Approval of the protocol for the prevention of and action against sexual harassment and harassment based on sex.
- Favourable report to the Board of Directors on the information security policy.
- Favourable report to the Governing Board on the update of the human rights policy.
- Favourable report to the Board of Directors on the update of the corporate procedure for dialogue with communities.
- Favourable report to the Board of Directors on the modification of the name of the Committee in the Regulations of the Board of Directors.
- ESG follow-up on various ESG issues related to talent retention, including the equality plan, the pay gap, work climate surveys and the employee training plan, as well as on the emission reduction plan, ESG audits of selected suppliers, the implementation of the due diligence procedure of the HR policy and digital transformation initiatives.

Other

- Favourable report to the Board of Directors on the Annual Corporate Governance Report for the financial year 2022.
- Coordination of the internal evaluation of the Board of Directors, the Committee itself, the Coordinating Director and the Secretary, submitting to the Board the corresponding evaluation reports, as well as the action plan with the directors' recommendations for improvement contained in the answers to the evaluation questionnaires.
- Approval of the report on the functioning of the Commission during the financial year 2022.
- Review of treasury stock requirements for employee incentive schemes.
- Promotion of the plan for training and updating the knowledge of directors and, in particular, proposal of specific training actions for directors during the financial year 2023.
- Recurrent report to the Board of Directors on the main issues dealt with and the activities and work carried out by the Committee.

VII. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE COMMISSION

During the last four months of the financial year 2023, the Commission has carried out its own evaluation of its functioning, number, frequency and duration of meetings, participation of its members, composition, documentation and exercise of its competences.

From this evaluation, it can be concluded that the Committee is adequately composed and functions properly, and that it fulfils the functions assigned to it. The Committee has reported to the Board of Directors on the results of the evaluation.

VIII. CONCLUSIONS

As shown above, throughout the 2023 financial year, the Committee has analysed and examined the main issues and aspects within its remit, reporting periodically on the most relevant issues to the Company's Board of Directors.

For the 2024 financial year, the Commission plans to continue to review and monitor the status of all matters within its competence, in accordance with the tentative agenda of meetings approved at the end of the 2023 financial year.

IX. APPROVAL OF THE REPORT

This Report is issued and approved by the Committee on 22 January 2024 and approved by the Board of Directors of the Company on 30 January 2024.

* * * *