

Double Materiality Analysis 2024

INDEX

1. Executive Summary	3
3. The Concept of Double Materiality	3
4. Regulatory Context	4
5. Methodology	5
5.1 Impact identification.....	5
5.2 Stakeholder Consultations.....	6
5.3 Feedback Integration.....	7
6. Results	7
6.1 Changes in the 2024 analysis.....	7
6.2 Critical material issues.....	8
7. Strategy for Managing Material Issues	8
7.1 Climate Change Mitigation and Adaptation.....	8
7.2 Conservation and restoration of biodiversity and ecosystems.....	9
7.3 Circular economy and efficient consumption and waste management.....	9
7.4 Contribution to the development and involvement of local communities.....	9
7.5 Attracting, Developing, and Retaining Human Capital.....	9
7.6 Respect and protection of human rights.....	9
7.7 Financial and non-financial risk management systems.....	10
7.8 Sustainable supply chain.....	10
7.9 Equality, diversity and inclusion.....	10
7.10 Good governance and fair corporate conduct.....	10
ANNEXES	11
ANNEX I. Definition of material topics 2024	11
ANNEX II. Changes in the analyzed topics between 2023 and 2024	13

1. Executive Summary

In a constantly evolving regulatory environment, we have updated our **2024 Double Materiality Analysis**, reaffirming our commitment to sustainability and ESG risk management. This update aligns with the **Corporate Sustainability Reporting Directive (CSRD)** and the **European Sustainability Reporting Standards (ESRS)**, offering a comprehensive view of the impacts, risks, and opportunities related to our activities and operational environment.

The report compares the previous materiality analysis with the new CSRD requirements, identifying areas of alignment and necessary adjustments. To ensure an accurate analysis, we have engaged various internal areas, including the Board of Directors and key stakeholders, such as suppliers, analysts and banking institutions. Their input has been essential in prioritizing material issues and aligning our sustainability strategy with market expectations and regulatory standards.

2. Purpose of This Document

This report presents the update of Greenergy's **Double Materiality Analysis**, incorporating the topics, subtopics and sub-subtopics established in the CSRD. Through this process, we identify key **impacts, risks and opportunities** in our operations, business relationships and relevant geographic areas.

Since our first assessment in 2020 and its evolution toward the Double Materiality approach in 2023, we have reinforced the prioritization of impacts and their alignment with current regulations. In this new update, we have deepened the identification of the most relevant issues for the company and our stakeholders, reinforcing our commitment to transparency and the integration of sustainability into the corporate strategy.

3. The Concept of Double Materiality

The double-materiality approach allows for the evaluation of two key dimensions:

- **Impact materiality:** analyzes how our operations affect the environment, society and the economy.
- **Financial materiality:** considers the economic effects that external factors may have on our company.

This assessment helps us to understand the interaction between our activities and the regulatory, economic and environmental context, in line with the regulations detailed in section 4. Regulatory Context.



4. Regulatory Context

The concept of materiality originates from the **financial sector** and refers to the relevance of information whose omission could significantly affect the understanding of a company's financial statements. This concept has evolved to include not only financial, but also **environmental, social and governance** aspects. The shift toward double materiality has been driven by growing demands from stakeholders, investors, and regulators, leading to the greater integration of sustainability criteria into business strategies.

Table 1: Regulation and Global Reference Frameworks

Regulations / Authority	Target	Application in double materiality analysis
CSRD (Corporate Sustainability Reporting Directive)	Requires companies to report on both their impact on the environment, society and governance (impact materiality), and how ESG factors affect their financial stability and business model (financial materiality).	Establishes the mandatory framework for assessing and disclosing ESG risks, opportunities, and impacts in both dimensions of double materiality. Establishes specific criteria in the ESRS that companies must consider in their analysis.
ESRS (European Sustainability Reporting Standards)	Establishes detailed standards for ESG disclosure, ensuring the integration of sustainability criteria into corporate strategy and financial risk assessment.	It provides the methodology and criteria that structure the assessment of material issues, increasing the comparability of reported data and aligning double materiality with regulatory expectations.

EU Taxonomy	Classifies which economic activities can be considered sustainable, orienting investments toward models aligned with EU climate objectives.	Impacts the assessment of financial risks and opportunities associated with sustainable transition, influencing financial materiality in sectors with high regulatory exposure.
Comisión Nacional del Mercado de Valores (CNMV) (National Securities Market Commission)	Monitors regulatory compliance in Spain's financial markets, ensuring transparency in the disclosure of ESG information.	Reinforces consistency between financial materiality and reporting criteria so that ESG risks are considered in the stability and sustainability of the business.
European Securities and Markets Authority (ESMA)	Regulates the EU financial markets and supervises the correct application of the CSRD and ESRS.	Enhances quality and consistency in ESG disclosures, supporting the identification of financial risks related to sustainability.
Global Reporting Initiative (GRI)	Provides a global framework for the disclosure of sustainability information, promoting transparency and accountability.	Focuses primarily on impact materiality , assessing how the company's activities affect the economy, environment and society. Its alignment with the ESRS facilitates comparability in ESG disclosure.
IFRS Foundation and International Sustainability Standards Board (ISSB)	Establishes international standards for the integration of ESG factors in financial information, improving the comparability of reports.	Reinforces the financial materiality approach, aligning sustainability with key economic metrics and facilitating decision making for investors and analysts.

5. Methodology

Our materiality analysis conducted in 2024 has been conducted in accordance with the principles stipulated in **the CSRD ESRS 1** standard and the specific requirements of the thematic standards, ensuring interoperability with **GRI 3-3**. For a consolidated overview of the applicable regulatory framework, please refer to Table 1: Regulation and Global Frameworks.

5.1 Impact identification

The first step of the process consisted of **identifying current and potential impacts**. To do so, we analyzed the impact dimensions in relation to the themes established in the CSRD, considering their alignment with the corresponding sub-themes and sub-sub-themes.

The impacts were classified as:

- **Type of impact:** Positive or negative.
- **Origin of the impact:** generated by the company (impact materiality) or suffered by the company (financial materiality).

In addition, different reference sources were used to support the analysis:

- **Agnostic level:** ESG issues transversal to all companies. Example: GRI indicators, ESG ratings, Non-Financial Reporting Law 11/2018, Non-Financial Reporting Directive (NFRD), among others.
- **Sector level:** Relevant topics for companies in the **renewable energy** sector, analyzed by benchmarking competitors and global trends. Example: *Global Landscape Renewable Energy Finance 2023/2024 (IRENA)*, *Renewable Energy Industry Outlook (Deloitte)*, *Infrastructure Futures Report (WEF, BCG, GIH)*.
- **Company level:** Aspects relevant to the company's specific activities. Example: Greenergy internal policies and procedures, ESG Roadmap 2021-2023 and ESG Roadmap 2024-2026.

5.2 Stakeholder Consultations

To further assess impacts, risks and opportunities, a structured consultation process with internal and external stakeholders has been carried out. The following is a summary of the main stakeholders consulted:

Table 2: Stakeholders consulted

Internal stakeholders	Board of Directors, Finance, Operations, Human Resources, Sustainability, Compliance, Health and Safety, IT, Asset Management (AM), Development, Procurement, EPC, New Technologies
External stakeholders	Analysts and banking institutions, Local Community, Suppliers

Interviews with internal areas allowed us to identify the key impacts for the company and review their classification according to the perceived relevance of each department. Subsequently, questionnaires were sent out to assess the material issues from a broader perspective, with scores differentiated between impact materiality and financial materiality.

In the case of the external groups, structured interviews were conducted with an open approach to collect qualitative information. Following these meetings, the same questionnaires used with the internal areas were sent out.

The information gathered has been incorporated into the materiality assessment, allowing the

weighting of the issues identified to be adjusted according to the relevance perceived by the various stakeholders.

5.3 Feedback Integration

The information gathered during the consultation process has been incorporated into the double materiality analysis, which has allowed adjustments to be made to the classification and weighting of material issues based on stakeholder perceptions.

In addition, the feedback obtained has served to assess the need for future adjustments in the definition of material issues, as well as to better understand stakeholder perception of our company and its alignment with market trends.

The results of this process have been reflected in the identification of critical material issues, which will be part of the company's strategic planning for sustainability and risk management.

The analysis has followed the validation steps established for any public objective of Greenergy's ESG Roadmap and has ultimately been approved by the Board of Directors.

6. Results

6.1 Changes in the 2024 analysis

Over the years, our materiality analysis has evolved to more accurately reflect the challenges and opportunities in the renewable sector. Compared to the 2020 and 2023 studies, the 2024 analysis introduces minor adjustments to the classification of topics, consolidating a more structured view of the key impacts, risks and opportunities for the company. Main changes and findings of the 2024 analysis:

- **Greater alignment with the CSRD and ESRS**, integrating all topics, subtopics and sub-subtopics relevant to the company's activity.
- **Identification of impacts that constitute dependencies for the business**, which allows us to better understand the relationship between our activities and key external factors.
- **Reformulation and grouping of certain material issues**, with adjustments in their classification to improve their integration within the corporate strategy and avoid duplication (see specific details in Annex II).
- **Expanded stakeholder consultation**, with structured interviews and more detailed questionnaires, which has allowed us to identify new key concerns and expectations.

6.2 Critical material issues

By 2024, the following topics have been identified as **material**. These themes reflect the key challenges and opportunities for the company in the current context and will serve as the basis for the sustainability and risk management strategy in the coming years (see definition and specific details in Appendix I).

1. Climate Change Mitigation and Adaptation
2. Conservation and restoration of biodiversity and ecosystems
3. Circular economy and efficient consumption and waste management
4. Contribution to the development and involvement of local communities
5. Attraction, development and retention of human capital
6. Respect and protection of human rights
7. Financial and non-financial risk management systems
8. Sustainable supply chain
9. Equality, diversity and inclusion
10. Good governance and fair corporate conduct

7. Strategy for Managing Material Issues

Our **ESG Roadmap 2024-2026** establishes the **dimensions, levers, objectives and actions** that guide our sustainability strategy, based on the materiality analysis conducted in 2023.

This strategy, updated every three years, is structured in six key dimensions: **climate change, environment, people, value chain, sustainable finance, and innovation and corporate governance**. Based on these dimensions, we have identified 17 strategic levers that enable us to address the challenges and define specific commitments for each of them. The **10 material issues** identified in the 2024 analysis are summarized in this section, highlighting their integration into the sustainability strategy. For a more detailed description of our management, objectives and performance, please refer to the Statement of Non-Financial Information and Sustainability Information, published annually and available on our website, which provides further information on initiatives, metrics and progress in each of these areas.

7.1 Climate Change Mitigation and Adaptation

We have defined a decarbonization strategy with the objective of achieving **climate neutrality by 2040**, with an intermediate goal of a **50% reduction in GHG emissions by 2030**. To achieve this, we have implemented measures as the electrification of our corporate fleet, the use of renewable energy in our operations, and the selection of suppliers with a lower carbon footprint. Our Net Zero strategy, approved in 2024 by the Board of Directors, will be updated in 2025 to

include an economic analysis that aligns our investments with climate objectives.

7.2 Conservation and restoration of biodiversity and ecosystems

In 2024, we published our Biodiversity Strategy, aligned with the recommendations of TNFD (Taskforce on Nature-related Financial Disclosures). We have adopted an approach based on the principles of avoiding, minimizing, restoring and compensating our environmental impacts, prioritizing the selection of low-impact locations, implementing conservation measures in all phases of our projects, and developing reforestation and ecological restoration initiatives in collaboration with local communities. We are committed to have a **net positive impact on biodiversity by 2030**, with the implementation of **nature-based solutions** and the publication of our **Biodiversity Policy in 2025**.

7.3 Circular economy and efficient consumption and waste management

We integrate **circular economy** principles in the **planning, construction and operation of our renewable facilities**, prioritizing the optimization of resource use, energy efficiency and sustainable waste management. We are focused on minimizing environmental impact throughout our value chain.

7.4 Contribution to the development and involvement of local communities

We have developed our **Corporate Social Management Plan** aligned with international standards such as the **IFC, the Equator Principles and the SDGs**. We are based on the identification of needs and the implementation of projects that generate a positive impact on local communities. We have promoted initiatives focused on infrastructure, education, local employment generation and strengthening dialogue with indigenous communities. In addition, we have implemented a structured procedure for receiving and responding to concerns and suggestions, ensuring an open and continuous communication process.

7.5 Attracting, Developing, and Retaining Human Capital

Our human talent is a key axis in our sustainability strategy. We have established training and professional development programs, such as the "Greenergy Talent Program", aimed at young people interested in the renewable energy sector. We focus on improving working conditions and talent retention through continuous evaluation of the organizational climate.

7.6 Respect and protection of human rights

Our Human Rights Policy, overseen by the Sustainability department, ensures its integration into all our operations and supply chain. We have implemented a Human Rights Due Diligence Process aligned with the UN Guiding Principles, allowing us to identify and mitigate risks, evaluate our suppliers under ESG criteria and establish effective whistleblower channels. Our Corporate Social Management Plan will reinforce our commitment to local development and the improvement of the quality of life in the areas where we operate.

7.7 Financial and non-financial risk management systems

The Audit and Control Committee oversees the identification, assessment and mitigation of economic, regulatory, climate and market risks, ensuring resilient growth aligned with our strategic objectives. Through the ESG Roadmap 2024-2026, we will update our corporate risk map to integrate both economic and sustainability-related risks.

7.8 Sustainable supply chain

We promote responsible management of our supply chain by integrating ESG criteria in the approval and contracting of suppliers. Our Procurement Policy establishes commercial relationships based on efficiency and sustainability, while our Supplier Code of Conduct sets minimum standards in terms of human rights, labor conditions and environmental management. We have strengthened our control and auditing tools to improve traceability and transparency in our value chain.

7.9 Equality, diversity and inclusion

Our commitment to equal opportunities is reflected in our Equality, Diversity and Inclusion Policy, promoting an environment free of discrimination and favoring the representation of women in STEM and leadership areas. To this end, we intend to develop programs such as "Employer Branding" to improve the attraction and retention of diverse talent, in addition to enabling mechanisms for reporting incidents of discrimination or harassment.

7.10 Good governance and fair corporate conduct

Our business decisions are aligned with our Code of Conduct and internal policies. We have strengthened our Compliance training programs, focusing on the prevention of corruption and respect for human rights. We have an anonymous and confidential Whistleblower Channel, accessible to employees, suppliers and other stakeholders, independently managed to ensure objectivity in its evaluation.

ANNEXES

ANNEX I. Definition of material topics 2024

	Analyzed topics	CSRD Alignment	Definition	Material subject
1	Climate Change Mitigation and Adaptation	E1 - Climate change	Process of reducing carbon emissions and adapting to climate impacts through strategies and measures that favor energy transition and sustainable development. This includes the implementation of clean technologies, energy efficiency and climate resilience in operations.	YES
2	Atmospheric pollution	E2- Contamination	Impact of the company's activities on air, soil and water quality, including management of pollutants and reduction of harmful emissions.	NO
3	Conservation and restoration of biodiversity and ecosystems	E4 - Biodiversity and ecosystems	Actions aimed at the protection, recovery and sustainable management of natural ecosystems, ensuring species conservation and mitigating the environmental impact of business activities.	YES
4	Circular economy and efficient consumption and waste management	E5 - Resource use and circular economy	Model that promotes the reduction in the use of natural resources, the use of recycled materials, the optimization of consumption and the minimization of waste to reduce environmental impact.	YES
5	Responsible management of water resources	E3 - Water and marine resources	Evaluation and mitigation of the impact of water consumption in the value chain, considering efficiency in the use of the resource and its preservation in water-stressed regions.	NO
6	Contribution to the development and involvement of local communities	S3 - Affected communities	Relationship with local communities based on socioeconomic development, employment generation and collaboration with local stakeholders for sustainable growth.	YES
7	Diversity, equality and inclusion	S1 - Own Workforce	Principles that promote equity and non-discrimination within the company, ensuring equal opportunities for all employees and promoting the inclusion of diverse groups.	YES
8	Attraction, development and retention of human capital	S1 - Own Workforce	Strategies focused on attracting, training and retaining talent, ensuring competitive working conditions and professional development opportunities.	YES
9	Cybersecurity and information security	S1 - Own Workforce	Protection of corporate and customer information against cyber risks, ensuring the privacy and integrity of data in the digital environment.	NO

10	R&D&I in new markets and renewable technologies	Company-specific	Research and development in renewable energy technologies and new solutions for the energy transition, with the aim of strengthening innovation and competitiveness in the sector.	NO
11	Safety and health in the value chain	S2 - Value Chain Workers	Protecting the health and safety of employees and suppliers throughout the value chain, ensuring safe working conditions and risk prevention.	NO
12	Sustainable supply chain	S2 - Value Chain Workers	Integration of ESG criteria into supplier management, material selection, and processes.	YES
13	Respect and protection of human rights	S2 - Value Chain Workers	Compliance with international human rights standards within operations and the supply chain, minimizing the risk of violations and promoting decent work.	YES
14	Commitment to the customer	S4 - Consumers and end users	Building trusting relationships with customers, ensuring transparency in communication and compliance with ethical standards in the marketing of products or services.	NO
15	Good governance and fair corporate conduct	G1 - Business conduct	Standards and practices that govern decision-making in the company, ensuring transparency, integrity and ethics in corporate management.	YES
16	Transparency and responsible taxation	Company-specific	Implementation of tax practices aligned with current regulations and sustainability commitments, ensuring clear and consistent management of financial and tax information.	NO
17	Financial and non-financial risk management systems	G1 - Business conduct	Identification and mitigation of economic, regulatory, climate and market risks that may affect the company's financial and operational stability.	YES
18	Financial economic performance and green financing	Company-specific	Financial strategy that encompasses economic growth, resource optimization and diversification of financing sources, incorporating sustainability and green financing criteria.	NO

ANNEX II. Changes in the analyzed topics between 2023 and 2024

	Analyzed topics 2023	Analyzed topics 2024	Changes
1	Climate Neutrality and Energy Transition	Climate Change Mitigation and Adaptation	Revised
2	-	Atmospheric pollution	New topic
3	Conservation and restoration of biodiversity and ecosystems	Conservation and restoration of biodiversity and ecosystems	Unchanged
4	Circular economy and efficient consumption and waste management	Circular economy and efficient consumption and waste management	Unchanged
5	Responsible management of water resources	Responsible management of water resources	Unchanged
6	Contribution to the development and involvement of local communities	Contribution to the development and involvement of local communities	Unchanged
7	Diversity, equality and inclusion	Diversity, equality and inclusion	Unchanged
8	Health and safety	Safety and health in the value chain	Revised
9	Attraction, development and retention of human capital	Attraction, development and retention of human capital	Unchanged
10	Sustainable supply chain	Sustainable supply chain	Unchanged
11	Respect and protection of human rights	Respect and protection of human rights	Unchanged
12	Transparency and responsible taxation	Transparency and responsible taxation	Unchanged
13	Financial and non-financial risk management system	Financial and non-financial risk management systems	Unchanged
14	Good governance and fair corporate conduct	Good governance and fair corporate conduct	Unchanged
15	Cybersecurity and information security	Cybersecurity and information security	Unchanged
16	Customer and supplier commitment	Commitment to the customer	Revised
17	Financial economic performance and green financing	Financial economic performance and green financing	Unchanged
18	R&D&I in new markets and renewable technologies	R&D&I in new markets and renewable technologies	Unchanged