



THE SKY IS THE LIMIT

SUSTAINABILITY  
REPORT

2023

Growing to the Next Level



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# CEO INTERVIEW

## **What is your assessment of Grenergy's performance in 2023?**

2023 has been a very positive year for Grenergy. We are very satisfied with the evolution of the business in our three geographic platforms: Latin America, Europe and the United States, through the sale of energy, the increase in our production and the rotation of different assets. Throughout the year we have achieved historical figures in our results, which reflect the consolidation of our business and demonstrate the acceleration and exponential growth of Grenergy.

In this regard, I would like to highlight the Valkyria project, the divestment process of a 1GW project portfolio in Spain that we announced at the beginning of the year, and of which I can say that we have already completed 85%. We have also recently announced the divestment of 174MW of renewable energy in Peru.

## **Grenergy recently announced its 2024-2026 strategic plan, what are the general objectives?**

Our growth plans for the coming years are closely linked to energy storage, a technology that we consider key to making the energy transition a reality. In addition, we have also announced our installed capacity targets for 2026, which amount to 5GW solar and 4.1GWh in batteries.

We have announced a financial plan to address an investment of €2.6 billion through 2026. Our growth will be financed, in addition to the support of our banking pool, with dividends generated on the platform itself and asset rotation. Specifically, we have increased the rotation target to 350 and 450 MW per year of installed solar capacity, with which to generate more than 600 million euros by the end of the period.

Also, in ESG terms, the new sustainability strategy 2024-2026 has been announced, which will focus on improving our performance in environmental, social and governance issues.

## **Why is Grenergy betting on storage?**

Storage is our major commitment between now and 2026 because it is a technology that, on the one hand, provides flexibility in energy management, reducing the risk of solar cannibalization and, on the other hand, provides us with even higher returns than those traditionally obtained from solar energy.

To boost storage in the coming years, we plan to invest EUR 800 million. Our Oasis de Atacama project in Chile, which we presented at the successful Capital Markets Day in November, is the world's largest battery project with a capacity of 4.1 GWh and around 1GW solar. We will invest up to 1,400 million

dollars and, once fully operational, will supply energy to more than 145,000 homes and prevent the emission of more than 146,000 tons of CO<sub>2</sub>.

### **Turning to sustainability, what is your assessment of global progress on sustainability in 2023?**

Despite the criticisms launched from some quarters and the need expressed by others to accelerate the implementation of measures, the fact is that decisions continue to be taken and commitments made by international institutions. In this regard, it is important to highlight the milestone achieved during the COP28 in Dubai, where all participating countries agreed for the first time to leave behind the use of fossil fuels.

And with this same objective on the horizon, there is the commitment promoted by the International Energy Agency (IEA) and the European Union to no less than triple the installation of renewable energies by 2030. This inevitably entails a firm commitment to energy transformation that will entail a qualitative and quantitative leap in investments and infrastructures.

Moreover, at the European level, we must remember that the Green Pact aims to make Europe climate neutral by 2050 and that the planned economic effort is expected to reach one trillion euros of investment over this decade.

The challenge is to reduce greenhouse gas emissions by at least 55% by 2030, compared

to 1990 levels, but also to achieve more than 45% share of renewable energy in the energy mix and, also, to reach the photovoltaic target of 740 GW in 2030 and to accelerate the deployment of renewable energy sources to 69% by the same date.

### **How do these commitments translate into the national context?**

The European commitment is of no use if it is not transposed to the national level of each of its members. In this sense, the EU urges each country to design their respective national roadmaps that contribute to the achievement of the common objective.

In the case of Spain, they have been embodied in the Strategic Framework for Energy and Climate, and its subsequent implementation through the National Integrated Energy and Climate Plan (PNIEC) 2021-2030. Its goals are none other than to comply with the pacts assumed by the country within the framework of the European Union and the Paris Agreement on climate change.

### **What is the sustainability regulatory framework like in other key markets where Grenergy operates?**

Very similar levels of commitment are being achieved in all the areas in which Grenergy is present.

The United States, for example, is planning the largest investment in its history to address climate change and accelerate the energy transition, as set out in the Inflation Reduction

Act (IRA). Among the objectives, the U.S. government hopes to increase the deployment of solar photovoltaic technology from the current 67GW to 1000GW by 2035, a project that is expected to raise 739 billion and authorize US\$369 billion in expenditures associated with energy security and climate change. Chile, a key market for the company, has also shown its concern as a country highly vulnerable to the effects of climate change and, through the law known as Chile's Climate Change Framework, seeks a 45% reduction in greenhouse gas emissions by 2030 and carbon neutrality by 2050.

### **What is your assessment of the company's sustainability strategy in 2023?**

In the specific case of Grenergy, this year marked the successful consolidation of our 2021-2023 plan, which laid the foundations for our performance in this area. During this period, milestones have been achieved, such as the issuance of the first green bond program in 2021, the creation of an internal monitoring procedure for ESG indicators in 2022, or the first third-party verification of the Sustainability Report in 2023. These are just a few examples that highlight our commitment to making sustainability the transversal axis of the entire business. 2023 was also the time to design the company's sustainable future, which is set out in our Sustainability Strategy 2024-2026. With it in hand, we can proudly say that ESG aspects are at the heart of Grenergy.



### **With what actions have the pillars on which the company's ESG strategy is based materialized in 2023?**

In 2023, we have continued to add initiatives –and also achievements– that allow us to advance as a company in our commitment to the environment, society and our own governance. This has also been perceived by the market and we are very proud to have been included in different indexes.

In general terms, as a company we feel responsible for contributing to building a greener future, which is why we have made it a strategic priority to adopt urgent measures to combat climate change and its effects and to promote the sustainable use of terrestrial ecosystems, combat desertification and halt the loss of biodiversity.

### **And, specifically, with respect to environmental issues?**

With respect to climate change mitigation, Grenergy's own business model plays a key role in driving the transition to a fossil-free energy system, with the aim of effectively reducing greenhouse gas emissions into the atmosphere. By 2023, through the generation of renewable electricity from our projects, we will avoid the emission of more than 325,400 tCO<sub>2</sub>e. This amount translates into the annual emissions associated with the energy consumption of more than 333,200 households.

But we are going further, and have joined the SBTi initiative, which validates emission reduction targets based on science. Along

these lines, we have validated our near-term targets for Scope 1 and 2 in 2030, taking 2021 as the base year.

During this fiscal year, we will work on a new validation for the most ambitious reduction targets, aligned with our net zero to 2040 strategy, with which we are ten years ahead of European and national commitments such as the EU Green Deal and PNIEC.

Regarding the restoration of natural habitats and the minimization of impacts on biodiversity, Grenergy conducts comprehensive environmental assessments prior to any project definition and design. In addition, in 2023 we have implemented several notable concrete measures such as the rescue and relocation of wildlife at the Gran Teno solar plant in Chile, the compensation plan at the Tucanes solar park in Colombia, and the rescue and relocation of violets at the Condor photovoltaic project in Chile. We also carried out lizard rescue and relocation efforts, as well as the cultivation of aromatic plants and soil improvement at the San Miguel de Allende solar park in Mexico.

### **What about social issues?**

In the social sphere, we are fully aware of the impact we leave in the communities where we carry out our operations, and we strive to generate a positive social impact. In 2023, Grenergy's commitment to local communities has been manifested through concrete initiatives that seek to generate shared value and contribute to improving people's quality

of life. In fact, in the last year we have generated a total of 3,500 direct and indirect jobs, contributing to the creation of wealth.

The main lines of work have been: environmental education and awareness, training and generation of local employment, and the provision of affordable, non-polluting energy. The latter includes the Quillagua solar plant in Chile, built specifically so that the local community, which did not have access to the grid, could have electricity 24 hours a day; or Gran Teno, our 240 MW solar plant located in the Chilean commune of Teno, which has contributed to strengthening the electrical stability of the health center not only in that community, but also in neighboring towns such as San Rafael, El Quelmén, Villa Los Robles, Villa San Ramón and Eucalipto. Also in Chile, this time in the Maule region, the Tamango photovoltaic park generated employment opportunities for 100 people, thus contributing to local economic development. In the field of education, although also linked to the objectives of raising awareness and mitigating the effects of climate change, the Kosten scholarship has been created in Argentina to promote the study of careers related to renewable energies.

### **What about governance issues?**

Corporate governance is the cornerstone on which the implementation of the sustainability strategy is based. Grenergy is firmly committed to the establishment of a transparent and efficient corporate governance system,

aimed at creating long-term value and safeguarding the interests of all parties.

In 2023, we have been working on gender equality policies, both within our company and within our collaborators and local institutions.

Thus, we have maintained parity on the company's Board of Directors, we have increased the number of women in management positions to 39, and we have succeeded in promoting the participation of women in the construction, operation and maintenance of wind farms, traditionally occupied by men.

We cannot fail to mention the demanding sustainability reporting regulations that all companies face, which oblige us to establish a rigorous, homogeneous and transparent reporting system. This is in addition to the high standards of evaluation and management of financial and non-financial risks and opportunities to which we must respond. Finally, it is worth highlighting the relevant efforts made to improve cybersecurity due to its relevance in view of the possible vulnerabilities it could entail for the company.

### **Recently, Grenergy has announced its 2024-2026 strategic plan, how does the company approach its ESG-focused growth strategy?**

2023 has been the successful culmination of the sustainability roadmap we launched in 2021, focused mainly on laying the foundations and a solid foundation for the company's ESG performance. From this privileged position, Grenergy now faces a new strategic



plan, which focuses on nothing less than perfecting the initiatives carried out in this area and establishing more ambitious commitments. Through six key dimensions for the company, such as climate change, environment, people, value chain, sustainable finance and innovation and corporate governance. Grenergy will carry out more than 100 actions in the 2024-2026 period, with which it will reinforce its leadership in ESG and maintain its position as a benchmark in the sector. Yes, we are leaders in our industry in terms of sustainability. And it's not just me saying, but many global indexes have put us in this position. From the prestigious Dow Jones, which celebrates its 25th anniversary this year, to the CDP or MSCI, and including Sustainability, they place us as a benchmark, which fills us with pride and for which we will undoubtedly work to maintain and even, why not, reinforce. In 2023, as a novelty, we have also been included in the IBEX ESG index, as one of the 47 listed companies that promote the best sustainable investments.

#### **What are the biggest challenges of the new ESG 2024-2026 strategy?**

Grenergy takes a holistic view of sustainability. In climate change, we want to become a carbon neutral company by 2040, i.e. a decade ahead of the target set by Europe. In the environmental area, we have set ourselves the short- and medium-term goal of achieving a positive biodiversity footprint, while in people we want to reinforce the inclusion of key ESG elements in the variable compensa-

tion of all employees. For value-chain issues, efforts will be made to assess the suppliers in terms of ESG prior to contracting. In matters related to sustainable finance and innovation, the company expects to invest more than 90% of capital expenditure in activities aligned with the EU taxonomy.

Finally, in corporate governance, we aim to satisfactorily report on ESG aspects according to the CSRD, while improving the assessment and management of risks and opportunities.

#### **How does Grenergy integrate its employees into its sustainability strategy?**

The people who make up Grenergy's workforce are a fundamental part of the company's success. Our sustainability policy places our more than 420 employees at the center, and is committed to guaranteeing equal opportunities, favoring labor flexibility, fostering professional development and promoting a culture of health and safety.

A good place to work is characterized by close communication and collaborative relationships based on respect, credibility and integrity of people, while at the same time promoting fairness and diversity based on impartiality, fostering the feeling and pride of belonging. Grenergy, as a global organization, demonstrates its ability to attract and retain talent, backed by the Choose My Company certification. In 2023, Grenergy was recognized worldwide with the certifications: "HappyAtWork", "WelpactESG" and "HappyIndexTrainees".

# KEY FIGURES 2023



**Net zero 2040**



**Commitment approved** approved for the Scopes 1, 2 and 3

**325,408 tCO<sub>2</sub>**

**Emissions avoided**

**36%**

Scope 1 and 2 **emission reductions**

**600 Mm<sup>3</sup>**

**Water consumption savings**

**50%**

% of waste for reuse/recycling



**18,664 hours**

**Health and safety training** for employees

**40%**

**Audited suppliers**

**>3,100 employees**

**Direct employment created**

**40%**

**Women's employment** at Grenergy's largest project, Gran Teno, Chile

**295 k€**

**Donations and investments** to the local community



**Industry leaders in ESG ratings**

**SUSTAINALYTICS** - <10 (negligible risk)  
**MSCI** - AAA  
**IBEX Gender Equality Index**  
**IBEX ESG**

**157 M€**

Secured green financing with innovative **Green Sustainability Linked Hedge**

**99%**

**CAPEX eligible and aligned with taxonomy**

**32%**

**Employee growth.** 4<sup>th</sup> consecutive year with **double-digit** growth

**100%**

**Of senior management with variable compensation linked to ESG objectives**

# 01

# SUSTAINABLE GROWTH STRATEGY

- 1.1 REGULATORY FRAMEWORK
- 1.2 BUSINESS MODEL AND STRATEGY
- 1.3 A SUCCESS STORY
- 1.4 MAIN MILESTONES 2023



# 1.1

## REGULATORY FRAMEWORK

### 1.1.1 ENERGY REGULATORY CONTEXT

#### SPAIN:

#### National Energy and Climate Integrated Plan (PNIEC 2021-2030)

Spain's National Integrated Energy and Climate Plan 2021-2030, integrated into the Strategic Energy and Climate Framework, is a comprehensive roadmap that reflects the country's commitment to decarbonization, energy efficiency and the promotion of renewable energies to address the challenges of climate change and move towards a more sustainable future. In this sense, it seeks to integrate at the national level the energy and climate policies determined by the European Union.

In this context, their preparation is a requirement of the European Union regulations, which require the development of a National Plan for each Member State to achieve the agreed energy and climate objectives. The PNIECs submitted by each Member State will help the Commission to determine the degree of joint compliance and the establishment of actions for the correction of possible deviations.

The main objective of the PNIEC is to comply with the commitments assumed by Spain within the framework of the European Union and the Paris Agreement on climate change. These are about:

-23%

Greenhouse gas (GHG) emissions with respect to 1990

42%

Of renewables on energy end use

39.5%

Energy efficiency improvement

74%

Of renewable energy in power generation

#### Just Transition Strategy

The Just Transition Strategy, also included in the Strategic Energy and Climate Framework, mainly seeks to maximize the social gains of the ecological transformation and mitigate negative impacts, following the guidelines of the International Labor Organization (ILO) and the recommendations of the Paris Agreement.



## EUROPE:

### REPowerEU

In 2022, the European Commission presented the REPowerEU Plan with the aim of transforming the European energy system, accelerating the transition to clean energy and strengthening energy security. The plan includes measures such as energy savings, supply diversification and rapid substitution of fossil fuels. It is proposed to increase the renewable energy target for 2030 to 45%, with a focus on solar energy. The plan requires an investment of €210 billion and has financial support from the Recovery and Resilience Mechanism.

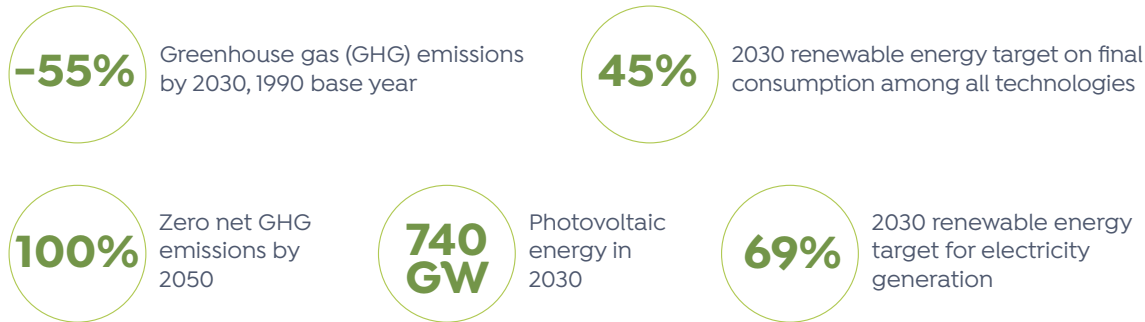
The package of measures aims to **reduce net greenhouse gas emissions by at least 55 % by 2030 and to achieve climate neutrality by 2050.**

REPowerEU seeks effective coordination between European and national measures, investments, reforms and an interconnected energy network. Collaboration between Member States is essential to make the phasing out of dependence on Russia feasible and affordable.

### European Green Deal

The global energy sector is undergoing a profound transformation process, in which renewable energies are a key element to accelerate the energy transition and thus achieve the climate neutrality goals that organizations, countries and regions are setting for themselves. The EU Green Deal (2020) aims to make Europe **climate neutral by 2050, mobilizing at least 1 trillion euros in sustainable investment over the next 10 years.**

Its main objectives are:



To ensure that Europe is a pioneer of industrial innovation and clean technology, the Green Pact Industrial Plan will rest on four pillars: predictable and simplified regulatory framework, faster access to finance, improved skills and open trade for resilient supply chains.



**USA:**

**IRA**

The United States, in its fight against inflation and deficit reduction, also **seeks to reduce its emissions in half by 2030**. In August 2022 it passed the Inflation Reduction Act (IRA) to accelerate the energy transition and boost clean energy. The act represents the largest investment to address climate change in the country's history.

The government's solar PV technology deployment target aims for an increase from the current 67 GW to 1000 GW by 2035.



GHG emissions in 2030



Investment associated with **energy security and climate change**



Solar photovoltaic technology in 2035

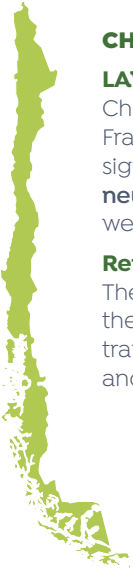
**CHILE:**

**LAW 21455-framework law on climate change**

Chile is a country highly sensitive to climate change and Law 21455, known as Chile's Climate Change Framework, published in 2021, aims to address the climate change challenges it faces. This legislation sets significant targets such as **a 45% reduction in greenhouse gas (GHG) emissions by 2030 and carbon neutrality by 2050**. It also encourages the use of renewable energies and the phasing out of fossil fuels, as well as the protection of biodiversity and ecosystems.

**Retirement and/or Conversion Plan for Coal-Fired Units**

The plan to retire and reconvert coal units in Chile seeks to reduce dependence on coal energy, replacing these plants with cleaner and renewable sources. It includes the progressive closure of coal plants and the transition to energy sources such as solar, wind and hydroelectric. This process is aligned with sustainability and climate change mitigation objectives, promoting the decarbonization of the Chilean energy sector.



GHG emissions to 2030



Achieving zero net GHG emissions by 2050



## 1.1.2 ESG REGULATORY CONTEXT

### Climate Change and Energy Transition Act (PNIEC 2021-2030)



In 2019, the Strategic Energy and Climate Framework was presented, which includes an essential regulatory and legal framework to achieve the decarbonization of the Spanish economy in line with European Union regulations. This framework includes, among others, the Climate Change and Energy Transition Law, explained below, the

National Energy and Climate Plan and the Just Transition Strategy explained in the previous section.

The Climate Change and Energy Transition Law was approved in 2021 and its main objective is to reduce greenhouse gas emissions, promote the transition to renewable energies and promote sustainable practices in various economic sectors. Its implementation reflects a governmental commitment to address environmental impacts and promote more sustainable development. It is an essential regulation for the decarbonization of the Spanish economy.

### Human Rights and Environmental Due Diligence Directive

The Human Rights and Environmental Due Diligence Directive aims to promote sustainable and responsible business behavior by implementing specific measures to identify, prevent and mitigate actual and potential adverse effects on the environment and human rights of their own activities, the activities of their subsidiaries and the activities in the value chain of entities with which they have an established business relationship. This Directive will affect large companies in the European Union, but it also includes supporting provisions for all organizations, including SMEs.

The national administrative authorities

designated by the Member States shall be responsible for supervising compliance of these standards, with the ability to impose fines in the event of non-compliance. With this Directive, the requirements will be increased, toughening sanctions and the recognition of damages, bans and limitations. In short, these measures will seek to establish an aligned regulatory basis in all member states to promote ethical and sustainable practices in all business operations.



European Parliament

### CNMV Recommendations



The CNMV's Recommendations seek to promote transparency and quality in the disclosure of non-financial information, allowing companies to communicate in a transparent and transparent manner. effectively their performance in environmental, social and corporate governance areas. They mainly affect companies subject to Non-Financial Information Reporting (NFR) in Spain.

These include the importance of a clear definition of the perimeter and scope of the Non-Financial Information Report (NFR), greater detail in the business model, including objectives and relationship with non-financial issues, as well as a double materiality approach. Additionally, it is urged to improve the presentation of environmental impacts and follow TCFD recommendations. Finally, more detail on policies and preventive actions for corruption and bribery and a detailed risk analysis on human rights and society.

### Environmental taxonomy

The European Green Pact emerged as a growth strategy to transform the European Union into an equitable and prosperous society with an efficient, modern and competitive economy, achieving net zero greenhouse gas emissions by 2050.

To meet these objectives, the European Union established a regulatory framework that incorporates the Sustainable Finance Action Plan. This plan has three main goals: to redirect capital flows toward sustainable investments, to manage financial risks related to climate change and other environmental and social aspects, and to promote transparency and a long-term approach to financial and economic activities.

To achieve the first goal, the Taxonomy Regulation (EU) 2020/852, adopted on June 18, 2020, was created by the Euro-



pean Parliament and the Council. This initiative is complementary to the Corporate Sustainability Reporting Directive (CSRD) and other regulations that seek to promote more sustainable financial practices. It is a rating system designed to encourage private investment in sustainable growth and contribute to a climate-neutral economy. Greenergy's taxonomic eligibility, alignment and methodology exercise will be addressed in *chapter 2.3*.

<sup>1</sup> Proposal for a Directive on human rights and environmental due diligence- <https://eur-lex.europa.eu/legal-content/ES/TXT/HTML/?uri=CELEX:52022PC0071&from=EN>

## CSRD

The Corporate Sustainability Reporting Directive (CSRD) is the new standard at the international level.



European  
Commission

The European Union's Sustainability Reporting Framework Directive (CSRD), which replaces the former Non-Financial Reporting Directive (NFRD) and which will be in force from 2024, with a staggered entry, for the disclosure of information on the sustainability of companies in the European Union. In the national context, the Instituto de Contabilidad y Auditoría de Cuentas (ICAC) is the body in charge of transposing the CSRD in Spain.

The objective of the CSRD is to **strengthen and broaden the scope of sustainability reporting requirements, covering a greater number of companies subject to the reporting obligation**. It seeks to standardize reporting to ensure reliable, comparable and accessible information, responding to current information demands. Some of the main new features are double materiality, disclosure of sustainability objectives and targets, impact, risk and opportunity analysis (IRO), new topics, mandatory independent verification and alignment with other European standards (SFDR, Taxonomy, Corporate Due Diligence Directive, GRI and ISSB).

The European Sustainability Reporting Standards (ESRS) are the proposed CSRD standards for corporate reporting.

The results of the EFRAG ("European Financial Reporting Advisory Group") working group have been used as a basis for the preparation of this report.



Through these standards  
**The EU is pursuing greater** harmonization and efficiency in the dissemination of sustainability information



# 1.2 BUSINESS MODEL AND STRATEGY

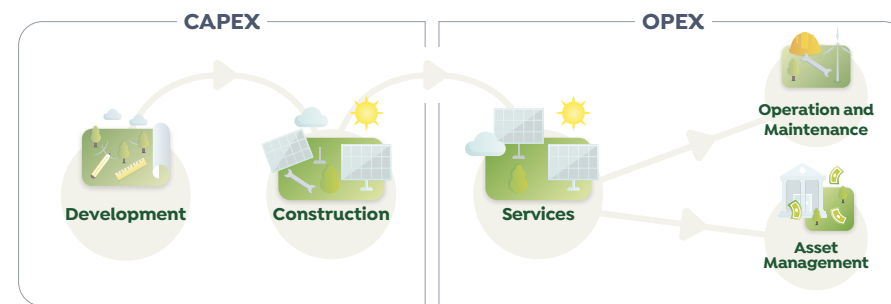
Our **business model** is **sustainable** and contributes fully to the advancement of **energy transition**

## 1.2.1 BUSINESS MODEL

Grenergy is an independent power producer (IPP) that integrates the development, construction, operation and maintenance of large-scale renewable energy plants, achieving, as a consequence of such integration, maximum control over the processes and the reduction of investment costs, operational expenses, project quality, environmental and social impacts of the plants and their mitigation. Our activities consist in the search for viable projects, both financially and technically, construction management and project start-up. In addition, Grenergy performs asset management, operation and maintenance, both for its own projects, as IPP, and for third party projects. In addition, the company incorporates in-house teams dedicated to structured financing, M&A transactions and the negotiation of Power Purchase Agreements (PPAs).<sup>1</sup>

### Independent and integrated power producer

Grenergy has extensive experience in the construction and operation of large-scale renewable energy plants



### Thanks to the support of global teams:



Sale of energy  
Establishment of PPAs



Structured  
financing



M&A  
Asset turnover

A business model that drives value creation for all:

- » Accelerating the growth of renewable energy generation activities
- » Diversifying our geographic presence
- » Betting on new technologies
- » Meeting the expectations of our stakeholders
- » Driving sustainability throughout the company

<sup>1</sup> Power Purchase Agreement: is a long-term power purchase agreement or contract between a renewable developer and a consumer.

## 1.2.2 STRATEGY

### Accelerating the growth of renewable activities

Grenergy already has 1.8 GW and 1.0 GWh of projects in operation and under construction, and a pipeline of 15.3 GW of solar projects at different stages of development in 12 countries. In 2023, the company has continued to invest in an additional pipeline of storage projects reaching 11 GWh.



**15.3 GW**

Pipeline<sup>1</sup> of solar projects



**c. 11.3 GWh**

Pipeline of storage projects

The key growth strategies for the next three years are as follows:

- Strengthen growth in the United States and key European markets.
- Lead the installation of energy storage projects.

All this makes it possible to set ambitious targets for 2026:

#### CAPACITY<sup>2</sup>



**3.5GW**  
Net



**3.0GWh**  
Net

**5.0GW**  
Gross

**4.1GWh**  
Bruto

#### ASSET TURNOVER

**350-450MW p.a.**

in 2023-26

c50% closed and advanced

#### GROSS CAPEX

**€2.6bn**

in 2023-26

**1.5bn PV**

**0.8bn BESS**

#### EBITDA ENERGY SALES

**€250-300m**

in 2026

Grenergy's installed capacity target for 2026 is to achieve **5GW gross from solar PV** and **4.1GWh gross from storage** in operation and construction



<sup>1</sup> Sum of projects of all phases (including in operation).

<sup>2</sup> Assets in operation and under construction. The difference between gross and net is the asset turnover.

### Diversifying our geographic presence

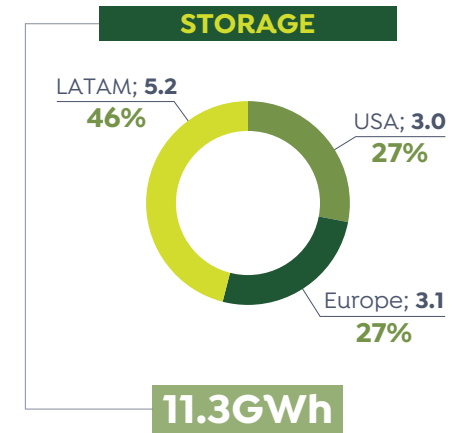
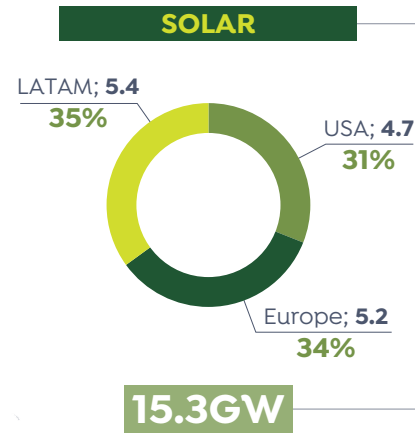
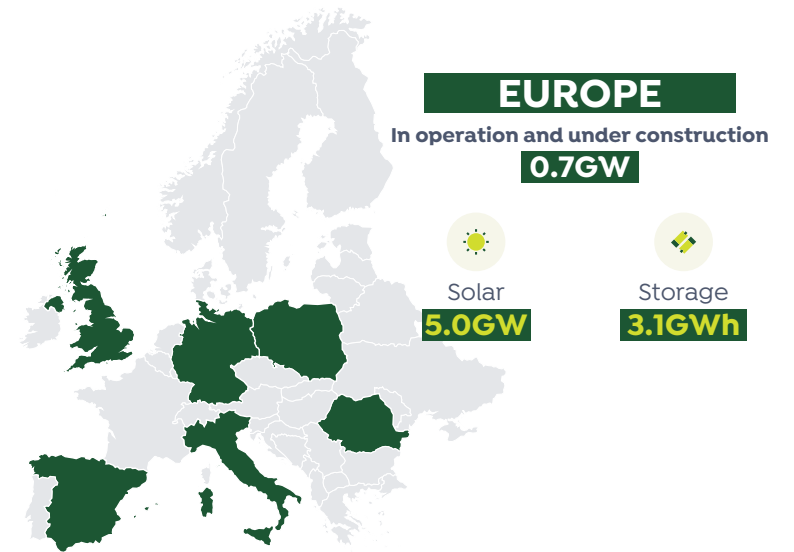
Since its creation in 2007, the company has experienced exponential growth. In 2013, Grenergy shifted its growth strategy to Latin America, becoming a leading company in Chile, and continued its expansion to other countries in the region such as Colombia, Argentina and Peru, among others. In recent years, Grenergy has implemented a strategy of geographic diversification in three platforms, Latam, Europe and the United States.

The company is already present in Europe's most strategic markets, such as Italy, the United Kingdom, Poland, Romania and, as of June 2022, also in Germany. In 2022, Grenergy acquired 40% of the U.S. solar developer Sofos Harbert, based in Birmingham (Alabama), and in early 2023 the transaction was completed to reach 100%. This consolidates the company's entry into the world's largest and booming renewable energy market, the United States, which forecasts an increase in solar photovoltaic deployment to 61 GW.

to 1,000 GW by 2035. The company already has a presence in 12 countries, maintains its headquarters in Madrid and coordinates Latin American operations from its Santiago de Chile office.

Grenergy continues to implement diversification strategy on three platforms: Europe, Latin America and the United States

## PORTFOLIO BY GEOGRAPHIC PLATFORM





### Betting on new technologies

The company considers the positioning in storage technology as a trend and key factor in the evolution of the business in the coming years and has incorporated specialized senior talent to its team to drive its development.

Grenergy already has a pipeline of 11 GWh of battery projects in Latam, Europe and the United States and has recently updated the publication of its objectives at the Capital Markets Day, announcing its growth plans, closely linked to its strategic commitment to energy storage, which is key to progress in the decarbonization of the energy system for a green and sustainable future. In this regard, an investment of €800 million has been announced in BESS.

Chile will be key to the company's growth in the field of storage, as construction has already begun in the north of the country on the project known as **Oasis Atacama**, the largest battery project in the world with a capacity of 4.1 GWh (and 1GW solar). Grenergy will invest in this initiative, which is divided into five phases, a total of 1.4 billion (Solar + BESS). It is scheduled to come online in phases over the next 36 months, helping to improve grid stability and help the economy achieve 3GWh of storage projects in operation and under construction by 2026.



OASISATACAMA

Thanks to the **Oasis Atacama project**, the largest storage project in the world, Grenergy has set its sights on **3GWh** of storage projects in operation and under construction by 2026 by investing **€800M in BESS**



Understanding the expectations of our stakeholders makes it possible for us, within the framework of responsible governance, to **assume solid environmental, social and economic commitments**



### Meeting the expectations of our stakeholders

Greenergy seeks to maintain a relationship of trust based on the creation of shared value with all its stakeholders. Our Sustainability Policy reflects this commitment with the understanding that this requires fluid and transparent communication. Thus, continuous dialogue is part of our daily work, based on each of the interactions with our stakeholders, for which we have established different communication channels and tools that cover our main stakeholders.

STAKEHOLDERS	MAIN DIALOGUE CHANNELS
Shareholders and investment community	Periodic meetings, conferences, roadshows and presentations of results. In addition, the website contains the procedures for voting at the General Shareholders' Meeting, as well as all the relevant information that is continually being added to keep all the information updated and easily accessible.
Power purchase customers and landowners	Quarterly follow-up meetings, site visits and support through explanatory documents adapted to the peculiarities of each market. The objective is to ensure maximum transparency.
Employees	Development of events to facilitate networking and the transmission of corporate information to all employees. <b>5.1. Growing with our employees</b>
Suppliers	Meetings, training sessions, questionnaires, environmental engagement and site visits. <b>5.3. Responsible supply chain management</b>

STAKEHOLDERS	MAIN CHANNELS OF DIALOGUE
Local communities and vulnerable groups	Meetings with associations, leaders and local communities, opening of communication channels: web forms, e-mails, telephones and/or suggestion boxes. <b>5.2. Building links with our communities</b>
Public administrations and regulatory agencies	Participation in industry associations, meetings, events and visits
Influence groups (analysts, media, NGOs, etc.)	Presentations, events, meetings, informative videos and interviews with local and national groups, implementation of a communication area within the company with full dedication to maintain a fluid relationship with the media
Society in general	We use all the channels at our disposal in a bidirectional way: web, social networks, events, etc. We communicate our business actions to society, with the aim of being transparent, and to push for a change in social awareness towards the concepts of sustainability. We develop video campaigns as a loudspeaker for local community development initiatives. As well as, local websites adapted to the language and needs in order to expand the information of interest to each market.

Maintaining a fluid relationship with our stakeholders helps us to identify real or potential impacts and to strengthen these links, which in turn is a risk management and mitigation tool.

In addition to the channels, Greenergy reinforces its commitment to stakeholders and to safeguarding two-way communication by establishing a whistleblower channel through which stakeholders can securely submit their reports, concerns, complaints or questions.

Greenergy holds quarterly feedback meetings with its customers to enable them to communicate their complaints, claims or concerns. In addition, access controls and compliance with basic health and safety measures (PPE, instructions and measures to be taken in the event of unforeseen events, etc.) are carried out for visits to our facilities. In terms of customer satisfaction, we hold regular meetings with 100% of our main customers and, through the country's electricity system, we receive satisfactory compliance with the quality of the energy produced.



### Sector associations

Grenergy is an active member of various industry associations in the countries in which it operates and, in 2023, contributed **€74,559** for membership, participation in forums and training activities.

**Table 1. Grenergy 2023 Sectoral Partnerships**

SPAIN	Association of the solar photovoltaic sector in Spain (UNEF)
	Spanish Association of Batteries and Energy Storage (AEPIBAL)
	Secartys (Association for the Promotion of electronics, ICT, energy and applied smart technologies)
	Spanish Hydrogen Association (EAH2)
ITALY	Association of companies in the Italian electricity sector (Electricitta Futura)
	RIP Rivista Italiana Petrolio Srl
	Associazione Italiana Agrivoltaico Sostenibile
MEXICO	AIAS Spanish Chamber of Commerce AC
	Spanish chamber of commerce
GERMANY	Bundesverband Neue Energiewirtschaft e.V.
	Berufsgenossenschaft Energie Textil Elektro Medienerzeugnisse
PERU	Peruvian Renewable Energy Company (SPR)
	Chilean Association of Renewable Energies and Storage (ACERA)
CHILE	Chilean Solar Energy Association (ACESOL)
	ACEN (Association of marketing companies)
	Spanish Chamber of Commerce in Chile
	Chilean Hydrogen Association (H2 Chile)
COLOMBIA	Renewable Energy Association of Colombia (SER Colombia)

In addition, Grenergy has a Political Neutrality Policy in which the company is committed to political neutrality, i.e., donations, sponsorships or other contributions without consideration to political parties, or political offices, or individuals who are members of parties, or organizations related to any of these, are prohibited. In this sense, no direct or indirect political contributions have been made during 2023.



### Investment community

Our objective is to continually strengthen our relationship with our investors by seeking opportunities for dialogue to better understand our corporate strategy, challenges and progress toward operational goals. We detail financial, operational and ESG information on a quarterly basis in the company's earnings presentations, explaining it at the various investor events in which we participate.

Grenergy has been recognized in the 2nd edition of the Iberian Equity Awards organized by the the AERI Institution with the ESG and IR awards, "Award for the greatest improvement in ESG strategy (Small Cap category)" and "Award for the best investor relations (Small Cap category)".



Grenergy's executives have been present in different media explaining the company's strategy in interviews, as well as in sectorial tribunes and panels. We also publish all communications to investors and the media on our corporate website.

It should be noted that this year we held our first Capital Markets Day with the aim of conveying to the entire investment community our track record, our 2024-2026 strategic plan and the major company milestones that will take place in the coming months. The event was developed both live and streaming to reach the largest number of people

and a platform was created where all the information provided at the event is collected. We have involved all our stakeholders (analysts, investors, banks, suppliers, customers, press and employees) in the strategic event, adapting the information to their needs. In addition, we developed a carbon-neutral event by establishing best practices in sustainability, such as measuring the carbon footprint produced at the event and offsetting the emissions emitted.

Throughout 2023, the company has carried out a detailed analysis of its communication strategy with the launch of new lines of action. The aim is to intensify business-related information, in addition to promoting new topics of great value for the company, such as sustainability, people and innovation. This new framework has resulted in an increase in press appearances because of greater activity both qualitatively (meetings) and quantitatively (dissemination of press releases). Thus, the total number of press releases issued was 26. On the social media side, the growth of the community stands out: in the case of LinkedIn, by 22%, reaching almost 125,000 followers. It is worth highlighting the impact of more than 9 videos with content that also focus on stories of social and environmental impact of our projects in Colombia, Argentina, Peru and Spain.

All this contributes significantly to increasing Grenergy's notoriety among its main stakeholders and in society as a whole.

In 2023, the company has implemented an **audiovisual communication strategy on social networks**

We increased the number of followers in our networks by 22% in relation to 2022 reaching a **community of almost 125,000 followers**

In 2023 we celebrated our **First Capital Markets Day**

### ACTIVITY WITH INVESTORS

- 4 Quarterly virtual presentations of results
- 158 Meetings with investors
- 32 Events and roadshows
- 275 Investors contacted

### ACTIVITY IN SOCIAL NETWORKS

- 263 Posts on LinkedIn and Twitter
- 125,000 Followers (+22% over the previous year)
- +2,000 New followers on average per month
- 9 Corporate videos

### ACTIVITIES WITH THE MEDIA

- 26 Press releases
- 6 Interviews or tribunes with executives
- 11 Meetings with the media
- 18 Participation in sector panels

### FOLLOW-UP WITH ANALYSTS

#### Coverage 2023:



### EVENT ORGANIZERS INVESTEEES IN 2023





### **Driving sustainability in the company**

#### **Sustainability Strategy**

We are firmly committed to sustainability as a transversal axis of the company. ESG aspects are at the heart of Greenergy.

We are committed to the promotion of ESG aspects as we are confident in:

- » A positive impact on both the environment and the communities in the countries where we operate.
- » Excellent ESG performance as the foundation of our business, to be a stronger and more reliable company for our stakeholders in the long term.
- » Transparent access to green finance, aligned with existing rules and regulations, such as the European taxonomy of sustainable activities.

December 2023 marks the successful completion of the 2021- 2023 ESG Roadmap, a strategy focused primarily on laying the foundations and a solid foundation in ESG performance. In the three years of the plan, milestones have been achieved such as the issuance of the first green bond program in 2021, the creation of an internal monitoring procedure for ESG indicators in 2022, or the first third-party verification of the Sustainability Report in 2023, among others.

## KEY ACHIEVEMENTS ESG ROADMAP 2021-2023

2021	2022	2023
<ul style="list-style-type: none"> <li>● Launch of the 21-23 <b>ESG Roadmap</b></li> </ul>	<ul style="list-style-type: none"> <li>● Calculation of the <b>wage gap</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Publication of our policy book (Human Rights, Information Security, Cybersecurity...)</b></li> </ul>
<ul style="list-style-type: none"> <li>● Creation of the <b>Sustainability Committee</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Energy efficiency and emission reduction plan</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Approval of the information security policy</b></li> </ul>
<ul style="list-style-type: none"> <li>● Adherence to the <b>United Nations Global Compact</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Sustainability report verified for the first time</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>First employee performance evaluation process</b></li> </ul>
<ul style="list-style-type: none"> <li>● Issuance of the first <b>green bond program</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>ESG Training</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Double materiality analysis</b> for a selection of priority topics</li> </ul>
<ul style="list-style-type: none"> <li>● Approval of key policies: <b>procurement, human rights and harassment</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Approval of ESG KPIs monitoring procedure</b></li> </ul>	<ul style="list-style-type: none"> <li>● Acquisition of a <b>tool for the management of non-financial information</b></li> </ul>
<ul style="list-style-type: none"> <li>● <b>ESG Industry Top Rated by Sustainalytics</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>First-time development and verification of carbon footprints</b></li> </ul>	<ul style="list-style-type: none"> <li>● <b>Elaboration of the Net Zero Strategy</b> (Objectives to be validated by SBTi during the next year)</li> </ul>

*The **2021-2023 ESG Roadmap** concluded successfully, having laid the foundation for Greenergy's ESG performance.*

*The new **2024-2026 Sustainability Strategy** focuses on the company's long-term value creation, strengthening our ESG strategy*



## ESG strategy objectives 2023



### GOVERNANCE

- APPROVAL OF THE INFORMATION SECURITY POLICY
- PREPARATION OF THE SUSTAINABILITY REPORT 2022 WITH EXTERNAL VERIFICATION
- DEFINITION OF THE CORPORATE PURPOSE



### ESG GOALS IN OUR STRATEGY

- IT TOOL FOR MEASUREMENT AND MONITORING OF ESG PERFORMANCE



### ESG RISKS MANAGEMENT

- ELABORATION OF AN INTERNAL CLIMATE CHANGE RISKS AND OPPORTUNITIES REPORT ACCORDING TO TCFD RECOMMENDATIONS
- ESG ASSESSMENT PERFORMANCE OF A SELECTION OF SUPPLIERS



### ESG IMPACTS

- ESTABLISHMENT OF A FORMAL BENEFIT PLAN
- APPROVAL OF A CORPORATE POLICY FOR DIALOGUE WITH THE COMMUNITIES
- PRESENTATION OF THE EMPLOYEE PERFORMANCE EVALUATION PROCESS
- PRESENTATION OF THE RESULTS OF THE WORK ENVIRONMENT SURVEYS



### ESG COMMUNICATION

- IMPLEMENTATION OF A COMPLIANCE COMMUNICATION AND TRAINING PLAN
- PRESENTATION OF THE NET ZERO STRATEGY
- INTERNAL SUSTAINABILITY TRAINING



**The new Sustainability Strategy focuses on improving our performance ESG**

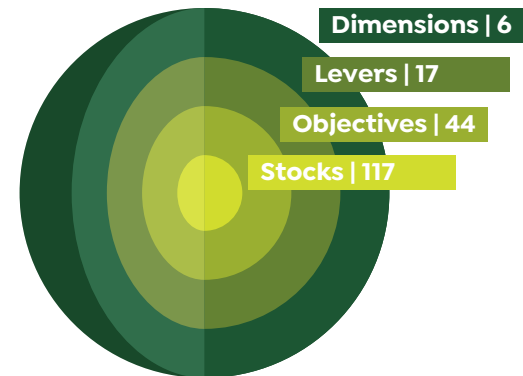
The definition of the **new Sustainability Strategy 2024-2026** has followed a working methodology based on 5 phases:

**DESIGN OF THE NEW SUSTAINABILITY STRATEGY 2024- 2026**

- **Establishment of dimensions, levers and objectives.**  
Double materiality analysis and analysis of the sustainability strategies of the main competitors.
- **Establishment of actions. Prioritization and temporality.**  
Analysis of trends, regulations, standards and areas for improvement detected by rating agencies.
- **Consensus with the management of the different areas of the company.**  
The design of this strategy would not have been possible without the successful collaboration of all areas of Grenergy in all countries, who have been the veins and arteries that make it possible for the company's heart to beat at the right pace.
- **Definition and approval by committees and the Board of Directors**
- **Communication and training**

The new sustainability roadmap is structured in 4 levels according to the degree of concreteness, distinguishing, from the lowest to the highest level of detail: dimensions, levers, objectives and actions.

**STRUCTURE | 4 LEVELS**

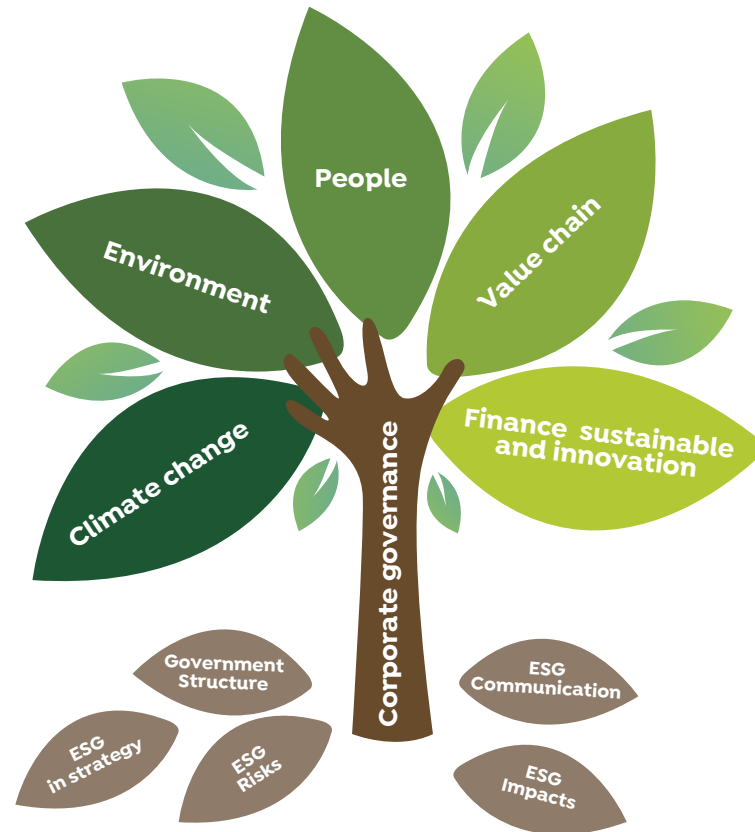


## DIMENSIONS | 6

The **6 dimensions** represent the key blocks of ESG aspects, but with a unique approach. Thus, at Greenergy we present ourselves as.

- *Climate change fighters*
- *Protectors of the environment*
- *Promoters of the best teams and people*
- *Value chain integrators*
- *Meeting the criteria of sustainable financing and driving innovation*
- *Drivers of good corporate governance*

The **9 critical levers** out of the 17 levers were selected following the double materiality analysis, a methodology mentioned above, which considers a double impact perspective, the impact on the environment and people and the impact on financial aspects. An internal exercise was carried out, as well as an external consultation with the main stakeholders: investors, analysts, board of directors, management committee, etc., and finally resulted in the 9 priorities of the company for the next three years, which are those you can see in bold in the figure on the right: climate neutrality, biodiversity conservation, circular economy, talent retention and attraction, respect for human rights, development of local communities, green finance and global risk management. The other eight issues will also be addressed over the next three years, but those that are critical or material to the company have been prioritized. For more details on the double materiality analysis see chapter 1.3.



## LEVERS | 17 (9 REVIEWS)

### CLIMATE CHANGE fighters

- **Climate neutrality and energy transition**

### Protectors of the ENVIRONMENT

- **Conservation and restoration of biodiversity and ecosystems**
- **Circular economy and efficient resource management**
- Responsible management of water resources

### Promoters of the best teams and PEOPLE

- **Attraction, development and retention of human capital**
- **Respect and protection of human rights**
- Diversity, equality and inclusion

### Integrators VALUE CHAIN

- **Contribution to the development and involvement of local communities**
- **Sustainable supply chain**
- Health and safety
- Customer and supplier commitment

### Meeting the criteria of SUSTAINABLE FINANCING and driving INNOVATION

- **Economic financial performance and green financing**
- IR&D&I in new markets and technologies

### Drivers of good CORPORATE GOVERNANCE

- Transparency and responsible quality
- **Good governance and fair corporate conduct**
- Financial and non-financial risk management
- Cybersecurity and information security



Once the dimensions and levers were established, specific objectives were defined for each lever. To this end, measurable, achievable and quantifiable objectives were set for the short, medium and long term. Among the **44 objectives** of the 2024-2026 global strategy, the following key objectives stand out:



Finally, to ensure compliance with these objectives, a set of **more than 100 actions** were defined to be carried out over the next three years, some of which must be reported to the ESG department and the Sustainability Committee, while critical actions must also be reported to the Management Committee, the Appointments, Remuneration and Sustainability Committee, the Audit and Control Committee and the Board of Directors.

Like the previous Plan, the new 2024-2026 Sustainability Strategy is perfectly aligned with Grenergy's Sustainability Policy, which was approved by the Board of Directors and revised in 2021. In this way, the actions defined for each of the dimensions respond to the four foundational objectives

of the Policy and strengthen the Company's performance in relation to its commitments.

The Sustainability Policy applies to all the Group's companies, including those in which Grenergy has effective control. Likewise, the Policy applies to all geographies where Grenergy develops its operations, of any nature, in any geographic area and at any stage of the corporate value chain.

In order to carry out an adequate periodic control of the implementation of the principles assumed in the Sustainability Policy, the Board relies on the Audit and Control Committee, the Appointments, Remuneration and Sustainability Committee, and the Sustainability Committee, all of which have sustainability functions as described in the relevant regulations.



The company will publicly present its annual ESG action plans, extracted from its three-year Sustainability Strategy 2024-2026, and will report on the progress of the objectives on a quarterly basis, in the corresponding results presentations and at the relevant Committees and Board of Directors.

PUBLIC OBJECTIVES OF THE 2024 SUSTAINABILITY STRATEGY					
DIMENSIONS	OBJECTIVES	Q1	Q2	Q3	Q4
<b>Climate change</b>	- Climate change risks and opportunities report in accordance with TCFD recommendations	█	█	█	█
<b>Environment</b>	- Positive Biodiversity Footprint Strategy in accordance with TNFD recommendations	█	█	█	█
<b>People</b>	- Development plan for the inclusion of ESG criteria in the variable compensation of all employees. Implementation as of 2025	█	█	█	█
	- Equality, Diversity and Inclusion Policy	█	█	█	█
<b>Value Chain</b>	- Alignment of supplier approval criteria with long-term ESG objectives	█	█	█	█
<b>Sustainable finance and innovation</b>	- Update of green financing framework and renewal of promissory note program	█	█	█	█
<b>Corporate governance</b>	- Gap analysis to align the reporting of non-financial information with the requirements of the CSRD and update the double materiality analysis	█	█	█	█
	- Update of the double materiality analysis in accordance with the CSRD	█	█	█	█
	- 2023 Sustainability Report - external verification (includes eligibility and taxonomy alignment)	█	█	█	█
	- Corporate Purpose Update	█	█	█	█
	- Update of the ESG risk map	█	█	█	█



### **Double materiality:**

*In a context increasingly focused on sustainability, Grenergy is aware of the need to update its materiality approach carried out in 2020. As proof of this, in 2023 the **Materiality Analysis** has been updated based on the latest regulatory standards and recommendations, particularly highlighting the recent entry into force of the CSRD. In this way, the concept of "**double materiality**" is integrated to align with the new regulatory requirements and thus lay the **foundations for the 2024-2026 Sustainability Strategy**.*

### **Regulatory context**

The European Commission introduced the term "double materiality" in 2019 in its Guidelines on reporting climate-related information. This change marked a milestone by broadening the classic perspective of materiality, incorporating both the traditional consideration of the company's impacts on the environment and people and the assessment of how material issues affect the company's own financial performance. Numerous regulatory, supervisory and reporting standards bodies are making their approach to double materiality. While the definitions of double materiality in the various initiatives are aligned, the methodologies and reporting requirements differ considerably.

The CSRD drives a fundamental shift towards double materiality. This approach requires companies to report on how sustainability affects their business from the inside out and vice versa. In response, the European Sustainability Reporting Standards (ESRS) standardize indicators, highlighting the criterion of double materiality. The Global Reporting Initiative (GRI) emphasizes the identification of material issues based on significant impacts on the Economy, Environment and People. In addition, the International Financial Reporting Standard (IFRS) and the European Securities and Markets Authority (ESMA) insist on double materiality, evaluating the effect of non-financial issues on the entity and the effect of the entity on the environment.

At the national level, the National Securities Market Commission (CNMV) stresses the importance of considering both the internal and external perspective in materiality.

Overall, this regulatory evolution reflects a shift towards a comprehensive materiality where not only environmental and social impacts are considered, but also their financial impacts on the Company, broadening the scope of simple materiality towards a double materiality and, thus, positioning itself as a critical analysis for companies to build their financial and non-financial strategies, as well as improving transparency by complying with regulations and social expectations.

### Concept of double materiality

Thus, an issue is considered material if it meets the criteria of double materiality, i.e. if it is material from the impact perspective, from the financial perspective or from both perspectives.



**Financial materiality:** A matter of sustainability is material from a financial perspective if it causes or may cause significant financial effects on companies, i.e. if it generates or may generate significant risks or opportunities that influence or may influence future cash flows and, therefore, the value of the company in the short, medium or long term.



**Impact materiality:** A matter of sustainability is material from an impact perspective if it relates to significant actual or potential impacts of the company on people or the environment in the short, medium or long term. This includes impacts directly caused or contributed to by the company in its own operations, products or services, as well as impacts that are directly related to the company's value chain (downstream or upstream).

Double materiality is the union of **financial materiality** and **impact materiality**



## Grenergy Methodology

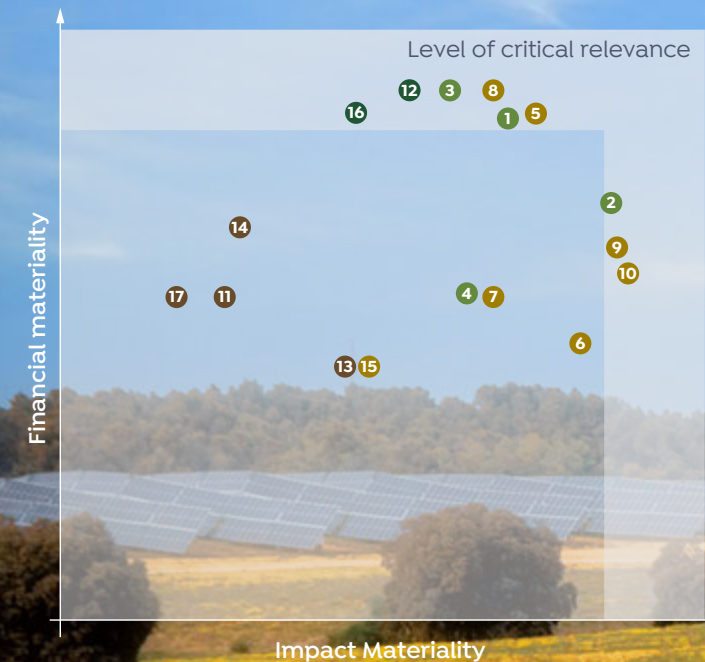
Grenergy has included the dual perspective in the Company's double materiality analysis process where it combines impact materiality and financial materiality taking into consideration the most recent publications of the main international and European standards EFRAG, GRI, SASB and its own internal methodology.

- 1. Organizational Context:** An assessment has been carried out prior to the double materiality analysis considering Grenergy's strategy and business model, its business relationships, the sustainability context and the identification of key stakeholder requirements and their impacts
- 2. Identification of ESG Impacts:** Identification of the main ESG impacts classified by source typology according to agnostic (GRI standards, ESRS, ratings...), sectorial (benchmark peers, sectorial trend reports) and company (policies, procedures, strategy...) levels
- 3. Impact Materiality Analysis:** Evaluation of the impacts generated on people and the environment
- 4. Financial Materiality Analysis:** Evaluation of impacts in financial terms
- 5. Prioritization of impacts suffered and generated:** Establishment of an impact prioritization methodology based on EFRAG and GRI standards
- 6. Preparation of the 2023 Material Topics List:** Obtaining and prioritization of the Company's main material topics based on the categorization and prioritization of impacts. We have tended to a reduction approach of the material topics with respect to the previous materiality analysis highlighting the inclusion of the following material topics: "Responsible management of water resources", "Respect and protection of human rights", "Cybersecurity and information security" and "Commitment with the customer and supplier"
- 7. External double materiality Analysis:** Involvement of our main stakeholders (funders, shareholders and investors, employees and Board of Directors, among others) to prioritize the main material issues taking into account the double perspective
- 8. Mathematical Weighting:** Mathematical intersection in a matrix to evaluate the importance of material issues according to impact and financial materiality, considering the same weighting for both internal and external analysis. Obtaining the critical material issues

Grenergy's double materiality analysis has been approved by the Board of Directors. For more information on the double materiality analysis please refer to our report on our website.

1	Climate Neutrality and Energy Transition
2	Conservation and restoration of biodiversity and ecosystems
3	Circular economy and efficient consumption and waste management
4	Responsible management of water resources
5	Contribution to the development and involvement of local communities
6	Diversity, equality and inclusion
7	Health and safety
8	Attraction, development and retention of human capital
9	Sustainable supply chain
10	Respect and protection of human rights
11	Transparency and responsible taxation
12	Financial and non-financial risk management system
13	Good governance and fair corporate conduct
14	Cybersecurity and information security
15	Customer and supplier commitment
16	Economic financial performance and green financing
17	R&D&I in new markets and renewable technologies

● Environmental ● Social ● Governance ● Financial



# 1.3 A SUCCESS STORY

## 2007 CREATION

- Creation of Greenergy as a limited liability company



## 2008

- First photovoltaic solar energy project in Spain. **Cuenca 3MW**



## 2009

- **Toledo 1 MW**
- Sale of the first photovoltaic plants
- Licensing and EPC subcontracting



## 2011

- Construction of the first plants: **2 MW in Murcia and 2.1 MW in Ávila**
- Consolidation of the IPP model (where it assumes the promotion, construction, start-up and operation of the photovoltaic plants, remaining the energy generator in the first phase of the plants' life)

## 2012

## GEOGRAPHIC EXPANSION

- Greenergy Chile Constitution



## 2013

- Greenergy Mexico Constitution



## 2014

- Development of the first photovoltaic solar energy project outside Spain. **El Olivo (Coquimbo, Chile). 3MW**

## 2015

- **1,000 MW** portfolio between Spain and Latin America
- Transformation of Greenergy to a corporation
- Listing on the Spanish Alternative Stock Market (MAB)





## 2016 EXPONENTIAL GROWTH

- Numerous plants under construction in Chile and allocation of **two wind farms in Peru**



2018

- Greenergy becomes the most **appreciated listed company on the stock exchange during 2018 (254%)**
- Agreement for the sale and construction of twelve solar power plants (PMGD) of up to **270MW in Chile**



2017

- Increased number of PMGD plants in operation in Chile and acquisition of **24 MW of wind power in Patagonia**



2019

- Closing of financing and start of **construction of wind farms in Peru and Argentina**
- First issue of green bonds in the Alternative Fixed Income Market 50 MM€**
- Listing in the continuous market**



2020

- Commissioning of the largest solar plant to date (**103MW, Quillagua, Chile**)
- Signing of the first PPA in Colombia for **120 GWh/year**
- Total construction of **17 parks** in 2020
- Approval and publication of the **first Sustainability Report**
- First ESG rating issued by Sustainalytics with a **score of Low Risk (13.6)**
- Great Place to Work** Certification

2022

- Presentation of growth targets to 2025: **5GW solar** in construction and operation, and **1 GWh of storage**
- 1.7 GW of installed or under construction capacity and **11.7GW of pipeline capacity**
- Entry into Germany** with development target (3GW)
- Entry into the U.S.** with the purchase of 100% of solar developer Sofos Harbert
- New **€52.5 million green bond** issue in the **MARF** and signing of the first green commercial risk line in the Spanish market with CaixaBank
- 90M€ capital increase**
- First time verification of the Sustainability Report**
- Substantial improvement in ratings:** CDP A- / MSCI AAA / Sustainalytics 10.2



2021

- Pioneer in green finance with the issuance of the **first green notes program in Spain for €100 MM**
- Greenergy is positioned in three platforms, Europe, Latin America and the United States and a total of **10 countries**
- 105 M€ Capital increase**
- Launch of the 3-year Sustainability Strategy: **ESG Roadmap 2021-2023**
- ESG Industry Top Rated.** ESG distinction among more than 4000 companies awarded by Sustainalytics.

# 1.4 MAIN MILESTONES IN 2023

## JANUARY

- **Presentation of Gran Teno PV in Chile**, Grenergy's largest solar farm (240 MW)
- Obtained nearly **500 MW in environmental permits** for photovoltaic plants in Spain
- Implementation of a tool for collecting and validating non-financial information to support the future Internal Control System for Non-Financial Information, SCIINF

## FEBRUARY

- Closing of the financing of the Belinchón solar farm with a **90 million green loan**
- **Consolidation in the U.S.** with the purchase of the remaining 60% of Sofos Harbert Renewable Energy
- Inauguration of **3 solar plants of 37 MW in Colombia**
- Preparation and publication of the first **sustainability report** for 2022 **verified** by an accredited third party according to the ISAE 3000 standard without reservations

## MARCH

- Power Purchase Agreement (PPA) signature with LyondellBasell for a **259 MW solar project**
- **Doubling of sales and EBITDA** and a 15% increase in net income through March
- Elaboration of a communication and training plan on compliance and associated risks

## APRIL

- Validation of science-based **emission reduction** targets (SME Pathway) (medium and long-term) by the Science-Based Targets Initiative (SBTi)
- Renewal as signatory partners of **the UN Global Compact**

## MAY

- Preparation of **Grenergy's double materiality** analysis in accordance with GRI standards

## JUNE

- Agreement for the **sale of 150 MW of operating solar power** in Spain (Belinchón Plant, Valkyria Project)
- Signing of a PPA in Chile for its **241 MW Gran Teno solar plant**
- **ESG training** session for Grenergy's Board of Directors, Management Committee and key personnel
- Approval and publication of the Information Security Policy

- Financial milestones
- Non-financial milestones

## JULY

- Closing of **green financing** for two solar parks in **Chile for 148 M€**

## SEPTEMBER

- Signing of a PPA with Enel for the **Matarani solar plant of 97 MW**
- **Recognized** for the second consecutive year as one of the **most sustainable companies in the sector** by the MSCI ESG Rating (AAA)
- Approval and publication of the **Corporate Policy on Dialogue with Local Communities**

## NOVEMBER

- First **Capital Markets Day 2023**. Presentation of the new strategy for the next three years, as well as 2023 objectives and the start of construction of the Oasis de Atacama project, the largest battery project in the world
- Climate change risk and opportunity analysis aligned with TCFD recommendations
- Approval of **Sustainability Strategy 2024-2026**

## AUGUST

- Boosting young talent in the company with a **second edition of its scholarship program** for recent graduates (Collaboration with FUE)
- Conducting **on-site ESG audits** of strategic solar panel suppliers

## OCTOBER

- Sale of 300MW solar to Allianz Group in Spain for more than €270M marking a new milestone in Valkyria project
- Recognized as **one of the 250 most sustainable companies in the world** by Sustainalytics, with a negligible ESG risk category (9.7)
- **Inclusion of Grenergy in the IBEX ESG Index** as one of the 47 Spanish companies with the highest commitment to sustainability
- **Triple recognition by Choose My Company** with HappyIndexatWork, ImpactESG and HappyTrainees certifications

## DECEMBER

- **Presentation of the Net Zero in 2040 Strategy**

- Financial milestones
- Non-financial milestones



# 02

## SUSTAINABLE FINANCE

- 2.1 GREEN FINANCING
- 2.2 ESG RATINGS
- 2.3 ENVIRONMENTAL TAXONOMY

# 2.1

## GREEN FINANCING

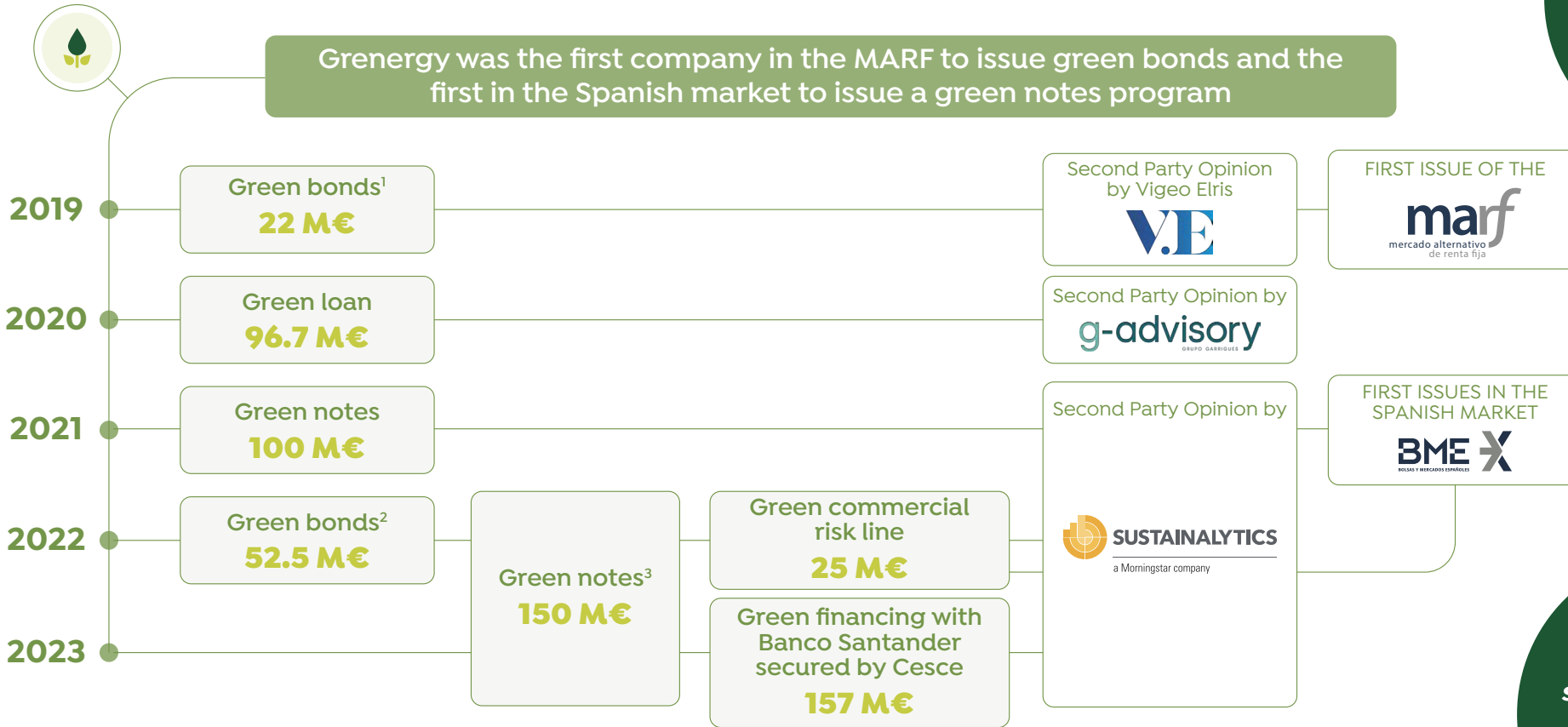
Greenergy reinforces its commitment to sustainable value creation by boosting green finance. In 2023, the credit rating firm Axesor revised Greenergy's credit rating to 'BBB-', having assessed the company's competitive positioning and track record, the business model, the project portfolio, the analysis of growth plans, the investment plan and the "positive" situation of its financial structure. The company already starred in the first MARF Green Bond issuance in 2019, through a green financing framework with verification from Vigeo Eiris on its alignment with the Green Bond Principles. In 2020, obtained a green loan in line with the Green Loan Principles. In 2021, it issued the first green note program in the Spanish market for €100 million, upgraded in 2023 for €150 million.

**Sustainable Financing** is booming in both bond and equity markets

In 2023, the **credit rating agency, Axesor**, has upgraded **Greenergy's** credit rating

During the year, the company has raised a **total of 305M€ in green financing**

In 2023, the company arranged €157 million of green financing with Banco Santander, secured by Cesce, where a hybrid derivative with an innovative hedging structure (Green Sustainability Linked Hedge) was signed, where the interest rate is linked to ESG criteria. In addition, €148 million of structured financing was negotiated during the year.



**First Spanish company to sign a water derivative with the innovative Green Sustainability Linked Hedge**

**Greenergy becomes part of the IBEX ESG selective index, as one of the 47 companies in Spain with the best ESG performance**

In October 2023, the Spanish Bolsas y Mercados Españoles (BME) announced the launch of the IBEX ESG index, which includes the main companies that promote the best sustainable investments. Specifically, the first composition of this index is made up of 47 companies, most of them from the IBEX 35, among which Greenergy is included. This index will be reviewed every September and the main requirements to be part of it include belonging to the IBEX 35 or IBEX Medium cap and having an ESG rating equal to or higher than C+, of the 12 possible levels between A+ and D-. In addition, companies must comply with the United Nations Global Compact Principles.

<sup>1</sup> Green bond issuance in 2019 - <sup>2</sup> Green Bond Program in 2022 - <sup>3</sup> Green Note Program.

## 2.2

## ESG RATINGS

*Grenergy consolidates its leadership position in a growing number of ESG ratings that measure its environmental, social and governance performance.*

As a result of growing investor interest, Grenergy continues to expand its coverage of ESG ratings agencies and sustainability indicators. In this regard, in 2023, the company has improved its performance in Sustainalytics, Dow Jones Sustainability Index and demonstrates its leadership in MSCI ESG and CDP Climate Change, four of the world's most prestigious ESG rating agencies.

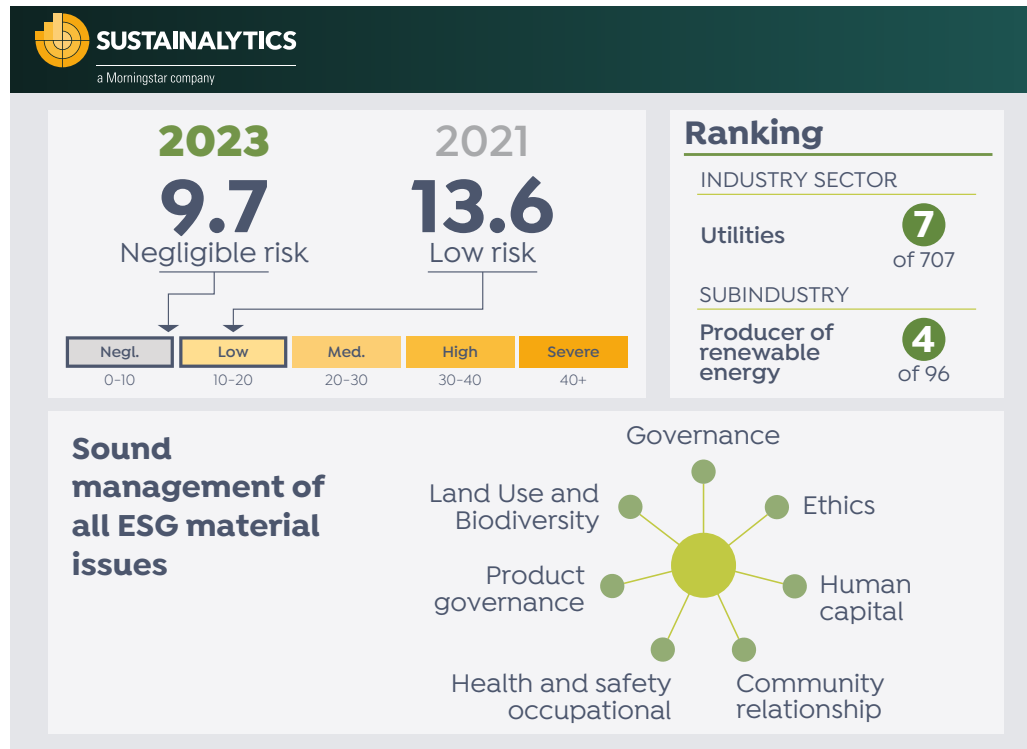
Grenergy has been recognized as one of the 250 most sustainable companies in the world for the third consecutive year, according to the latest analysis conducted by Sustainalytics, one of the world's leading indexes that addresses the ESG criteria of companies. Specifically, Grenergy occupies 235th position in the ranking of 15,000 companies analyzed by this barometer.

In addition, the company **ranked** first in its sector by capitalization rank, **fourth among the 95 companies specializing in independent energy production** analyzed by Sustainalytics, and **seventh among the more than 700 utilities in the index.**



Sustainalytics measures companies' exposure to ESG risks and their ESG risk management on a scale of 0 to 100 (the lowest number being the best rated). In this edition, **the international index has rated Grenergy with a 9.7, placing it in the insignificant ESG risk category, the lowest category.**

After evaluating in detail the behavior and performance of Grenergy in environmental, social and governance matters, Sustainalytics has positively assessed the company's great efforts to improve community relations, investment in human capital, occupational health and safety, as well as its governance policies.



## S&P Global

Grenergy has consolidated its presence in the S&P Global ESG Score rating through the S&P Global Corporate Sustainability Assessment (CSA), participating for the third consecutive year and achieving a remarkable score of 68 out of 100 in the report for the year 2023, which represents a significant improvement of 12 points over the previous year. This achievement places Grenergy in the **85 percentile of the "Electrical Utilities" industry**, placing it in the TOP15% of all companies evaluated. In the broader context of the 259 companies in the sector, Grenergy stands out by ranking among the **top 39**, demonstrating its exceptional and consistent commitment to sustainable business practices.

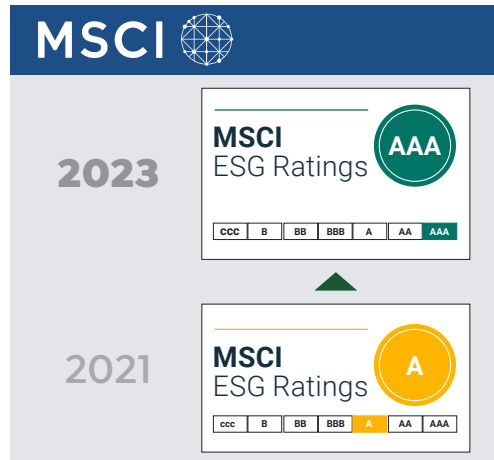
In particular, the environmental dimension has experienced a significant improvement, reaching a score of 75 out of 100 and ranking in the TOP10%, thanks to the new climate strategy approved, as well as net zero commitments and environmental management, including water management. It is also relevant to highlight the improvement in the score of the cybersecurity and information security blocks, as well as in diversity and equality in the Board, reflecting Grenergy's comprehensive approach to sustainability in multiple dimensions of its corporate operation.

Grenergy is in the **TOP 15% of the "Electrical Utilities" sector**, ranking among the **39 best companies** out of a total of 259 in this sector





In 2023, Greenergy maintains its leadership in the **MSCI ESG Rating index**, obtaining for the second consecutive year as one of the most sustainable companies in the utilities sector, obtaining the highest rating, AAA, with an overall industry-adjusted score of 9.8/10, which ranks only 13% of all participants. According to the MSCI report, the company leads the sector locally and globally, achieving the highest scores in the categories of "Carbon emissions", "Opportunities in Renewable Energy" and "Corporate Governance".



In 2023 the **CDP Climate Index** recognizes the leadership and ambition of the climate strategy. Greenergy's climate strategy with a B-score.

Corporate ESG Performance

RATED BY  
**ISS ESG**

Prime

In December 2023, Greenergy was assessed by **ISS ESG** and again received a score of A- with a "very high" level of transparency, enabling its distinction as a Prime company. This result continues to strengthen Greenergy's position as an ESG leader by outperforming all its peers as of the date of publication of the ISS report.

## EthiFinance ESG ratings

Finally, the ESG and credit rating agency (formerly Axesor), **Ethifinance ESG** evaluated Greenergy in 2023 (based on 2022 information) obtaining a score of 80/100 and improving on 2020 (64/100) and 2021 (75/100). Greenergy's score in Ethifinance's ESG assessment indicates a performance in all index categories above the Utilities sector average out of a total of 50 companies.



# 2.3

## ENVIRONMENTAL TAXONOMY

### Regulatory Context

According to Regulation (EU) 2020/852 of June 18, 2020, defined in section 1.1.2 ESG Regulatory Context, it establishes the criteria for determining whether an investment can be categorized as sustainable.

Its main objective is to establish a common system to achieve greater transparency in internal management and communication and to determine which activities contribute significantly to the European Union's six environmental objectives associated with climate change mitigation, adaptation to climate change, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protec-

tion and restoration of biodiversity and ecosystems.

Companies subject to reporting obligations under the Taxonomy are those that have the status of a public interest company, those that exceed an average number of 500 employees or that meet two of the three criteria established in terms of assets, turnover or number of employees, i.e. those with an average workforce of more than 250 employees, more than 40 million euros in turnover, or more than 20 million euros in assets.

This involves assessing the company's sustainability in terms of how our activities contribute significantly to sustainable development and generate value for both society and other stakeholders.

### GREENERGY TAXONOMY EVALUATION PROCESS



The first step of the analysis focuses on determining whether the activity falls within the eligible activities for Taxonomy. Eligible activities are those that can contribute to one or more environmental objectives set by the European Union (EU).

Subsequently, once the eligibility condition has been met, it must be verified whether the activity complies with the Taxonomy. To do so, three specific conditions must be met for each activity of the company:

- » Contribute substantially to at least one of six environmental objectives
- » Do No *Significant Harm* to the other five environmental objectives established, "*Do No Significant Harm*" (DNSH).
- » To have mechanisms to comply with minimum social guarantees.

To verify these steps, it is necessary to evaluate compliance with the technical selection criteria associated with each activity and its respective metrics.

In addition to the previous steps to check eligibility and alignment with the Taxonomy, it is necessary to disclose information on how and to what extent the activities are associated with environmentally sustainable activi-

ties from an environmental point of view. For this purpose, different KPIs related to turnover, capital expenditure (CapEX) and operating expenditure (OpEX) that non-financial companies must disclose are specified.

### Identification and analysis of eligible activities

Following an analysis of Greenergy's portfolio, in line with Delegated Regulation (EU) 2021/2139, the following taxonomic activities have been identified:

**Table 2. Greenergy 2023 Taxonomic Activities**

Taxonomic activity	Definition RD 2021/2139	Definition of Greenergy's economic activity
4.1. Electricity generation using solar photovoltaic technology	Construction or operation of electricity generation facilities using solar photovoltaic (PV) technology	Generation of solar photovoltaic electricity from the construction and operation of these solar parks
4.3. Electricity generation from wind energy	Construction or operation of facilities for the generation of electricity from wind energy	Generation of wind-powered electricity from the construction and operation of these wind farms
4.10. Electricity storage	Construction and operation of facilities that store electricity and return it later in the form of electricity. The activity includes pumped hydroelectric energy storage	Construction and operation of Storage batteries (BESS)
7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on site.	Operation and maintenance of wind farms/photovoltaic parks operated by Greenergy or third parties

**Greenergy** not only adheres to European regulations, but also **significantly contributes to environmental objectives**, thus promoting sustainable development and supporting the European Green Pact

## Alignment analysis

For the alignment analysis, Greenergy has considered the four activities eligible under the climate change mitigation objective based on the criteria described in Annex I of the Delegated Climate Regulation.

### • Substantial contribution criteria

Following the analysis of the eligibility of Greenergy's activities, the verification of compliance with the technical selection criteria for the substantial contribution<sup>1</sup> to the climate change mitigation objective was carried out since Greenergy's economic activity is in line with the Delegated Climate Act.

### • Do No Significant Harm criteria (DNSH)

#### **DNSH 2: Adaptation to climate change (4.1, 4.3, 4.10, 7.6)**

An assessment of eligible activities has been carried out, following the guidelines of Appendix A of the Delegated Regulation (EU) 2021/2139. In 2023, Greenergy has carried out a physical climate risk assessment for each of the activities carried out by the company, as well as adaptation plans covering all activities.

For more information on the analysis of physical climate risks, see the section "Climate risk management" in chapter 4.2 Fight against climate change.

#### **DNSH 3: Sustainable use and protection of water and marine resources - Not Applicable**

For more information on water resources management, see chapter 4.3.

#### **DNSH 4: Transition to a circular economy (4.1, 4.3, 4.10)**

Greenergy is committed to promoting the circular economy by reusing materials and recycling waste at the plants. Also, through the monitoring of waste generation in all plants under construction and operation, as well as in the offices.

The objective of reducing and optimizing waste management is promoted through a Waste Management Plan. This plan is based on a comprehensive strategy that prioritizes reuse and recycling as the main pillars. The company seeks to minimize waste generation and optimize its management. In addition, the company promotes awareness and training of personnel to foster a culture of environmental responsibility.

#### **DNSH 5: Pollution prevention and control - Not Applicable**

For more information, see chapter 4.2 Fight against climate change.

#### **DNSH 6: Biodiversity and Ecosystem Protection and Restoration (4.1, 4.3, 4.10)**

Greenergy's eligible and aligned activities meet the criteria set out in Appendix D of Annex I of the Taxonomy. To ensure the protection and restoration of biodiversity and ecosystems, Greenergy conducts environmental impact assessments (EIA) and performs appropriate screening of impacts and risks following a hierarchy of avoidance, minimization, restoration and ultimately compensation. Additionally, a net positive impact target has been set for 2026 for all Greenergy operations.



<sup>1</sup> Greenergy meets the criteria for substantial contribution to climate change mitigation of taxonomic activity 7.6 "a) installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment".



- **Minimum Social Safeguards Criteria**

For an activity to be aligned with the Taxonomy, in addition to making a substantial contribution and not causing significant harm to the rest of the five objectives, it must meet certain Minimum Social Safeguards.

- **Human Rights:** Grenergy is aligned with the OECD Guidelines for Multinational Enterprises, the Guiding Principles on Business and Human Rights, as well as the International Bill of Human Rights and its subsequent developments. Furthermore, Grenergy already has an updated Human Rights Policy which has been updated following the human rights and environmental due diligence process. Additionally, Grenergy is committed both in its Code of Conduct and in the first Equality Plan to ensure an equal, respectful, safe and non-discriminatory work environment, always respecting human rights. As a preventive measure, there is a whistleblower channel for reporting possible non-compliance. For further details, please refer to chapter 5.4 Commitment to Human Rights.
- **Anti-Corruption and Bribery:** Grenergy has a Compliance Manual and a Code of Conduct which specifies zero tolerance towards any form of corruption, breaches of the principles of fair competition and non-compliance with laws and regulations. During the year 2023, the Compliance Control Framework has been implemented, the objective of which is to provide reasonable assurance that the Compliance Program is being properly implemented globally and therefore Compliance risks are being mitigated. More than 90% of Grenergy employees have been trained in Compliance, excluding employees in the United States, with a total of 471 hours in Anti-Corruption and Bribery training. In addition, the whistleblower channel enabled on the website is aimed at employees, suppliers and other stakeholders who have observed suspicious behavior or actions, possible infractions or non-compliance that contradict the codes of conduct, and internal or external regulations. For further details, please refer to chapter 3.2 Compliance.
- **Taxes:** Grenergy's Tax Policy is based on compliance with the tax regulations applicable in each jurisdiction in which it has a presence. Additionally, the good governance practices implemented by Grenergy allow the identification, anticipation, prevention and control of tax risks to which the Group may be exposed. For further details, please refer to chapter 3.5 Tax Transparency.
- **Fair competition:** Grenergy's Code of Conduct specifies zero tolerance for non-compliance with antitrust laws and violations of fair competition principles. For further details, please refer to chapter 3.2 Compliance.

## Methodology for calculating financial KPIs

Grenergy has considered exclusively the objective of climate change mitigation, although it can also contribute to the objective of climate change adaptation. This decision has been taken to avoid any possibility of double counting in the calculation of financial indicators, thus ensuring transparency and consistency in our assessment.

In accordance with the EU Taxonomy and what it establishes, Grenergy reports on the 3 KPIs requested:

» Turnover

» Capital expenditures (CapEX)

» Operating expenses (OpEX)

In accordance with the provisions of Annex 1 of Delegated Regulation 2021/2178 of July 6, 2021, Grenergy reports on the construction of the numerator and denominator of the requested indicators:

**Table 3. Methodology for calculating financial KPIs 2023**

		Denominator	Numerator
Eligible and aligned activities	TURNOVER	Grenergy's consolidated turnover recognized in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008.	Consolidated turnover included in the denominator that meets the substantial contribution, DNSH and Minimum Social Guarantees criteria.
	CAPEX	Includes additions to tangible and intangible assets during the year under review before depreciation and amortization. The Company's financial statements are presented based on the following criteria: (i) the value of the assets, liabilities, depreciation, amortization and any new valuations, including those resulting from revaluations and impairment losses of value, for the relevant period, excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations. A In this respect, the accounting accounts considered are those corresponding to <b>"Property, plant and equipment", "Intangible assets", "Payments for investments" and "Right-of-use assets", which come directly from the consolidated statement of cash flows.</b>	Includes fixed asset investments in the denominator that meet the substantial contribution, DNSH and Minimum Social Guarantees criteria.
	OPEX	Includes non-capitalized direct costs that relate to research and development, research and development measures and building renovation, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of tangible fixed assets of the company or a third party to whom activities are subcontracted and which are necessary to ensure the continuous and efficient operation of such assets. In this sense, the accounting accounts considered are those corresponding to <b>"Other operating expenses" is taken directly from the consolidated income statement.</b>	Includes operating expenses in the denominator that meet the substantial contribution, DNSH and Minimum Social Guarantees criteria.
Eligible and non-aligned activities	Applies to all 3 KPIS	Same as previous case "Eligible and aligned activities".	Eligible activities that do not meet the substantial contribution and/or DNSH criteria.
Not eligible activities	Applies to all 3 KPIS	Same as previous case "Eligible and aligned activities".	Activities not eligible for Taxonomy as they are corporate activities that do not fit into any taxonomic activity.



## Results

**Table 4. Taxonomic results 2023**

Summary of Results	Turnover	%	CAPEX	%	OPEX	%
Eligible and aligned (A1)	179,139	100%	363,257	99%	-15,359	58%
4.1 Electricity generation using solar photovoltaic technology	155,428	87%	362,958	99%	-9,513	36%
4.3 Electricity generation from wind power	21,160	12%	0	0%	-4,117	16%
4.10 Electricity storage	0	0%	99	0%	0	0%
7.6 Installation, maintenance and repair of renewable energy technologies	2,551	1%	0	0%	-1,729	7%
(A2) Eligible and non-aligned activities	0	0%	0	0%	0	0%
(B) Activities not eligible	0	0%	3,076	1%	-10,961	42%

### TURNOVER

**100%**

Eligible and aligned

### CAPEX

**99%**

Eligible and aligned

### OPEX

**58%**

Eligible and aligned

Annex 6.6 provides a breakdown of Grenergy's activities considered sustainable by the Taxonomy, detailing the level of eligibility and alignment of each of them with the objective of climate change mitigation.



# RESPONSIBLE LEADERSHIP

- 3.1 GOVERNANCE
- 3.2 COMPLIANCE
- 3.3 RISK AND OPPORTUNITY MANAGEMENT
- 3.4 CYBERSECURITY, INFORMATION SECURITY AND INNOVATION
- 3.5 FISCAL TRANSPARENCY



# 3.1

## GOVERNANCE

*Grenergy's Board of Directors is firmly committed to establishing a transparent and efficient corporate governance system aimed at creating long-term value and safeguarding the interests of all stakeholders.*

### **Board of Directors**

The regulations outlining the internal operations and functioning of the Board of Directors are detailed in the Board of Directors Regulations. Additionally, the criteria for the selection of new members or the re-election of existing ones are specified in the Board Composition Policy. This policy is designed with the company's best interests in mind, aiming to enhance the effectiveness and professionalism of the Board. It ensures that proposals for Board member appointments align with both the recommendations of the CNMV's Code of Good Governance and the specific requirements of Grenergy.

These decisions are subject to scrutiny by shareholders and various stakeholders.

*The Board Composition Policy aims to **promote gender diversity** and **skills among its members**, based on the **principles of non-discrimination** and **the prevention of conflicts of interest***

The principles of composition of the Council are:

- » Principle of diversity of knowledge and experience.
- » Principle of non-discrimination.
- » Principle of gender diversity.
- » Principle of absence of permanent conflicts of interest.
- » Principle of adequate composition of the Board of Directors.

The Board members are elected individually according to the suitability of their profile and complementarity of competencies. There is a limit of three memberships on other boards, which is not exceeded by any of the board members. In 2021, Grenergy strengthened its Board of Directors and complemented it with the addition of two new profiles that bring extensive experience in industry, finance, risk management and sustainability, increasing the total number of Board members and achieving gender equity. In 2023, the Board of Directors appointed Ana Plaza, as an independent Board member with financial and risk management experience, who will also be a member of the Audit and Control Committee.

# BOARD OF DIRECTORS



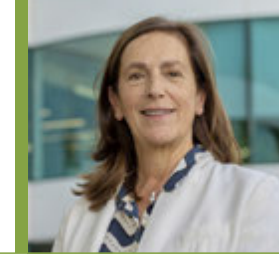
**David Ruiz de Andrés**  
Chairman of the Board  
and Chief Executive Officer



**Ana Peralta**  
Independent Board member Coordinator  
President of the CAC



**Rocío Hortigüela Esturillo**  
Independent Board member  
President of the ARSC



**Ana Plaza**  
Independent Board member



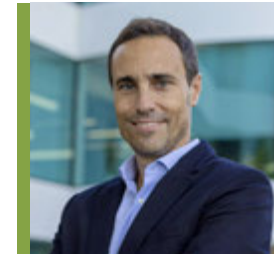
**Florentino Vivancos Gasset**  
Proprietary Board member



**María Merry del Val Mariátegui**  
Proprietary Board member



**Nicolás Bergareche Mendoza**  
Independent Board member



**Antonio Jiménez Alarcón**  
Proprietary Board member



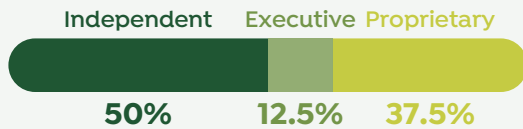
**Lucía García Clavería**  
Secretary of the Board

Grenergy's Board of Directors has an **equal number of men and women**, incorporating diversity in experience and backgrounds

### GENDER DISTRIBUTION



### DISTRIBUTION BY CATEGORY



### DISTRIBUTION BY AGE RANGE



**Diversity:** The presence of women on the Board of Directors is 50%, and both committees are chaired by independent female Board members.



**Conflict of interest:** Grenergy has an independent coordinating Board member, Ana Peralta, to lead those cases of potential conflict of interest.



**Transparency:** Grenergy publishes transparent information on all remuneration items received annually by the Board members in the remuneration report, available on its website. In 2023, the average total remuneration of non-executive Board members, including cash remuneration, gross profit from shares, savings schemes and other items, was €54,743 for men and €49,105 for women (in 2022, €31,000 for men and €46,000 for women). Finally, the fixed remuneration of the executive board member is €93,550.



**Training:** In 2023, Board members received specific training in practical risk management acumen and ESG training.



**Performance evaluation:** The Board of Directors conducts internal and external performance evaluations, following best practices of good corporate governance. In 2023, the Board underwent an internal evaluation, having carried out an external evaluation in previous years.

Grenergy makes the Remuneration Policy available to the public, which has been prepared with the purpose of regulating the proportion of compensation, promoting profitability, and the achievement of results. It also seeks to attract and retain Board members with the desired profile, without compromising the independence of their judgment. In addition, the Board of Directors is responsible for approving the company's policies and over the past year has approved some key documents such as the new Codes of Conduct for Grenergy employees and suppliers and the regulatory framework that defines the system for monitoring the implementation of corporate policies. In 2022 the Compliance Manual was defined and approved at the beginning of 2023.

Grenergy has an **independent coordinating Board member** to lead those cases with a potential conflict of interest

## STEERING COMMITTEE



**David Ruiz de Andrés**

**CEO**

Highest authority in the direction and management of Grenergy



**Pablo Otín**

**COO**

Responsible for development operations and new technologies in new markets



**Emi Takehara**

**CFO**

Responsible for corporate and structured financing of the group, as well as auditing, tax and risk



**Daniel Lozano Herrera**

**Strategy and Capital Markets Director**

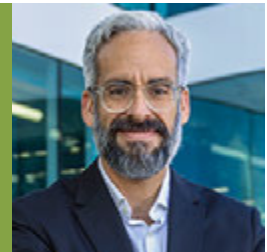
Responsible for capital markets operations, sustainability, communication and marketing



**Mercedes Español Soriano**

**M&A Director**

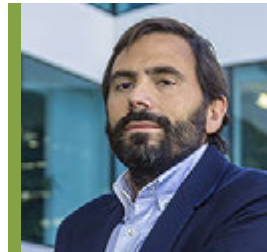
Responsible for project sale and purchase, mergers and due diligence processes



**Francisco Luis Quintero Berganza**

**Director of Generation and Equity**

Responsible for the global management of renewable generation assets



**Álvaro Ruiz Ruiz**

**Director of the legal area**

Responsible for corporate legal aspects, as well as contractual aspects



**Luis Rivas Álvarez**  
**Director of Human Resources, IT and Innovation**

Responsible for Human Resources, Digitalization and Innovation

### Management Committee

This is the internal body with the highest authority and its mission is to drive Grenergy's activity, develop its business strategy in a sustainable manner, lead the human team and ensure compliance with financial and operational objectives.

In 2021, Grenergy strengthened its team with the addition of two new members to the Steering Committee, Emi Takehara, through internal promotion to Chief Financial Officer (Master in Management - EDHEC Business School, Master in Finance and Investments - EBS) and the incorporation of Francisco Quintero as Director of Generation and Equity (Civil Engineer and MBA - IE Business School).

Additionally, in 2023, the company's operational structure and the Management Committee were strengthened with the incorporation of Pablo Otín as Grenergy's Chief Operating Officer (Degree in Electronic Engineering - University of Zaragoza and the University of Lancashire, Executive MBA - IEB Madrid) and with the incorporation of Luis Rivas as Director of Human Resources and Director of Digital and Innovation (Degree in Business Administration and Management - University of Santiago de Compostela).

## The main governing bodies of sustainability

### APPROVAL

Board of Directors

### SUPERVISION

Audit and Control Committee  
Appointments, Remuneration and Sustainability Committee

### APPROVAL AND FOLLOW-UP

Management Committee and Sustainability Committee

### LEADERSHIP

Sustainability Management

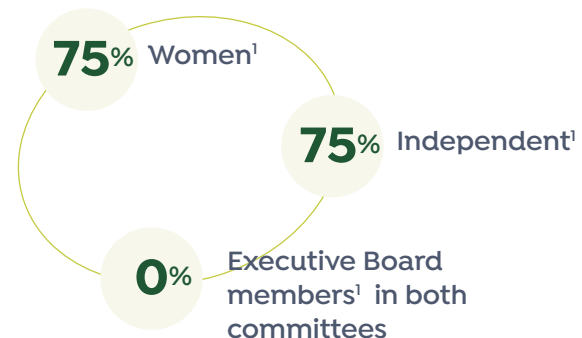
### IMPLEMENTATION

Business Areas  
(corporate and country)

Both Commissions have **majority of women**, independent member majority and no executive Board members

The **Audit and Control Committee** is primarily responsible for supervising the effectiveness of the company's internal control, internal audit, risk management systems and auditor independence, as well as overseeing the process of preparing and presenting financial and non-financial information.

The **Appointments, Remuneration and Sustainability Committee** is mainly responsible for the selection, appointment, re-election and removal of Board members, the report on proposals for the appointment and removal of senior executives; reporting to the Board of Directors and implementation of the remuneration policy for Board members and management; supervision of compliance with the company's corporate governance rules and internal codes of conduct; evaluation and periodic review of the corporate governance system and the company's environmental and social policy; supervision that the company's environmental and social practices are in line with the strategy and policy established.



Both Committees, and specifically the Appointments, Remuneration and Sustainability Committee, in the function of supervising ESG aspects, benefit from the knowledge, experience and extensive relationship that its Board members maintain with various stakeholders, for the identification and management of sustainability-related impacts. It is worth mentioning the professional experience in ESG consulting and the professional links with relevant companies in the electricity sector and financial institutions.

**Sustainability Committee:** is, together with the Management Committee, in charge of supervising the foundational objectives of Grenergy's Sustainability Policy. The members appointed are the Director of Strategy and Capital Markets as Chairman, the Director of Sustainability as Secretary, the Director of Generation and Equity and the Legal Director, both as members. This composition facilitates greater integration of ESG aspects into corporate strategy.

Among its main functions is to ensure the implementation of the ESG Roadmap defined by the company and the annual action plans derived therefrom, reporting to the Appointments, Remuneration and Sustainability Committee, on its progress at least quarterly. At least once a year, the Sustainability Committee shall report to the Audit and Control Committee regarding sustainability information.

<sup>1</sup> The data reported refer to the Audit and Control Committee (ACC) and Appointments, Remuneration and Sustainability Committee (ARSC).

## 3.2

# COMPLIANCE

*Compliance starts at the highest levels of the organization. In this context, our leaders establish an appropriate "tone from the top", which defines our orientation and commitment to compliance.*

Grenergy has zero tolerance for any form of corruption, violations of the principles of fair competition and non-compliance with laws and regulations. The company takes immediate action when these occur. In addition, it is vitally important for Grenergy to comply with its own Code of Conduct. Given the importance of compliance issues, the Compliance Director reports at least quarterly to the Audit and Control Committee. During fiscal year 2023 there have been 4 formal meetings of the Executive Compliance Committee, as the body responsible for Compliance issues in Grenergy, one per quarter in accordance with the established schedule to discuss and debate strategic ideas on Compliance.

### Compliance Program

January 2023 saw the formal approval and publication of the new global Compliance Program to support the effective mitigation of compliance risks. More than 90% of Grenergy employees have been trained in Compliance, excluding employees in the United States, following the acquisition of Sofos Harbert, which was acquired in early 2023. Within the Compliance training, Grenergy's Internal Regulatory Framework, the Code of

Conduct, the whistleblower channels as well as the Compliance controls established in the Compliance Manual published. These controls refer, among others, to gifts and hospitality, intermediary assessment, evaluation of donation initiatives, sponsorships and participation in associations.

In addition to the training plan, an internal communication plan has also been approved and implemented, aimed at increasing awareness of compliance issues in the organization, for which Grenergy's managers, establishing the appropriate "tone from the top", have communicated ideas related to the importance of compliance through internal communication channels, the existence of whistleblowing channels, the transparent management of conflicts of interest, risk assessments in our relationships with third parties or the process that each sponsorship, donation, charitable contribution or planned affiliation must follow to properly mitigate compliance risks.

During fiscal year 2023, there were no cases of conflicts of interest.

Regarding the Compliance organization, the Compliance network has been created in the countries where Grenergy is present, consisting of a group of employees from other areas, who assist in the implementation of the Compliance Program in their respective countries and serve as interlocutors with Compliance in the Parent Company. They have contributed with communication and training tasks.

**Grenergy's Code of Conduct** is the basis for all our decisions and activities and is the key component of our business integrity. It is the way we conduct business in **compliance with the laws** in the countries in which we operate and **respect the dignity, and personal rights** of each individual

### **Whistleblower Channel**

The whistleblower channel enabled on the website is aimed at employees, suppliers and other stakeholders who have observed suspicious behavior or actions, possible infractions or non-compliances that contradict our codes of conduct, and internal or external regulations. During the year 2023 we have worked on adapting the whistleblower channel to Law 2/2023 and the Compliance Committee has been appointed Head of the Internal Information System as a collegiate body that will delegate to the Compliance Director the functions of the latter as an individual, in accordance with the provisions of the aforementioned law.

### **Compliance Cases**

A compliance case is any violation of criminal and/or administrative law or Grenergy's internal regulations by at least one employee and/or a third party working on behalf of Grenergy. All internal information received is first subjected to a plausibility check by Compliance. If the plausibility check suggests that the allegations are plausible, a mandate is issued to initiate an investigation, which must comply with the fundamental principles of a compliance investigation and the law. All compliance cases reported to the Compliance Organization are dealt by Compliance, which may receive external support and/or be referred to the relevant specialist department within Grenergy.

During the year 2023, 2 reports have been received in the Internal Reporting System that have been processed in accordance with the applicable legislation, from which no Compliance Cases or disciplinary sanctions have been derived.

During fiscal year 2023, numerous relationships with third parties that could generate Compliance risks have been evaluated, in addition to a set of sponsorship, donation and participation in associations activities, thus ensuring that the risk of corruption is appropriately mitigated.

An internal project has also been initiated for the digitalization of the procedure for evaluating business partners generating compliance risks, a project that will be completed in 2024 and will allow for greater efficiency and the possibility of using data analysis to identify patterns that will enable better risk management.

No cases of corruption have occurred in Grenergy during fiscal years 2022 and 2023 and, therefore, no disciplinary action has been taken in this regard. Likewise, no contracts with business partners have been terminated due to corruption-related violations. There have also been no public legal cases related to corruption, nor have there been any significant cases of non-compliance with the law that have resulted in fines or non-monetary sanctions.

### **Antitrust**

Violations of antimonopoly legislation represent a huge risk for the company and its employees. They involve fines, damages, exclusion from public tenders and reputational damage. Therefore, no non-compliance with antimonopoly legislation is tolerated at Grenergy. There are no legal actions pending or completed at Grenergy during the reporting period with respect to unfair competition and violations of applicable antitrust and monopoly legislation.

*The  
whistleblower  
channel is open to all  
interest groups and  
it guarantees the  
confidentiality of  
the denouncer*



### **Anti-money laundering and prohibition of terrorist financing**

At Grenergy, we do not tolerate money laundering or terrorist financing. All employees are required to comply with all laws and regulations designed to prevent, detect and report money laundering, terrorist financing and related criminal activities.

Grenergy's Compliance program aims to create a high level of transparency in business conducted with third parties (counterparties) and includes:

- » Conducting enhanced due diligence, for those cases in which additional risks arising from the relationship with a third party or from a specific transaction are identified.
- » Procedures for monitoring potentially suspicious business relationships and payment methods.
- » Reporting suspicious transactions or behavior of any trading counterparty to local authorities.

During fiscal years 2022 and 2023 there have been no cases of money laundering.

### **Compliance Control Framework**

During the year 2023, the Compliance Control Framework has been implemented, the objective of which is to provide reasonable assurance that the Compliance Program is being properly implemented globally and therefore compliance risks are being mitigated.

### **Criminal Risks**

At the date of writing this report, an internal project has been initiated to evaluate the criminal risks in Grenergy Peru, due to the modification of the Peruvian Criminal Code, through which the main criminal risks and the controls that mitigate these risks will be identified, establishing, if necessary, the necessary internal protocols to improve or establish new controls.





# 3.3

## RISK AND OPPORTUNITY MANAGEMENT

*The risk management makes it possible to identify the internal and external factors that could impact the company in advance. The company must mitigate those risks to improve, protect its value and its continuity over time*

Grenergy's Board of Directors, as provided for in Article 4 of the Board of Directors Regulations, is responsible for determining the Group's risk control and management policy, identifying the Company's main risks and implementing and supervising the internal information and control systems (the "General Risk Control Policy").

Management, Risk Control and Internal Audit"), with the purpose to ensure the future viability and competitiveness of the Company.

In this context, the General Risk Management, Control and Internal Audit Policy aims to establish the basic principles and general framework of action for the control and management of the different types of risks affecting the Group in the different countries in which it operates, so that they are identified, quantified and always managed.

The starting point of the process lies in the definition of the concept of risk, and in the identification of the main risk factors that may affect the company.

This was done by drawing up a risk map that assesses each risk in terms of probability and impact on key management objectives and on the financial statements. This risk classification allows a prioritization of risks.

During the 2023 financial year, a high-level review of corporate risks has been carried out, insofar as the main executives of the different areas of Grenergy have individually analyzed the risks to which Grenergy is exposed daily in order to subsequently and jointly align and reach a consensus on the risks identified and organize them in order of priority and relevance.

In addition, during 2023, training was provided to Board members and senior management by an external expert, in which a practical view of risk management was shared.

### The following actors are involved in the risk management system:

- The business and support areas are responsible for managing risk to achieve organizational objectives by: (i) directing and guiding actions and resources to achieve the organization's objectives, including the management of the risks that affect them; (ii) establishing and maintaining adequate structures and processes for managing operations and risks; and (iii) taking responsibility for compliance with legal, regulatory and ethical expectations in their respective areas.
- The Compliance Committee, whose responsibility is to carry out all necessary actions for the correct implementation and operation of the crime prevention system, as well as its monitoring. It must also promote and supervise the degree of implementation of the regulations, both internal and external, within the Group, participating in the clarification of potential non-compliances that are communicated through the established communication channels.
- Internal Audit, which independently evaluates the risk situation and reports periodically to the Board of Directors on these risks.

*The ESG risks identified by the company have been approved by the Board of Directors and integrated into the **general risk management system***

# 3.4

## CYBERSECURITY, INFORMATION SECURITY AND INNOVATION

### 3.4.1 CYBERSECURITY AND INFORMATION SECURITY

In an interconnected world, the development and implementation of best practices in cybersecurity and IT security are essential to protect companies and individuals from various dangers on the network. Cybersecurity breaches are a key threat in the short and medium term and reflect the importance of proper management, mitigation and internal expertise to address emerging risks.

As a commitment to face this growing challenge, Greenergy published in 2023 the Information Security Policy, which establishes the basic principles and a general framework for the control and management of the security risks faced by the company, emphasizing the responsibility of all employees and group companies to be aware of and comply with this policy.

This policy is structured around a set of basic principles on which Greenergy's business strategy is based:

- » **Protection** of critical assets from potential cybersecurity and physical threats
- » **Sensitization** of all employees on risks to protect systems security
- » Implementation of risk-based security **mechanisms** based on specific risks
- » Promotion of capabilities for **prevention, detection, reaction**, analysis, recovery, **response**, investigation and coordination of potential threats
- » Process of **review and continuous improvement** of the safety management
- » **Regulatory compliance assurance**

Greenergy is aware of the growing demand for these challenges and, to this end, has a strategy for cybersecurity and information security.

Greenergy has a cybersecurity governance model integrated as part of the culture that is a strategic component of the company's management.

This governance model has a first level of management, the Information Security Committee, created in October 2023, a second level, the Management Committee, and a third level, represented by the Board of Directors.

The Information Security Committee is responsible for identifying and assessing risks and ensuring that all employees are aware of and comply with the cybersecurity policy and internal rules that develop it. In addition, this Committee is responsible for establishing controls to prevent and mitigate information security risks. The Management Committee promotes the dissemination and awareness of the policy and facilitates compliance with it, and the Board of Directors supervises compliance with the policy and approves policy updates.



*This service includes the detection of cybersecurity threats, incident support, vulnerability mitigation, internet threat monitoring, containment and response actions and, continuous service improvement*

**Prevention, protection and surveillance**

One of the fundamental principles of the Cybersecurity and Information Security Policy is the promotion of prevention, detection, reaction, analysis, recovery, response, investigation and coordination capabilities in the face of possible threats. In this sense, Grenergy has an external information security service duly certified to improve the company's comprehensive security and protect its technological assets and business information.

Part of the prevention measures in critical infrastructure includes knowing how our plants are connected. This is why in our Utilities we will be drawing up maps of communications networks that will facilitate the identification of the origin of failures or disconnections.

In addition, this service **allows improving the overall security of the organization, minimizing information theft or hijacking, reduce downtime, avoid negative reputational impacts, comply with regulations, provide monitored security, guarantee uninterrupted operation for users and ensure business satisfaction through an extended service management team.**

**Awareness**

Grenergy is committed to raising awareness and training all employees on risks to protect system security and to act as the first line of defense against major cyber-attacks. To this end, and in collaboration with an external audit team, a cybersecurity awareness campaign was carried out, including a phishing exercise, running in two batches in December 2022 and March 2023. The objective of these two employee campaigns was to assess employee awareness, train users in threat detection and measure the effectiveness of the campaigns.

In the 2024-2026 Sustainability Strategy update, among the main cybersecurity objectives for the next 3 years are:

- » Definition of an Information Security Master Plan.
- » Conducting internal and external security audits and vulnerability assessments of systems, products and practices.
- » Improved operational measures to monitor and respond to data breaches and cyber-attacks in accordance with ISO 27001.

### Data protection

Greenergy has a Data Protection and Privacy Policy for its web in accordance with the provisions of current legislation on the protection of personal data, the RGD (EU) 2016/679, of April 27, and the LOPD 3/2018, of December 5, and with the provisions of the LSSI-CE 34/2002, of June 11.

The Company, as responsible for the website, has implemented policies, means and procedures to ensure and protect the privacy of the personal data of its users.

For further information or, in case of doubt, there is a contact e-mail address through which you can consult any detailed information about the Data Protection Policy.

During the year 2023, a data protection audit was carried out, identifying some areas for improvement in the management of risks arising from the processing of personal data.

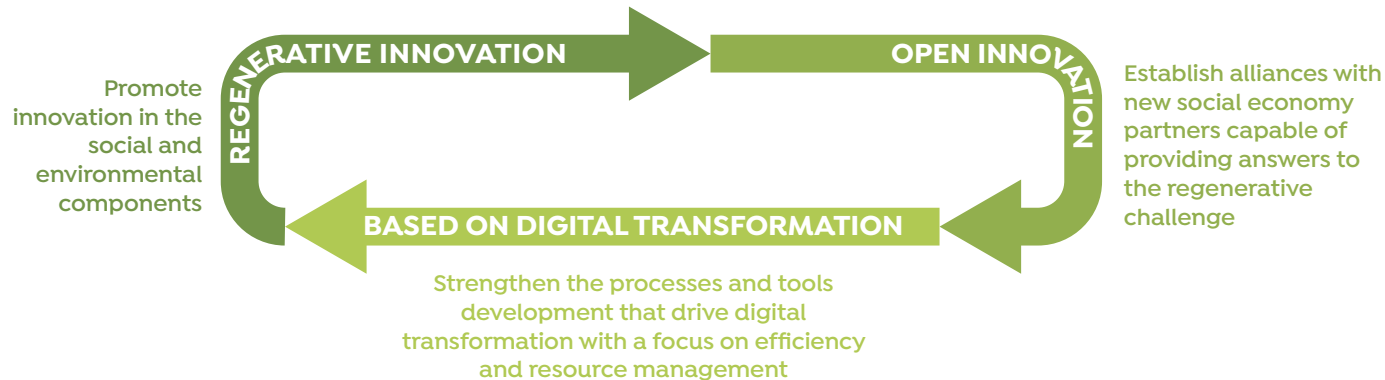
In addition, the decision has been made to focus on the management of risks derived from privacy,

appointing the Information Security Committee to be responsible for these risks. The Compliance area has also initiated a project to coordinate the management of these issues in a coordinated manner.

### 3.4.2 INNOVATION

The BESS innovation team is dedicated to coordinating, advising and managing storage batteries in the various markets in which Greenergy operates. The company's investment in research and development (R&D), mainly storage batteries (BESS), amounted to €299,000 in 2023, including the hiring of consultants to carry out market studies in different countries. These studies are intended to support the development of long-term projects and to identify new opportunities to enter emerging markets.

In addition, the team focuses on the research of emerging technologies such as green hydrogen, as well as on the detailed study of BESS systems, covering aspects such as battery chemistry or storage efficiency methodologies.



# 3.5

## FISCAL TRANSPARENCY

Aware of its responsibility, Grenergy's Tax Policy is based on compliance with the tax regulations applicable in each jurisdiction in which it has a presence, which is materialized in the timely payment of the appropriate taxes and its collaboration with the various Tax Administrations.

The Grenergy Group, through the search for tax efficiency, while being compatible with its tax obligations, seeks to combine the creation of value for shareholders and the development of the different social agents through the tax contributions it makes in each of the jurisdictions in which it is present.

In addition, the good governance practices implemented by Grenergy allow the identification, anticipation, prevention and control of tax risks to which the Group may be exposed by the mere development of its activity, as well as those behaviors that may generate them.

The main instrument with which Grenergy works to achieve the objectives is the implementation of transparent management, which is manifested both in the different phases and processes involved in complying with tax obligations and making decisions that have tax relevance, and in its commitment to collaborate with all levels of the Tax Administrations where the Group carries out its activities.

*We have committed to act with respect for the law and with transparency in the management of our fiscal affairs*

**Table 5. Profits, taxes and subsidies by country 2023 (m€)**

	Revenues	BAI	Income tax accrued	Income tax paid	Subsidies
Chile	218,151	3,154	5,478	1,164	-
Spain	140,770	41,600	(5,189)	13,784	-
Peru	14,331	5,656	(1,055)	289	-
Argentina	7,693	641	2,956	646	-
Colombia	11,280	1,413	(2,600)	489	-
Mexico	3,342	1,000	(728)	123	-
Italy	895	(246)	-	-	-
Germany	785	(351)	-	-	-
Romania	8	(35)	-	-	-
United Kingdom	487	(245)	-	-	-
Poland	461	223	-	-	-
USA	2,035	(616)	-	-	-
<b>Total (m€)</b>	<b>400,238</b>	<b>52,193</b>	<b>(1,138)</b>	<b>16,495</b>	<b>-</b>

**Table 6. Economic value generated and distributed (m€)**

	2021	2022	2023
Revenues	220,837	291,176	401,033
<b>ECONOMIC VALUE GENERATED</b>	<b>220,837</b>	<b>292,055</b>	<b>401,033</b>
Operating costs			-272,988
Depreciation, amortization, impairment and other losses	-9,038	-14,178	-17,946
<b>DISTRIBUTED ECONOMIC VALUE</b>	<b>43,543</b>	<b>50,737</b>	<b>110,099</b>
Personnel expenses	-9,597	-14,772	-24,771
Capital providers			-33,135
Central Public Administration	-2,118	290	-1,138
<b>ECONOMIC RETAINED VALUE (Net Income)</b>	<b>16,012</b>	<b>12,556</b>	<b>51,055</b>

# 04

## BUILDING A SUSTAINABLE FUTURE

- 4.1 BIODIVERSITY CONSERVATION
- 4.2 FIGHT AGAINST CLIMATE CHANGE
- 4.3 EFFICIENT WATER MANAGEMENT
- 4.4 CIRCULAR ECONOMY PROMOTION

Grenergy's  
Sustainability  
Policy shows a **clear  
commitment to  
preserve the  
environment** of the  
projects carried  
out

## 4.1

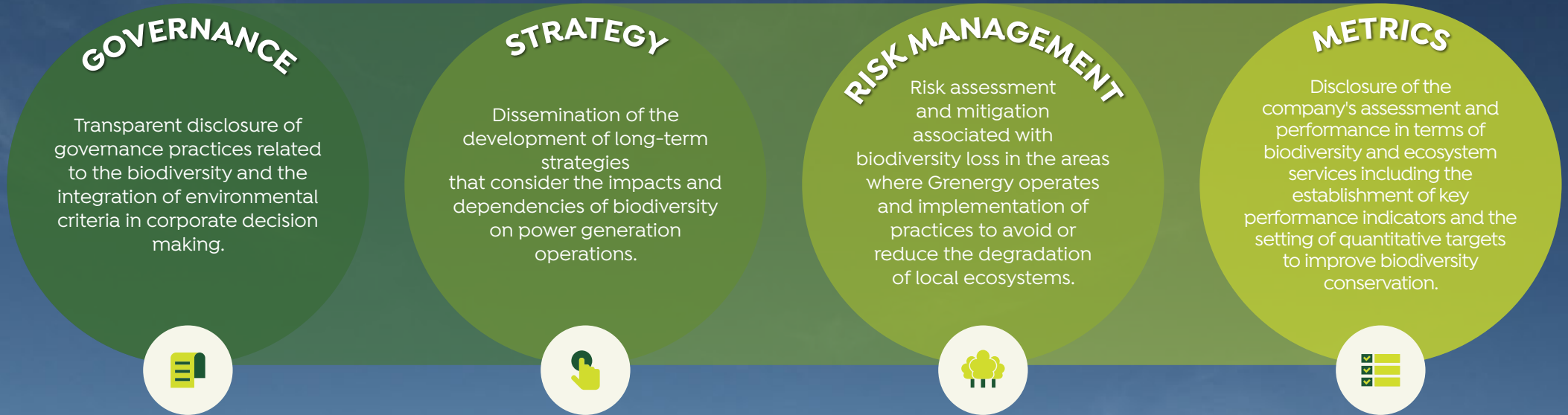
# BIODIVERSITY CONSERVATION

Biodiversity is a determining factor in the development of our projects. For this reason, our activity includes a clear commitment to conserve the environment in which our plants are located, in accordance with the ISO 14001 Standard. This commitment is materialized in all projects executed through Environmental Impact Studies, and the presentation of the necessary measures to comply with the environmental requirements of the area to the corresponding administration, as well as the Environmental Impact Declaration (DIA) or the Environmental Qualification Resolution (RCA) with the established commitments. These evaluations, in turn, result in actions that neutralize, minimize or, ultimately, compensate for the impacts or risks detected.

Land use is one of the causes of biodiversity loss due to its impact on ecosystems and their species. Renewable energies require land for their installation and, therefore, Grenergy considers the potential impacts that this land use can generate on the habitat and its species.

### Nature-related risks and opportunities

Grenergy considers the recommendations of the Task Force on Financial Disclosures with Nature (TNFD) in its management of natural capital risks and opportunities. The guidelines of this expert group indicate that the information should be disclosed in accordance with this structure:





**Mitigation hierarchy**

Biodiversity management requires adequate detection of the potential effects, impacts and risks of each action, followed by planning with a clear hierarchy: avoid, minimize, restore and, ultimately, compensate for biodiversity loss.

The precautionary approach of the hierarchy is reflected in the avoidance of negative impacts through an appropriate selection of project locations where impacts are minimal or non-existent. As a starting point, this selection seeks to avoid areas defined as World Heritage Sites and protected areas in Categories I-IV of the International Union for Conservation of Nature (IUCN). For the implementation of photovoltaic and battery projects, special consideration is given to soils with gentle or low slopes, typically agricultural in nature and with potential for cultivation. The choice of the type of land use varies according to the location of the project, for example, in desert areas of northern Chile, the soil is not agricultural, while in the center-south there is land for agricultural purposes.

During construction, there is minimal impact on the soil, with slight erosion and physical modifications observed mainly during the leveling process for the installation of the piles that support the solar panels. From a chemical and biological perspective, during the operation of the project a fallow period is generated, leading to an increase in the diversity of micro- and macrofauna, highlighting the absence of fertilization of anthropogenic origin.

It is essential to note that, although the soil ceases to be productive during the implementation of the project, its capacity is not altered. As part of a voluntary environmental commitment, soil improvement is sought on land with agricultural potential or water accumulators are built to support agricultural production.

Among the fundamental studies carried out on soils, topography and hydrology stand out, with special emphasis on specific investigations of infiltration and the estimation of flow directions. These analyses allow the modeling of various scenarios with the objective of minimizing intervention in natural watercourses, especially regarding water. The importance of these studies lies in guaranteeing a low intervention in the water sources and their ecosystems, which in turn minimizes the possibilities of torrential floods.

Mitigation of these risks is crucial, as torrential floods could have a significant impact on the construction and operation of the parks. Thus, by implementing preventive measures supported by detailed studies, we seek to ensure the sustainability and safety of both the projects and the surrounding natural environments.

# GREENERGY'S IMPACT MITIGATION HIERARCHY



## Identification of impacts

Environmental impact assessments, in accordance with Law 21/2013, of December 9, 2013, on environmental assessment, consider all stages of the life cycle of each project, the most relevant being the construction, operation and maintenance stages. In each of the stages and sub-stages, the possible impacts on the atmosphere, soil, water, vegetation, habitats, fauna, historical and archaeological heritage, landscape and socioeconomic aspects of the area are identified and quantified. The assessment of environmental impacts must be carried out from highly specialized perspectives. In this context, our interdisciplinary teams play a crucial role, providing us with the capacity to carry out comprehensive and objective assessments. This diversity of approaches allows us to efficiently prioritize the actions necessary to adequately manage the environmental impacts identified. Among these environmental impact studies are those on the impact on fauna and flora, in which we use various methodologies that include the recording of species to be conserved and propose mitigation and adaptation solutions. During 2023, it should be noted that in Colombia, studies were conducted in four candidate plots for construction. The identification of species and their possible impacts made it possible to draw up mitigation and adaptation plans.

The most efficient management, aimed at carrying out assertive actions with respect to the context of the area, to act in a sustainable manner from the beginning of the projects. This work, which includes assessment, identification of prevention and mitigation measures, and monitoring of actions and their results, involves an investment of €798,160 in 2023. Thanks to this management, none of our projects are located in protected areas.



Once the potential impacts have been identified at each stage of the project, the measures necessary to counteract them are analyzed. These measures are categorized according to the hierarchy: avoid, mitigate, restore and compensate, in such a way that only compensation measures are used once the unfeasibility of implementing other types of measures has been analyzed. The next step consists of monitoring the measures and the results obtained by each one of them, thus guaranteeing the established objectives. During 2023, we reached 3,644 hours of monitoring and, again this year, none of our projects received environmental fines or suffered delays due to unidentified risks or measures.



### Protected species

The company assesses the presence of protected species in all its projects according to the IUCN (International Union for Conservation of Nature) Red List of Threatened Species or national and regional conservation catalogs. No critically endangered IUCN species have been identified in any of the projects.

In each park or project candidate area, we conduct a comprehensive inventory of 100% of the tree individuals present. This approach ensures an accurate impact assessment, with classifications according to IUCN standards and local regulations.

In 2023, monitoring of the status of more than 800 vascular epiphytes was carried out, and initiatives for the restoration of forests intended to host non-vascular epiphytes were promoted.

### Habitat restoration

In 2023, Grenergy undertook actions to reforest an area of approximately 144 hectares next year and other habitat improvement activities. The company is working with external experts to implement, follow up and monitor the restoration measures.

Some of the main habitat restoration measures carried out in 2023 are:

- » Wildlife rescue and relocation at the Gran Teno solar plant, Chile.
- » Compensation plan at the Tucanes solar park, Colombia. The monitoring and follow-up program for non-vascular epiphytes begun the previous year continued.
- » Rescue and relocation of Violets in the Condor PV (Chile)
- » Rescue and relocation of lizards, cultivation of aromatic plants and soil improvement in the Lo Miguel PV.

**Table 7. Number of species according to national/regional catalogs and IUCN list 2023**

Category type	Number
Number of species in national/regional lists of conservation present in the project area	173
Number of critically endangered IUCN species (CR)	0
Number of IUCN endangered species (EN)	16
Number of vulnerable IUCN species (VU)	182
Number of IUCN Near Threatened species (NT)	107
Number of IUCN Species of Least Concern (LC)	367

### Highlighted case:

#### Gran Teno Reforestation

Grenergy, with the Gran Teno project, has committed to the reforestation of 255.57 hectares of native forest, as indicated in the Environmental Management Plans, for which it has relied on the company 'Nativo Maipo'. The main planting has been of native trees such as Quillay, Boldo, Peumo, Espino and Maitén, and has been carried out through an innovative method of planting in clearings and terraces in such a way as to obtain greater survival and adaptation of the plants. These techniques do not use irrigation water but consist of collecting rainwater through planting techniques called Limán, in which the plants are arranged in the shape of a crescent, coinciding with the natural slope of the environment.

In October 2023 took place the Environmental Education Day, in which Grenergy organized a reforestation activity with 20 students of Tourism of the Liceo Politécnico de Rauco, to teach the planting method and raise awareness about the importance of preserving native vegetation.



Watch video 

### Highlighted case:

#### Recovery of vascular epiphytes in Tucanes park, Colombia

Vascular epiphytes emerge as key players in storing gigatons of carbon in forests. In this context, the environmental management plan for the biotic component of Tucanes Park in Colombia has been conceived with a strategic approach. Priority has been given to rescuing the gene pool of mosses and lichens to compensate for the impact on non-vascular epiphytes, thus generating a new area conducive to the colonization of these species.

The activities were carried out in collaboration with a local consultant. The flora experts oversaw site rehabilitation and plant rescue, as well as the subsequent inoculation of the recipient trees. In the initial phase, the rescue of vascular epiphytes, especially orchids and bromeliads, was carried out. Afterwards, an optimal site for planting was carefully selected

and, for two years, an inoculation program was carried out. These evaluations covered crucial variables such as phytosanitary status, growth in diameter and height, with the objective of evidencing the state of the planting and thus ensuring the successful colonization of non-vascular flora species.

The restoration area for non-vascular species in the Tucanes project covers one hectare, with 400 individual trees. These, added to those present in the territory, have converged to constitute a forest ecosystem of crucial relevance for environmental conservation.



### Highlighted case:

#### Promoting biodiversity at the Escuderos and Tabernas solar power plants, Spain

At the Escuderos solar plant (Guadalajara), habitat improvement measures have been established for steppe birds through agricultural extensification techniques and the monitoring and location of the Montagu's harrier has been carried out.



Due to the significant decline in the Montagu's harrier population, the nests of this species have been monitored and identified so that, once located, they can be protected against predators by installing a fence around the nest and compensating the farmers for the protected area.

At the Tabernas solar plant (Almería), preliminary surveys have been carried out to identify protected plant species in the vicinity of the facilities, such as *Rosmarinus eriocalyx* and *Linaria nigricans*.





At Grenergy we have **the objective of achieving net positive impact on biodiversity**

### Net Positive Impact on Biodiversity

Biodiversity plays a fundamental role in the proper functioning of ecosystems and the services they provide, such as water regulation, carbon dioxide sequestration, nutrient cycling, and protection against erosion. A diverse ecosystem exhibits greater stability and resilience in the face of adverse events.

In our commitment to achieve a net positive impact on our operations, Grenergy is collaborating with environmental organizations to identify and support voluntary ecosystem restoration and biodiversity enhancement initiatives. These "Nature-Based Solutions, NBS" projects use the power of nature to address major environmental challenges. In 2022, we conducted technical studies near the Ayora, Tabernas and Belinchón plants for the ecological restoration of degraded wetlands, aimed at improving their condition, promoting habitat conservation and enhancing CO capture<sup>2</sup>. These initiatives reinforce our commitment to sustainability and environmental preservation in all our operations.

Within the framework of the new sustainability strategy 2024-2026, a catalog of biodiversity and ecosystem protection practices in our plants (Nature-Based Solutions, NBS) will be developed for our main plants in 2024. By 2026, we have set a target of achieving a net positive impact on biodiversity, in line with TNFD recommendations.

### Noise and light pollution management

Grenergy avoids noise pollution according to current legislation through the effective maintenance of the machinery used in the construction and operation of all its projects, also favoring the reduction of polluting gases.

In addition, in its commitment to guarantee the minimum impact on the locations it operates, biological stoppages are carried out, normally during established periods in the months of March to June, coinciding with the mating season of species detected in the areas of influence. The limited activities are driving, drilling, earthmoving, etc., since these are the phases with the highest risk of acoustic emissions. In no case is night work carried out to have the least possible influence on the correct development of native biodiversity. Regarding light pollution management, in order to prevent the dispersion of light into the night sky, as well as to preserve the natural conditions of darkness for the benefit of ecosystems, no outdoor lighting is installed at the photovoltaic plants, except for the lighting associated with the electrical substation for safety reasons (emergency lighting). Plant lighting is avoided as much as possible since there is no optimal solution to avoid harming flora and fauna.



## 4.2

# FIGHT AGAINST CLIMATE CHANGE

*Grenergy's business model plays a key role in mitigating and adapting to climate change by moving towards an energy system free of fossil fuels and adapting its processes in the most efficient and predictive manner to the possible effects of climate change.*

Climate change is a global phenomenon that manifests itself in an increase in the Earth's average temperature, with effects such as melting glaciers, rising sea levels and the intensification of extreme weather phenomena such as droughts, floods, heat waves and tropical cycles.

In May 2023, the World Meteorological Organization published its *Annual to Decadal Global Climate Outlook*<sup>1</sup>, which warns that there is a 66% chance that temperatures will exceed pre-industrial levels by more than 1.5°C between 2023 and 2027. These projections indicate an acceleration of global warming, with devastating consequences. In Spain, the signs of climate change are already apparent.

The country is particularly vulnerable due to water scarcity in several regions. In this regard, the State Meteorological Agency (AEMET) warns of worrying trends such as the decrease in river flows, the expansion of semi-arid areas and the increase in heat waves.

The importance of acting is fundamental to avoid an increasingly adverse scenario at both the national and global levels.

In the context of climate change and actions to address the environmental crisis, Grenergy has established and successfully met the objectives outlined in its ESG Roadmap 2021-2023. The objectives address governance structure, ESG objectives in the Strategy, risk management, ESG impacts and ESG communication.

With the recent update of the 2024-2026 Sustainability Strategy, more ambitious climate objectives have been set, which will be summarized at the end of this chapter.

Having more climate information is key for Grenergy to properly assess its exposure to the various physical and transitional risks and thus be able to correctly design its future business strategy.

<sup>1</sup> <https://library.wmo.int/viewer/66224/?offset=4#page=1&viewer=picture&o=&n=0&q=>

## Climate-related risks and opportunities

Greenergy follows the recommendations of the TCFD<sup>2</sup>, to disclose climate issues. Greenergy has prepared an internal report assessing our alignment with these recommendations.

### GOVERNANCE

Disseminate the organization's governance around climate-related risks and opportunities.



### STRATEGY

Disclose real impacts and potential risks and opportunities related to the business climate, strategy and financial planning of organizations where such information is material.



### RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks and opportunities.



### METRICS

Disclose the objectives and metrics used to assess and manage risks and opportunities relevant climate-related information when such information is material.

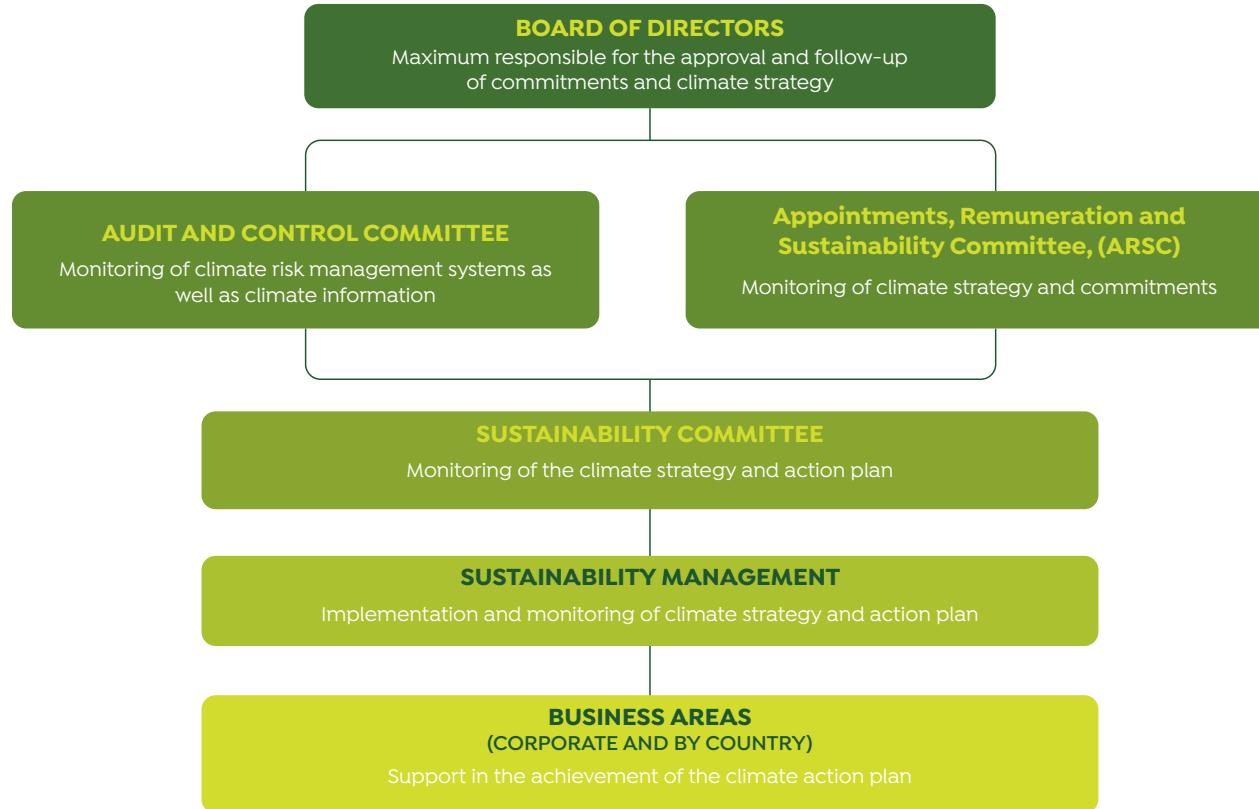


<sup>2</sup> The Financial Stability Board (FSB) created in 2015 the Task Force on Climate-related Financial Disclosures (TCFD), a Group of to encourage companies to inform stakeholders about climate change-related risks and how to manage them.



## Governance

Climate governance is structured at several levels, starting with the Sustainability Department and ending with the Board of Directors, through the Sustainability Committee, the Management Committee and the Audit and Control Committee (ACC) and the Appointments, Remuneration and Sustainability Committee, (ARSC).





*Grenergy, in its 2024-2026 Strategy, also sets **targets for climate change adaptation**, such as the update of the climate risk matrix and the specific adaptation roadmap, as well as an impact assessment for business climate derivatives and for financial planning*

### **Climate strategy**

Grenergy's strategic plan responds directly to climate-related opportunities through its goal of reaching 5 GW in solar PV construction and operation by 2026 in various markets. In 2023, the company has continued to make progress towards its strategic targets with a project pipeline of 15.3 GW at year-end, an increase of 3.6 GW in the last 12 months.

The company is implementing several strategic initiatives, including the introduction of new storage systems, such as battery systems in plants, and the evaluation of green hydrogen projects in the long term. To strengthen its position in the market and respond to emerging opportunities, the company has decided to enter new markets to geographically diversify its operations, and in addition, it plans to implement an evaluation prior to contracting suppliers in its supply chain.

Grenergy's climate change mitigation and adaptation strategy focuses on the complete decarbonization of its business model and the implementation of best adaptation practices. In the definition of its 2024-2026 sustainability strategy, approved by the Board of Directors in November 2023, Grenergy sets ambitious mitigation targets such as **carbon neutrality in 2040 for Scopes 1, 2 and 3.**

**To this end, absolute emissions are to be reduced by 60% by 2030 in Scopes 1 and 2, and a 50% reduction in relative emissions (relative to sales) in Scope 3 by 2030** (targets to be validated by SBTi during 2024). This will contribute to the energy transition and help to avoid millions of CO<sub>2</sub> tons every year.

In terms of adaptation, the plants of Grenergy makes efforts to adapt to the potential effects of climate change through regular assessment of climate change risks and opportunities. Grenergy identifies, quantifies and manages different types of risks such as those arising from regulatory changes, rising raw material costs and changes in weather and climate patterns, with their associated potential financial impact. Grenergy considers all geographies where it operates and values different time horizons.

In line with the established objectives and the definition of its new Sustainability Strategy 2024-2026, Grenergy also plans to implement new measures, including the development of a decarbonization strategy for scope 3 of the carbon footprint, the development of a climate change action policy, the implementation of a climate change adaptation plan in the business strategy and the development of an emissions compensation strategy for 2040, as well as the establishment of an internal carbon price.

## Climate risk management

The control and management of climate change risks is treated in the same way as the company's global risk management. Governance is based on several levels of defense, involving the Management Committee, the Compliance functions, Internal Audit and the Audit and Control Committee. It should be noted that Grenergy plans to incorporate a risk manager, whose functions, among others, will be global risk management and control, who will monitor the risk management process, integrating climate risk management into the system and into his or her responsibility. However, the company ensures that the methodology and criteria used to quantify risks are homogeneous and common to the entire organization. Therefore, the business unit management teams will work in collaboration with the new corporate function in charge of ensuring consistency in risk identification. Grenergy has an ESG risk map scheduled to be updated in 2024. The current map was drawn up in collaboration with the

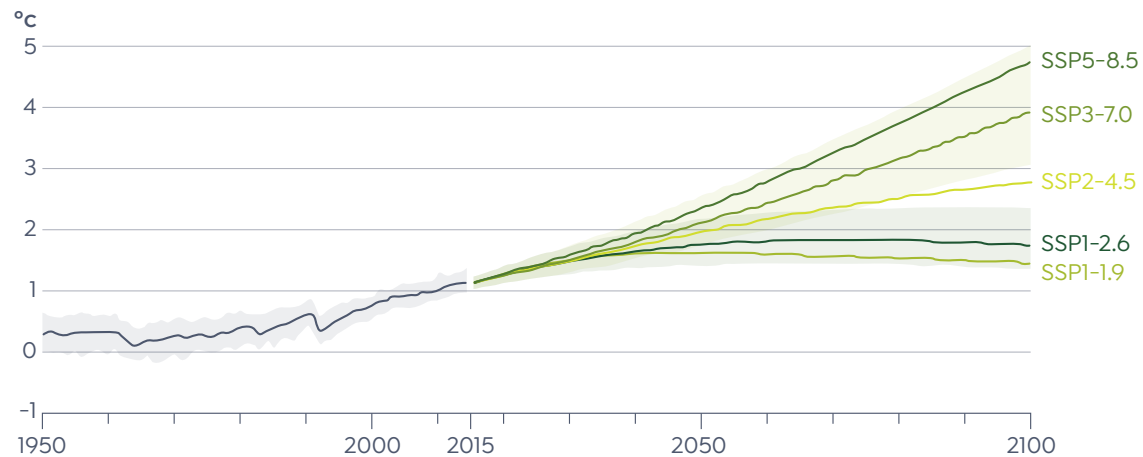
different business areas and corporate functions, which identified the main risks and assessed them in terms of probability and impact according to the corporate methodology. Subsequently, specific action plans were established to address each of these risks.

Grenergy assesses, among other things, emerging regulatory risks when planning new projects, considering the energy transition and is exploring markets with emerging legislation in favor of renewable energies, such as Austria, Hungary, the Czech Republic and Romania.

In 2023, Grenergy has conducted a physical climate risk assessment for each of its economic activities according to the Environmental Taxonomy, as well as a vulnerability analysis of projects based on the climate scenario that best suits Grenergy's economic activities. This assessment aims to address environmental concerns and promote initiatives to adapt to the impacts of climate change.

### Analysis and identification of climate scenarios for physical climate risk assessment:

The following graph shows a representation of the global surface temperature projection to 2100 with respect to the pre-industrial era (1850-1900) under the 5 IPCC climate scenarios.



IPCC AR6 Report "Climate Change 2021: The Physical Science basis" IPCC Working Group I

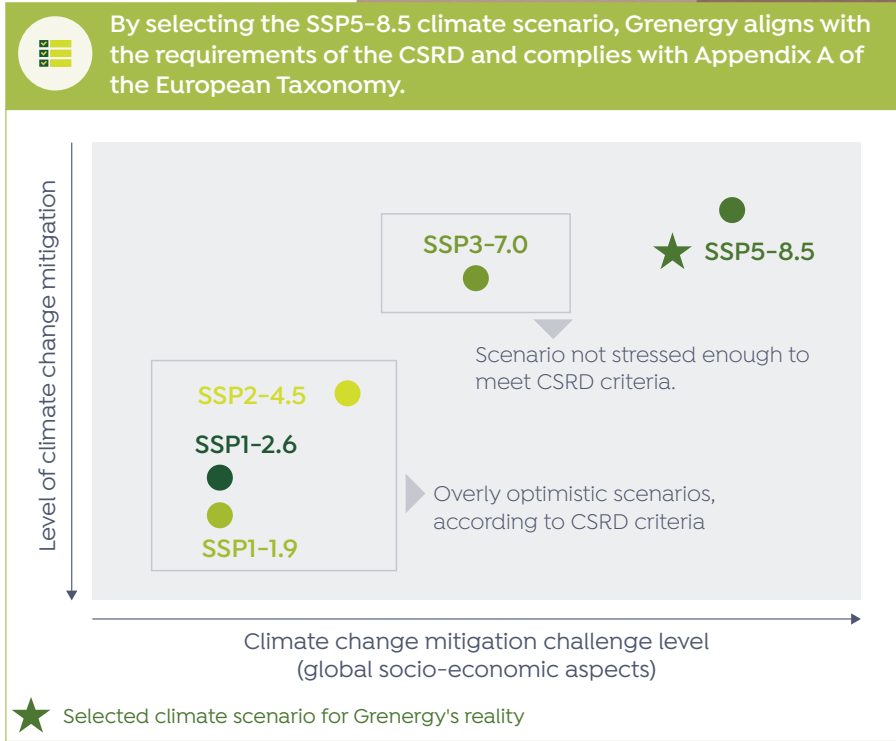


Grenergy has chosen to use the IPCC SSP5-RCP8.5 stressed climate scenario for physical climate risk analysis. This decision responds to the requirements of the new Corporate Sustainability Reporting Directive (CSRD), which aims to provide a strategic approach to company business. In addition, other reporting frameworks, including the new ISSB (International Sustainability Standards Board) IFRS-S216 disclosure recommendations on compliance with the TCFD guidelines, together with other regulatory frameworks such as the EU Taxonomy and Law 7/2021 on climate change and energy transition, give companies the freedom to select the climate scenario they deem appropriate for their business reality.

Along these lines, Grenergy's physical climate risk analysis selects an SSP5 socioeconomic narrative, satisfying the prudence criterion. This involves the use of a high emissions climate scenario to analyze the exposure and sensitivity of the company's operations to physical climate risks, which has a trajectory of GHG concentrations RCP8.5. The selection of this scenario (SSP5-RCP8.5) allows the company to comply with the CSRD point described above and at the same time satisfy the principle of prudence, since the impacts may fall on both employees and the infrastructure deployed.

Ultimately, the choice of the climate scenario is based on the strategic importance provided by the requirements of the new CSRD, as well as the recommendations of the TCFD framework led by the IFRS Foundation and the requirements of the EU Taxonomy and Law 7/2021 on climate change. This analysis includes possible changes in climate trajectories up to 2050, which provides an adequate time horizon for a full analysis of the impact of potential climate risks on Grenergy's operations.

Grenergy has chosen to use the IPCC SSP5-RCP8.5 stressed climate scenario for the analysis of physical climate hazards in accordance with the CSRD



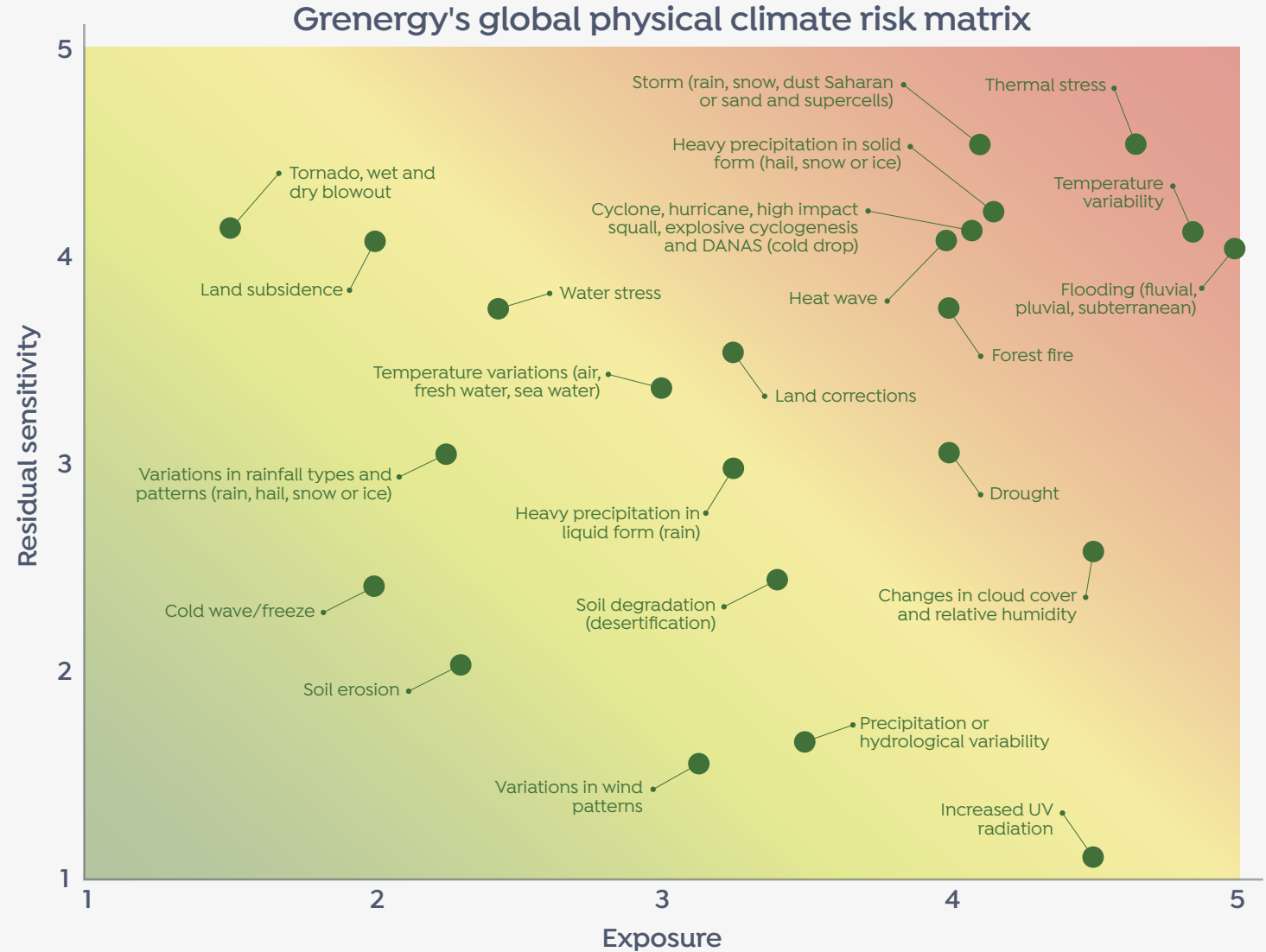
Comparison of SSP-RCP scenarios

The **critical physical climate change hazards** for Grenergy are **flooding, thermal stress and temperature variability**

Quantitative assessment of physical hazards and climate vulnerability

Through the different sources of climate information analyzed (bibliographic and documentary analysis, cartographic analysis, statistical analysis and internal documentation), it has been possible to identify those risks that have the potential to affect Grenergy's assets in the future.

The analysis considered the exposure, sensitivity, adaptive capacity and finally the climate vulnerability of the activities to physical climate risks applicable to Grenergy's reality.



Heat map reflecting the company's overall climate vulnerability or residual risk with respect to each climate risk according to the selected climate scenario (IPCC SSP5-RCP8.5) aligned with EU taxonomic requirements. The exposure reflects the probability of occurrence of the risk and the residual sensitivity the residual impact on the entity's global activity.

Mitigation and adaptation measures for critical climate risks.

Adaptation measures against critical climate risks, designed to specifically address the hazards identified in Grenergy's economic activities, are presented below.

**Table 8. Physical climate risk mitigation and adaptation measures 2023**

Type of physical risk	Risk description	Magnitude of impact	Impact	Mitigation/adaptation measures
<b>Floods</b>	River and rainfall flooding is a climatic risk to be taken into account. In regions prone to heavy rainfall, such as Colombia and parts of Peru, flooding can cause damage to plant infrastructure, affecting electrical systems and component connectivity. In addition, excess water can cause interruptions in production and, in extreme cases, put the physical integrity of the facilities at risk.	Very high	Damage to solar panels and electrical equipment.	<p><b>Location design for new projects:</b> Selection of elevated and less flood-prone sites.</p> <p><b>Sustainable drainage systems incorporation:</b> Design of green and blue infrastructures<sup>1</sup> for sustainable drainage and natural flood zones or "sponge" spaces including substrate permeabilization and water harvesting.</p>
<b>Thermal stress</b>	Thermal stress can generate an increase in ambient temperature, negatively affecting the efficiency of solar panels and reducing energy generation. This phenomenon can be especially critical in regions with high temperatures, such as parts of Mexico and Spain.	Very high	Reduced efficiency of solar panels, damage to plant installation (inverters/-transformers) and increased heat stress on EPC and O&M employees.	<p><b>Cooling systems:</b> Implementation of cooling technologies for solar panels.</p> <p><b>Thermal monitoring:</b> Monitoring of the temperature of the panels to adjust the operation, and generate high temperature warnings for workers.</p>
<b>Temperature variability</b>	Temperature variability is another crucial factor to consider. Extreme fluctuations in temperature can lead to wear and tear on plant equipment and components, which could result in additional maintenance and repair costs. In addition, these thermal variations can influence the efficiency of cooling systems, compromising the ability of the facilities to maintain an optimal operating temperature.	Very high	Abrupt changes affecting production	<p><b>Energy storage and management:</b> Integration of storage systems to compensate for variations in energy production.</p> <p><b>Weather forecasting:</b> Use of weather forecasts to adjust production.</p>

*Adaptation solutions to the physical climate risks assessed.*

<sup>1</sup> Green and blue infrastructure: planning and design of natural areas and water bodies in or around solar PV projects.

In addition, there are not only critical physical climate risks, but also **transitional risks** that have a significant impact and a high probability of occurrence, as detailed below:

**Table 9. Mitigation and adaptation measures climate transition risks 2023**

Type of transition risk	Risk description	Magnitude of impact	Impact	Mitigation/adaptation measures
<p><b>Technological</b></p>	<p>The Paris Agreement aims to keep the global average temperature increase below 2°C and to continue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Energy production and use is the largest source of greenhouse gas (GHG) emissions, making the energy sector crucial to achieving this goal. As countries reach very high shares of renewable energy, the need for flexibility will shift to longer periods of time (several days or weeks) during which systems are over- or under-supplied.</p> <p>High adoption of solar energy may pose a challenge for utilities in balancing supply and demand on the grid, due to the increased need for electricity generators to quickly ramp up power production when the sun goes down and the contribution of photovoltaic power decreases. Considering this analysis, the company identified a strategic risk related to energy storage capabilities and interference with medium- and long-term strategic growth objectives.</p>	<p>Very high</p>	<p>Intermittency in power generation Loss of income due to reduced demand for products and services</p>	<p>Greenergy has established a <b>diversification strategy</b> to reduce dependence on solar and wind energy production, <b>evaluating investments in new technologies</b> linked to energy storage systems, as well as other emerging clean energies such as <b>green hydrogen</b>.</p>

The correct management of climate risks, as well as the definition of new opportunities, have allowed Grenergy to increase its resilience, promoting the diversification of its business portfolio, with investments in new technologies such as storage.

**Table 10. Opportunities associated with climate change 2023**

Type of transition risk	Risk description	Magnitude of impact	Impact	Magnitude of impact
<b>Products and services</b>	The company has a balanced and geographically diversified project portfolio based on an assessment of risks and opportunities. The company benefits from its experience in countries where it has a track record, such as Chile and Spain, which represent around 80% of the company's operating target for 2023, and where there is a growing demand for renewable energy encouraged by the policies in force. In 2025, the geographical distribution (by MW) is expected to be 53% in Latam, 43% in Europe and 4% in the USA.	Very high	Increased revenues because of higher demand for products and services	<b>Strategic growth plan with an installed capacity target of 5GW in 2026.</b>
<b>Resilience</b>	Grenergy recognizes the key role that battery innovation is playing in the transition to clean energy technologies. The International Energy Agency (IEA) estimates that by 2040, around 10,000 GWh of batteries across the power system and other forms of energy storage, 50 times the size of the current market. Although this technology is currently not fully on track, both in terms of deployment and cost, Grenergy identifies an opportunity to increase the resilience of its business compared to its peers by incorporating this technology into its strategy to improve the performance of variable, weather-dependent renewable energy sources.  Additionally, according to the IEA, about 10,000 GWh of batteries will be needed annually across the energy system and other forms of energy storage by 2040, up from about 200 GWh today.	Very high	Increased revenues as a result of higher demand for products and services	Creation of a <b>storage division with senior talent</b> and development of a pipeline of 11.3 GW of projects at different stages of development in 12 countries.
<b>Market</b>	Grenergy proactively seeks opportunities in new markets to diversify its activities and better position itself for the transition to a lower carbon economy. Wind and solar power are expected to account for 30% of global installed capacity by 2040, and electrification and green hydrogen generation will increase global electricity demand. Global installed capacity is projected to increase from about 6.7 TW in 2016 to 12.0 TW in 2040, with 30% of installed capacity renewable (17% solar PV and 14% wind).  Opportunities arise in very diverse markets and the company's project portfolio is well balanced geographically across three platforms: Latin America, Europe and the United States. Following an analysis, the company decided to expand its presence into new markets, such as Italy and the UK, and more recently Poland, the US and Germany. In Germany, for example, the company has set a target of developing a 3 GW wind farm by 2025.	Very high	Access to new markets	Agile and scalable business model with the ability to capture opportunities through <b>public-private partnerships</b> and innovative financing solutions by <b>raising green</b> finance to support expansion and growth in new and existing markets.



## FEATURED CASE

### 9.9 MW SOLAR PROJECT IN CERRITOS, COLOMBIA

Grenergy develops risk management plans for its projects. For example, for the Cerritos solar project, secondary information was obtained from official sources, technical studies previously conducted in the area, and applicable regulations.

The risk management plan established the procedures to be followed to deal with emergency situations of any magnitude, to avoid affecting the physical integrity of people, the environment and the project's infrastructure.

For the formulation of this plan, analyses of the socioeconomic conditions of the area were included to measure the degree of impact on the resources during the construction and operation of the project.

The methodology used for the design of this plan was based on the identification of the most significant risks, an analysis of their impact and probability, and the preparation of specific programs detailing the actions to prevent and address the risks to which the project is subject.



Mass movement hazard



Flood hazard



Fire threat



Thunderstorm threat





## Metrics and objectives

### Metrics

The Science Based Targets (SBTi) initiative, led by the Carbon Disclosure Project (CDP), United Nations Global Compact, World Resources Institute (WRI), World Wildlife Fund (WWF) and We Mean Business, aims to guide companies in setting ambitious science-based climate targets for GHG emissions reductions. It focuses on ensuring that businesses contribute to keeping global temperature rise below 2°C compared to the pre-industrial era, a target set in the Paris Agreement. Adherence to this initiative requires prior validation of the proposed targets by companies to ensure alignment with the established objectives.

In 2023, Greenergy joined the SBTi initiative and was able to validate its near-term targets for Scope 1 and 2 with a 42% reduction in 2030, taking 2021 as the base year. These reduction targets were based on the SBTi default reduction trajectory for small and medium-sized enterprises (SMEs). During 2024, work will be carried out on SBTi validation for the new scope 1, 2 and 3 emission reduction targets proposed under the net zero strategy, approved by the Board of Directors in 2023 (for more information, see the Net Zero Strategy section).

### THE CARBON FOOTPRINT OF OUR BUSINESS

Greenergy has carried out the verification of its carbon footprint for the year 2023, for the second consecutive year, following the criteria of the international standard ISO 14064, which guarantees the credibility of an organization's greenhouse gas (GHG) emissions reports.

In addition, the Ministry for the Ecological Transition and the Demographic Challenge has revalidated the recognition of the results obtained in Greenergy's Carbon Footprint for the year 2022. For the second consecutive year, the *Calculo* seal has been awarded.



### DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

The period analyzed for the emissions calculation is from January 1 to December 31, 2023, and the GHG inventory boundaries follow the operational control approach<sup>1</sup>. Calculations are presented in tons of CO<sub>2</sub> equivalent and include all GHGs relevant to the company: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. GHG emissions are calculated following the criteria defined in the GHG Protocol.

The conversion factors used are as follows:

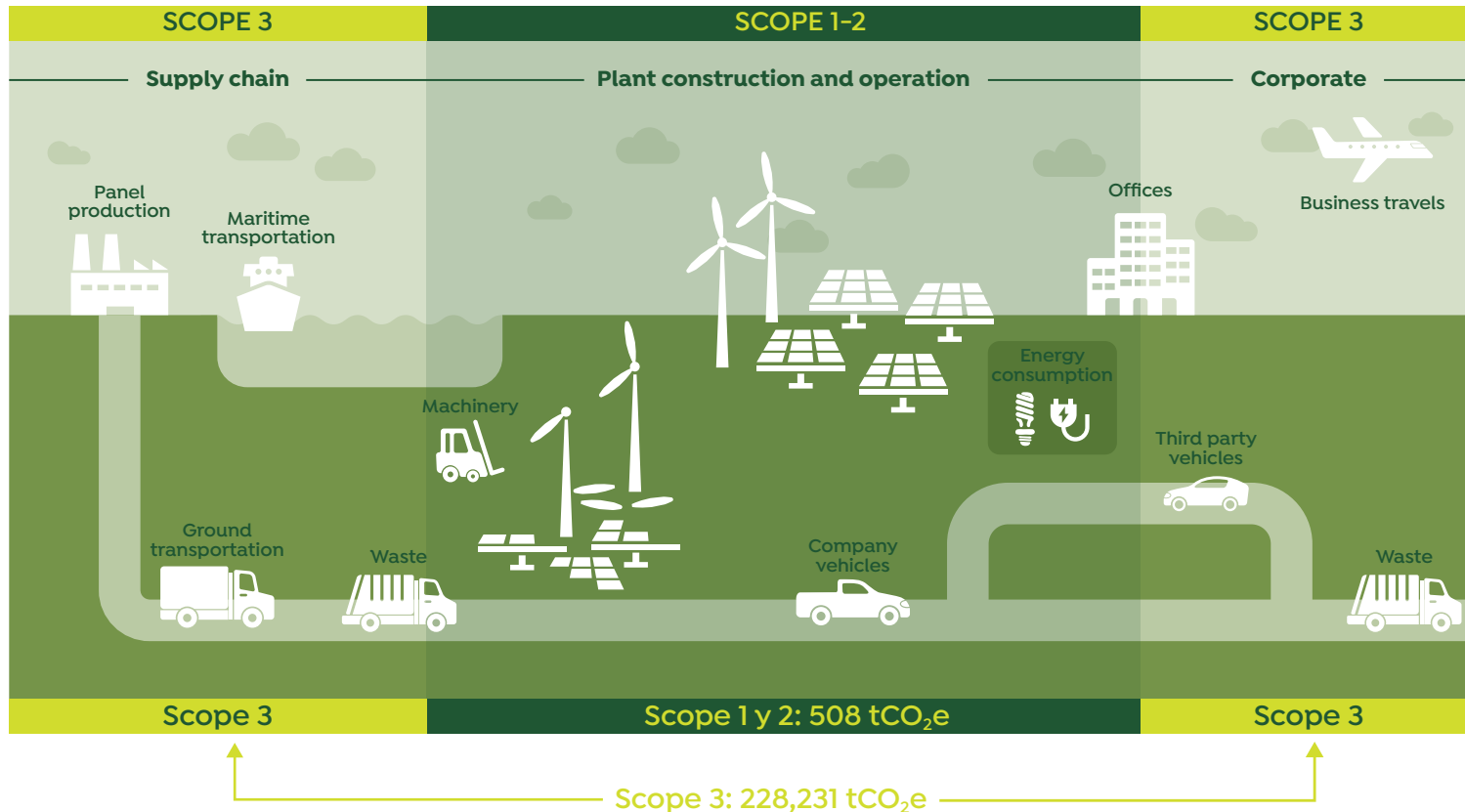
- UK Department for Environment, Food and Rural Affairs (DEFRA)
- Intergovernmental Panel on Climate Change (IPCC) 2006 IPCC guidelines for national greenhouse gas inventories
- Spanish National Greenhouse Gas Inventory (GHG)
- Ministries of Energy and Environment of Latin American countries

<sup>1</sup> Control approach: Greenergy accounts for 100% of its GHG emissions attributable to operations over which it exercises operational control.

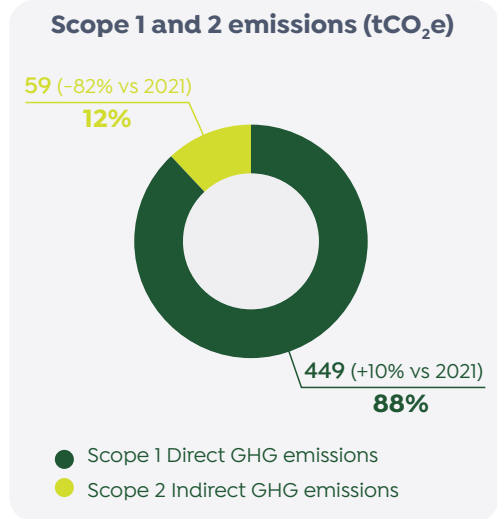
### Breakdown of Scope 1 and 2 emissions

In 2023, our activity generated 448.9 tCO<sub>2</sub>e of Scope 1 direct emissions which represents a 10% increase of our Scope 1 emissions compared to the base year, 2021. However, with the recent net zero strategy, we expect to replace the diesel/gasoline vehicle fleet with electric vehicles in the coming years (76% of the overall Scope 1).

As for the indirect Scope 2<sup>1</sup> emissions of 58.9 tCO<sub>2</sub>e, we made a significant reduction of 82% regarding the base year. As part of our net zero strategy, we have acquired International Renewable Energy Certificates (IRECs) to reduce the entire Scope 2 emissions from Chile and México. In this way, we have reduced Scope 2 emissions from 285.4 tCO<sub>2</sub> to 58.90 tCO<sub>2</sub>. This initiative aligns with Grenergy's commitment to reduce and neutralize our carbon emissions.



Grenergy has **reduced in 2023 36% of the Scope 1 and 2 emissions compared to 2021 (base year)**, thus demonstrating its commitment to the emission reduction targets set in the net zero strategy



<sup>1</sup> Scope 2 - market-based. The Scope 2 location based emissions reached 231 tCO<sub>2</sub> which represent a 41% reduction vs 2021 (base year)

### Breakdown of Scope 3 emissions

In 2023, the Scope 3 emissions sources were categorized according to the different categories indicated by the GHG Protocol methodology (4 Scope 3 categories, both upstream and downstream), resulting in total emissions of **228,231.35 tCO<sub>2</sub>e**.

The following table shows the most significant greenhouse gas (GHG) emissions according to the categories established by the GHG Protocol.

<b>Table 11. Scope 3 emission breakdown of 2023</b>		
	<b>Tm CO<sub>2</sub>e 2023</b>	<b>Variation vs 2021 (%)</b>
<b>Category 1: Goods and services purchased</b>		
Purchase of solar panels	221,414.13	18%
Machinery operated by third parties and fuel consumption in vehicles owned by subcontractors	4,010.48	97%
Water supply Offices	0.53	41%
<b>Category 4: Transportation and distribution</b>		
Logistics: land	1,974.74	72%
<b>Category 5: Waste generated in operations</b>		
Water treatment Offices	0.60	6%
Water supply Projects	1.71	37%
Hazardous waste Projects	1.04	-79%
Non-hazardous waste Projects	386.82	78%
Non-hazardous waste Offices	0.0006	-
Hazardous waste Offices	0.00	-
<b>Category 6: Business travel</b>		
Flights	371.27	16%
Trains	2.45	49%
Rental vehicles	67.58	49%
<b>Total</b>	<b>228,231.35</b>	<b>20%</b>



In 2023 Grenergy has **reduced** its indirect **scope 3 emissions by 54%** (in relative units, by sales) compared to 2021 (base year), committing to a reduction target of 50% Scope 3 emissions by 2030

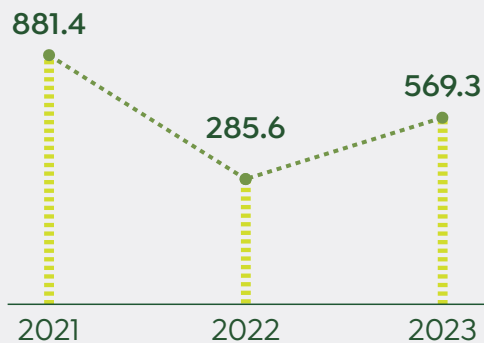
### Emissions intensity

Emissions intensity indicates the amount of pollutants or greenhouse gases released in a given period. It is calculated in terms of quantity of emissions per economic unit (sales).

The intensity of Scope 3 emissions, which represent the amount of indirect emissions related to activities outside the direct control of the organization, shows a decreasing trend, reaching 569.5 tCO<sub>2</sub>e/M€.

This represents a **54% decrease vs. 2021** on the pathway agreed with the net zero strategy targets of 50% reduction of relative scope 3 emissions by 2030.

Emissions intensity tCO<sub>2</sub> eq/sales (M€)



### Other emissions<sup>1</sup>

In the detailed analysis of carbon emissions, other emissions also need to be addressed.

Such as Nitrogen dioxide (NO<sub>2</sub>), Methane (CH<sub>4</sub>) and Sulfur Hexafluoride (SF<sub>6</sub>) due to their significant climate impact.

In 2023 the total emissions were 563.6 tons of CH<sub>4</sub> and 71.75 tons of NO<sub>2</sub>.

Table 13. Avoided Emissions by Country 2022-2023

	2021	2022	2023
Tm CH <sub>4</sub>	0.37	0.50	563.60
Tm N <sub>2</sub> O	11.14	10.08	73.75
Tm SF <sub>6</sub>	-	-	0

### The emissions we avoid

Grenergy has played a fundamental role in reducing greenhouse gas emissions into the atmosphere through its renewable energy production activities.

In 2023, through the generation of electricity from our wind farms and solar plants, which amounts to 1,045 GWh (773.3 GWh solar and 271.7 GWh wind), we will avoid the emission of 325,408 tCO<sub>2</sub>e, an amount higher than that of the previous year, 245,398 tCO<sub>2</sub>e avoided in 2022. This amount translates into the annual emissions associated with the energy consumption of 333,287 households.

Table 13. Avoided Emissions by Country 2022-2023

Countries	TN CO <sub>2</sub> avoided 2022	TN CO <sub>2</sub> avoided 2023
Spain	48,348.95	60,206.36
Chile	87,615.42	99,567.81
Peru	52,845.32	68,106.94
Mexico	32,113.81	33,395.12
Argentina	52,209.11	50,637.42
Colombia	4,346.99	13,494.08

<sup>1</sup> Other emissions refer to direct emissions corresponding to other refrigerant gases. Specifically, in 2023 there has been no recharge of SF<sub>6</sub> gas due to loss of leakage. - <sup>2</sup> Avoided emissions have been calculated using production by country and emission factors of the national electricity mix published by official sources and for equivalence of energy consumption in households (IDAE 2022).

## Energy consumption

Energy consumption comes both from the consumption of fuels from generators, machinery and company vehicles and from the consumption of electricity purchased or acquired. In this sense, the following is a breakdown of energy consumption and electricity generation from renewable and non-renewable sources by type of use.

**Table 14. Energy consumption 2023**

	Renewable consumption	Non-renewable consumption	Total consumption
Fuel consumption (generators, machinery and vehicles Grenergy)	0 MWh	1,928 MWh	<b>1,928 MWh</b>
Purchased electricity consumption or acquired	339.7 MWh	970,6 MWh	<b>1,610.3 MWh</b>
<b>TOTAL ENERGY CONSUMPTION (MWh)</b>	<b>339.7 MWh</b>	<b>2,898.6 MWh</b>	<b>3,538.3 MWh</b>
<b>TOTAL ELECTRICITY GENERATION (MWh)</b>	<b>1,044,570 MWh</b>	<b>0 MWh</b>	<b>1,044,570 MWh</b>



# Net Zero by 2040

**-60%**

**BY 2030**

GHG direct and indirect own emissions  
**scopes 1 & 2**

**-50%**

**BY 2030**

GHG indirect emissions from our value chain  
**scope 3/sales**

**Net Zero**

**BY 2040**

GHG direct and indirect own and our value chain emissions  
**scopes 1, 2 y 3**

## NET ZERO Strategy

Grenergy prepared its Net Zero Strategy at the end of 2023 and in early 2024 it was approved by the Board of Directors. This roadmap established 12 actions to significantly reduce Scope 1, 2 and 3 emissions and, therefore, commit to medium- and long-term emission reduction targets. The strategy arose in response to the current climate emergency and defines a decarbonization pathway aligned with the 1.5C objective, covering the main direct and indirect emissions.

Specifically, a **60% reduction in absolute GHG emissions** was established **for Scopes 1 and 2 by 2030 and a 50% reduction in relative GHG emissions (relative to sales) for Scope 3 by 2030, taking 2021 as the base year.** Grenergy is also committed to achieving **carbon neutrality for Scopes 1, 2 and 3 by 2040**, ten years ahead of European and national commitments such as the EU Green Deal and PNIEC. These ambitious, science-based targets will be validated by SBTi throughout 2024.

For more information on emission reduction and offsetting measures see the Net Zero Report on our website.

As of today, Grenergy is on the right path to decarbonization, as well as meeting the targets set. The status is summarized below:

**Table 15. Grenergy's Net Zero Strategy**

	2021	2022	2023	Variation vs. 2021	Target 2030	Target 2040
Scope 1 y 2(t CO <sub>2</sub> )	728	793	506	-36%	60%	
Scope 3 (t CO <sub>2</sub> /M€)	878.1	283.1	569	-54%	50%	
Scope 1, 2 y 3 (tCO <sub>2</sub> )	193,899	83,739	228,231	16%	-	

*In 2023, thanks to the generation from our projects, Grenergy has managed to avoid the emission of 325,287tCO<sub>2</sub>eq, which is equivalent to the energy consumption of 333,287 households*

# 4.3

Water resources are a valuable and scarce commodity that **Grenergy uses in a responsible manner**

## EFFICIENT WATER MANAGEMENT

The execution of our renewable energy projects, as well as subsequent operations and maintenance tasks, involve the use of water for various activities. These include particulate matter control and road stabilization, solar panel washing, general cleaning, and water supply for employee consumption and hygiene. Despite the need for water in these activities, Grenergy is committed to not discharging harmful waste into the environment. To properly manage this situation, we have implemented chemical toilets managed by specialized companies to avoid any type of harmful discharge. In this way, we ensure responsible water management that safeguards the environment.

### Sustainable use of resources

The company, aware of the risks associated with water scarcity, is seeking to minimize the environmental impact. The main actions carried out for a more efficient use of sustainable water manage-

ment are: surface water abstraction carried out with strict authorization and under the control of the competent authority in charge of its administration. As far as possible, low-impact sources are sought, such as desalinated water produced nearby, and no water storage is carried out. During 2023, we have been implementing the recommendations established in the water footprint analysis in accordance with ISO 14.046 to identify water consumption, opportunities for improvement and associated impacts. These results made it possible to identify the most relevant points on which action should be taken. As a measure to reduce industrial water consumption, dry panel washing, and the use of dust suppressants continued in 2023.

**100% of industrial water used** in the operation of our **Quillagua solar plant**, located in Chile's Atacama Desert, is powered by **desalinated water from the region**

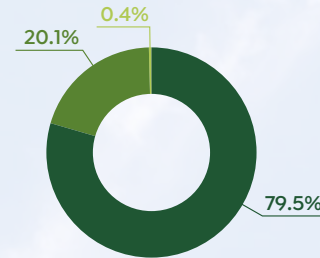


Dry cleaning of panels has permitted **Savings of 8 million m<sup>3</sup>** of water at the Quillagua plant (Chile) **and 592 million m<sup>3</sup>** in the PMGDs subcontracted in O&M

The total water consumption in 2023 amounts to 10,306 m<sup>3</sup> globally and the proportion of water consumed in areas considered water stressed amounts to 7,932 m<sup>3</sup>, according to WRI's Aqueduct. This consumption corresponds to 77% of all projects. In these areas, 8% of the water consumed comes from surface water, subject to limits and controls established by the competent authority, and the remaining 68% is water purchased from third parties. In addition, each project periodically evaluates potential measures to reduce water consumption and mitigate potential impacts of water use.

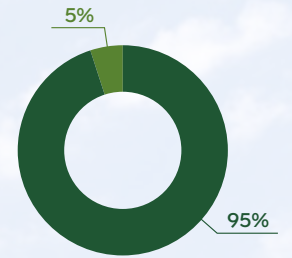


### Water consumed by source



- Third party water, from municipal services or purchased from suppliers (8,192 m<sup>3</sup>)
- Water extracted from surface water sources (2,068 m<sup>3</sup>)
- Water extracted from groundwater sources (wells) (45 m<sup>3</sup>)

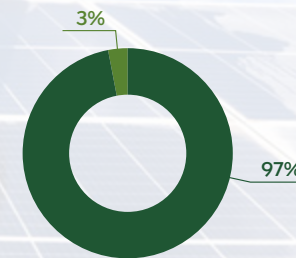
### Water sourced from third parties



- Fresh/potable water purchased from third parties (379 m<sup>3</sup>)
- Non-fresh/non-potable water purchased from third parties (7,813 m<sup>3</sup>)

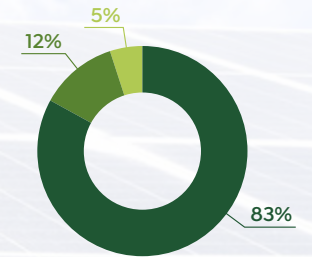
Globally, the percentage of third-party water considered fresh, or potable is 5%.

### Water consumed by use



- Water for personal consumption (307 m<sup>3</sup>)
- Industrial water (9,998 m<sup>3</sup>)

### Industrial water consumption



- Washing of solar panels (535 m<sup>3</sup>)
- Sanitary water (1,212 m<sup>3</sup>)
- Wetting of roads (8,250 m<sup>3</sup>)

Globally, 83% of industrial water has been used for road stabilization, while the remaining 5% has been used for panel washing.



# 4.4

## CIRCULAR ECONOMY PROMOTION

*Grenergy seeks to **maximize the use of resources and minimize waste generation.** We believe that all materials should be reused or recycled to the maximum extent possible to prolong their useful life and reduce the need to extract new natural resources*

Grenergy is committed to the circular economy in its operations for several reasons:

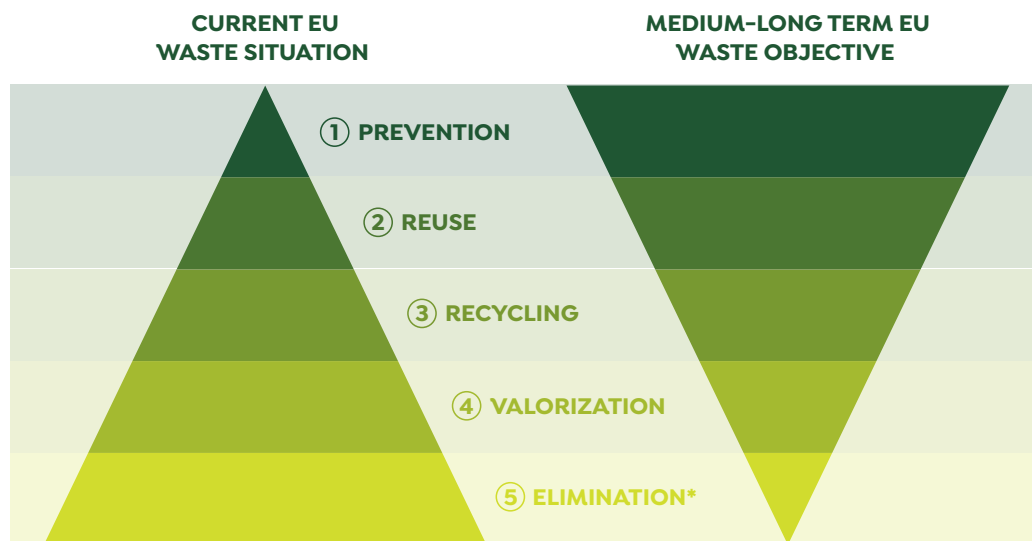
- » Reduced dependence on natural resources: by reusing and recycling materials, the need to extract new natural resources is reduced, which can contribute to the **conservation of ecosystems and biodiversity.**
- » Energy savings: the reuse of a product or the recycling process usually requires less energy than the production of materials from natural resources. Therefore, the circular economy can contribute to **the reduction of greenhouse gas emissions and energy savings.**
- » Waste reduction: the circular economy seeks to minimize the generation of waste and maximize its value, which can contribute to **reducing the amount of waste** sent to landfill.

In our commitment to the circular economy, Grenergy monitors consumption and waste generation at all its plants under construction and operation, as well as at its offices. In this way, we can detect unusual variations that may indicate inefficiencies in the use of resources. GHG emissions during waste management are considered in Scope 3 in the carbon footprint calculation.

### Waste management hierarchy

Our objective is to minimize water consumption and its environmental impact, as well as to maximize the reuse and recycling of waste. In this sense, we seek synergies with the local community to promote the circular economy. To this end, a large part of the waste generated during construction is donated to different entities to give it another use and extend its useful life. For example, at the Quillagua PV, some defective panels were reconverted into desks.

Waste that cannot be donated because it has no direct value is mostly sent to recycling plants. Ultimately, the remaining waste is sent for energy recovery or landfilling.



\*Towards zero discharge

In 2023, given the increase in plant construction activity, the company has increased the amount of total waste to 1,650.6t, of which 1,596.7t corresponds to non-hazardous waste and 53.9t corresponds to hazardous waste.

*Grenergy uses a hierarchy of measures in terms of resource management and waste*

**Table 16. Total and donated waste 2022-2023**

Typology	Units	2022 <sup>1</sup>	2023
<b>Hazardous waste</b>	Tn	97.6	53.9
Destined for disposal: Landfill	Tn	97.6	3.6
Destined for disposal: Incineration	Tn	0	0.3
Destined for non-disposal: Preparation for reuse	Tn	0	44.6
Destined for non-disposal: Recycling	Tn	0	5.5
<b>Non-hazardous waste</b>	Tn	644.7	1,596.7
Destined for disposal: Landfill	Tn	637.7	827.3
Destined for disposal: Incineration	Tn	0	0
Destined for non-disposal: Preparation for reuse	Tn	0	761.9
Destined for non-disposal: Recycling	Tn	7.1	7.5
<b>Total waste (hazardous + non-hazardous)</b>	<b>Tn</b>	<b>742.3</b>	<b>1,650.6</b>
<b>Donated waste</b>	<b>Tn</b>	<b>69.2</b>	<b>9.769</b>

*50% of the total waste is destined to reuse and/or recycling and 48.2% of non-hazardous waste is destined for reuse and/or recycling*

<sup>1</sup>The 2022 annual data for hazardous waste and, therefore, for total waste is modified due to erroneous unit conversion in the data.



*In 2023 Grenergy has donated to local communities, mainly in Chile and Colombia, 9,769 tons of wood, cardboard and copper, generating a positive local impact and ensuring a second life for these materials*

**Solar panels are the main hazardous waste from** Grenergy's activity. Following the hierarchy of measures, the first action to be implemented corresponds to the search for actors in the local community or educational institutions that can give a second use to our panels. In this regard, the high level of waste donations, especially of wood, cardboard and copper, is explained by the adoption of a circular economy approach in Latin American countries such as Chile and Colombia.

This practice seeks a second life for the unused materials on site, thus avoiding their disposal in landfills and promoting their utilization by local communities. This

donation contributes to community development by generating a positive local impact by providing resources for local projects, reducing the environmental footprint and fostering collaboration between companies and communities.

If the condition of the used panels does not permit their reuse, they are sent to recycling plants where 85% to 100% of the materials are recycled.

Non-hazardous waste corresponds to plant construction and consists mainly of packaging, cardboard and wood. These wastes are sent to recycling plants because of their recyclability. The recycling rate depends on the country in which the waste is produced.

This practice is one of many examples that demonstrate the company's commitment to environmental responsibility.



### Construction of the Pétalo de la Magdalena solar plant, Colombia

During the construction stage of the Pétalo de la Magdalena project in 2023, the strengthening of local enterprises associated with waste utilization continued. On this occasion, 37,976 kg of usable waste valued at approximately €2,100 were optimized. The recyclable waste included cardboard, plastic, wood, scrap metal, cable, PVC pipes, among others.

In addition to the economic benefit, the use of waste contributed to reducing the environmental impact in the area. Recycling and reusing these materials prevented them from ending up in landfills or being burned, which would have caused pollution and damage to the environment.

The recyclable waste in the Pétalo de la Magdalena project was optimized and 100% donated, benefiting 445 people, including workers at the solar park, inhabitants of the communities of influence and local entrepreneurs.

Through technical support from our environmental professionals, local entrepreneurs were able to optimize their recycling processes and find new business opportunities. The circular economy was also encouraged in the region, promoting sustainable resource management and generating employment and local development.

The Pétalo de la Magdalena project demonstrated that it is possible to use waste responsibly and generate a positive impact on the community. This motivates other companies and entrepreneurs to adopt similar practices, thus contributing to the construction of a more sustainable and environmentally friendly future.



Kg of waste used



Euros



Beneficiaries



## FEATURED CASE

### ADHESION TO THE "SCRAP" SYSTEM FOR SOLAR PANEL MANAGEMENT:

In 2023, we joined a Collective System of Extended Producer Responsibility (SCRAP) for the proper management of our purchased panels in compliance with Royal Decree 27/2021 and Law 7/2022 on Waste and Contaminated Soils for a Circular Economy.



Greenergy is committed to the proper management of its waste electrical and electronic equipment (WEEE) by joining the SCRAP European Recycling Platform (ERP), through which we declare all the solar panels we import from third countries to contribute to their control and proper management. In this way, we increase the traceability of photovoltaic panel waste, as it allows us to know the complete route to its destination. In addition, it allows us to increase transparency and contribute to the circular economy through the recyclability of electrical and electronic equipment (EEE) at the end of its useful life.





# 05

## CREATING SHARED VALUE

- 5.1 GROWING WITH OUR EMPLOYEES
- 5.2 BUILDING LINKS WITH OUR COMMUNITIES
- 5.3 RESPONSIBLE SUPPLY CHAIN MANAGEMENT
- 5.4 HUMAN RIGHTS COMMITMENT

# 5.1

## GROWING WITH OUR EMPLOYEES

*The determination and trust of our team ensures that we meet our objectives and become a reference in the competitive and clean energy sector.*

### A GROWING TALENT

Our team continues to grow in line with the expansion and development of the business activities that fulfill our strategic plan.



EFTP (Equivalent workforce)<sup>1</sup>

Grenergy's evolution, both from the perspective of the organization and its people, is based on sustainable development and respect. We value the potential of each person regardless of their origin, characteristics, attributes and preferences.

We always act with people's needs in mind, taking care of each member of the team, day by day, to move steadily towards the goals set by the organization, leaving no one behind. That is why the health and well-being of our employees is our priority.

**Grenergy's workforce maintains its double-digit growth, with a year-on-year variation of 31% (vs. 2022)**

<sup>1</sup> The personnel included in the calculation of the total number of employees per year (EFTPs) is the personnel with employment contracts, indefinite or temporary, signed with GREENERGY. In this sense, the figures of the CEO, Board members, freelancers and interns have not been considered as computable workforce in this calculation.

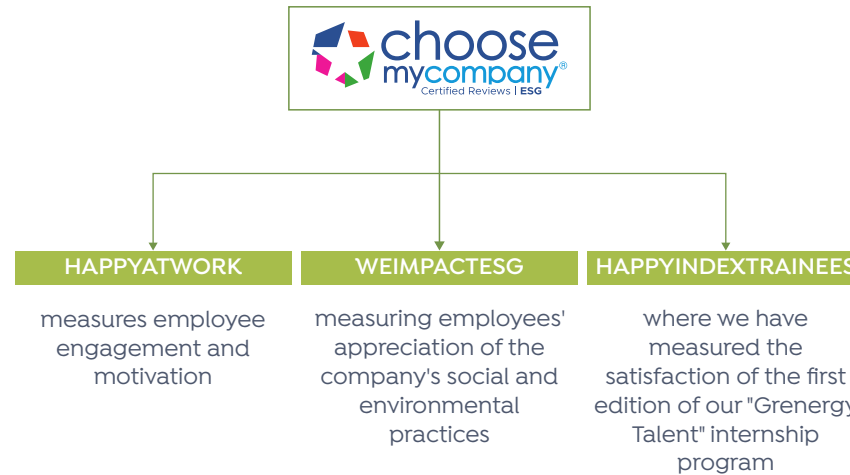


## GREENERGY PULSE

In addition to the deployment of the **Choose My Company** survey, we have developed an ad hoc live climate measurement questionnaire, under the name of Greenergy Pulse, with the aim of obtaining regular feedback from all employees on various topics that we consider key to success: work experience, mainly happiness, stress and well-being, purpose and work motivation; professional development, mainly merit, career and training; reputation and belonging, mainly culture, brand strength, values and social relationships; and leadership and compensation. This survey allows us to obtain information more frequently, as it measures the pulse of employees on a recurring basis, allowing us to extract data in real time and carry out action plans. This internal climate survey was launched globally in 2023 and has achieved a participation rate of more than 45%. In this regard, among the best performing topics would be Greenergy's reputation and the feeling of belonging, obtaining an average satisfaction rating of 75 and 76 (out of 100) respectively.

Greenergy, from its Sustainability Policy and Strategy, reaffirms its commitment to ensure equal opportunities, promote the participation of women in all phases of the business model and stakeholder representation, favor labor flexibility, encourage professional development and promote a culture of safety and health. In this way, the social actions and goals integrated by Greenergy maintain their alignment with the United Nations Sustainable Development Goals, highlighting the social contribution in goals 5 (Gender equality) and 8 (Decent work and economic growth).

A good place to work is characterized by close communication and collaboration based on respect, credibility and integrity of people, while promoting fairness and diversity based on impartiality, favoring the feeling and pride of belonging. Greenergy is an organization capable of attracting and retaining talent, as evidenced by the **Choose My Company** certification, which recognizes Greenergy globally with the following certifications:



At the end of 2023, 92% of employees (391) have permanent contracts, while the remaining 8% (34) are employees with temporary contracts. This type of contract arose from the need to incorporate technical profiles and field personnel in construction works, adapting to the status of the different projects.



**92%** of our employees have **permanent contracts**





Working time is distributed on a full-time basis according to the regulations in force in each country, with a distribution of 5 days a week. Similarly, all Grenergy employees work under this framework, since the organization does not have employees with shift work distribution.

**Table 16. Workday typology by Gender breakdown 2023**

	Full-time	Part-time
Women	131	4
Men	285	5
<b>Total</b>	<b>416</b>	<b>9</b>

**Table 17. Workday typology by age 2023**

	Full-time	Part-time
Less than 30	112	5
Between 30 and 50	256	4
More than 50	48	0
<b>Total</b>	<b>416</b>	<b>9</b>

**Table 18. Workday typology by category 2023**

	Full time	Part-time
Senior Management	6	0
Area Directors	11	0
Middle management	49	0
Technicians	226	5
Site/ground personnel	123	4
<b>Total</b>	<b>416</b>	<b>9</b>

The tables consider the decimals of each indicator for the global calculation, following the FTE ("Full Time Equivalent") calculation methodology

**TABLE 19. EMPLOYEES BY GEOGRAPHIC DISTRIBUTION 2023**

	EUROPE						AMERICA						Total
	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US	
Number of women	58	6	1	2	0	2	46	11	6	-	1	3	135
Number of men	103	9	4	6	0	9	111	26	8	2	1	10	290
<b>Total 2023</b>	<b>161</b>	<b>15</b>	<b>5</b>	<b>8</b>	<b>0</b>	<b>11</b>	<b>157</b>	<b>38</b>	<b>14</b>	<b>2</b>	<b>2</b>	<b>12</b>	<b>425</b>
Total 2022	113	7	3	6	0	2	115	29	10	3	1	12	289

**TABLE 20. EMPLOYEES BY CONTRACT TYPE AND GENDER 2023**

	EUROPE						AMERICA						Total
	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US	
<b>% Indefinite-term contract</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>93</b>	<b>88</b>	<b>74</b>	<b>81</b>	<b>100</b>	<b>59</b>	<b>100</b>	<b>92</b>
% Women	36	40	20	23	100	19	27	40	44	0	0	19	32
% Men	64	60	80	77	100	81	73	60	56	100	100	81	68
<b>% Temporary contract</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>12</b>	<b>26</b>	<b>19</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>8</b>
% Women	0	0	0	0	0	0	43	2	29	0	100	0	31
% Men	100	0	0	0	0	100	57	98	71	0	0	0	69

**TABLE 21. EMPLOYEES CATEGORY TYPE 2023**

	Senior Management	Area Directors	Middle management	Technicians	Site/ground personnel
Indefinite-term contract	6	11	49	227	96
Temporary contract	0	0	0	4	30
Men	4	9	33	138	106
Women	2	2	16	94	21

**TABLE 22. EMPLOYEES BY CONTRACT TYPE AND AGE 2023**

Age	Indefinite	Temporary	Total	
less than 30	107	10	117	28%
between 30 and 50	243	18	261	61%
more than 50	41	6	47	11%

**TABLE 23. AVERAGE REMUNERATION (€) BY CATEGORY, GENDER AND AGE 2023**

Gender	Professional Category	EUROPE						AMERICA					
		Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US
Men	Senior Management and Area Directors	105,577	-	-	-	-	-	101,317	-	-	-	-	-
	Middle management	70,666	90,000	114,265	-	-	105,000	47,069	44,990	72,727	43,645	-	152,523
	Technicians	35,624	40,309	63,176	40,510	-	54,030	27,867	16,083	12,238	-	45,356	126,435
	Site/ground personnel	35,463	-	-	-	-	-	16,761	8,475	21,651	39,252	48,950	-
Woman	Senior Management and Area Directors	84,300	-	-	-	-	-	-	48,258	-	-	-	-
	Middle management	60,471	-	-	-	-	-	55,984	27,748	23,433	-	-	-
	Technicians	34,492	39,722	71,765	36,209	20,500	34,626	29,955	21,084	25,197	-	-	66,297
	Site/ground personnel	25,188	-	-	-	-	-	14,995	8,552	11,313	-	16,987	-

**TABLE 24. AVERAGE REMUNERATION (€) BY GENDER 2023**

Gender	Average (€) 2023
Male	37,141
Female	34,411

**TABLE 25. AVERAGE REMUNERATION (€) BY AGE 2023**

Age	EUROPE						AMERICA						Average (€)
	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US	
less than 30	31,626	31,000	62,794	-	20,500	22,377	18,863	10,398	11,329	-	16,258	-	24,003
between 30 and 50	50,918	48,508	114,265	37,579	-	60,824	29,539	19,472	27,050	41,449	46,255	149,611	39,675
More than 50	42,217	50,000	68,235	44,543	-	66,857	18,188	16,665	12,494	-	-	115,467	30,320

## TALENT ATTRACTION

Grenergy promotes measures to improve the attraction of talent. As a result, a total of **125 new hires** were made in 2023, **27% more than in 2022**. Of the new hires, 86 were men and 39 were women.

In addition, Grenergy is committed to attracting young talent through long-term collaboration with the public business entity ICEX. Grenergy offers the candidates presented by ICEX and selected, a roadmap, supervised by a mentor, allowing them to gain experience in the renewable energy sector and in business development, as well as the opportunity to participate in international projects. In 2023, an ICEX candidate has been selected to join Grenergy as part of our commitment to young talent.

In addition, we promote young talent through initiatives such as the **Grenergy Talent Program**, a project in collaboration with Fundación Universidad Empresa (FUE) that aims to incorporate young recent graduates in a scholarship program. After a rigorous selection process, including group dynamics, language tests and individual interviews, a total of 10 people joined us in various departments in the second edition of this program. All of them are simultaneously pursuing a Master's Degree in Agile Organizations and Digital Transformation, as part of their scholarship program, thus strengthening their skills, while gaining professional experience in different areas of the organization. Regarding the interns who joined the Grenergy Talent Program in 2022, several of them have consolidated their scholarship program and thanks to their good performance, they are currently part of the staff.

In the past year, we reaffirmed our commitment to the well-being of the Grenergy community, highlighting initiatives that promote sports activities, such as subsidies for access to gyms, the organization of events such as the Carrera de las Empresas and the establishment of a corporate soccer league, among others. In addition, we continue to develop strategies to strengthen wellness in all the countries where we operate, prioritizing initiatives that promote the integral health of our teams.

**TABLE 26. DISTRIBUTION OF NEW HIRES IN 2023**

Total		<b>125</b>
By gender	women	<b>31%</b>
	men	<b>31%</b>
By age	>50 years	<b>16 (13%)</b>
	between 30 and 50 years	<b>59 (47%)</b>
	<30 years	<b>50 (40%)</b>
By country	Spain	<b>36%</b>
	Italy	<b>3%</b>
	UK	<b>1%</b>
	Poland	<b>2%</b>
	Romania	<b>0%</b>
	Germany	<b>8%</b>
	Chile	<b>36%</b>
	Colombia	<b>8%</b>
	Peru	<b>3%</b>
	America	Argentina
Mexico	<b>1%</b>	
US	<b>2%</b>	

Grenergy offers a **diversity of talent** by combining a team of senior professionals with proven experience in the industry and a younger workforce that is given the opportunity to participate in projects international

In 2023, 12 geographical and departmental internal movements were carried out, highlighting the success of internal mobility in talent management

Commitment to internal mobility at Grenergy is a key strategy for the company's optimization of the availability and the alignment of efficient use of talent.

This approach not only seeks to boost employee motivation and professional development, but also to cultivate a shared culture that offers transparent equal opportunities in various sectoral, functional and geographic areas. Internal mobility is conceived as a means of responding to the company's diversification and internationalization strategy, prioritizing internal promotion over external recruitment. The importance of preserving internal knowledge and improving economic and operational efficiency is also stressed.

At Grenergy we are aware of the talent we have and we are committed to their professional development and loyalty.

Employees receive accident coverage, covering disability and major disability commitments assumed in the different collective bargaining agreements that apply, including accident policies, as well as travel assistance for reasons of disability.

The average length of service (in years) has been reduced with respect to 2022, mainly

due to the incorporation of 125 new employees, increasing the overall workforce by 31%. On the other hand, the average length of service (in years) has been reduced with respect to 2022, mainly due to the incorporation of 125 new employees, increasing the overall workforce by 31%.



While it is true that there is a high labor turnover in the renewable energy sector associated with the shortage of highly qualified professionals and the exponential demand that this sector demands, **we have managed to reduce total turnover rates by 21.4% and voluntarily by 17.8% in 2023 compared to last year's figures.** This achievement, which should increase in a progressive decrease in turnover over the years, reflects Grenergy's continued commitment to talent retention by providing opportunities for professional growth, team stability and quality services.

Table 29. Grenergy turnover 2022-2023			
	2022	2023	2022 vs. 2023
Voluntary turnover rate <sup>1</sup>	14%	11%	21.4%
Total turnover rate <sup>2</sup>	16.9%	13.9%	17.8%

In addition, turnover rates by gender and age range are included.

Table 27. Turnover rate by gender	
	2023
men <sup>3</sup>	12%
women <sup>4</sup>	10%

Table 28. Turnover rate by age	
	2023
<30 <sup>5</sup>	13%
between 3 and 50 <sup>5</sup>	10%
>50 <sup>5</sup>	11%

In 2023, two ex-Grenergy employees in Spain opted to rejoin the Group after voluntary redundancy, thus underlining the attractiveness and value that the company represents as an employer.

All employees in Spain and Italy are covered by collective bargaining agreements, representing 41.2% of the total workforce. In the absence of an equivalent framework as in Spain and Italy, in the other countries are governed by the local regulatory framework.

Grenergy is governed by the Collective Bargaining Agreement of the Industry, Services and Metal Installations Sector of the Community of Madrid and Cuenca, respectively. The company has a culture based on transparency and accessibility between the different levels, with the aim of facilitating and opening communication between all, facilitating the flow of information and consultations of workers on an equal basis. There is currently no formal union representation, so agreements with workers are carried out in accordance with current legislation and under a cultural framework of open communication between employee and employer. Regarding the number of dismissals, the following table is detailed by age, gender and category.

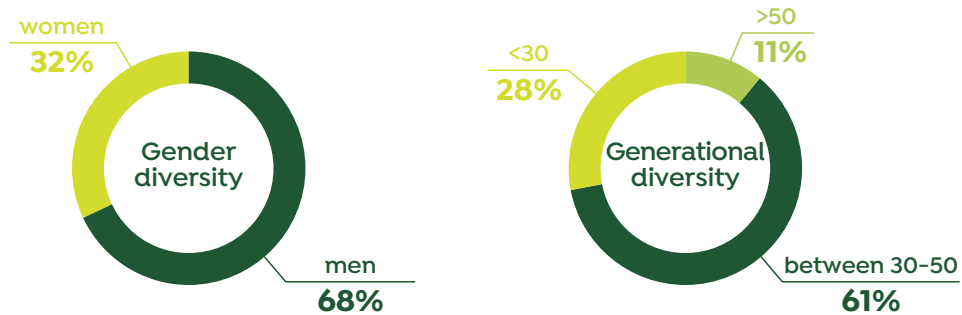
Table 30. Grenergy dismissals by age, gender and professional category 2022-2023			
		2022	2023
Sexo	Women	4	1
	Men	5	10
Age	less than 30	2	2
	between 30 and 50	6	8
	More than 50	1	1
Category professional	Senior Management	0	0
	Area managers	0	0
	Middle management	1	1
	Technicians	6	6
	Site/ground personnel	2	4

<sup>1</sup> Total turnover rate: No. of voluntary and involuntary male and female departures / Male and female employees at year-end - <sup>2</sup> Voluntary turnover rate: No. of male and female voluntary departures/ Male and female employees at year-end) - <sup>3</sup> Voluntary turnover rate men = No. of voluntary departures men/No. of male employees at year-end - <sup>4</sup> Voluntary turnover rate women = No. of voluntary departures women/No. of female employees at year-end - <sup>5</sup> Turnover rate by age range = No. of voluntary departures of age range / Number of employees of age range from all countries.

## EQUALITY, DIVERSITY AND INCLUSION

Grenergy is committed both in its Code of Conduct and in the first Equality Plan to ensure a work environment of equality, respect, safety and non-discrimination based on race, sex, ideology, age, disability, ancestry, sexual orientation, belief or any other type of personal or social condition, specifically monitoring conduct susceptible to any type of harassment of a personal nature. No complaints have been received and no cases of discrimination have been opened during the years 2022 and 2023.

The numbers reflect our commitment:



At Grenergy,  
**we believe in the richness and added value that diversity brings, inclusion and equality.**  
These factors are both a priority management commitment and a competitive advantage

**Table 31. Distribution of the workforce by professional category, age and gender**

Professional Category	Age Group	Percentage	Gender Distribution
Senior management (6)	<30	0%	33%
	30-50	84%	
	>50	16%	
Area Directors (12)	<30	0%	18%
	30-50	91%	
	>50	9%	
Middle management (49)	<30	5%	33%
	30-50	82%	
	>50	13%	
Technicians (231)	<30	35%	41%
	30-50	57%	
	>50	8%	
Site/ground personnel (127)	<30	27%	17%
	30-50	57%	
	>50	16%	

Legend: Women (Dark Green), Men (Light Green)

**Table 32. Jobs by geographic distribution and category 2023**

	EUROPE						AMERICA					
	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US
Diversity of management positions <sup>1</sup>	12	-	-	-	-	-	4	1	-	-	-	-
Employee diversity <sup>2</sup>	149	15	5	8	0	11	152	37	14	2	2	12
Distribution of jobs by nationality	38%	3%	1%	2%	0%	3%	37%	9%	3%	0%	0%	3%

Legend: Diversity of management positions (Light Green), Diversity of jobs (Medium Green), Distribution of jobs by nationality (Dark Green)

The tables take into account the decimals of each indicator for the global calculation, following the FTE (Full Time Equivalent) calculation methodology.

<sup>1</sup> Diversity of management positions: Senior management + Area Directors - <sup>2</sup> Diversity of employees: Middle management + technicians + Site/ground personnel



*In 2023, Grenergy has been recognized alongside 45 Spanish listed companies to be part of **BME's IBEX Gender Equality Index**, an index that can only be accessed by companies with a significant female presence in senior management and Board of Directors*

Since the ESG Roadmap, launched in 2021, Grenergy has developed an Equality Roadmap that aims to promote equal opportunities in the professional development of women, from the selection and hiring stages, favoring the reduction of salary differences between both genders for positions of the same responsibility, and, in turn, the achievement of equal pay. In addition, we have implemented work-life balance and labor flexibility initiatives, as well as other measures to ensure a respectful work environment. In 2023, more than 20 actions to be implemented have been agreed and a follow-up meeting was held at the end of this year. The action plans are related to the areas of training, selection, development, culture, among others. However, the equality plan is registered and published in the [Registry and Deposit of Collective Bargaining Agreements, Collective Agreements and Equality Plans \(REGCON\)](#).

As part of our commitment to the society in which we operate, we promote the social and labor inclusion of people with disabilities. Thus, Grenergy, in collaboration with the Adecco Foundation, is committed to diversity through activities such as a testimony on mental health by Javier Martín or training on unconscious bias. This helps to improve the visibility of vulnerable people, facilitate awareness, and promote the development of a more effective and sustainable use of the company's resources.

The initiative helps us to reduce barriers, inequalities and discriminatory attitudes to accessing the labor market. This initiative helps us to comply with the LGD Law.



*We meet the legendary co-host of *Caiga Quien Caiga*, Javi Martín, to talk about mental health.*

At Grenergy we have publicly stated our commitment to the principles of diversity, inclusion and equality. To protect the people in our team, the company has a Policy to Prevent and Combat Workplace and Sexual Harassment, in addition to a wide range of sub-policies for each of the countries in which it operates. Also, as a reflection of the company's strong commitment to the fight against situations of workplace and sexual harassment, Grenergy has established a whistleblower channel on its website to ensure employee confidentiality and safety, and has a disciplinary committee in place.

## TRAINING AND DEVELOPMENT

Grenergy has structured an improved employee training plan for 2023, based on four transversal dimensions, with the purpose of enhancing professional knowledge, promoting Grenergy's culture and the commitment and development of its employees. In this way, a model adaptable to the necessary capabilities identified for the achievement of business objectives and strategies is promoted, aligning Human Resources policies, people's needs and strategic objectives.

### Grenergy Soft Skills

Management skills linked to organizational effectiveness and improvement such as leadership, communication, diversity and inclusion.

### Grenergy Technical Skills

Basic and complementary knowledge for the optimal performance of functions (professional social networks, cybersecurity, internal communication and collaborative spaces).

### Grenergy Net

Dissemination of internal knowledge through talks given by internal experts in the different areas. internal experts in different areas.

### Grenergy Growth

Ad hoc training in response to identified non-identifiable needs.

By laying the foundations of a structured, in-depth and tailored training strategy, Grenergy optimizes the performance of technical and managerial functions of the team, diversifying the team in terms of resources and knowledge, and maximizing employee motivation to grow and improve their profiles. Furthermore, in order to support employees in an international environment, Grenergy offers its employees one-to-one language classes with native teachers through several reputable providers.

**Grenergy**  
**provides specific**  
**training** tailored to the  
needs of each employee  
and is creating leadership  
and development training  
programs to improve  
technical and soft  
skills





This year we have integrated new initiatives and content. We have started the Leadership Skills Itinerary for managers and, at the same time, a soft skills itinerary for collaborators. The objective of these trainings is to establish a homogeneous basis for team management, effective communication and teamwork, among other topics.

Internal knowledge dissemination talks have been consolidated thanks to the Grenergy Talks, where managers of key areas share their experience with the rest of the organization with the aim of disseminating internal knowledge.

**Table 33. Number of training hours 2023**

Topic	No. of training hours	Weight of training
Equality, diversity and inclusion	133.5	3%
Cybersecurity, Information Security and IT	145.5	3%
Technical Skills	353.0	8%
Soft skills	1461.3	35%
Languages	1283.0	30%
Compliance, Ethics, Corruption and Bribery	471.0	11%
Sustainability, environment and climate change	203.5	5%
Health and safety	180.0	4%
<b>TOTAL</b>	<b>4230.8</b>	<b>100%</b>

Thus, we have provided our technicians with an average of **12.91 hours** of training/employee, middle management with **11.57 hours/employee**, area managers with **10.5 hours/employee**, and members of senior management and board members with **9.33 hours/employee**. At Grenergy, we recognize that continuous training is essential for our sustainable growth. The provision of training hours to our entire workforce not only strengthens skills, but is also the ideal tool for transmitting our values, especially our commitment to environmental protection. In our training programs on sustainability and health and safety, we focus, among other objectives, on raise our employees' awareness of the direct impact of their work on the environment. In doing

so, we believe that each employee becomes an active advocate of environmentally friendly best practices, contributing to the environment.

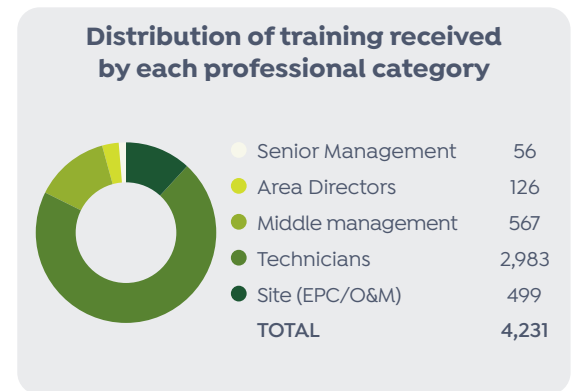
to preserve a more sustainable future.

Training for employees to understand the impact of their work activities on the environment.

From a quantitative perspective, the improvement in the management of the team's professional growth is reflected in the increase in the time dedicated to training that The ratio of training **hours** per employee is **10 hours**. The training hours distributed by gender are 8.5 hours/man and **13 hours/woman**.

During 2023, we have **reinforced the training of the team** in several areas such as **technology, soft skills, internal knowledge, among others**

**134.6€** Investment in training per employee



## COMPENSATION

The variable compensation of employees is defined based on results and following an annual and continuous performance evaluation process that aligns Greenergy's strategic goals with the objectives of each department. In this way, there is an important link between the variable remuneration of executives and the ESG 2023 objectives integrated into the organization's corporate strategy.

The performance appraisal procedure approaches each review decision objectively, providing fair compensation from the perspective of the employee's level of responsibility and contribution to Greenergy's objectives.

This is a circular process that is restarted each year with a review and assessment of the contribution to the objectives established at the beginning of the previous year and, subsequently, the goals to be achieved in the coming year are prepared and established between the manager and the employee, together with the communication of the incentives received. For the evaluation of these specific, measurable, achievable objectives, aligned with the corporate strategy, the employee carries out a self-evaluation.

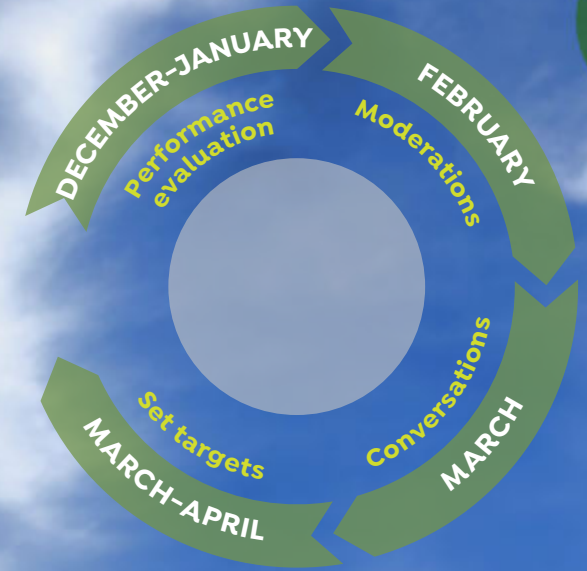
which, together with an assessment of the progress of the business objectives aligned with those of the department or line of business and an identification of areas for improvement, will contribute to obtaining an efficient and fair balance of the corresponding annual progress.

To guide people to conduct this meeting, specific feedback trainings have been carried out to prepare managers and employees for this moment and that the performance evaluation process is something that will gradually permeate within the organization as a recurring practice, generating organizational culture.

In addition, the company offers its executives a long-term incentive program for senior management and key personnel to strengthen talent retention and align talent with company objectives.

In the March 2023 performance evaluation, it is worth highlighting the achievement of 97% of variable remuneration for all employees compared to fixed remuneration. This demonstrates the setting of clear, achievable and realistic objectives aligned with Greenergy's strategy.

**Greenergy promotes the values of transparency and honesty through the conversations one-to-one, and the feedback processes**



### Employees with performance evaluation by gender<sup>1</sup>:



66%



35%

Greenergy

<sup>1</sup> Performance evaluation conducted in March 2023



**The 2023  
gender pay  
gap** in Greenergy  
for the 0.29%

**PAY GAP ANALYSIS**

The methodology used in the calculation of the gender pay gap involved segmenting the information according to specific categories, areas and positions, focusing on employees' fixed salaries at year-end as the primary reference. The analysis has addressed three key markets: Spain, Chile and Colombia, which together represent 80% of Greenergy's workforce (expatriate employees were excluded due to their particular conditions).

Additionally, reduction factors were applied to homologue similar positions, considering aspects such as seniority, experience, training and responsibility, with the purpose of making an accurate calculation of salaries."



**34,411 €**

Average salary  
for women



**37,141 €**

Average salary  
for men



Grenergy is committed to through its Policy on Health and safety in the work, to **promote a health culture and safety at work** through the use of preventive tools

### EMPLOYEE SAFETY, HEALTH AND WELLNESS

Grenergy, for its activities in Spain, with the help of external services (such as our external prevention service and other consulting firms) evaluates the working and environmental conditions and other circumstances present during the development of its activities; establishing in each case the preventive, corrective and emergency measures. In other locations, either with internal personnel or with the help of external services, we guarantee a safe work environment and promote a preventive culture, with actions similar to those already mentioned.

In 2023, the **Occupational Health and Safety Policy** was approved with the aim of promoting and protecting the health and well-being of its employees. In this way, the commitment to provide safe and healthy working conditions for all workers and third parties related to Grenergy is established. In accordance with Grenergy's Code of Conduct, Grenergy protects its employees against the risks of accidents at work and provides a safe working environment to ensure that its employees and collaborators return home safe and sound at the end of the working day. Responsibility for Occupational Safety and Health (OSH) management concerns all company personnel, including all stakeholders, and we are all committed to incorporating its principles into the daily activities carried out at Grenergy. In this sense, Grenergy assumes the following commitments:

- » Comply with all legal requirements regarding Risk Prevention, as well as those that Grenergy voluntarily subscribes to.
- » Identify Occupational Risk Prevention as an important aspect, present in all the company's activities
- » Promote a preventive culture in our collaborators, contractors, suppliers and visitors.
- » Integrate safety and health management to all activities carried out in the work centers.
- » Promote a culture of zero accidents, encouraging continuous training and the permanent improvement of safety procedures and processes.
- » Develop training activities in ORP to ensure the safe behavior of the entire team
- » Provide the human and material resources necessary to eliminate hazards and reduce risks within the framework of OSH
- » Establish channels of communication and cooperation between Grenergy personnel and interested parties.
- » Guarantee the participation and information to Grenergy's personnel, making effective the right to consultation of the workers
- » Encourage the promotion of health and wellness among employees.

Throughout the construction phase, Greenergy prepares detailed health and safety plans, emergency and evacuation plans, along with other elements of control and coordination, to ensure safe work by its own personnel and contractors. It is in the operation and maintenance phase where the ORP Manual and self-protection plans underline our preventive culture. Greenergy has personnel specialized in occupational risk prevention in both phases. These are generally in-house and from the local community but are no less competitive in terms of competencies and training.

Greenergy is fully convinced that fostering understanding and knowledge play a crucial role in laying the foundation for healthier habits. During 2023, a total of 18,664 hours of safety and health project training were

conducted among Greenergy employees. In our efforts to promote a culture focused on health, safety and well-being in the workplace, and given the significant increase in the number of facilities under construction during fiscal year 2023, there were no fatalities or serious accidents, 16 minor accidents, and 2 occupational illnesses.

As a result of this commitment to the health and safety of both employees and key stakeholders, following the update of the 2024-2026 Sustainability Strategy, some objectives have been set, such as obtaining triple certification in Spain (ISO 14001, ISO 9001 and ISO 45001) by EPC, use of the ISO 45001 standard as a reference for OSH management in work centers and more than 100 hours of training for workers in OHS in the countries in the 2024-2026 period.



**Table 34. Health & Safety Indicators Greenergy 2022-2023**

KPIs	2022			2023			Var. vs 2022
	Men	Women	Total	Men	Women	Total	
Accidents	4	0	4	9	3	12	67%
Fatal accidents	0	0	0	0	0	0	-
Occupational diseases	0	0	0	0	2	2	100%
Absence hours	144	0	144	304	224	528	73%
Injury Frequency Rate (LTIFR) <sup>1</sup>	4.6	0	4.6	14.1	10.5	12.3	63%
Injury rate (LTIR) <sup>2</sup>	0.9	0	0.9	2.8	2.1	2.5	63%
Absenteeism rate <sup>3</sup>	32.8	0	32.8	95.5	156.2	125.8	74%

<sup>1</sup> (No. of recordable accidents / No. of hours worked) \* 1,000,000 (excluding in itinere processes) - <sup>2</sup> (No. of recordable accidents / No. of hours worked) \* 200,000 (excluding in itinere processes) - <sup>3</sup> (No. of days lost / Total number of days worked)\*200,000



## 5.2

# ESTABLISHING LINKS WITH OUR COMMUNITIES

*We are fully aware of the impact we leave in the communities where we operate, and we strive to generate a positive social impact.*

### **Local impact**

Since its inception, Grenergy has had an important social role to play through its role in the decarbonization of the Group by reducing its carbon footprint, contributing to an improvement in air quality and, as a consequence, in the improvement of people's health and well-being.

However, during our activity it is essential to build transparent and solid relationships with the local communities near our projects, from the early development phase to the end of their useful life, thus creating a two-way dialogue. Through this initial communication, we identify opportunities to improve the quality of life of these communities during the development phase, and then actively contribute during the construction and operational phases of the plants. Thus, one of our main objectives is to generate collaborative links with the communities, where we work together on projects of social value.

Our objective is that the communities can find in us an ally with to develop and genera-

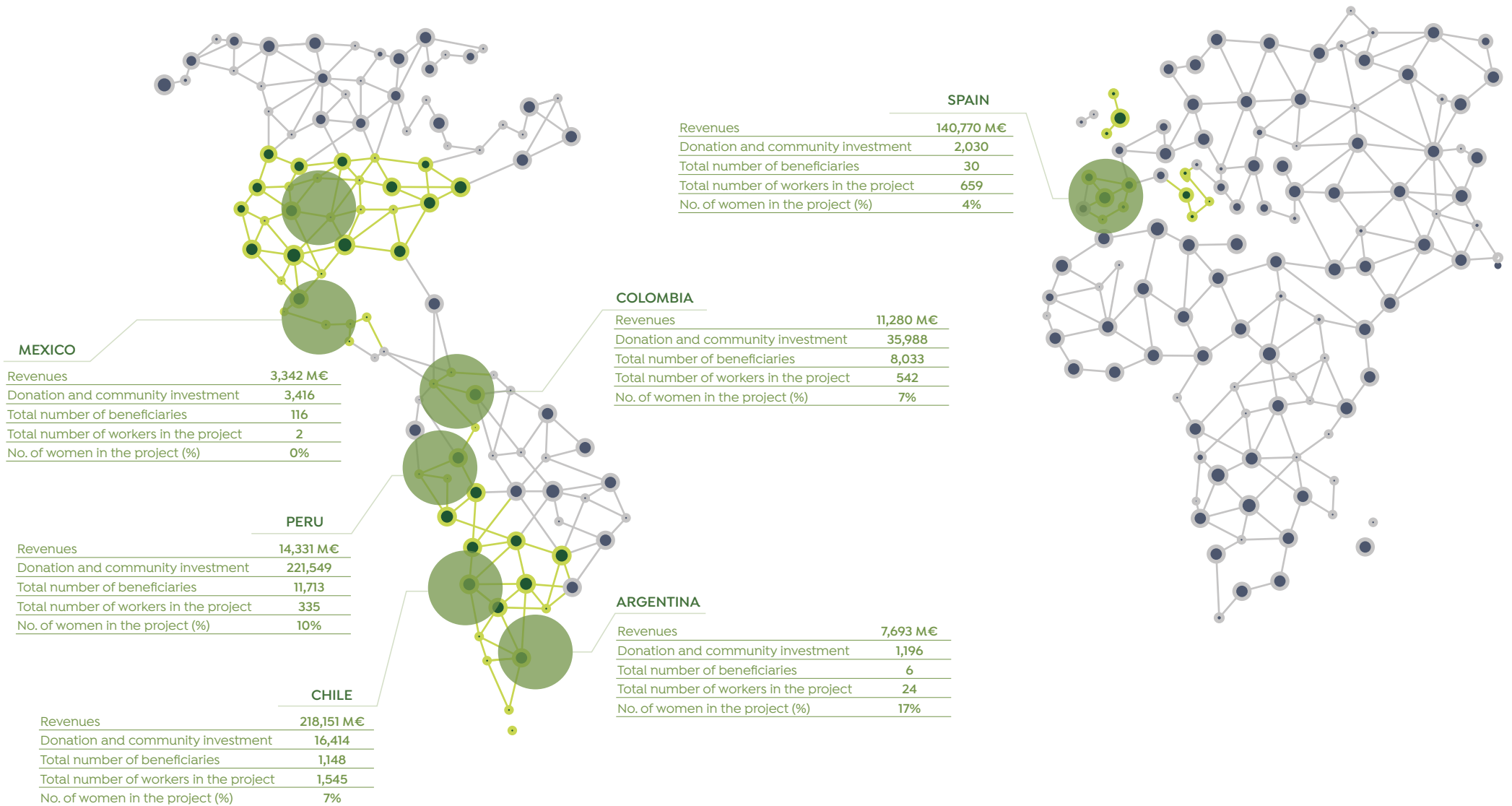
te new capabilities, in line with our sustainability strategy.

In addition, through environmental impact studies or similar procedures, possible critical points for the correct development or operation of the project in social matters are identified and appropriate measures are established to minimize this impact. During 2023, no fines have been received in relation to social non-compliance. There have also been no delays in projects due to impacts on local communities.

On the other hand, as a result of our commitment to promote local development in the communities near our plants, during 2023 we have established countermeasures to increase local and women's employment. In 2023, the case of Gran Teno, our largest plant to date in Chile, stands out, where female hiring has been boosted to 7.85%. Local hiring has also been boosted, reaching 41.3%.

In addition, another of our plants in Chile, Tamango, has achieved a 5.75% female employment rate and a 39.7% local employment rate by 2023. The improvement of these aspects are taken into account for the achievement of the objectives proposed in our new and ambitious green financing signed with the Santander bank in 2023.

## IMPACT OF MAJOR PROJECTS IN 2023



### Community relations procedure

It is essential for every company to constantly review its protocols and procedures to respond appropriately to the different realities and needs of its environment. In keeping with our culture of continuous improvement, we have updated our Local Community Relations Procedure, which provides the framework for the actions undertaken by our social managers in each country. In addition, we have published the company's community relations policy on our website.

The Local Community Relations Procedure is in line with Grenergy's Sustainability Policy, its Human Rights Policy and its Code of Conduct. This framework guarantees socially responsible action that respects the cultural diversity and customs of the communities located in the areas where our projects are carried out.

One of the main guidelines provided by the Local Community Relations Procedure is the implementation of communication in the initial stages of the project.

The company maintains records of the dialogue held and disseminates relevant

information in a transparent, objective and culturally acceptable manner throughout all phases of the project. This is done through formal and informal meetings, training sessions and consultations, ensuring accessibility and understanding by the communities. Various communication channels are facilitated with the social leaders, distributing telephone numbers and e-mail addresses to address queries and concerns of our neighbors. In addition, mechanisms are implemented to guarantee anonymity, such as physical and/or virtual mailboxes through our web page. This ensures that all communication is addressed through a feedback system, allowing us to evaluate the effectiveness of our actions and make adjustments as necessary.

In this way, we guarantee the opening of a space that favors the direct and transparent participation of the various stakeholders in the projects. In this context, we encourage the communication of their concerns and suggestions, which are managed in accordance with procedures established for this purpose.







Accordingly, a dedicated procedure has been established to address Questions, Complaints, Claims and Suggestions (PQRS). The purpose of this mechanism is to identify and manage responses in a timely, respectful and appropriate manner for each stakeholder of the Projects. The fundamental purpose of this procedure is to ensure that all PQRS submitted to the projects are addressed, recorded and resolved in accordance with the company's corporate standards and policies. This measure enables us to implement improvement plans on an ongoing basis in collaboration with stakeholders. Through this procedure, and through a process of assessing needs and opportunities in the region, Grenergy activates action plans and supports local impact initiatives that meet criteria aligned with the Sustainable Development Goals identified as a priority or that address fundamental needs detected in the area. For the implementation and development of these local community

support initiatives, a transparent and orderly mechanism is applied that requires prior approval of proposed initiatives in ESG and budgetary terms, as well as monitoring of funds to ensure their proper use. This approach translates into a tangible improvement in the quality of life of the community.

#### **Local development**

In our aim to create a positive impact through our projects in the local communities, we seek to foster their development by generating employment and raising awareness of the importance of children's education, in line with our sustainability strategy, and by promoting community activities that build capacity in the communities, thus fostering local development.

These actions are based on the basic lines of action in accordance with the sustainable development objectives established for our company.

- » We strive to understand the cultural diversity and customs of the communities present in our project areas in order to achieve a respectful approach to the implementation of these initiatives.
- » We facilitate training and workshops on topics of interest to the community that can catalyze potential trades, and we promote access to renewable energy education. We are committed to making the process of these initiatives participatory and collaborative.

## Our value during 2023

During the period we worked collaboratively on different initiatives with the communities, with the ultimate goal of generating shared value and contributing to the improvement of people's quality of life. The main lines of work were: 1) education and environmental awareness, 2) training and local employment generation, and 3) affordable, non-polluting energy.

In these initiatives, donations and social investments to the local community amounted to €295,404, of which €35,857 are donations in kind, €205,875 are monetary donations and the remaining amount, €53,672 corresponds to community investment, highlighting awareness or environmental education actions.

## Basic principles and strategic lines of the social action plan

The creation of positive local impact is guided by the principles and strategic lines of Grenergy's Social Action Plan, following a needs assessment exercise.

### BASIC PRINCIPLES

Considering the performance standards of the International Finance Corporation (IFC), any community relations process should include the following steps:

- (i) Start communication at an early stage of the project,
- (ii) Act on the environmental and social risks and impacts of environmental impact studies,
- (iii) Maintain regular communication with the different stakeholder groups to understand how they are affected by the different phases of the project,
- (iv) Disclose relevant information at all stages of the project that is transparent, objective, meaningful, in a local language (or languages) and in a format that is culturally acceptable and understandable to the Affected Communities,
- (v) Make use of culturally appropriate media

### STRATEGIC LINES

The strategic lines delimit the area of definition of the social plans and initiatives and are complemented by the analysis of the needs of the environment of each project and local community, in a context of consideration of the strategic importance of each project. These strategic lines correspond to the following Sustainable Development Goals.



Promote equal opportunities between men and women.



Facilitate access to clean energy and improve energy efficiency.



Promote economic growth and full employment under fair conditions.



Improve education, awareness and human capacity for climate change mitigation and adaptation.



Stop biodiversity loss.



## SUCCESS STORY

### GRAN TENO PHOTOVOLTAIC PLANT PROJECT, CHILE

The "Raoul Follerau" rural health post now has a photovoltaic system that improves its electrical stability.

It is the best example of how Grenergy, in addition to promoting the development of clean and renewable energy, seeks to generate a positive social impact on local communities.

Our solar plant Gran Teno (200MW), located about 9 kilometers from the town of Teno, donated and installed photovoltaic panels for the partial supply of a community space in the commune of Teno, which corresponds to the Raoul Follerau rural post.

The reception of this photovoltaic system has strengthened the electrical stability of the health center, which is a point of great relevance for the surrounding communities, such as San Rafael, El Quelmén, Villa Los Robles, Villa San Ramón, Eucalyptus and Aldea Louis Letsch, where it is located.

Thanks to this contribution, the center has been able to find a solution to the historic power outages that hinder the necessary work of its employees, who seek to strengthen the health network in these rural areas, whose users are usually elderly people with little mobility and few public services at their disposal.

In addition, another of the activities supporting the development of the community has been the management of contributions and social investment initiatives for the benefit of the inhabitants of Teno. A concrete example of this direct connection is the donation of 600 food baskets to families affected by heavy floods that caused considerable material losses in the commune.

In addition, we promoted training in home plumbing and organic vegetable gardens, with a high level of female participation. We collaborate with professional technical high schools to promote and strengthen knowledge of solar energy, giving educational talks in the field. This collaboration seeks to awaken interest, raise awareness and disseminate knowledge in local communities.

Ultimately, our activities are not limited to immediate assistance in emergency situations, but also focus on long-term sustainable development. Through these actions, we seek not only to provide material support, but also to foster the autonomy and empowerment of the community, generating a positive impact on the well-being and quality of life of Teno's inhabitants.



*The communities near the plant and affected by the floods have received food baskets*

## SUCCESS STORY

### TAMANGO PHOTOVOLTAIC PLANT PROJECT, CHILE

Bringing solar energy closer to children and pre-adolescents.

In 2022, the Tamango photovoltaic park, with a capacity of 40 MW, received environmental approval for its construction in the commune of Retiro, located in the Maule Region. During the construction phase, job opportunities were created for 100 people, thus contributing to local economic development.

With the firm purpose of fostering environmental awareness and promoting education in renewable energies among children and pre-adolescents, the Greenergy team devised the art contest "Imagine and paint a sustainable world". This project was carried out in collaboration with students from the María Ignacia Mena Monroy School, located near the solar park in the El Bonito sector.

Greenergy's engagement with the educational community began with the joint development of a collaborative program. This included activities such as talks on solar energy and non-conventional renewable energies, the organization of the art contest and the planning of an educational visit to the solar park. The aim of the latter activity is to provide children with the opportunity to learn about the operation of the facility up close, thus enriching their understanding of solar energy and its positive impact on the environment.



## SUCCESS STORY

### COMMUNITY MANAGEMENT, COLOMBIA

Strengthening our actions in the educational field.

During three years, we have conducted School Campaigns with 13 communities in the areas of influence of eight of the projects located in Colombia, six of which have been in operation since 2022. These campaigns have also been carried out during the construction and development of the projects, contributing positive value from the beginning of our activities.

The objective of these school campaigns is to encourage children to remain in the basic educational processes, giving priority to children between 6 and 10 years of age, for their proper future development.

In these three years, 2,660 school kits have been delivered to the children living in 13 of our communities in the immediate vicinity of our projects.

During the execution of the School Campaign between 2021 and 2023, we have worked closely with four of our contractors and allied consultants during the Development, EPC and O&M stages, generating a greater positive impact on the communities thanks to the joint work of Grenergy and its subcontractors. In Colombia, the objective has been set to continue strengthening voluntary actions in the educational field and to expand coverage to more communities, with the continued support of subcontractors, in order to achieve a greater social impact.

[Watch video](#)

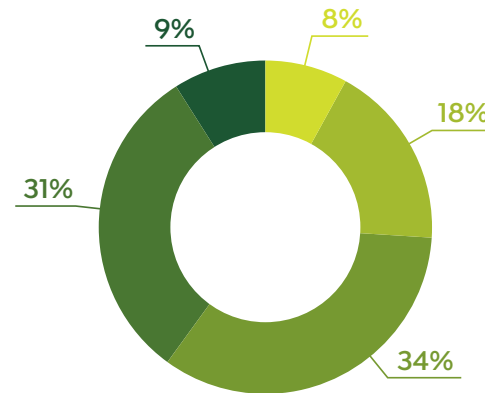




# 5.3

## RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Greenergy is committed to the environmental and social management of the companies it hires through the Achilles supplier evaluation tool, where, in 2023, 91% of its evaluated suppliers scored above 51/100 in the ESG score, as shown in the graph below<sup>1</sup>:



- Excellent 86-100
- Very Good 76-85
- Good 61-75
- Satisfactory 51-60
- Recommend Investigation 0-50

At Greenergy, the supply chain management strategy is developed jointly by the Purchasing, Compliance and Sustainability departments. The main standards and policies in this regard are:

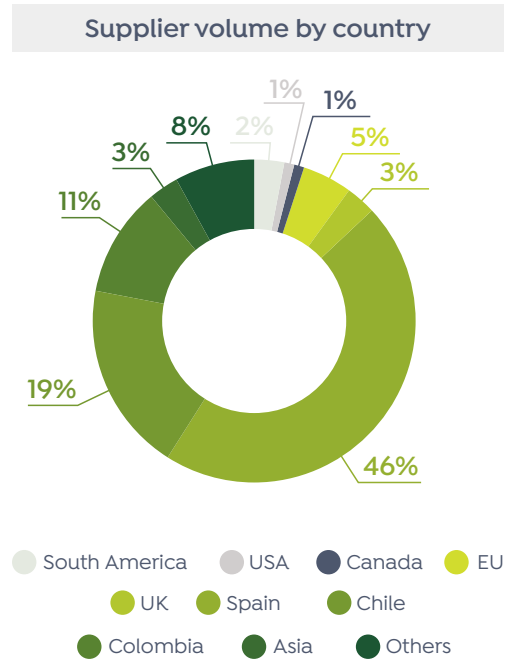
- Supplier Code of Conduct
- Purchasing Policy
- Purchasing Procedure
- Sustainability Policy
- Human Rights Policy
- Corporate Code of Conduct

In January 2023, the Procurement Procedure associated with the Procurement Policy was approved, establishing the bases for supplier selection, requests for bids, awards and supplier evaluations, for compliance with which a transition year has been established. In addition, the Supplier Code of Conduct has been updated, extending the ESG clauses signed by 100% of the suppliers of all the company's purchasing and contracting activities for equipment, materials, works and services.

<sup>1</sup> Graphs obtained at the date of preparation of this report.

Grenergy's Procurement Policy includes the control, mitigation and reduction, to the extent possible, of risks associated with the quality and sustainability of materials and equipment purchased, and the contracting of works and services. In this policy, the company points out the environmental, social and governance issues that directly contribute to promoting compliance with the commitments identified in its Sustainability Policy and that support the decision-making process for the purchase or contracting of goods or services. It is worth highlighting the commitments to zero tolerance and the express prohibition of forced labor situations by introducing measures, tools and procedures aimed at preventing human rights violations in the environment of suppliers during their operations in the service of Grenergy. The Purchasing Procedure aims to establish the control and management of the risks of the company's purchasing or contracting activities, so as to minimize the associated risks by following the company's Purchasing Policy and Code of Conduct. This risk management has been carried out since 2022 by means of the Achilles supplier evaluation tool, where the ESG, Legal and Financial criteria of subcontractors are evaluated through the completion of the established questionnaires. The objective is to ensure the integration of third parties in the commitment to regulatory compliance and Grenergy's strategy.

At the end of 2023, Grenergy's supply chain is made up of more than 3,900 suppliers to whom we have awarded more than 385 million euros. Our key suppliers<sup>1</sup> account for 95% of our turnover and mainly supply us with panels, structure, inverters, electrical material, mechanical assembly services, electrical assembly, civil works, transportation, SCADA and security. The distribution of suppliers evaluated by country for the year 2023 is as follows:



*Grenergy has assumed the commitment to **incorporate environmental, social and governance issues** into its business decisions purchase*

<sup>1</sup> A key supplier is defined as a supplier with an accumulated turnover in the current year of more than 100,000 €.

### Supply chain risk management

Grenergy is furthering its commitment to proactively manage the social and environmental impacts, risks and opportunities arising from its supply chain. In 2023, the agreement with Achilles for the approval and risk management of suppliers based on ESG, compliance and financial criteria was continued. In this way, we promote the commitment of subcontractors to their responsibility in these matters. In this regard, and in line with the purchasing procedure, several classes of suppliers have been categorized (member, member plus and silver) based on turnover, differentiating 2 types of approval.





The aspects evaluated for each of the ESG dimensions and the score for each are as follows:

### Governance

- Good governance and transparency
- Human rights
- Organizational ethics and integrity
- Leadership
- Structure of CSR/sustainability in the organization

### Social aspects and community

- Equality, diversity and work-life balance
- Training and employability promotion
- Health and wellness at work
- Community impact
- Quality
- Dialogue with employee representatives

### Environmental aspects

- Environmental management
- Climate change
- Circular economy and waste management
- Sustainable use of resources
- Biodiversity

ESG Score	Valuation
A+	96-100
A	75-95
B	50-74
C	25-49
D	0-24



Grenergy's supply chain management is based on four points:

1

**Minimum standards:** 100% of our suppliers are required to carry out their activities in accordance with ethical standards similar to ours, which ensure compliance with current legislation, fundamental human and labor rights, as well as environmental protection.

2

**Identification of strategic suppliers:** based on business relevance (volume of the commercial relationship and criticality of the product and/or service), country risk factors and risk associated with the product and service provided.

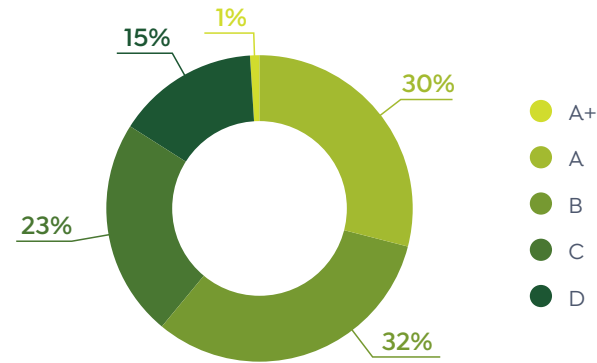
3

**Performance evaluation:** our suppliers are invited to register free of charge with Achilles and the ESG evaluation of key suppliers is monitored.

4

**Audits:** Grenergy is part of the Achilles community, which makes it possible to check whether the appropriate protocols are being followed by conducting audits, either independently or in conjunction with other companies in the sector.

At this stage of Achilles' deployment, 43% of the strategic suppliers are already registered and evaluated on the platform, 63% of which have an ESG score above 50/100 (A+, A and B).



As a result of our commitment to managing the regulatory compliance of our supply chain, we evaluate the parent companies of panel suppliers, which are direct suppliers of Grenergy (Tier1) through extensive questionnaires with documentary evidence, as well as investigating which are the suppliers of our suppliers (Tier2), i.e., the panel factories.

By 2023, 100% of our panel supplier factories have been audited<sup>1</sup>. These audits have evaluated Environmental, Social and Governance aspects, both legal and voluntary. They have been carried out on-site by a certified auditor, adding value with positive assessments and recommendations.

The target for 2023 has been 2 on-site audits by Grenergy of strategic suppliers, and this year we have extended the target for 2024 to 10 on-site audits of strategic suppliers. We are also committed to increasing the number of suppliers evaluated through the Achilles tool. In this sense, the objective set for 2023 is to obtain 450 suppliers evaluated through the Achilles platform during 2024.

Grenergy has **40% of the total number of suppliers** for audited turnover in 2023 demonstrating strong ESG commitment to your supply chain

<sup>1</sup> Note: the audits performed are provided by the Achilles tool for all members of the Audit Community.

### Health and safety of subcontractors

Greenergyz is convinced of the importance of transferring the culture and commitment to health and safety throughout the supply chain. The construction of our projects involves the subcontracting of work and therefore the entry of outside workers to the work areas. At this point, Greenergy ensures at all times, from the development phase, through construction, operation and maintenance, a safe working environment with a preventive approach. To this end, Greenergy:

- » Performs a risk assessment before starting its projects, resulting in a Health and Safety Plan. Ensure that employees of the subcontractors are provided with adequate personal protective equipment.
- It trains external workers so that they are aware of the precautions to be taken during the development of their activity, verifying that this training is put into practice through preventive vigilance.
- Maintains good communication to ensure that subcontractors have a good understanding of the risks and safety measures in the workplace.
- We also maintain good communication with neighboring construction sites and hold a monthly business activity coordination meeting.
- An incident tracking system is in place to report and record any workplace incident or injury. This allows security issues to be identified and addressed on an ongoing basis.

In Spain, a Health and Safety Plan (HSP) is drawn up by a Senior Occupational Risk Prevention Technician before the start of work on a plant, which covers all the risks and preventive measures to be applied throughout the development of the work. The plan is provided to all subcontractors before they start work, and they sign a document indicating that they have studied, understood and adhere to the HSP.

A personalized Emergency and Evacuation Plan is also drawn up for each of the works, which is reviewed periodically as the work progresses, reinforced with evacuation drills in which all site personnel participate. Any new and unforeseen activity not contemplated in the PSS is included in an Annex to the Plan, which must be reviewed and approved in the same way. A self-protection plan is also drawn up before the end of the works, which will be used when the plants and the substation are completely finished and in the operation and maintenance phase.

In Chile, Greenergy has an Internal Regulation of Order, Hygiene and Safety applicable to subcontractors that enter the plants under construction, which regulates the forms and conditions of work, hygiene and safety of the work carried out by subcontractors on behalf of Greenergy.

All the works have the presence of a preventionist on behalf of Greenergy and another one on behalf of each subcontractor.

The company's risk analysis, training and accident record keeping are all related to risk analysis, training and accident recording.

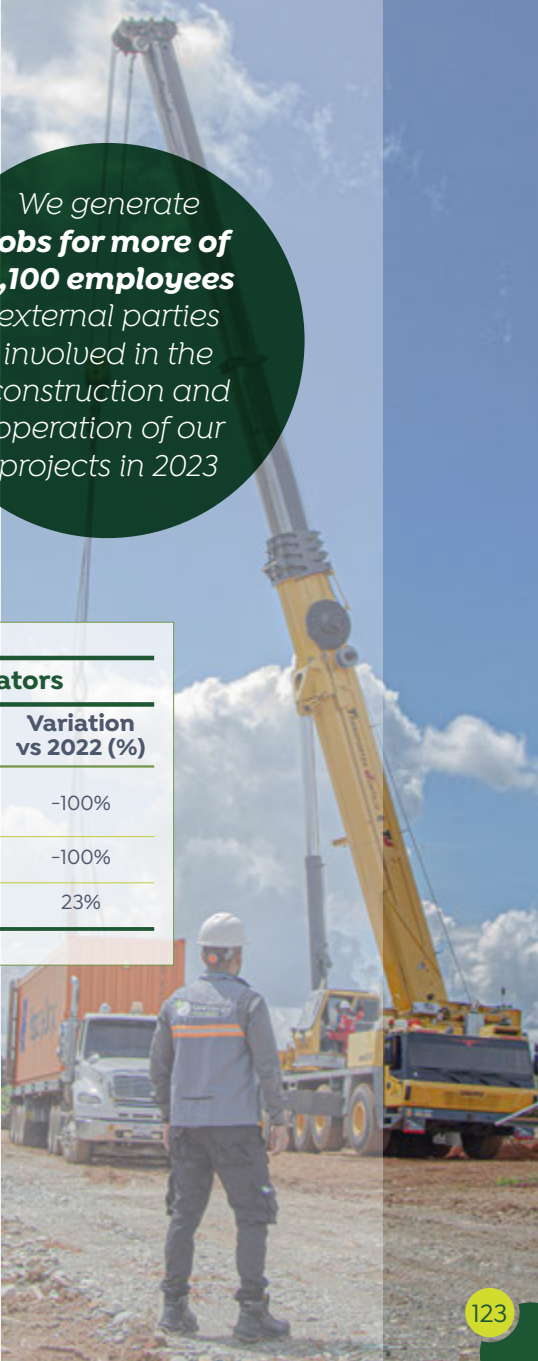
In 2023, Greenergy generated employment to more than 3,100 workers directly involved in the construction and operation of our projects globally, an increase of 12% over the previous year. The workers of these subcontractors received more than 257,920 hours of health and safety training provided by both their companies and Greenergy.

In 2023, Greenergy started the construction of several plants in Spain and Latin America, and 15 accidents were recorded among subcontractors' personnel of our projects in construction and operation, all of them of a minor nature. There were no fatal accidents, serious accidents or occupational illnesses.

*We generate jobs for more of 3,100 employees external parties involved in the construction and operation of our projects in 2023*

**Table 35. Subcontractors' Health and Safety Indicators**

	2022 Subcontracts	2023 Subcontracts	Variation vs 2022 (%)
Injury Frequency Rate (LTIFR) <sup>1</sup>	19.0	9.5	-100%
Injury Rate (LTIR) <sup>2</sup>	3.8	1.9	-100%
Absenteeism Rate <sup>3</sup>	105.7	137.0	23%



<sup>1</sup> No. of recordable accidents / No. of hours worked Greenergy) \*1,000,000 (excluding in itinere processes) - <sup>2</sup> (No. of recordable accidents / No. of total hours worked Greenergy)\*200,000 - <sup>3</sup> (Total number of lost days / Number of days worked)\*200,000



# 5.4

## HUMAN RIGHTS COMMITMENT

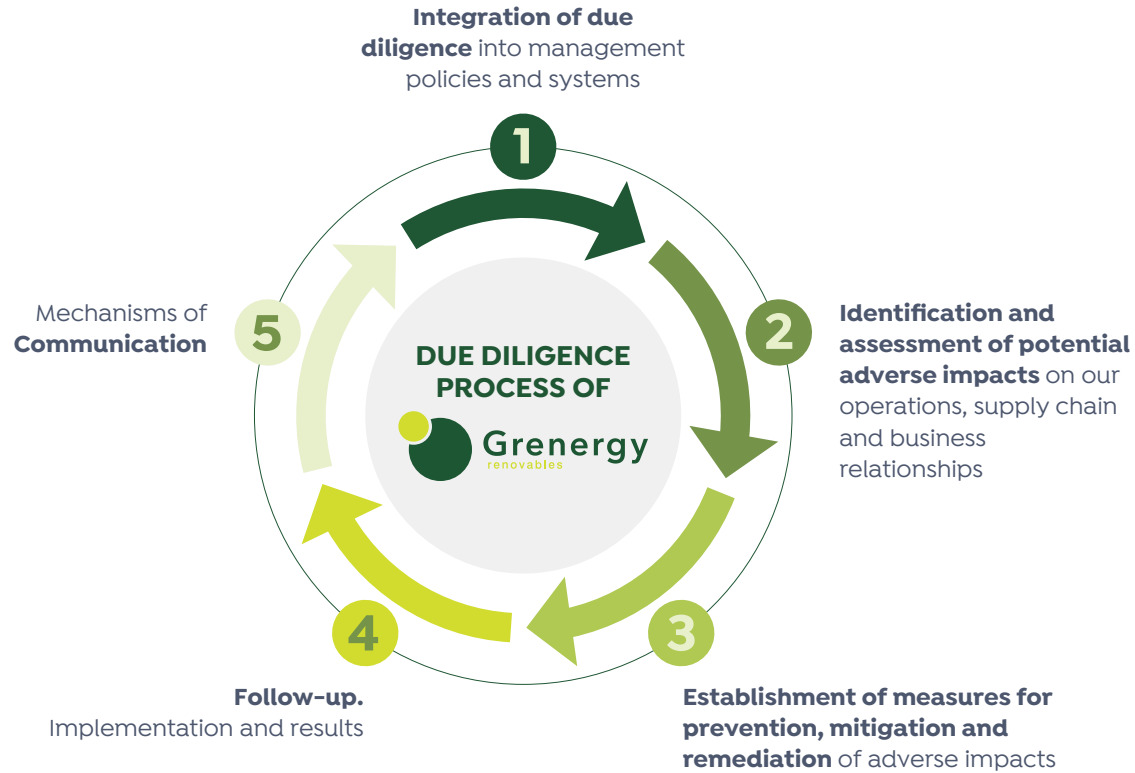
*Grenergy bases its actions on the development of sustainable and efficient economic activities, with high quality of service, generating shared value and respecting human rights.*

Grenergy's Code of Conduct, which is mandatory for all company employees, embraces respect for internationally recognized human rights, with special attention to vulnerable groups. This commitment is reflected in our internal policies and procedures, extending to our supply chain through the implementation of the Purchasing Policy. In full compliance with our Human Rights Policy, updated in September 2023, we adhere to the Guiding Principles on Business and Human Rights, as well as the International Bill of Human Rights and its subsequent developments. These include the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, which includes its eight core conventions, the United Nations Convention on the Rights of the Child and the European Convention on Human Rights. Additionally, through this policy, Grenergy is committed to support, respect and contribute to the protection of fundamental human rights recognized nationally and internationally. Grenergy defines the principles to be applied in the corporate Due Diligence Process in human rights and

environmental matters, whose objective is to avoid abuse or violation of the aforementioned, in the stakeholders with whom Grenergy relates in the context of its own operations, or in the framework of the products or services it provides under its business relationships. The company has carried out an analysis of the different drivers for compliance with the Due Diligence Process, identifying the following the Due Diligence Process, identifying KPIs for each for each phase. In December 2023, the Sustainability Due Diligence Directive reached a provisional agreement between the Council and the European Parliament. The aim of the agreement is to strengthen the protection of the environment and human rights, both at the level of the European Union and on a global scale. This regulatory framework establishes guidelines for large companies in relation to actual and potential adverse impacts on human rights and the environment.

*Grenergy, through its policy The company is committed to the following respect and promote human rights with the purpose of not being complicit in any form of abuse or violation of human rights its stakeholders and the society in general*

With regard to the obligations of companies, the Directive addresses the negative effects on the environment and human rights throughout their chain of activities, including upstream business partners and downstream activities such as distribution or recycling. In addition, penalties and civil liability are imposed in the event of non-compliance, requiring companies to adopt a plan to ensure compatibility with the Paris Agreement on Climate Change. Greenergy has anticipated and aligned itself with the Human Rights and Environmental Due Diligence process set out in the proposed Directive. This process is divided into 5 phases:



REGULATION PHASES	REGULATORY REQUIREMENT	GREENERGY APPLICATION
<b>1</b> Integration in Policies and Management Systems	<p>The company must design, adopt and disseminate comprehensive Corporate Social Responsibility (CSR) policies, aligned with the OECD guidelines for Multinational Enterprises.</p>	<p>The company has updated its HR Policy to integrate the Due Diligence process into new and existing company policies, as part of the potential actions of the Sustainability Strategy 2024-2026. Indicators such as the number of updates of policies integrated into the Due Diligence Process are taken into account.</p>
<b>2</b> Identification and evaluation of potential adverse impacts	<p>In addition, the company must incorporate these policies into its supervisory bodies and management systems, integrating them into regular processes.</p> <p>The company should conduct a comprehensive mapping exercise to identify areas with significant Corporate Social Responsibility (CSR) risks, considering factors such as sectoral, geographic and product risks. This exercise will allow prioritization of risk areas for further assessment.</p>	<p>Greenergy has implemented relevant measures to identify and assess actual and potential adverse human rights and environmental impacts. The company uses the Achilles tool to identify and manage supplier impacts. Due diligence assessments at the project level and audits of suppliers with higher ESG risk are also carried out.</p> <p>The preparation of an Annual Human Rights Due Diligence Report in key countries is also contemplated, as well as the creation of a list for the identification and evaluation of human rights risks, together with corrective measures. For this purpose, the company collects various indicators such as approved suppliers, non-conformities, on-site audits, complaints, etc. In 2023, we have 15 strategic suppliers evaluated through the Due Diligence Plan for 3 years, and no complaints have been detected for human rights violations in the communities.</p>
<b>3</b> Establishment of measures for prevention, mitigation and remediation of adverse impacts.	<p>The company must stop activities that generate negative impacts on Corporate Social Responsibility (CSR) for a subsequent evaluation and implementation of prevention and mitigation plans.</p>	<p>Greenergy has adopted adequate measures to prevent or, if necessary, mitigate adverse effects on human rights and the environment. As a preventive measure, there is a whistleblower channel to report possible non-compliances and a minimum score is planned to be implemented for the contracting of suppliers.</p> <p>In addition, subcontractors are trained in human rights as a mitigation measure, and suppliers with critical ESG impacts are supported as a remediation measure.</p>
<b>4</b> Implementation and Results Monitoring	<p>The company should track the implementation and effectiveness of due diligence activities, i.e. its measures to identify, prevent, mitigate and, where appropriate, assist with remediation of impacts, including its business relationships and/or linkages. In turn, use lessons learned from monitoring to improve these processes in the future.</p>	<p>Greenergy conducts regular assessments of both its own operations and its supply chain. An annual monitoring of the ESG impact of suppliers is carried out, which is collected through an average score indicator of "Silver" suppliers in Achilles. Finally, the development of a corporate procedure to ensure compliance with the HR policy is planned.</p>
<b>5</b> Communication	<p>It is necessary to communicate relevant information about the policies, processes and due diligence activities carried out to identify and address actual or potential negative impacts, including the findings and results of those activities.</p>	<p>Greenergy publishes solar sector and Xinjiang region risk reports and project-level Due Diligence reports in Spain, Chile and Colombia, both reports prepared during late 2022/early 2023.</p> <p>Greenergy also prepares and publishes an annual Sustainability Report. Additionally, it has a whistleblower channel, accessible on the website, which aims to facilitate the communication of any violation of the principles established in its Human Rights Policy, ensuring the confidentiality of the informants.</p>



# 06

## ANNEXES

- 6.1 ABOUT THIS REPORT
- 6.2 DEFINITION OF MATERIAL ISSUES
- 6.3 KEY INDICATORS TABLE
- 6.4 NON-FINANCIAL STATEMENT CONTENT TABLE, AS PER ACT 11/2018 AND GRI CONTENT INDEX
- 6.5 PRINCIPLES OF THE UN GLOBAL COMPACT
- 6.6 ENVIRONMENTAL TAXONOMY
- 6.7 TCFD RECOMMENDATIONS
- 6.8 VERIFICATION REPORT

# 6.1. ABOUT THIS REPORT

This Sustainability Report presents the evolution, results and status of Grenergy's sustainability performance in 2023, as well as its management approach and the challenges it faces. The objective of this Report is to provide, in a clear and rigorous manner, relevant information on the company's most significant positive and negative impacts on its different stakeholders. The report is based on the challenges described in the previous year's sustainability report and focuses on the progress made during the year 2023. The content has been formulated to constitute the Non-Financial Information Statement 2023. Furthermore, this Report describes the company's annual progress in the implementation of the Ten Principles of the United Nations Global Compact in the areas of human and labor rights, environment and anti-corruption, as well as the TCFD recommendations on the risks and opportunities of climate change and, finally, the degree of eligibility and alignment with the Environmental Taxonomy. The information published in this document is complemented by the content of other company reports: the Consolidated Financial Statements and Management Report and the Annual Corporate Governance Report. The company addresses the main sustainability issues of concern to its internal and external stakeholders. The report complies with the principles of comparability, materiality, relevance and reliability:

## COMPARABILITY

The Sustainability Report is published annually and has been prepared in accordance with the Principles for the preparation of reports included in GRI 1: Fundamentals 2021, of the Global Reporting Initiative (GRI). The principles - such as comparability, completeness and balance - described in this standard have been followed. This report has been prepared in accordance with the GRI Standards.

## MATERIALITY AND RELEVANCE

The materiality analysis has been updated in 2023 following the double materiality approach to align with new regulatory requirements (mainly GRI and ESRS indicators). In this way, the main environmental, social, governance and financial material issues have been established taking into account the dual perspective of financial materiality and impact materiality. This analysis serves to lay the foundations for the new Sustainability Strategy 2024-2026. In the double materiality section, the development process and methodology used to obtain the main material topics is described.

## RELIABILITY

This Report has undergone a verification process by an independent third party whose conclusion is expressed in the review report included in it. Grenergy is working on the previous steps to formalize an Internal Control System for Non-Financial Information (SCIINF) with which to advance in the principles of reliability, completeness, accuracy, consistency, traceability and internal control of non-financial information. As proof of this, in 2023 we have been working on the implementation of an IT tool for the collection and validation of non-financial information to support the future SCIINF.

## SCOPE

The company describes all its activities, offering an overview by geographical area in which it operates. The scope of the report is the totality of the group's companies, in all their significant aspects, in accordance with the requirements of Law 11/2018, of December 28, regarding non-financial information and diversity. Throughout the report, the scope of each of the indicators shown is specified. Likewise, data from previous years are provided in order to facilitate a better understanding of the evolution of the company's performance. The criterion for the consolidation of environmental information is based on the financial control scheme.



## 6.2. DEFINITION OF MATERIAL ISSUES

MATERIAL	DEFINITION
<b>Climate neutrality and energy transition</b>	The environmental process of decarbonization through which the objective is the emission of zero net carbon dioxide emissions, which are equal to or lower than the emissions that are eliminated through the planet's natural absorption, resulting in a carbon neutral balance in terms of production, distribution and consumption.
<b>Conservation and restoration of biodiversity and ecosystems</b>	Action measures aimed at the conservation and restoration of ecosystems, in addition to ensuring the protection of biological diversity, generating a sustainable use of natural resources, and an environmentally aligned rural and urban development.
<b>Circular economy and efficient consumption and waste management</b>	Economic model based on sustainable production and consumption through the optimization of resources, reducing the consumption of raw materials, and generating a greater use of waste, extending the life cycle of the latter, reusing them for the generation of new products with a lower environmental impact.
<b>Responsible management of water resources</b>	Process through which a sustainable management of the use and business impacts of these resources is planned and developed, including actions that cover the mitigation of possible negative impacts, focusing on those areas of greatest water stress, producing an approach that promotes a more rational and efficient use of water resources, contributing in turn to greater conservation of ecosystems.
<b>Contribution to the development and involvement of local communities</b>	Commitment to the establishment of relationships based on a prism of cooperation and mutual respect with local communities that maintain constant interactions with the company, encouraging their development and growth, together with the hiring and training of local employees.
<b>Diversity, equality and inclusion</b>	Practice that promotes the presence in the organization of professionals of different age, sex, race or sexual orientation, through mechanisms that guarantee non-discrimination and the involvement of all employees in its fulfillment.
<b>Health and safety</b>	Existence of mechanisms to prevent possible risks that could endanger the safety of employees, with the adoption of tools that regularly monitor the health of the company's employees, including measures to promote a healthy work environment. On the other hand, work scenarios and facilities must be safe and not have elements that may threaten the physical integrity of people.
<b>Attraction, development and retention of human capital</b>	Ability to promote the hiring and attraction of new profiles along with the inclusion of programs that encourage the development and acquisition of new skills by employees. Likewise, it has a system of fair compensation, flexible compensation, labor flexibility and work-life balance, and growth opportunities, thus facilitating the dynamics of retaining human capital.
<b>Sustainable supply chain</b>	Measures to ensure responsible management of the supply chain at the environmental, social and good governance levels, taking into account the company's actions and those of suppliers, thus minimizing the environmental, social and economic impacts of supply chain activities.

MATERIAL	DEFINITION
<b>Respect and protection of human rights</b>	Use of tools that ensure the achievement and respect of human rights, capable of detecting possible impacts and the existence of policies that imply the non-violation of human rights in the company's activities. It also includes the existence of measures to deal with possible negative impacts on human rights.
<b>Transparency and responsible taxation</b>	Legal, ethical and consistent practice of taxation in accordance with the sustainability commitments set, where there is an exhaustive analysis and sufficiently transparent communication of the information and tax strategy published. In addition to establishing a correct relationship with the tax authorities and having the necessary resources to ensure compliance with tax regulations.
<b>Financial and non-financial risk management systems</b>	Implementation of mechanisms for the identification and monitoring of financial risks, i.e. those related to market movements, and non-financial risks, which include climate, biodiversity, social, behavioral or reputational issues, among others. In addition, a contingency plan is established to mitigate and resolve the risks identified.
<b>Good governance and fair corporate conduct</b>	Establishment of policies and rules governing the structure and operation of the company's various governing bodies, from the Board of Directors to the various committees and shareholders. Corporate governance should be based on principles such as shareholder accountability, independence in board decision-making, compliance with ethical and legal behaviour, transparency in published information, and equality of shareholders' rights.
<b>Cybersecurity and information security</b>	A set of measures aimed at the prevention and defense of stored information, and of the different servers and electronic devices through policies that ensure the confidentiality of the data of both the company and its customers. Also avoiding possible malicious attacks and establishing protection mechanisms.
<b>Customer and supplier commitment</b>	An approach that provides quality customer and supplier interactions, with the intention of increasing the degree of satisfaction through concise and continuous communication, generating synergies with the different customers and suppliers, which in turn translate into an indicator of the company's profitability.
<b>Economic financial performance and green financing</b>	A financial strategy that seeks to maximize the value of the company, including cost reduction, increased production, capacity to generate new revenues, and access to financing. In addition, it is aligned with environmental awareness, through the use of instruments such as green bonds and green finance, resulting in the ability to finance sustainable projects and make sustainable and responsible investments.
<b>R&amp;D&amp;I in new markets and renewable technologies</b>	Actions to boost and promote research in renewable technologies, i.e. storage batteries, hybrid renewable systems, H2 projects, etc.

## 6.3. KEY INDICATORS TABLE

**TABLE 36. GOVERNANCE**

	2022	2023
Size of the Board of Directors (#)	8	8
Proportion of independents on the Board of Directors (%)	50	50
Women on the Board of Directors (%)	50	50
Women on the Audit and Control Committee (%)	75	75
Women on the Nomination and Compensation Committee (%)	75	75

**TABLE 37. EMPLOYEES**

Employment		2022	2023
Gender	Women	81	135
	Men	208	290
Age	Less than 30	76	117
	Between 30 and 50	189	261
	More than 50	24	47
Type of contract	Indefinite	270	391
	Temporary	19	34
Professional category	Senior Management	5	6
	Area Directors	10	11
	Middle management	30	49
	Technicians	147	232
	Site/ground personnel	97	127
<b>Total</b>		<b>289</b>	<b>425</b>

**TABLE 38. EMPLOYEES**

Talent attraction and retention		2022	2023
Voluntary turnover rate (%)		14	11
Total turnover rate (%)		16.9	13.9
Average length of service (#)		2,18	2
Women in senior management (%)		40	33
Women in engineering team (%)		39	31
New hires (#)		<b>79</b>	<b>125</b>
Women		29	39
Men		50	86
New hires by age range (#)		<b>125</b>	<b>125</b>
Less than 30		29	50
Between 30 and 50		46	59
More than 50		4	16
New hires by region (%)	Europe	50	51
	Latam	48	47
	USA	-	2
No. of scholarship holders (#)		18	11
Employees with performance evaluations by gender (%)	Women	85	66
	Men	59	35
Dismissals by gender (#)	Women	4	1
	Men	5	10
	<b>Total</b>	<b>9</b>	<b>11</b>

**TABLE 39. EMPLOYEES**

Employee health and safety		2022	2023
Accidents (#)		4	12
Injury Frequency Rate (LTIFR) (#)		4.6	12.3
Injury rate (LTIR) (#)		0,9	2,5
Absenteeism rate (#)		32.8	125.8
Training		2022	2023
Total training hours (#)		4,162	4,231
Training hours/employee (#)		12,5	10
Investment in training/employee (€)		205.4	134.6
Compensación		2022	2023
Average salary (€)	Women	31,839	37,141
	Man	31,220	34,411
Wage gap (%)		0.27	0.29
Variable vs. fixed compensation achievement (%)		-	97

**TABLE 40. ENVIRONMENT**

<b>Water</b>	<b>2022</b>	<b>2023</b>
Water consumption (m <sup>3</sup> )	5,900	10,306
Water consumption - Water stress zones (%)	71	77
Third-party fresh water from municipal utilities or suppliers (%)	6.8	4
Water consumption - road stabilization (%)	94	80
Total water savings (millions of m <sup>3</sup> )	-	600

<b>Circular economy</b>	<b>2022</b>	<b>2023</b>
Total waste (Tn)	742.3	1,650.6
Hazardous waste (%)	13.1	3.3
Total waste for reuse/recycling (%)	-	50
Waste donated to the community (Tn)	69	9,769

<b>Biodiversity</b>	<b>2022</b>	<b>2023</b>
Number of species on national/regional conservation lists present in the project area (#)	33	173
Number of IUCN Critically Endangered (CR) species (#)	0	16
Restoration area (ha)	255	144

**TABLE 41. ENVIRONMENT**

<b>Greenhouse Gas Emissions</b>	<b>2022</b>	<b>2023</b>
Scope 1 (tCO <sub>2</sub> e)	307	448.9
Scope 2 (tCO <sub>2</sub> e)	486	58.9
Scope 3 emissions intensity (tCO <sub>2</sub> e/M€)	285.6	569.3
Scope 1,2 and 3 (tCO <sub>2</sub> e)	83,739	228,231
Emissions avoided by own projects in operation (tCO <sub>2</sub> e)	245,398	325,408

<b>Energy consumption</b>	<b>2022</b>	<b>2023</b>
Fuel consumption (generators, machinery and vehicles Grenergy) (MWh)	1,223	1,928
Renewable consumption (MWh)	0	0
Non-renewable consumption (MWh)	1,223	1,928
Purchased or acquired electricity consumption (MWh)	1,883	1,610
Renewable consumption (MWh)	637.6	639.7
Non-renewable consumption (MWh)	1,245.4	970.6
Total energy consumption (MWh)	3,106	3,538
Total electricity generation (MWh)	744,431	1,044,570

<b>Environmental management</b>	<b>2022</b>	<b>2023</b>
Environmental investment (M€)	894,110	798,160
Hours of environmental monitoring	6,618	3,644
Hours of environmental training	8,867	3,250
No. of environmental noncompliances in projects (fines, delays or red flags)	0	0

**TABLE 42. COMMUNITY**

	2022	2023
Donations and investments in the local community (€)	134,858	295,404
Fines for social non-compliance (#)	0	0
Delays in projects due to community impacts (#)	0	0
Network flags raised in the social area in project evaluation procedures (#)	1	0
Complaints of human rights violations (#)	0	0

**TABLE 43. SUPPLY CHAIN**

	2022	2023
Number of workers in our projects (#)	2,794	3,100
Accidents of subcontracted company workers (#)	21	15
Injury Frequency Rate (LTIFR) (#)	19	9.5
Injury rate (LTIR) (#)	3.8	1.9
Strategic suppliers evaluated in Achilles (%)	37	43
Suppliers evaluated through the human rights due diligence process (last 3 years) (#)	15	15
No. of ESG audits performed on strategic suppliers	0	2

## 6.4 NON-FINANCIAL STATEMENT CONTENT TABLE, AS PER ACT 11/2018 AND GRI CONTENT INDEX

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>BUSINESS MODEL</b>			
<b>DESCRIPTION OF THE GROUP'S BUSINESS MODEL</b>			
Description of the business model	GRI 2-6	1.2. Business model and strategy	14
Geographic presence	GRI 2-1 GRI 2-6		16
Organizational objectives and strategies	GRI 2-6		16
Main factors and trends that may affect its future development	GRI 2-6	Regulatory framework	9-13
<b>POLICIES AND RISK MANAGEMENT</b>			
<b>POLICIES</b>			
Description of the policies that apply	GRI 2-23 GRI 2-24	1. Sustainable growth strategy 2. Sustainable finance 3. Responsible leadership	8-126
The results of these policies	GRI 3-3	4. Building a sustainable future 5. Creating shared value	8-126
The main risks related to these issues are linked to the group's activities	GRI 2-16	3.3. Risk and opportunity management	57
Materiality	GRI GRI 1	1.2. Business model and strategy	29-31

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>ENVIRONMENTAL ISSUES</b>			
<b>ENVIRONMENTAL MANAGEMENT</b>			
Current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety	GRI 3-3	4. Building a sustainable future	62-93
Environmental assessment or certification procedures	GRI 3-3	4.1. Biodiversity conservation In 2023 there are no provisions or guarantees for environmental risks. See Note 16 of CCAA	63
Resources dedicated to environmental risk prevention			63-66
Application of the precautionary principle			65
Amount of provisions and guarantees for environmental risks			-
<b>POLLUTION</b>			
Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment (also includes noise and light pollution)	GRI 305-5	4.2. Fight against climate change	70-86
<b>CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT</b>			
Measures for prevention, recycling, reuse, other forms of recovery and disposal of wastes	GRI 306-2	4.4. Circular economy promotion	89-93
Actions to combat food waste	GRI 306-2	Not material for Greenergy's business model	-



TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>SUSTAINABLE USE OF RESOURCES</b>			
Water consumption and water supply in accordance with local constraints	GRI 303-5 (Versión 2018)	4.3. Efficient water management	87-88
Consumption of raw materials	GRI 303-1	Non-material. Greenergy purchases all materials from suppliers and has no material raw material consumption	-
Direct and indirect consumption of energy	GRI 303-1	4.2. Fight against climate change	86
Measures taken to improve energy efficiency	GRI 302-4		86
Use of renewable energies	GRI 302-1		85-86
<b>CLIMATE CHANGE</b>			
Significant elements of greenhouse gas emissions generated as a result of the company's activities	GRI 305-1 GRI 305-2 GRI 305-3	4.2. Fight against climate change	83-85
Measures adopted to adapt to the consequences of climate change;	GRI 201-2		78-81
Voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and the means implemented to that end	GRI 305-4 GRI 305-5		78-81
<b>BIODIVERSITY PROTECTION</b>			
Actions taken to preserve or restore biodiversity	GRI 304-3	4.1. Biodiversity conservation	63-70
Impacts caused by activities or operations in protected areas	GRI 304-1		65-66

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>INFORMATION ON PERSONNEL MATTERS</b>			
<b>POLICIES</b>			
Management approach	-	5. Creating shared value	86
<b>EMPLOYMENT</b>			
Total number and distribution of employees by gender, age and professional category	GRI 2-7 GRI 405-1	5.1. Growing with our employees	95, 98, 102
Total number and distribution of employment contract modalities			97-98
Average annual number of permanent, temporary and part-time contracts by gender, age and professional category			101
Number of dismissals by gender, age and professional category			-
Average remunerations by gender, age and professional classification or equal value			99, 106
Wage gap			107
Average compensation of directors (including variable compensation, per diems, indemnities, payments to long-term savings plans and any other payments) by gender	GRI 405-2	3.1. Governance	51
Average executive compensation (including variable compensation, per diems, severance payments, payments to long-term savings plans, and any other payments) by gender		5.1. Growing with our employees	51
Work disconnection measures	GRI 103-2	Grenergy does not have a labor disconnection policy	-
Employees with disabilities	GRI 405-1	5.1. Growing with our employees In both 2022 and 2023, Grenergy has one employee with a disability	103

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>WORK ORGANIZATION</b>			
Organization of working time	GRI 3-3	5.1. Growing with our employees	96, 100
Number of hours of absenteeism	GRI 403-9		109
Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents	GRI 401-2		96, 103
<b>HEALTH AND SAFETY</b>			
Occupational health and safety conditions	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7	5.1. Growing with our employees	108
Accident rate indicators disaggregated by gender	GRI 403-9	5.3. Responsible management of the supply chain	109
Occupational diseases by sex			109
<b>SOCIAL RELATIONS</b>			
Organization of social dialogue, including procedures for informing, consulting and negotiating with personnel	GRI 3-3	5.1. Growing with our employees	95-96
Percentage of employees covered by collective bargaining agreements, by country	GRI 2-30		101
Review of collective bargaining agreements, particularly in the field of occupational safety and health	GRI 403-3		101

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>TRAINING</b>			
Policies implemented in the field of training	GRI 404-2	5.1. Growing with our employees	104-105
Total number of training hours by professional category	GRI 404-1		105
<b>ACCESSIBILITY</b>			
Universal accessibility for people with disabilities	GRI 3-3	Grenergy has adequate accessibility measures in place for corporate facilities	-
<b>EQUALITY</b>			
Measures taken to promote equal treatment and opportunities for women and men	GRI 3-3	5.1. Growing with our employees	124 103-105
Equality plans (Chapter III of Organic Law 3/2007, of March 22, 2007, for the effective equality of women and men)			102
Measures to promote employment			100-105
Protocols against sexual and gender-based harassment			102-103
Universal accessibility for people with disabilities			102-103
Policy against all types of discrimination and, where appropriate, diversity management			102

<b>TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS</b>	<b>GRI CRITERIA RELATED</b>	<b>CHAPTERS</b>	<b>PAGES</b>
<b>INFORMATION ON RESPECT FOR HUMAN RIGHTS</b>			
<b>POLICIES</b>			
Management approach	GRI 2-25 GRI 412-1	5.4. Human Rights commitment	124-126
<b>HUMAN RIGHTS</b>			
Implementation of human rights due diligence procedures	GRI 2-25 GRI 412-1	5.4. Human Rights commitment	124-126
Measures for prevention and management of possible abuses committed			
Complaints of human rights violations	GRI 406-1	3.2. Compliance 5.4. Human Rights commitment	126
Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization (ILO)	GRI 406-1 GRI 409-1	5.4. Human Rights commitment	124
<b>INFORMATION RELATED TO THE FIGHT AGAINST CORRUPTION AND BRIBERY</b>			
<b>POLICIES</b>			
Management approach	GRI 3-3 GRI 205-2	3.2. Compliance	54-56
<b>CORRUPTION AND BRIBERY</b>			
Measures taken to prevent corruption and bribery	GRI 3-3 GRI 205-2	3.2. Compliance	54-55
Measures to combat money laundering			56
Contributions to foundations and nonprofit organizations	GRI 2-28 GRI 201-1	5.2. Building links with our communities	111-114

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>INFORMATION ABOUT THE COMPANY</b>			
<b>POLICIES</b>			
Management approach	GRI 203-2	5.2. Building links with our communities	110-117
<b>COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT</b>			
Impact of the company's activities on local employment and development	GRI 3-3 GRI 205-2	5.2. Building links with our communities	92, 110-117
Impact of the company's activities on local populations and the territory	GRI 413-1 GRI 413-2		110-117
Relationships maintained with local community stakeholders and the local communities and the modalities of the dialogue with these	GRI 2-29 GRI 413-1		110-117
Partnership or sponsorship actions	GRI 201-1	1.2. Business Model and Strategy	19-20
<b>SUBCONTRACTING AND SUPPLIERS</b>			
Inclusion of social, gender equality and environmental issues in the procurement policy	GRI 308-1 GRI 414-1	5.3 Responsible supply chain management	118-119, 124
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility			118-123
Monitoring and auditing systems and audit results			119-122

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
<b>CONSUMERS</b>			
Measures for the health and safety of consumers	GRI 416-1	Not material for Grenergy's business model	-
Complaint systems, complaints received and their resolution	GRI 418-1		
<b>TAX INFORMATION</b>			
Benefits obtained on a country-by-country basis	GRI 201-1	3.5 Fiscal transparency In 2023, Grenergy has not received any public subsidies	61
Taxes on profits paid (country by country)	GRI 207-4		61
Public subsidies received			61
<b>INFORMATION RELATED TO ENVIRONMENTAL TAXONOMY</b>			
Eligible and aligned turnover	-	2.3 Environmental taxonomy	46-47 & annex 6.6
Eligible and aligned OpEX	-		46-47 & annex 6.6
Eligible and aligned CapEX	-		46-47 & annex 6.6

# 6.5. PRINCIPLES OF THE UN GLOBAL COMPACT

**TABLE 45. GLOBAL COMPACT TABLE OF CONTENTS**

Global Compact Principles	Most relevant GRI indicators	Related SDGs
<b>HUMAN RIGHTS</b>		
1. Support and respect the protection of universally recognized human rights	410-1, 412-1, 412-2, 413-1, 413-2	
2. Not to be accomplices in the violation of human rights	414-2	
<b>LABOUR</b>		
3. Support freedom of association and effective recognition of the right to collective bargaining	2-30, 407-1, 402-1	
4. Support the elimination of all forms of forced and compulsory labor	409-1	
5. Support the eradication of child labor	408-1	
6. Support the abolition of discriminatory practices in employment and occupation	2-7, 202-1, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1	



**TABLE 45. GLOBAL COMPACT TABLE OF CONTENTS**

Global Compact Principles	Most relevant GRI indicators	Related SDGs
<b>ENVIRONMENT</b>		
7. Maintain a preventive approach to environmental challenges	201-2, 301-1, 302-1, 303-1, 305-1 a 305-3, 305-7	
8. Encourage initiatives that promote greater environmental responsibility	301-1, 2-27, 308-2	
9. Encourage the development and diffusion of environmentally friendly technologie	302-4, 302-5, 305-5	
<b>ANTICORRUPCIÓN</b>		
10. Work against corruption in all its forms, including extortion and bribery	2-23, 2-26 205-2, 205-3, 415-1	

## 6.6. ENVIRONMENTAL TAXONOMY

TABLE 46. TAXONOMIC TURNOVER 2023				Substantial contribution criteria						Criteria for no significant harm ("No significant harm")									
ECONOMIC ACTIVITIES	Codes	Absolute turnover (thousands of euros)	Share of turnover (%)	Climate change mitigation (%)	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Proportion of business volume that conforms to taxonomy (%) Year 2023	Category (enabling activity) (F)	Category (transition activity) (T)
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY</b>																			
<b>A.1. Environmentally sustainable activities (conforming to the taxonomy)</b>																			
Electricity generation using solar photovoltaic technology	4.1	155,428	87%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Electricity generation from wind power	4.3	21,160	12%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	2,551	1%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
<b>Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)</b>		<b>179,139</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>100%</b>		
Of which: enabler		2,551	1%	1%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	100%	F	
Of which: transitional																			T
<b>A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)</b>																			
Electricity generation using solar photovoltaic technology	4.1	0	0%	S	N	N	N	N	N								0%		
Electricity generation from wind energy	4.3	0	0%	S	N	N	N	N	N								0%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N								0%		
<b>Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>179,139</b>	<b>100%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>100%</b>		
<b>B. INELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY</b>																			
Turnover from non-taxonomy-eligible activities (B)		0	0%																
<b>Total (A + B)</b>		<b>179,139</b>	<b>100%</b>																

TABLE 47. TAXONOMIC OPEX 2023				Substantial contribution criteria						Criteria for no significant harm ("No significant harm")									
ECONOMIC ACTIVITIES	Codes	Absolute turnover (thousands of euros)	Share of turnover (%)	Climate change mitigation (%)	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Proportion of OPEX that complies with taxonomy (%) Year 2023	Category (enabling activity) (F)	Category (transition activity) (T)
<b>A.1. Environmentally sustainable activities (conforming to the taxonomy)</b>																			
Electricity generation using solar photovoltaic technology	4.1	9,513	36%	S	N	N	N	N	N	S	S	S	S	S	S	S	36%		
Electricity generation from wind power	4.3	4,117	16%	S	N	N	N	N	N	S	S	S	S	S	S	S	16%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	0%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	1,729	7%	S	N	N	N	N	N	S	S	S	S	S	S	S	7%	F	
<b>Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)</b>		<b>15,359</b>	<b>58%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>58%</b>		
Of which: enabler		1,729	7%	7%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	7%	F	
Of which: transitional																			T
<b>A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)</b>																			
Electricity generation using solar photovoltaic technology	4.1	0	0%	S	N	N	N	N	N								0%		
Electricity generation from wind energy	4.3	0	0%	S	N	N	N	N	N								0%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N								0%		
<b>Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>15,359</b>	<b>58%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>58%</b>		
<b>B. INELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY</b>																			
Turnover from non-taxonomy-eligible activities (B)		10,961	42%																
<b>Total (A + B)</b>		<b>26,320</b>	<b>100%</b>																

TABLE 48. TAXONOMIC CAPEX 2023				Substantial contribution criteria							Criteria for no significant harm ("No significant harm")								
ECONOMIC ACTIVITIES	Codes	Absolute turnover (thousands of euros)	Share of turnover (%)	Climate change mitigation (%)	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Proportion of CAPEX that conforms to taxonomy (%) Year 2023	Category (enabling activity) (F)	Category (transition activity) (T)
<b>A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY</b>																			
<b>A.1. Environmentally sustainable activities (conforming to the taxonomy)</b>																			
Electricity generation using solar photovoltaic technology	4.1	362,958	99%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Electricity generation from wind power	4.3	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Storage of electricity	4.10	299	0,1%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
<b>Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)</b>		<b>363,257</b>	<b>99%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>S</b>	<b>100%</b>		
Of which: enabler		299	0,1%	0,1%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0,1%	F	
Of which: transitional																			T
<b>A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)</b>																			
Electricity generation using solar photovoltaic technology	4.1	0	0%	S	N	N	N	N	N								0%		
Electricity generation from wind energy	4.3	0	0%	S	N	N	N	N	N								0%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N								0%		
<b>Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>0%</b>		
<b>Total (A.1 + A.2)</b>		<b>363,257</b>	<b>99%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>								<b>99%</b>		
<b>B. INELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY</b>																			
Turnover from non-taxonomy-eligible activities (B)		3,076	1%																
<b>Total (A + B)</b>		<b>366,333</b>	<b>100%</b>																

## 6.7. TCFD RECOMMENDATIONS

Table 49. TCFD Recommendations		Equivalence	
		CSRD – EFRAG Standards E1	Climate Change and Energy Transition Law
Government	Highest governance body for climate monitoring and management (Members of the Board, Committee or Board of Directors)	Categorization of climate change-related risks as climate-related physical risk or transition risk	
	Remuneration plan and performance objectives linked to the CC of the management and management	Variable compensation for management and board members, linked to the achievement of climate objectives, and if so, a description of the compensation	
Business Strategy	How climate-related risks and opportunities influence business strategy	Description of the resilience of the strategy and business model to climate change, including scope and impact on both.	-
	Analysis of climate scenarios, detailing the scenarios used and how they relate to the strategy	Description of the resilience analysis methodology, including the use of climate scenarios and the results of the analysis, including scenario results	The metrics, scenarios and targets used to assess and manage transitional and physical risks, as well as relevant climate-related opportunities
	Inclusion of a transition plan aligned with the scenario of 1.5°C in the strategy	Disclosure of the transition plan for climate change mitigation	-
	CC adaptation and mitigation processes	Incident, risk and opportunity management policies related to climate change	Decisions, commitments, changes in strategy and business model to adapt and mitigate negative impacts of climate risks
	Metrics used to quantify expenses / revenues aligned with the Taxonomy	Dissemination of climate change mitigation and adaptation actions, together with the resources allocated	Decisions, commitments, changes in strategy and business model to adapt and mitigate negative impacts of climate risks
	Policy framework with climate-related requirements and/or exclusionary policies	The company shall indicate its inclusion in or exclusion from the EU benchmarks harmonized with the Paris Agreement	-
	Clauses in financing agreements for the implementation of climate-related policies	The company will be able to explain and quantify its investments and financing to support the implementation of its transition plan	-

Table 49. TCFD Recommendations		Equivalence	
		CSRD – EFRAG EI Standards	Climate Change and Energy Transition Law
Risks and Opportunities	Classification and description of climate-related physical and/or transitional hazards	Categorization of climate change-related risks as climate-related physical risk or transition risk	
	Process for identifying, assessing and monitoring climate-related R&O	Description of the process for assessing climate impacts, risks and opportunities	Description of processes and resources used to manage climate risks, including materiality analysis and risk prioritization, if available
	Consideration of the substantial strategic/financial impact of CC R&Os	Disclosure of expected financial effects of physical and transitional risks and opportunities related to climate change	Climate-related risks and opportunities that have a material financial impact on the organization at each of these horizons
	Financial impacts associated with R&O, estimation methodology, and breakdown of the estimated figure	The disclosure of these effects depends on the company's internal methodology	Quantitative and qualitative impacts of transition risks, physical risks and climate opportunities on the organization's activities, strategy and financial planning
	Assessment of business exposure to climate-related risks and opportunities	Exposure and sensitivity of assets and business activities to transition events, considering probability, magnitude and duration	-
	Climate Transition or Adaptation Plans	Climate change mitigation and adaptation policies	Decisions, commitments and changes in strategy and business model to adapt and mitigate negative impacts of climate risks
Metrics and Objectives	Climate-related target(s) (absolute or intensity emissions reduction, consumption reduction)	The company shall disclose the climate-related goals it has established	Climate-related targets, including time period, baseline year, KPIs, and calculation methodologies
	Reporting of Scope 1 and 2 and Scope 3 emissions, including base year, standard and methodology used	Scope 1, 2 and 3 GHG emissions, either separately or combined. As well as the base year, and the value of current benchmarks	
	Consumption of resources such as renewable electricity, water, waste, certified surfaces, etc...	Energy consumption and sources, water consumption and resource management, including waste	Metrics for climate risks and opportunities, including historical data and future projections
	External verification of disclosed information	Verifiable and scientifically sound parameters to improve comparability	-
	Use of internal carbon pricing and other offsetting measures	The use of internal carbon pricing systems and their influence on climate decisions and policies	-

# 6.8. VERIFICATION REPORT

**Independent Limited Assurance Report on the Consolidated  
Non-Financial Statement for the year ended  
December 31, 2023**

**GREENERGY RENOVABLES, S.A**

## **INDEPENDENT LIMITED ASSURANCE REPORT ON THE (CONSOLIDATED) NON-FINANCIAL INFORMATION STATEMENT**

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of GREENERGY RENOVABLES, S.A:

Pursuant to Article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2023, of GREENERGY RENOVABLES, S.A. and subsidiaries (hereinafter the Group) that forms part of the accompanying Consolidated Directors' report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the "Table of contents as required by Law 11/2018 and GRI indicators" included in the accompanying NFS.

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### Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Directors' report of GREENERGY RENOVABLES, S.A and its content, is the responsibility of the Board of Directors of GREENERGY RENOVABLES, S.A The NFS has been prepared in accordance with the content required by current mercantile regulations and in conformity with the criteria outlined in the selected *Sustainability Reporting Standards of Global Reporting Initiative (GRI standards)* selected, as well as other criteria described in accordance with that indicated for each subject in the "Table of contents as required by Law 11/2018 and GRI indicators" included in the accompanying NFS.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

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### Our independence and quality management

We have complied with independence and other ethical requirements of the International Code of Ethics for Accounting Professionals (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.



Our Firm applies International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of experts in the review of non-financial information and, specifically, information on economic, social, and environmental performance.

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#### Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Institute of Chartered Accountants (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower.

Our work consisted in making enquiries of Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and selective tests by means of sampling as described below:

- ▶ Meetings with the Group's personnel to obtain an understanding of the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023 based on the materiality analysis made by the Group and described in chapter 1.3 "Doble Materialidad", considering the content required by prevailing mercantile regulations.
- ▶ Analysis of the processes for gathering and validating the data included in the 2023 Non-Financial Information Statement.
- ▶ Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023 NFS.
- ▶ Check, through tests, based on a selection of a sample, the information related to the content of the 2023 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Based on the limited assurance procedures conducted and the evidence obtained, nothing has come to our attention that causes us to believe that the Group's NFS for the year ended December 31, 2023 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the "Table of contents as required by Law 11/2018 and GRI indicators" included in the accompanying NFS.

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#### Use and distribution

This report has been prepared as required by current mercantile regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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Elena Fernández García

28 de febrero de 2024