

Audax Renovables, S.A. and its subsidiaries

Independent Auditor's report on the
Consolidated Non-financial
Information Statement for the year
ended 31 December 2021

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

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Audax Renovables, S.A.:

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the non-financial information included in the Consolidated Non-financial Information Statement (hereinafter CNFIS) of Audax Renovables S.A., and subsidiaries (hereinafter Audax Renovables), for the year ended December 31, 2021.

The CNFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their core option (“GRI standards”), that was not the subject matter of our verification. In this regard, our work was limited solely to the verification of the information identified in the Annex “Index of contents required by and GRI Content Index”.

Responsibilities of the Directors

The preparation and content of the Audax Renovables’ CNFIS is the responsibility of the Board of Directors of Audax Renovables. The CNFIS was prepared in accordance with the content specified in current Spanish corporate legislation, in accordance with the criteria of Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) in their core option.

This responsibility of the Board of Directors also includes the design, implementation and maintenance of such internal control as is determined to be necessary to enable the CNFIS to be free from material misstatement, whether due to fraud or error.

The Directors of Audax Renovables are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the CNFIS is obtained.

Our Independence and quality control

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

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements.

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 and, consequently, the level of assurance provided is also substantially lower.

Our work consisted in requesting information from management and the various units of Audax Renovables that participated in the preparation of the CNFIS, reviewing the processes used to compile and validate the information presented in the CNFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Audax Renovables personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the CNFIS based on the materiality analysis performed by Audax Renovables and described in the "About this report" section of the CNFIS, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the CNFIS for the year ended 31 December 2021.

- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters identified in the 2021st materiality analysis, described in the “About this report” section in the Appendix of the CNFIS.
- Verification, by means of sample-based review tests, of the information relating to the non-financial information contents included in the 2021 CNFIS, and the appropriate compilation thereof based on the data furnished by Audax Renovables’ information sources.
- Obtainment of a representation letter from the directors and management.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, establishes the obligation to disclose information on the manner and to what extent the activities of the business are associated with economic activities considered environmentally sustainable in relation to the objectives of climate change mitigation and climate change adaptation for the first time for year 2021 provided that the CNFIS is published after 1 January 2022. Consequently, the CNFIS does not include comparative information. Additionally, certain information has been incorporated for which Audax Renovables Directors have chosen to apply the criteria that, in their opinion, best allow compliance with the new obligation and that are defined in the annex “Methodology for the Calculation of the Taxonomy” of the herein attached CNFIS. Our conclusion has not been modified in relation to this issue.

Conclusion


Based on the procedures performed and the evidence obtained no matter has come to our attention that causes us to believe that the Consolidated Non-financial Information Statement of Audax Renovables, S.A. and its subsidiaries for the year ended 31 December 2021, was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and following the criteria of the GRI standards in their core version.

Use and distribution

This report was prepared in accordance with the content specified in current Spanish corporate legislation, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L.

Xavier Angrill Vallés
24th February 2021



Non-Financial Information
Statement 2021
AUDAX RENOVBABLES and
subsidiaries

for the year ended on
31 December 2021

Non-Financial Information Statement of Audax Renovables and subsidiaries

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NON-FINANCIAL INFORMATION STATEMENT

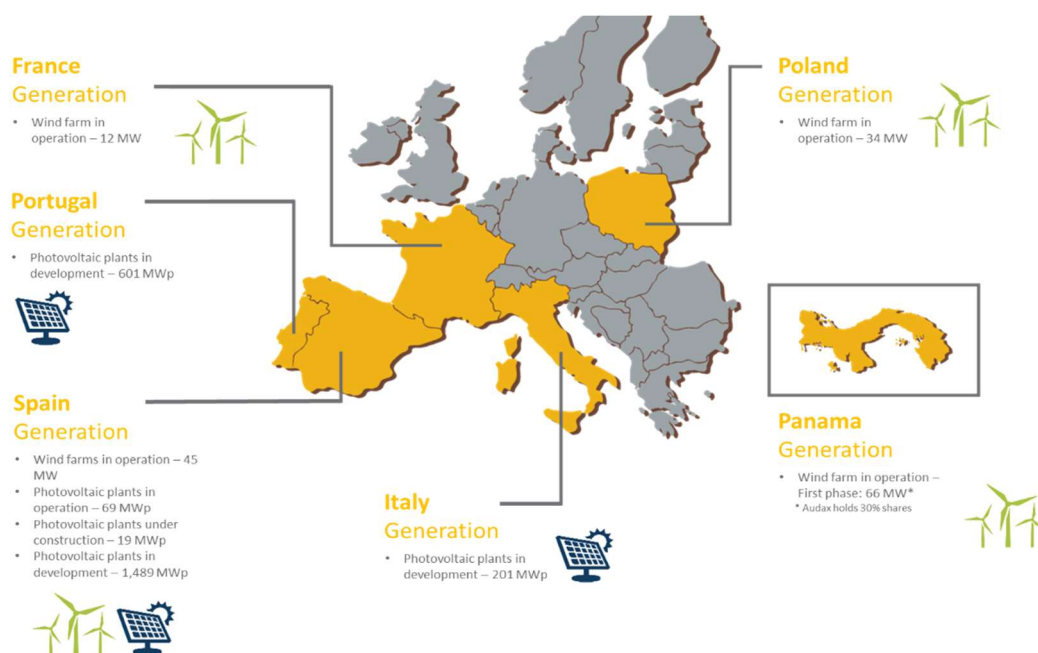
1. Business Model

1.1. Introduction to Audax Renovables

Audax Renovables is an energy group with leading position in the SME segment in Spain, providing efficient supply of retailed energy (electricity and natural gas) through a process of vertical integration with the segment of renewable energy generation. The Group is undergoing the expansion process, is comprised of around 80 subsidiary companies, has 803 employees, caters for 518 thousand clients, and operates in 8 European countries as well as in Panama. Its objective is to offer energy at competitive prices while delivering products that adapt to the clients' needs and providing high-quality customer service.

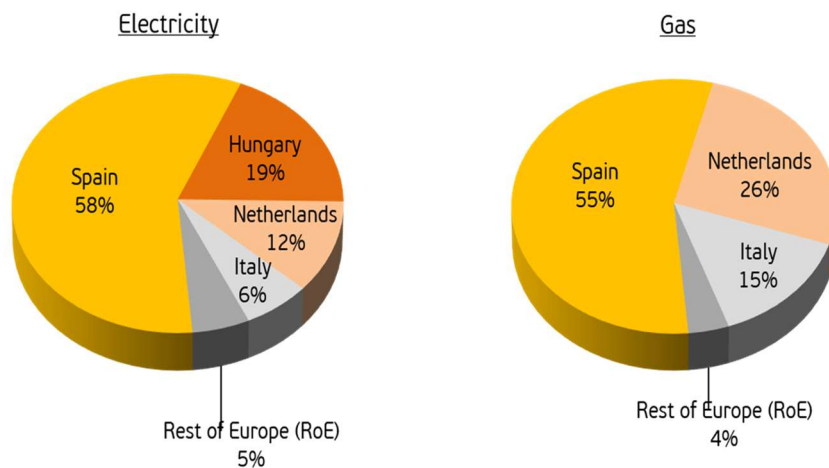
The Group's main activities involve:

- Developing all kinds of activity connected with electricity generation from 100% renewable sources, primarily wind and solar energy. The **generation activity** runs a portfolio of operating wind farms of **91 MW** in Spain, France and Poland, and of photovoltaic plants of **69 MWp** in Spain. It has also an operating wind farm of **66 MW** in Panama, as well as photovoltaic projects of **19 MWp**, which in total give **85 MW** under construction, and a photovoltaic portfolio of **2,291 MWp** in various stages of development, located in Spain, Portugal and Italy.
- The Group has incorporated into its generation portfolio a set of projects, which together have a capacity of **1,968 MWp**, and which it will be developing and putting into operation at the beginning of 2022 in Spain, Italy and Portugal, in whose markets various companies of the Group are already present through their retailing activity. Thus the Group bolsters its total generation project portfolio so that it reaches **2,536 MW**.



- Providing electricity and gas to individual clients as well as to companies through the **retailing activity**, which is present in many European countries: Spain, Portugal, Italy, Germany, Poland, the Netherlands and Hungary. Over the year 2021 the Group supplied **15.4 TWh**, in comparison to 10.5 TWh of the previous year. This change is due mainly to the impact of the COVID-19 pandemic, related to the decrease of the electricity and gas demand in that period, apart from the addition of the energy supplied in Hungary throughout the 12 months of the present year.

Energy supply points 2021



The most important markets where the Audax Group operates are: Spain, the Netherlands, Hungary and Italy. Resto of Europe (RoE) corresponds to Portugal, Poland and Germany.

Established in the year 2000, Audax Renovables is a vertically integrated Spanish energy group, generating 100% renewable energy and supplying electricity and natural gas to its clients in seven European countries. It is mainly engaged in "*promoting all types of activities related to the development of electricity generation from renewable sources, for which purpose it can set up, acquire and hold shares, bonds, participations and rights in companies whose corporate objects are the development, construction and exploitation of facilities for the generation of electricity from renewable energy sources*".

Some of the main milestones and key dates of Audax Renovables, from its beginning to the present day, are outlined below:

- In 2003 the shares of Audax Renovables were admitted to trading on the secondary market of the Barcelona Stock Exchange, and Audax became the first independent company dedicated exclusively to produce renewable energy, listed on the Spanish stock exchange.
- Audax commenced the operation of its first wind farm in the year 2006. Today, Audax has international presence with its operating wind farms also in France, Poland, and Panama.
- In 2007 the company was included in the Spanish Stock Exchange Interconnection System (SIBE) of the Madrid Stock Exchange.

- Between the years 2013 and 2017 the company enters gradually the following countries (by order of entry): Portugal, Italy, Poland, the Netherlands and Germany.
- Audax becomes the first Catalan SME to issue bonds on the Alternative Fixed-Income Market (MARF) in 2014.
- In 2016 Audax Energía acquires Fersa Energías Renovables through a takeover bid (OPA).
- In 2017 the Company changes its name for "Audax Renovables", formerly Fersa Energías Renovables.
- In 2018 a joint project of merger is presented and completed, by which Audax Renovables absorbs its parent company, Audax Energía. The Group continues to work towards making progress in offering clean energy and developing activities within this scope.
- In 2018 Audax Renovables commences construction works of the wind farm Toabré in Panama.
- The same year the energy retailer Unieléctrica Energía, from Córdoba, joins the Group.
- Since the end of 2018 the company has been focusing its efforts on signing PPAs (Power Purchase Agreements).
- In September 2020 the company proceeded to close the agreement on purchase of 100% of share capital of the Hungarian retailer E.ON Energiakereskedelmi Kft.
- In 2020 the Group continued its expansion and achieved 515 thousand supply points and 10.5 TWh of supplied energy.
- In 2021 Audax Renovables put into operation the photovoltaic plants of Cañamares, Carolinas I and II, La Zarzuela I, II, III and IV and Alberizas I, II, III and IV, and acquired its first project in Castilla y León.
- At the end of 2021, the wind farm project Toabré in Panama and the photovoltaic plants of Calañas, Arenales and Toconal achieved 100% completion and most of them began the procedures for beginning operation.

In 2021 ordinary income of Audax Renovables **increased by 74%** in comparison to 2020 and amounted to **EUR 1,690 million**.

Gross operating income (EBITDA) of Audax Renovables amounted to **EUR 52.9 million** in 2021.

Due to its internationalisation strategy, Audax Renovables ended the year 2021 with net profit of **EUR 2.8 million**, 89% less than in the year 2020.

The economic recovery of 2021 exceeded expectations, with the effects of the COVID-19 pandemic constantly decreasing. The expectations for global recovery and growth have caused,

among other factors, a very pronounced increase in energy consumption among the clients and a surge in commodity prices.

This has brought the biggest crisis in energy prices in recent history, and the consequence was that it has been one of the most difficult years for the management of electricity and gas retailers, but the vertical integration of the electricity generation and retail activities of Audax proved to be a differential value. Therefore, the Group's reaction to the crisis was very effective, thanks to the commitment of its whole team, and consequently, after several unsteady months, the Group ended the year with a profit of EUR 2.8 million.

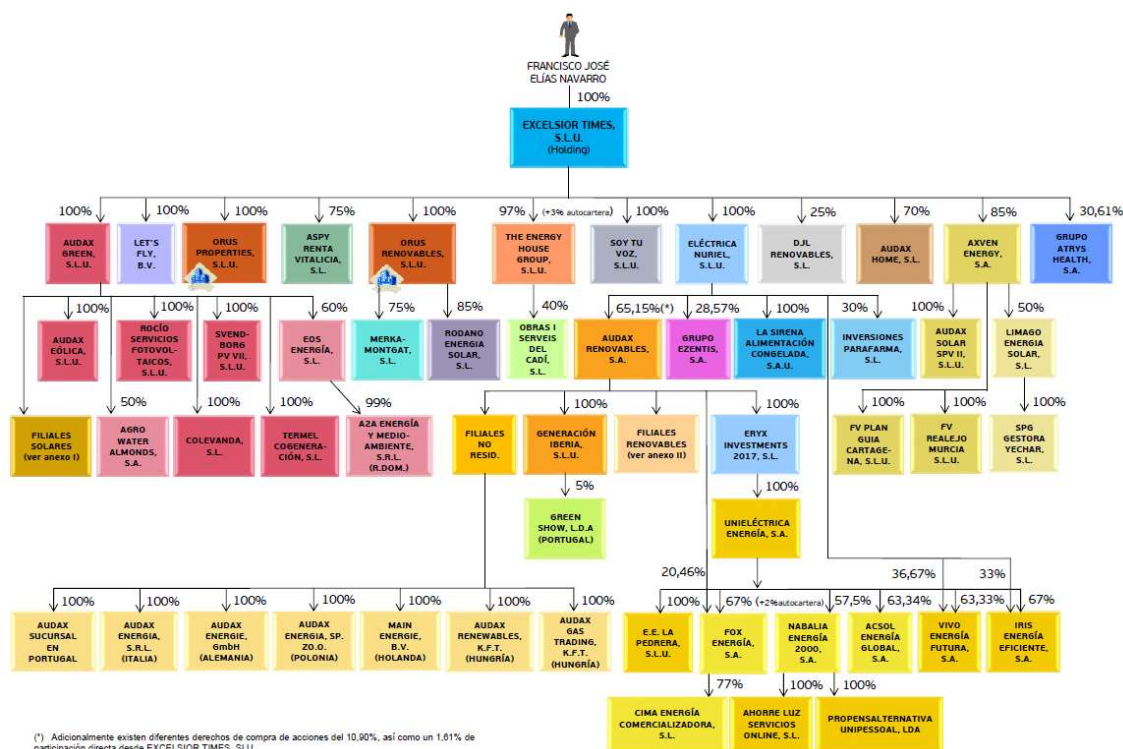
Regarding power generation, Audax has continued its operations by developing, building and putting into operation its portfolio, all this in spite of the slow progress which we still experience from certain official bodies while carrying out the administrative procedures for project launch.

In the next years the Group will continue its commitment to the generation of energy from 100% renewable sources by building new, mainly photovoltaic, power plants and thus contributing to a sustainable energy transition.

1.2. Main activities and services

Currently, Eléctrica Nuriel is the majority shareholder of Audax Renovables, comprising various subsidiary companies, joint ventures and associated businesses, which are included within the scope of this report and add up to an energy group whose business involves generating energy from 100% renewable sources as well as supplying 100% renewable electricity, and gas.

The graphic below shows the corporate structure as at 31 December 2021. It should be noted that neither Excelsior Times nor Eléctrica Nuriel are featured within the scope of this report.



2021

JANUARY

The Company acquires two photovoltaic projects of 10 MWp in the province of Toledo, and closes a purchase agreement for the incorporation of projects of up to 69 MWp.

The Group moves forward on its roadmap to set a benchmark in renewable energy generation and boosts its project portfolio by incorporating 1,942 MWp of photovoltaic projects so that it reaches 2,498 MW.

FEBRUARY

Audax Renovables obtains construction approval for its project Los Arenales (Toledo) of 5 MWp of capacity.

MARCH

Audax Renovables obtains the hand-over for operation protocol of the photovoltaic plant of Cañamares in the province of Guadalajara (Castilla – La Mancha) of 5 MWp of capacity.

In order to reinforce the supreme governing body of the Group, two women are included in the Management Board, which is comprised of a total of 6 members.

APRIL

The Group succeeds again at maintaining its Investment Grade Rating (BBB-) with stable outlook assigned by Axesor, despite the continuing situation caused by the COVID-19 pandemic.

JUNE

The Group presents its 2021-2026 Strategic Plan.

The Group announces an increase of the Green Bond Issue carried out in 2020 for a final amount of EUR 100 million.

Audax Renovables puts into operation the photovoltaic plants Carolinas I and II in El Casar in the province of Guadalajara (Castilla-La Mancha) and commences the construction works of its project El Toconal (Toledo).

OCTOBER

Audax Renovables puts into operation the photovoltaic plants of La Zarzuela I, II, III and IV located in Escalonilla, in the province of Toledo (Castilla-La Mancha), of a total capacity of 20 MWp

NOVEMBER

Audax puts into operation four new photovoltaic plants (Alberizas I, II, III and IV) of a total capacity of 20 MWp located in Torija (Guadalajara, Castilla-La Mancha)

DECEMBER

The Group acquires its first project in Castilla y León. The project of Zaratán in the municipality of Ciguñuela, Valladolid, will produce 12.36 MWp.

1.4. Corporate Governance

Audax Renovables is committed to achieve solid and clearly defined corporate governance, which will allow the company to act with transparency and create long term value for all the stakeholders belonging to the organisation.

As a listed company, we have a governance model which is comprised of the following bodies:

- **BOARD OF DIRECTORS**

The principal mission of the Board of Directors is to guide, manage and represent the Company within the scope of activities featured in its objects, to define the general strategy and indicate the guidelines for its management, while being committed to the transparency and veracity of the information of the Company in its relations with the shareholders and the markets in general.

The Board of Directors of Audax Renovables is comprised of the chairman, five members (two of those women) and a non-member female secretary.

- **AUDIT COMMITTEE**

Among others, the Audit Committee is dedicated to supervise the efficacy of the Company's internal control, internal audit and risk management systems; to refer to the General Meeting of Shareholders the issues raised by the shareholders; to oversee the preparation and submission of the required financial information; and to refer proposals to the Board of Directors.

This committee is comprised of a chairman and two members (one of which female).

- **APPOINTMENTS AND REMUNERATION COMMITTEE**

The Committee's principal responsibilities involve evaluation of the skills, knowledge and experience necessary for the Board of Directors, to suggest to the Board of Directors the directors and senior management's remuneration policy, and to submit to the Board the proposals to appoint directors.

Currently, this committee is comprised of a chairman and two members (one of which female).

All the information related to the functioning, responsibilities and conduct rules of the governing bodies can be found in the Regulations of the Board of Directors published on our [website](#).

For the purpose of everyday operation there are various corporate departments, such as internal audit, human resources, finance, risks, operations, commercial, invoicing, suppliers, customer service or system support, among the main ones. All these departments have specific functions and report directly to the management of the organisation.

1.5. Corporate Social Responsibility of the Group

The endeavour to generate long term value has encouraged the Group to integrate Corporate Social Responsibility (CSR) into its own business model. For this reason, the company's main object is to produce electricity from 100% renewable sources respecting the environment and bringing to the highest level our commitment to the sustainable development.



In addition to this direct contribution to the care for the environment, the organisation contributes to several CSR pillars through various strategic lines. The contribution to each of them is presented below:

Environment

Through the activity of electricity generation from 100% renewable sources the Group directly contributes to combating climate change, supporting the increase of the clean energy offer within the Spanish energy mix. Moreover, many companies integrate environmental efficiency concepts into their own buildings. For example, Unieléctrica has the ISO 50001 energy management certification, having adapted its head office building (by the use of insulating materials for its construction) to protect it from heat and thus optimise the use of air conditioning.

Labour

Creating quality work environment and ensuring health and safety of people, especially at work, are some of the Group's fundamental principles. The Group also endeavours to ensure the employees' personal and professional development, and bolster the emotional well-being of all the staff.

Company

In connection with the previously mentioned aspect, as well as with the aspect of Community, the Group contributes to creating quality employment through all its activities. This effect is especially noticeable in the regions where wind farms and photovoltaic power stations are being installed, which usually are rural areas, away from the most important towns, and employment there is created first in the construction and then in the maintenance of the power plants. We also raise public awareness of the importance of renewable energy.

Moreover, the business model of the Group has direct positive impacts on the community and on the environment, because, with its diverse businesses, it contributes to the achievement of **Sustainable Development Goal**¹ number 7 "Affordable and Clean Energy" and number 13 "Climate action", supporting the energy transition.

¹ Sustainable Development Goals (SDG) overall comprise 17 goals and 169 targets inspired by the United Nations as a part of its 2030 Agenda.

Within these Goals the organisation contributes specifically to achieving the following goals:

- Target 7.1: "By 2030, ensure universal access to affordable, reliable and modern energy services".
- Target 7.2: "By 2030, increase substantially the share of renewable energy in the global energy mix".
- Target 7.3: "By 2030, double the global rate of improvement in energy efficiency".
- Target 13.2: "The improvement of education, awareness-raising and institutional capacity on climate change mitigation, adaptation, impact reduction and early warnings".

Economy:

At the economy level the Group generates wealth in its surroundings through diverse means, such as the payment of levies and taxes to the local government, the payment of lease fees to the owners of the land, and financial contributions. An indirect impact is made on the local economy through the increase of consumption in the areas where the Group operates.

Another proof of the Group's commitment to Corporate Social Responsibility is the fact that it has been a member of the **United Nations Global Compact** for 9 years now. It is an initiative of ethical commitment aimed at encouraging the businesses from all the countries to implement as an integral part of their operations and strategies the 10 principles of conduct and action in the areas of human rights, labour, environment and anti-corruption.

This way the Group actively supports the 10 principles of the Global Compact, especially those related to the Natural Environment, continually endeavouring to improve the integration of its principles, as well as the Sustainable Development Goals into our business strategy, culture and everyday operations, implementing measures and actions of Corporate Social Responsibility which reinforce our commitment to the environment, to the persons and to the community.

Moreover, in June 2020 the Group approved its **Reference Regulatory Framework for Green Financing** (available on the [website](#)), an effort towards sustainable growth in the area of the environment and development, which influences sustainability policies and practices with the aim of optimising the cost of its debt, diversifying its finance sources and aligning its finance strategy with its sustainability mission and values.

By aligning with the Principles established by the International Capital Market Association (ICMA) the Group has set itself the goal to assign the funds obtained through issue of Green Bonds to be invested in those projects which would meet the criteria concerning natural environment and sustainable development.

In 2020 the Group registered a fixed income bond programme on the Alternative Fixed-Income Market (MARF) considered as green bonds under the Group's Reference Regulatory Framework for Green Financing. The first issue of green bonds of a total amount of EUR 20 million will be used for the construction of 8 photovoltaic plants, and the second issue of green bonds of EUR 200 million will be assigned to the restructuring of the Group's debt maturities. The use of the obtained funds will consist in financing or refinancing green projects.

In addition to the issue of green bonds carried out in 2020, referred to in the previous paragraph, and given the keen interest demonstrated by the investors, in June 2021 the Group announced an extension of this 2020 Issue, increasing it eventually by the amount of EUR 100 million.

Regarding the set of aspects outlined before, the activities are carried out within the framework of mission, vision and values of the companies that comprise the Group. Below we present the mission, vision and values related to Audax Renovables², the parent company of the Group, which fosters these corporate principles in all its subsidiaries

AUDAX RENOVABLES

THE MISSION OF AUDAX RENOVABLES:

"Every day we strive to build our growth strategy based on sustainability, economic development, internationalisation and respect for our business environment, and in addition to all that we offer convenient proximity to our clients."

THE VISION OF AUDAX RENOVABLES:

"We want to be a private and independent listed company which brings to its clients, employees and partners differential value within the energy sector, while promoting innovation and transparency."











THE VALUES OF AUDAX RENOVABLES:

- ≈ **Ethics and trust:** we believe in fostering an honest relationship with our clients and partners.
- ≈ **Customer orientation:** focused on the customer satisfaction.
- ≈ **Innovation:** bringing new products and services in order to cater to the needs of the customers.
- ≈ **Excellence:** working every day in order to improve our processes.
- ≈ **Respect for the natural environment and for the community,** contributing to the growth and development of our surroundings.
- ≈ **Professional and personal development:** because the staff is the key to the company's success.
- ≈ **Focus on the results:** good economic results and financial soundness.

² The Mission, Vision and Values of Audax Renovables refer to the parent company as well as to all the subsidiary companies belonging to the Group, which is traded on the four Spanish stock markets.

1.6. Relations with stakeholders

Being aware of how important it is to know the needs and expectations of our stakeholders, we have been working towards identifying them:

TYPOLOGY OF STAKEHOLDERS		IDENTIFIED STAKEHOLDERS
Internal	The persons whose relationship with the Group stems from a direct link	 Employees
External	The persons or groups that do not work directly with the Group, but are affected by its actions and its business results	 Shareholders and investors
		 Clients
		 Institutions (authorities, regulatory bodies and public administrations)
		 Providers and business partners
		 Local community
Indirect	The groups which may affect the business indirectly	 Financial analysts
		 The media
		 Competitors
		 Sectoral business associations

In this regard, we have defined efficient communication channels, working in a continuous and bidirectional way with each and every one of the stakeholders. These channels are accessible by telephone, the website which additionally has a personalised chat, the email, the Intranet, the postal mail, or personally in the offices. Moreover, in 2021 the instant messaging service was made available through WhatsApp as a new communication channel³.

Due to our *raison d'être*, we also have specific communication channels designed to ensure constant communication with our clients. For this reason **Audax Renovables and all its subsidiaries** have a department dedicated to the Client Service where they can resolve any possible concern or issue. In order to guarantee high quality customer service, in 2021 the Group developed a new Customer Service Handbook.

The **Polish subsidiary** also has a direct communication channel for its clients, and the communication with the employees is carried out through the person in charge of each department. The persons in charge are responsible for ensuring that the employees' concerns and inquiries are processed correctly.

Unieléctrica offers a communication channel for its clients and suppliers on the company's website, letterbox and complaint form, email and postal mail. There is also a telephone number for customer service. In order to maintain fluent communication with the employees, the persons in charge of departments of Unieléctrica are responsible for transmitting the employees' concerns to the management; for example, in matters of training, they organise

³Besides the communication channels mentioned above, there are also other ways of incorporating stakeholders. These are specified in section 5.3 - "Commitments to the community and stakeholders" of this report.

periodic meetings to talk about their training needs and suggest them to the Human Resources department.

The **Italian subsidiary** makes available to its clients a website, an email address and a customer service phone number for the clients for the purpose of making enquiries, complaints or requests.

In this regard, the **Hungarian subsidiary**, apart from making available to its clients several communication channels by telephone, email, postal mail or online customer service, carries out quarterly surveys of customer satisfaction, or even personal visits to its clients, besides the NPS surveys.

Main Energie (the Dutch subsidiary), also makes various channels available to its clients in order to ensure high quality communication. It has a postal mail address and an email address, besides indicating on its website the address of its customer service offices for the purpose of personal communication, and an online messenger service accessible also from its website.

The Customer Service Department of the **German subsidiary** of the Group has a telephone number, an email address and a contact form and a chat accessible through its website, as well as a WhatsApp number, for the purpose of attending to its clients. Moreover, a mobile application has been developed for iOS and Android, which comprises all the services offered by this subsidiary to its clients, in order to ensure their satisfaction and fluent, high-quality communication.

Both Main Energie (the Dutch subsidiary) and the Hungarian subsidiary ensure the quality of the customer service by aligning their quality management systems with the ISO 9001 standard.

1.7. Materiality analysis

Thanks to having identified our stakeholders, each year we are able to identify their needs and expectations in sustainability matters. This year, additionally, the materiality analysis carried out the previous year was reviewed in order to align it with all the challenges, opportunities, needs and expectations relating to the business sector as well as to the ESG matters. The following methodology has been used:

1. Identification of the risks and aspects that are important to the Group and its stakeholders, consisting in:

- Preparing a **business analysis** based on an internal analysis of the Group, bearing in mind the information and documents regarding the organisation's commitment to sustainability, which was calibrated during the meetings with the relevant departments.
- Preparing an **environment analysis** based on:
 - o The analysis of the material aspects in the ESG of other comparable businesses operating in the sector.
 - o The identification of the important matters in sustainability within the business sector according to the main analysts. In this context, the following standards and regulations have been taken into account:
 - GRI Standards

- SASB Standards
- Dow Jones Sustainability Index
- Contents of the Law 11/2018 on Non-financial Information
- Principles of the Global Compact and the contribution of the sector to the SDGs.

2. After obtaining an exhaustive list of the important aspects, the work concentrated on prioritising them according to their **materiality** and **impact**.

As a result of the 2021 review, the following materiality template was obtained⁴:

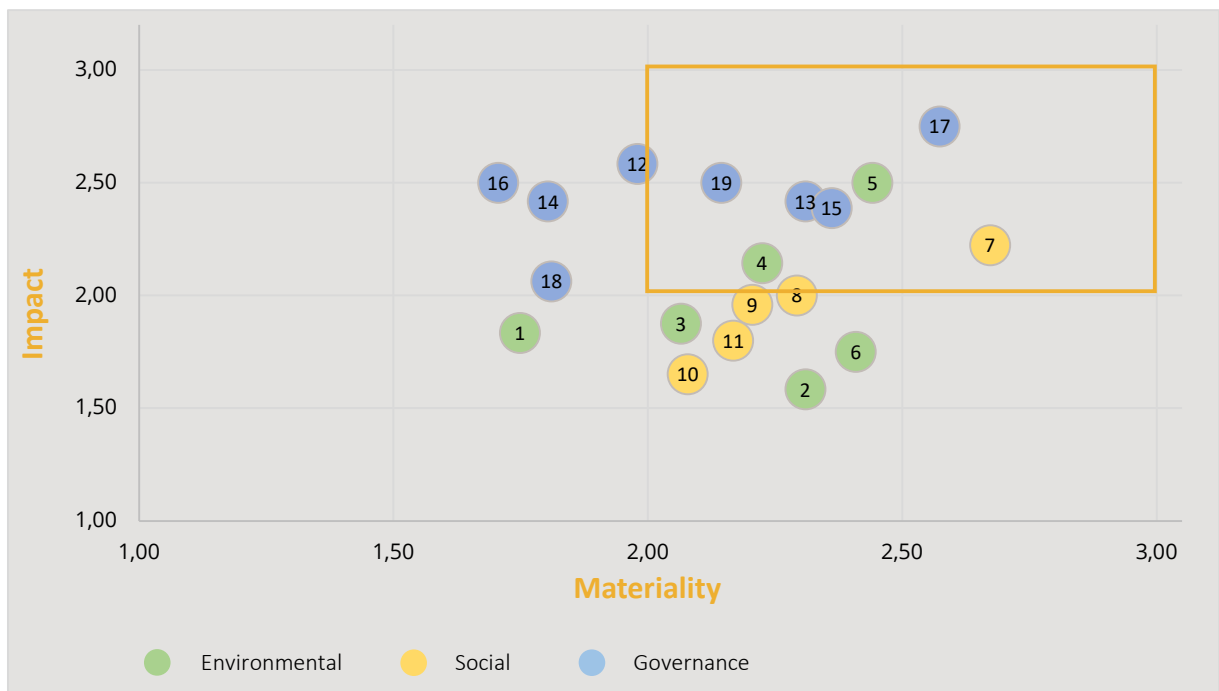


Chart 1: Results of the 2021 materiality analysis review

⁴The review of the current year has concentrated on the reassessment and reclassification of the material subjects and on the publication of the materiality template. We work towards incorporating the perspective of double materiality in the future reports.

Material subjects

4	Climate change
5	Energy transition
7	Gainful employment, diversity and equal opportunities
13	Economic performance and green financing
15	Compliance and risk management
17	Ethics and integrity
19	Transparency and stakeholders

Other aspects

1	Environmental commitment
2	Efficient use of resources
3	Circular economy and waste management
6	Biodiversity
8	Future outlines
9	Staff health and well-being
10	Community impact
11	Energy vulnerability
12	Customer and user satisfaction
14	Connectivity and digitalisation
16	Data protection
18	Responsible supply chain

The identified material aspects have been restructured into 3 areas, in line with the ESG pillars (environmental, social and governance).

Below we present a brief description of each of the material subjects resulting from the materiality analysis review, indicating also on which page of this report each of them is addressed.

MATERIAL ASPECT	DESCRIPTION
Environmental	
Climate Change	In order to tackle the climate crisis, the Group works towards reducing its carbon footprint by implementing multiple initiatives. Furthermore, Audax Renovables continues endeavouring to integrate the risks and opportunities derived from the climate change into the company's strategy.
Energy transition	Due to the nature of the Group's business, its contribution to the energy transition and decarbonisation is a central aspect of the environmental group of topics.
Social	
Gainful employment, diversity and equal opportunities	Quality job creation, adequate management and organisation of working time, and employment growth constitute significant matters in all the Group. This material aspect has gained even more importance in the face of the current situation of COVID-19 pandemic. It is also essential to develop adequate measures in order to boost diversity, ensure equal opportunities and inclusion, as well as to guarantee fair pay to all the employees.
Governance	
Economic performance and green financing	In order to address new trends, it is essential that the organisation ensure its economic liquidity while adapting its business model to sustainability investments, for example through green bonds.

<p>Compliance and risk management</p>	<p>Establishing policies and procedures which guarantee full compliance with applicable regulations by constantly monitoring any amendments made to said regulations. As well as working steadily on the development of internal control systems, policies and procedures in order to ensure adequate risk management.</p>
<p>Ethics and integrity</p>	<p>Being a socially responsible organisation, the Group shall be provided with necessary policies and procedures in order to ensure the ethics and integrity of the operations of all its companies.</p>
<p>Transparency and stakeholders</p>	<p>For an organisation committed to its stakeholders it is essential that it should operate in a transparent way and establish adequate communication channels for each of the stakeholders. It should likewise constantly bear in mind the expectations of the stakeholders.</p>

Table 1: Presentation of the material aspects of the Group

2. Information on environmental issues

As it was mentioned in the previous section, the activity of the Group fosters protection and respect for the natural environment. The Group promotes policies which reinforce this commitment to the environment.

It should be noted that **Unieléctrica** obtained in 2016 the Energy Management System Certification 50001 which involved its whole production chain and confirmed its compliance with international regulations developed by ISO (International Standard Organisation), with the aim to maintain and improve the system of energy management within the organisation. Therefore, the activity of the organisation and the operation of all its facilities complies with this internationally-recognised European quality standard. The achievement of the certification is a proof of the Group's commitment to energy efficiency regarding the services rendered to the customers, as well as a commitment to the customers themselves.

The **Hungarian subsidiary** has obtained the ISO 14001, which leads to the definition of environmental goals, specific indicators and constant monitoring of the organisation's energy consumption. For this purpose the Hungarian subsidiary has an employee in charge of supervising the continuous implementation of the ISO.

Thanks to the implemented policies and procedures, during 2021 no breach of applicable laws or regulations took place.

2.1. Sustainable use of resources

The Group strives to ensure **responsible use** of the natural resources, as far as its operation and activities allow it.

Due to the company's activity, the information on the use of natural resources comes mainly from those companies which have employees and report the use related to their offices.

The year 2021, as well as 2020, was atypical regarding physical presence in the office, due to the situation caused by the COVID-19 pandemic. Therefore, the comparison within the last three years gives results where *business as usual* is affected regarding the use of water, energy and materials, and the generation of waste.

WATER CONSUMPTION

There is no significant water consumption in any of the Group's activities, because water is consumed only in the offices where business is managed.

The water consumed comes from own providers, except for the case of the **wind farm el Pedregoso** (located in Spain) where water is obtained from a well situated on the plot where the wind farm facilities are installed, and of the **wind farm Postolin** (located in Poland) where rainwater is collected for consumption, accounted for as recycled water consumption.

In the year 2021 total water consumption of the Group was of 962 m³. Due to the situation of prolonged remote working, the decrease of water consumption is evident in comparison to the levels observed before the pandemic.

	WATER CONSUMPTION		
	2019	2020 ⁵	2021 ⁶
Total water consumption	2,224 m ³	1,238 m ³	962 m ³

Table 2: Water consumption

It should be noted that the **Polish subsidiary** uses filtered drinking fountains for water consumption in the office.

ENERGY CONSUMPTION

Energy consumption of the Group takes place mainly in its diverse facilities, such as head offices and buildings where various subsidiary companies are located, as well as in the power plants of 100% renewable energy generation.

Due to the nature of the organisation, no energy consumption is reported outside of it, as it is immaterial.

In the year 2021 electricity consumption amounted to 590.17 MWh, of which 57% was generated from renewable sources. The Group's own consumption of natural gas amounted to 127.84 MWh. The sum of both consumptions translates into energy intensity of 0.08 kWh per profit obtained. Moreover, the wind farms of Audax Renovables produced a total of 200 GWh in 2021.

	ENERGY CONSUMPTION		
	2019	2020	2021
Total electricity consumption ⁷	392.89 MWh	345.32 MWh	607.51 MWh
Total gas consumption ⁸	47.10 MWh	41.90 MWh	127.84 MWh
Total energy intensity on the basis of the profit obtained	0.02 kWh	0.01 kWh	0.26 kWh

Table 3: Energy consumption

An example of good practice regarding energy management may be found in the **Hungarian subsidiary**, which has the reports on quarterly consumption made by external experts. The air conditioning system of the **Polish subsidiary** has an "economy" setting for increasing its energy

⁵The water consumption reported in 2019 corresponded to Unieléctrica and Audax Renovables. In 2020 to these two companies the data was added from the Polish subsidiary, Eólica el Pedregoso, Eólica Postolin. The figures regarding water consumption of the wind farms come from an estimation.

⁶In the year 2021, the subsidiaries that report water consumption are Audax Renovables, Unieléctrica, Masqluz, By Energy, the Dutch and Polish subsidiaries and the wind farms of Postolin (Poland) and the wind farms El Pino and El Pedregoso (Spain). In the case of the Dutch subsidiary and the wind farms del Pino and El Pedregoso, the information about water consumption was based on estimates.

⁷ In the year 2021 the subsidiaries which report electricity consumption are Audax Renovables, Unieléctrica, the Portuguese, Dutch, Italian Polish subsidiaries, and, unlike in the previous year, also the Hungarian subsidiary, Masqluz y By Energy. The increase of the figure is due to the integration of new companies and the physical presence in the offices. In the case of the Dutch subsidiary the electricity consumption is estimated based on the office rent invoice and the consumption of the Hungarian subsidiary was estimated based on the electricity consumption from August.

⁸ In the previous year (2020), this figure refers only to the Italian subsidiary of the Group, because the rest of the companies did not have gas consumption. In the year 2021 the companies which report natural gas consumption are the Italian, Dutch and Hungarian subsidiaries. In the case of the Hungarian and the Dutch subsidiary, the information about natural gas consumption was based on estimates.

savings, while the German subsidiary promotes the use of the energy saving mode in all of its PCs.

On the other hand, the Dutch subsidiary has a special policy for its fleet of vehicles, under which electric or hybrid cars are favoured.

MATERIAL CONSUMPTION

Due to the type of activity of the Group, the consumption of materials refers mainly to those materials which are typically used in office daily activities, such as shown in the following table. Due to the situation of teleworking implemented in various subsidiaries over the year, the consumption of materials in 2020 and 2021 decreased significantly in comparison to the levels observed before the pandemic.

	USED MATERIAL CONSUMPTION ⁹		
	2019	2020	2021
Paper	23.59 tonnes	17.55 tonnes	15.13 tonnes
Toner	0.06 tonnes	0.008 tonnes	0.02 tonnes

Table 4: Used material consumption

Regarding the efficient and sustainable use of resources, the Polish subsidiary promotes the use of electronic invoices and other documents in order to reduce the use of paper and toner. Likewise, the German subsidiary, has implemented various measures in its offices in order to increase the efficiency in the use of materials. For example, it is ensured that all the printers should be programmed to print double-sided and in black and white by default, in order to reduce the paper and toner expenses to what is strictly necessary.

2.2. Climate change

The Group is committed to fighting climate change, developing year after year its activity of electricity generation from 100% renewable sources. The Group has been making efforts to integrate into its business the risks and opportunities connected with climate change¹⁰, offering the opportunity of innovation in the products and services which allow our customers to reduce progressively their consumption of gas and electricity.

Moreover, the Group strives to contribute to the emissions reduction through initiatives and good practices in each of the subsidiary companies.

One of the initiatives has been carried out since 2018 by Unieléctrica, in accordance with the 2012/27/EU¹¹ Energy Efficiency Directive, by which the Group endeavours to reduce by 1.5% the

⁹ In the year 2019 the subsidiaries which reported material consumption were Audax Renovables, Unieléctrica and the Italian subsidiary. In 2020, apart from those three, also the Polish subsidiary reported material consumption. In the year 2021 the companies which reported material consumption were Audax Renovables, Unieléctrica, Masqluz, By Energyc and the Portuguese, Polish and Italian subsidiaries.

¹⁰The organisation has not carried out a specific analysis of financial implications and other risks and opportunities of the climate change.

¹¹ The Energy Efficiency Directive, published on 25 October 2012 in the Official Journal of the European Union (OJ), sets out a series of goals for energy saving and efficiency at a global and sectoral level. It also includes a target of new annual savings of 1.5%. The updated information on energy savings will be provided in the report for the year 2022 considering the wide variability of the consumption caused by the pandemic situation.

total annual energy consumption. To this purpose, the Group has implemented diverse energy efficiency measures which at present continue to bring savings. Some of these measures are presented below:

- The lights in the rooms which are not in use shall be turned off.
- The air conditioning in the buildings shall be adjusted by smart thermostats.
- External lighting shall be controlled by a timer in order to reduce its operating hours and avoid failing to turn it off.
- Use of LED lighting.

Through these measures in the year 2020 it was possible to make savings of 3.05% in comparison to the previous year.

It should be noted also that the cladding of the building of that subsidiary is made of diverse insulating materials which help optimise the use of air-conditioning and heating systems.

The final objective of all these initiatives is to reduce the environmental impact made by the emission of greenhouse gases (GHG).

In 2021 the total **scope 1** emissions (emissions directly related to the core business of the company) were of 12.79 tonnes of CO₂ and included emissions related to the consumption of natural gas. In the case of **scope 2** emissions (indirect emissions), the result was of 69.09 tonnes of CO₂, including emissions related to the electricity consumption.

The organisation's activity does not involve the emission of any other significant particles.

GREENHOUSE GAS (GHG) EMISSIONS ¹²			
	2019	2020	2021 ¹³
Scope 1 ¹⁴	9.62 teq CO ₂	8.53 teq CO ₂	25.82 teq CO ₂
Scope 2 ¹⁵	21.63 teq CO ₂	24.46 teq CO ₂	69.09 teq CO ₂
Total GHG emission intensity per revenue	0.0001 kg eq CO ₂	0.0012 kg eq CO ₂	0.03 kg eq CO ₂

Table 5: Greenhouse gas emissions

¹² For the purpose of calculation the GHG emissions, the MITECO 2020 emission factors were used for calculating the scope 1 emissions of natural gas, and for scope 2 emissions from electricity consumption the IEA 2020 factor was used, specific for Italy and Hungary, and for the rest of countries - the factor of Spain.

¹³ The electricity consumption report for 2021 was extended to more subsidiaries, which currently do not have renewable electricity supply, therefore these additional consumptions are included within the emissions of GHG associated to scope 2.

¹⁴ The calculation of Scope 1 emissions is based in 30% on consumption estimates.

¹⁵ The calculation of Scope 2 emissions is based in 50% on consumption estimates.

2.3. Circular economy and waste management

Similarly to what has been said about material consumption, the Group's activity as such contributes to the transition towards circular economy and reuse of waste materials generated.

In the case of waste management, due to the fact that the activities are carried out mainly in the offices, the Group strives to reduce to a minimum the environmental impact of the waste that is generated. For instance, the head offices of Audax Renovables have been provided with recycling bins.

The main waste materials generated in the year 2021 are specified below:

	HAZARDOUS WASTE		
	2019	2020 ¹⁶	2021 ¹⁷
Oils (used or mineral)	1,100 litres	1,697.6 litres	150 litres ¹⁸
Fluids (washer fluid and refrigerant)	-	142.92 litres	-
Grease	-	6.8 litres	-
Absorbents	-	4.6 tonnes	2.06 tonnes
Contaminated packaging and dirty material	0.32 tonnes	1.02 tonnes	1.31 tonnes
Grease	-	0.40 tonnes	-
Contaminated filters	0.20 tonnes	0.20 tonnes	0.24 tonnes

Table 6: Hazardous waste

The methods of waste management and elimination have been mainly those of recycling, disposal in landfill or energy recovery.

	NON-HAZARDOUS WASTE		
	2019	2020 ¹⁹	2021 ²⁰
Destruction of confidential material	4.30 tonnes	8.61 tonnes	0.9 tonnes
Waste (plastic packaging)	0.8 tonnes	0.08 tonnes	-
Toner	-	-	0.02 tonnes
Computer materials	-	-	0.26 tonnes

Table 7: Non-hazardous waste

It should be noted that due to the low physical presence in the offices of the Group following the implementation of remote working in 2020, which continued throughout the year 2021, there was a significant decrease in generation of plastic waste. Consequently, in 2021 plastic waste collection was discontinued, therefore it was impossible to report the relevant data.

¹⁶The figures for the year 2020 correspond to hazardous waste generated in the wind farms Eólica Postolin, Eólica del Pino, Eólica el Pedregoso and Eoliennes de Beausemblant. The previous year only the figures related to the wind farms Hinojal and Mudéfer (sold in 2019) were reported.

¹⁷The figures for the year 2021 correspond to waste generated in the wind farms of El Pino, El Pedregoso and Eoliennes Beausemblant. Unlike in the previous year, it was impossible to obtain data from the wind farm of Postolin.

¹⁸The decrease of oils in 2021 in comparison to the previous year was due to the fact that in the current year no oil change was carried out in the multiplier.

¹⁹The figures for the years 2019 and 2020 refer to non-hazardous waste generated in the offices of Audax Renovables. The increase in confidential paper destruction is the result of moving the premises.

²⁰In 2021 the reported waste correspond to Audax Renovables, Masqluz, ByEnergyc and the Portuguese, Polish and Italian subsidiaries. As a new addition this year waste toner and computer materials are also reported.

Additionally, the considerable decrease of confidential material destruction is due to the relocation of the offices of Audax Renovables from 2020 to 2021, when many physical documents were sent to recycling. The company is working towards the digitalisation of documents in order to avoid greater amounts of paper waste.

The **Italian subsidiary**, though it does not generate significant amounts of waste, establishes some measures in order to raise the awareness among its employees and promote selective waste collection in its offices. Likewise, recycling initiatives have been implemented in the Polish, German, Hungarian and Dutch subsidiaries.

2.4. Biodiversity protection

Biodiversity protection is a topic applicable only to the energy generating activity of Audax Renovables and, particularly, to the areas where its wind photovoltaic plants are located. While a wind farm is undergoing the construction process, research is carried out into local avian fauna for the purpose of understanding the behaviours of the species dwelling in the area as well as their flight paths. When carrying out the research, special attention is paid to the species of conservation concern, included in the Annex I to Directive 79/409, the Legislative Decree 2/2008 and the IUCN. Once the construction is completed and the wind farm is in operation, an exhaustive process of monitoring and tracking the birds is put in place as an integral part of the everyday operation of the facility.

This research helps identify the species which may be vulnerable to being affected in the areas where the Group's wind farms are situated. These analyses also take under consideration the meteorological conditions which may cause particularly high numbers of accidents and collisions. This way the Group is prepared for the necessity to stop the turbines whenever they pose a danger to birds.

For example, in the wind farms located in the province of Cádiz (Parque de Pedregoso (A, B and D)) the Environmental Monitoring Plan was launched in 2010, which meets the requirements of Environmental Impact Declaration issued by the Delegación Provincial de Medio Ambiente de Cádiz²¹. Overseen and coordinated by **Fundación Migres**, this Plan includes information concerning birds dwelling in the area of these wind farms. In order to reduce the number of accidents involving birds, constant surveillance is carried out throughout all hours of the day (24 hours, 7 days a week) all year round, which allows to determine the circumstances in which these accidents occur. This way, as explained above, whenever the surveillance team detects a threat, they demand the turbines involved be stopped.

Likewise, in the construction of solar photovoltaic plants of Las Carolinas I and II and Cañamares local environmental requirements were complied with, by implementing the Environmental Surveillance and Monitoring Plan, including a Plan for the restoration at the completion of construction works of both plants, applying the measures for the protection of the fauna, flora and the land of the area. Both plants have been completed in compliance with the Declaration of Environmental Impact issued by the Provincial Office of Agriculture, Environment and Rural Development of Guadalajara²².

²¹This Environmental Impact Declaration was processed in accordance with the Law 7/1994 on Environment Protection and the Decree 292/1995 on Environmental Impact Assessment as well as according to the protocol "Guidelines for the Environmental Monitoring Programmes in the Wind Farms of the Province of Cádiz".

²² The Declarations of Environmental Impact of both solar photovoltaic plants have been processed in accordance with the provisions of the Resolution of 05/02/2019 of the Provincial Office of Agriculture, Environment and Rural Development of Guadalajara, and in compliance with Law 4/2007 of 8 March on Environmental Evaluation in Castilla-La Mancha.

Another clear example of the Group's exhaustive work on biodiversity protection is the construction of the wind farm located in Panama. The farm's construction has been carried out in compliance with the Equator Principles for managing social and environmental risk and health and safety. Subsequently, a *Plan for Environmental Management* was developed, which includes a plan for rescue and relocation of flora and fauna as well as environmental education plan for local communities. As part of the rescue and relocation plan, reports are made concerning the rescues carried out in the area, which exhaustively describe the procedure implemented. This way a list is compiled of all operations conducted and it is ensured that the method implemented is appropriate for the protection of the specimens of the species in question.

At the end of the year 2021 this plant is completed in 95%, and as at December 2021 the first tests of the wind turbines began, the rest of them being planned to be put into operation gradually throughout the beginning of 2022.

2.5. European Taxonomy

The green taxonomy is a system established for the purpose of classifying economic activities and providing the businesses and investors with a clear definition of sustainable activity. The main goal of the system is to encourage capital investments for the purpose of financing sustainable development and mitigating the climate change under very clear denominations, aligned with the Paris Agreement and OECD objectives.

Successful implementation of the European taxonomy is fundamental for the continent to achieve the proposed climatic and environmental goals and for the future generations to be able to enjoy a healthy and habitable world.

In order to implement it, in January 2022 and under Delegated Regulation 2178, the requirement is established for the non-financial businesses to publish information on eligible and non-eligible economic activities according to the applicable regulations. For the Audax Group this implementation of the taxonomy involved an immediate alignment because of the sustainable goals set by the Group, aiming to create a portfolio of investments in photovoltaic and wind energy in order to generate and add to its distribution the energy from 100% renewable sources.

Under the EU Taxonomy Regulation (hereinafter, the "Regulation"), a "green" list has been created, which groups and classifies economic activities which are considered environmentally sustainable according to the recommendations of the Technical expert group on sustainable finance, who established and developed the technical criteria in order to classify these activities.

Eligibility Analysis

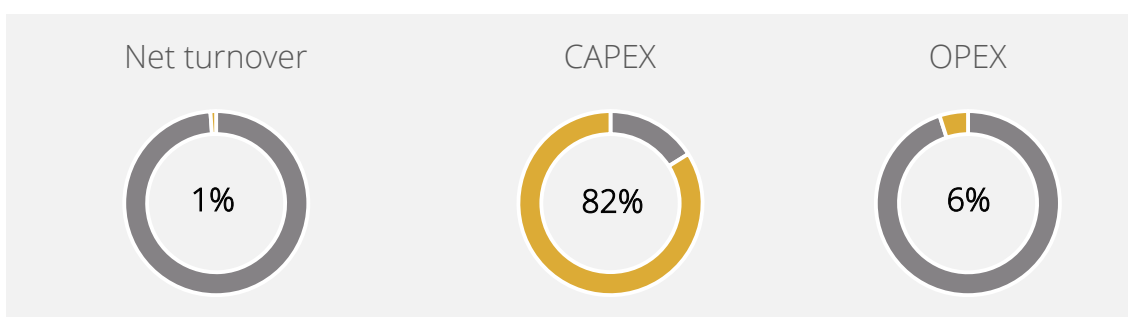
For the purpose of determining the eligibility of these activities and their subsequent analysis, they need to comply, in the first place, with the technical selection criteria and not contradict the goals established by the Regulation. Once the activities have been selected, it will be necessary to specify the percentage of these eligible activities which fits the taxonomy with regard to three indicators: total turnover (Income), in the investments in fixed assets (CAPEX) and in their operating expenses (OPEX).

According to the analysis, the Group's activity which is an eligible activity under the guidelines of the European Taxonomy Regulation is the **generation of electricity from 100% renewable sources**, such as photovoltaic and wind technologies.

The Group conducted an analysis of each of the activities carried out by all the companies which comprise it and which gave results in the three key indicators mentioned above. The main reference framework was the Regulation (EU) 2020/852, which in its article 3 defines the criteria applicable to the economic activities to be considered environmentally sustainable and, on the other hand, the Delegated Regulation (UE) 2021/2139, which in its Annex I provides taxonomic classification of the technical criteria in order to determine the conditions under which an economic activity contributes in a sustainable way to mitigate the climate change and does not cause significant damage to any of the environmental goals.

Results of the analysis of alignment with the EU Taxonomy

As a result of the analysis, the activity of electricity generation from wind and photovoltaic sources was determined to be eligible.



It has been determined that in 2021 Audax Renovables presents 1% of net turnover, 84% of CAPEX and 5.7% of OPEX of alignment with the objectives of Climate Change Adaptation and Mitigation according to the provisions of the EU Taxonomy²³.

It should be noted that the other main activity carried out by the Group is the activity of electricity and natural gas retailing, which, although integrated in the business, was not considered adjusted to the classification criteria of the EU Taxonomy.

This segregation of activities was obtained for the purpose of showing in a clear way how Audax Renovables contributes to the fulfilment of the environmental goals of climate change mitigation and adaptation. As a Group, it endeavours to meet the integral goal of its activities of generation as well as retail of renewable energy, with projections of growth in the installed capacity in the next years, with the aim of not only contributing to the mitigation of climate change by generating energy, but also of supplying the energy to all kinds of users in various countries where the Group operates.

As may be observed through the CAPEX indicator mentioned above, Audax financing is practically entirely assigned to develop its plan of constructing its plants, on which the principal goal is set, which is to have 2,524 MW of installed capacity by the year 2026. It should be noted

²³For more details on the methodology used for the calculation of the itemised KPIs see the information contained in the Appendix II TAXONOMY CALCULATION METHODOLOGY to this document.

that all the projects of this portfolio have been commenced and are in various stages of development.

Audax Renewables has set a goal of project portfolio which involves the development of renewable energy generation plants and the increase of supply points of renewable energy, which has an impact that is positive basically from the environmental and social perspective, with projects and plants in six different countries. Moreover, endeavours are made to ensure the access to energy, with a positive impact on various communities, and to improve the standard of living in remote areas by providing energy security from renewable sources.

3. Information on social issues and concerning personnel

3.1. The Group's personnel

The Group is aware that its team is the essential asset and the one who allows all the activities to be carried out and will make it possible to tackle all the future plans with success.

Therefore, the Group strives to offer high quality training programmes, promote measures concerning equality and non-discrimination, guarantee safe and healthy working environment as well as ensure the reconciliation of work, private and family life. There are also programmes for training needs analysis and the Group makes sure to attend and listen to the employees' requests in order to respond and cater to their needs.

- **Audax Renovables** provides all new employees with a Welcome Pack comprised of the Corporate Code of Ethics and Conduct, a handbook about occupational risk prevention, the main internal rules and procedures, rules for regulation compliance, rules and procedures of entrance to and exit from the buildings, as well as the employment contract documents, the relevant authorisation for payroll management and user registration pursuant to data protection regulations. These documents set out the guidelines to be followed in connection with various topics, such as the ethics and confidentiality of information concerning clients, and outline all the responsibilities of the employees of Audax Renovables. The documents included in the Welcome Pack are made available through the internal Employee Portal, operating since December 2020.
- In addition to the Welcome Pack, Audax Renovables puts effort into raising awareness among its employees of the importance of equality and non-discrimination. Therefore the staff has been provided with the Internal Equality Plan, Harassment Protocol and Whistleblowing Channel, which are the tools made available to the employees in order to prevent, report, investigate and punish any kind of discriminatory conduct which may occur in the workplace.
- Audax Renovables also implements policies of reconciliation of work, private and family life and adopts various measures to guarantee the health and safety of the working environment.
- As mentioned before, the Employee Portal is available, which allows: to read and accept the mandatory documents as well as other formal documents of the organisation, to check the information related to the Group, the Internal Equality Plan, to access the suggestion box and the Whistleblowing Channel in a totally confidential and anonymous manner, and to check the internal job bank, set up with the aim of boosting promotion within the company.

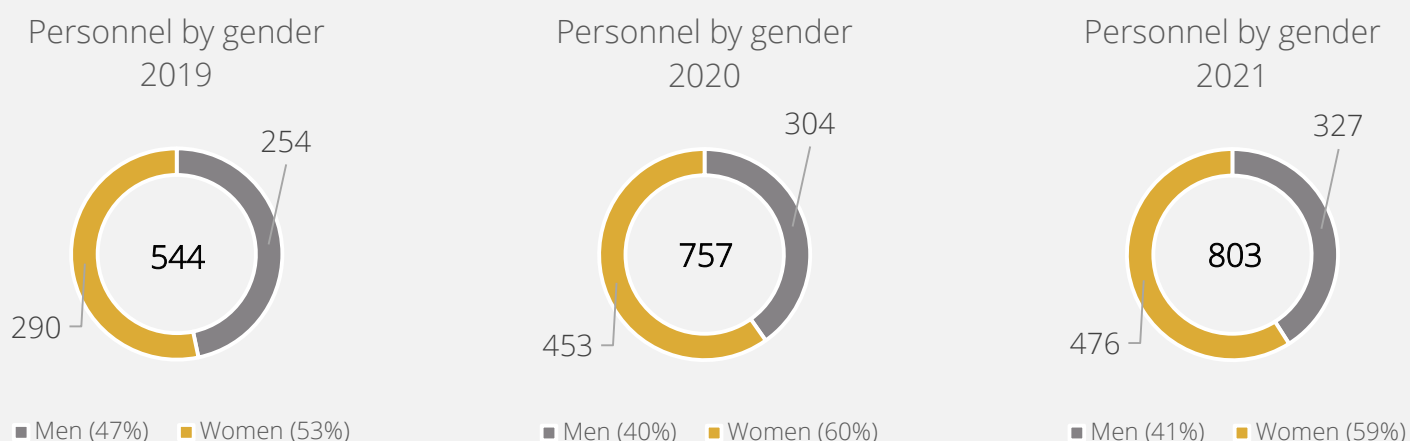
Accordingly, in all subsidiaries of the Group new policies and procedures have been drawn up, for example:

- Each new employee of the **Polish subsidiary** receives a document of internal regulations, which should be signed and returned, specifying, among other issues, the company obligations, the regulations concerning work organisation, confidentiality of information and financial responsibility of the employees.

- **Unieléctrica** has a welcome book for new employees, which explains all the key aspects of the company and the advantages of working in it. Moreover, Unieléctrica has signed a Protocol with ASPY (a company operating in the field of Occupational Hazard Prevention), which outlines the objectives related to occupational hazard prevention, such as employee health and safety improvement, workplace atmosphere improvement, visibility and efficacy increase (in terms of success rate of undertaken preventative actions). The Protocol aims to establish the course of action and common policy of occupational hazard prevention. Lastly, Unieléctrica's Human Resources department and Labour department are working towards developing the Equality Plan which is designed to support equal opportunities in the workplace for men and women and which is scheduled to be approved in 2022.

Personnel data as at 2021²⁴.

The Group has ended the year 2021 with a total of 803 employees, of which 59% are women and 40% are men, with employment contracts in the subsidiaries covered by this document. Audax Renovables encourages gender diversity in the workplace, therefore in 2021 gender representation in the Group is very balanced:



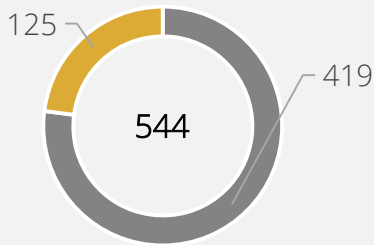
In 2021 the distribution of the professional staff of the Group has been as follows:



²⁴The Group reports information on all its employees, covering the scope of all the companies which have active employees as at 31 December 2021.

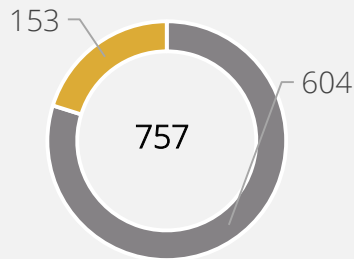
In line with the commitment to create stable and quality employment, the Group encourages indefinite employment contracts for professionals. Therefore, as at 31 December 2021, 76% of the employees had indefinite contracts.

Personnel by contract type
2019



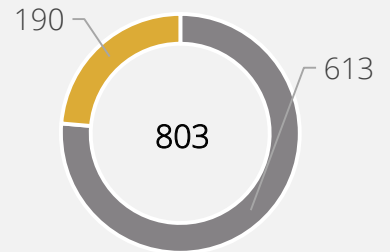
■ Permanent (77%) ■ Fixed term (23%)

Personnel by contract type
2020



■ Permanent (80%) ■ Fixed term (20%)

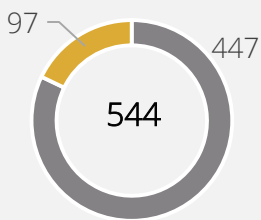
Personnel by contract type
2021



■ Permanent (76%) ■ Fixed term (24%)

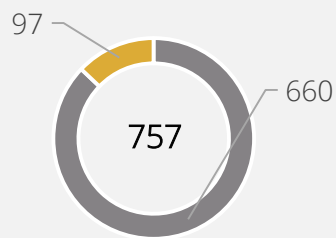
In 2021, 88% of the employees had a full-time contract, and a minority had a part-time contract. The Group is aware of the importance of the ability to offer diverse employment options in order to adjust to the personal needs of its employees as well as to the Group's activity.

Personnel by type of work
time
2019



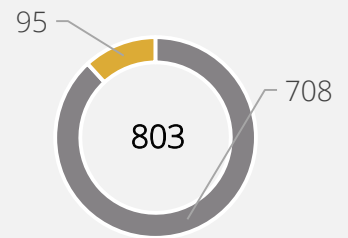
■ Full-time (82%) ■ Part-time (18%)

Personnel by type of work
time
2020



■ Full-time (87%) ■ Part-time (13%)

Personnel by type of work
time
2021



■ Full-time (88%) ■ Part-time (12%)

The following table shows the distribution of staff by country, gender, age and professional category:

	Age bracket	SENIOR MANAGEMENT		MANAGEMENT		LEADERSHIP		MIDDLE MANAGEMENT		OTHERS	
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
SPAIN	<30	0	0	1	0	0	0	1	0	44	30
	30-50	2	1	4	0	8	8	6	10	103	169
	>50	0	0	1	0	0	1	1	2	8	23
	Total	2	1	6	0	8	9	8	12	155	222
	Total Spain	3		6		17		20		377	
THE NETHERLANDS	<30	0	0	0	0	0	0	1	0	14	2
	30-50	0	0	0	0	2	0	6	1	36	11
	>50	0	0	2	0	0	0	2	0	15	4
	Total	0	0	2	0	2	0	9	1	65	17
	Total the Netherlands	0		2		2		10		82	
ITALY	<30	0	0	0	0	0	0	1	1	1	5
	30-50	0	0	1	0	1	3	1	1	6	15
	>50	0	0	0	0	0	1	0	0	0	0
	Total	0	0	1	0	1	4	2	2	7	20
	Total Italy	0		1		5		4		27	
GERMANY	<30	0	0	0	0	0	0	0	0		0
	30-50	0	0	1	0	0	0	0	2	1	0
	>50	0	0	0	0	0	0	0	0	2	0
	Total	0	0	1	0	0	0	0	2	3	0
	Total Germany	0		1		0		2		3	
PORTUGAL	<30	0	0	0	0	0	0	0	1	2	0
	30-50	0	0	0	0	0	0	0	1	5	17
	>50	0	0	0	0	0	0	1	0	0	1
	Total	0	0	0	0	0	0	1	2	7	18
	Total Portugal	0		0		0		3		25	
POLAND	<30	0	0	0	0	0	0	0	0	0	1
	30-50	0	0	0	1	0	1	0	2	3	8
	>50	0	0	2	0	0	0	0	0	0	1
	Total	0	0	2	1	0	1	0	2	3	10
	Total Poland	0		3		1		2		13	
HUNGARY	<30	0	0	0	0	0	0	0	0	4	16
	30-50	0	0	4	0	2	2	0	3	24	123
	>50	0	0	0	0	2	0	0	0	6	8
	Total	0	0	4	0	4	2	0	3	34	147
	Total Hungary	0		4		6		3		181	
Total employees by professional category	SENIOR MANAGEMENT		MANAGEMENT		LEADERSHIP		MIDDLE MANAGEMENT		OTHERS		
	3		17		31		44		708		
Total	803										

Table 8: Breakdown of staff by country, gender, age and professional category:

The following table shows the total number of employees with indefinite and fixed term contracts by gender, age and professional category:

	EMPLOYEES BY CONTRACT TYPE					
	2019		2020		2021	
	Indefinite contract	Fixed-term contract	Indefinite contract	Fixed-term contract	Indefinite contract	Fixed-term contract
Women	230	60	360	93	373	103
Men	189	64	244	60	240	87
Total	419	125	604	153	613	190
Percentage	77%	23%	80%	20%	76%	24%

Table 9: Total number of employees by contract type and gender

	EMPLOYEES BY CONTRACT TYPE					
	2019		2020		2021	
	Indefinite contract	Fixed-term contract	Indefinite contract	Fixed-term contract	Indefinite contract	Fixed-term contract
< 30 years	61	47	82	51	69	56
30-50 years	308	71	459	94	473	122
>50 years	50	7	63	8	71	12
Total	419	125	604	153	613	190
Percentage	77%	23%	80%	20%	76%	24%

Table 10: Total number of employees by contract type and age

	EMPLOYEES BY CONTRACT TYPE					
	2019		2020		2021	
	Indefinite contract	Fixed-term contract	Indefinite contract	Fixed-term contract	Indefinite contract	Fixed-term contract
Senior Management	3	-	3	-	3	-
Management	20	-	17	-	16	1
Leadership	30	-	27	1	31	-
Middle Management	51	6	38	2	41	3
Others	315	19	519	150	522	186
Total	419	125	604	153	613	190
Percentage	77%	23%	80%	20%	76%	24%

Table 11: Total number of employees by contract type and professional category

In 2021 a total number of 20 dismissals took place in the organisation (15 men and 5 women), of which 2 persons were in the age range of <30, 12 in 30-50, and 6 in >50. 0 persons belonged to the category of Senior Management, 3 persons to the category of Management, 0 person to the category of Leadership, 1 person to the category of Middle Management, and 16 to Others.

REMUNERATION POLICY

According to the remuneration policy, the remuneration is generally comprised of a fixed element and a variable part. The Group strives to ensure a remuneration based on the equality principle, as it is stated in individual human resource policies of the subsidiary companies of the Group.

This commitment is also noticeable in the Code of Ethics and Conduct of Audax Renovables, where it is explicitly stated that the Group "*promotes equal opportunities between men and women in recruitment, training and promotion of professionals en their working conditions*".

The following table shows the average remuneration of the staff by age, gender and professional category. All the reported salaries, including those of Senior Management and Directors, have been equated to full time and full year and include basic salary and bonuses, comprised of annual bonuses and other wage and salary payments made to the employees. The changes observed in comparison to the previous year are due to the integration of two new companies (Masqluz and ByEnergyc) or to the turnover of staff.

	AVERAGE REMUNERATION	
	2020	2021
Women	€24,910.24	€22,767.34
Men	€33,088.12	€31,944.46

Table 12 Average remuneration by gender.

	AVERAGE REMUNERATION	
	2020	2021
< 30 years	€23,024.93	€18,941.53
30-50 years	€29,115.68	€28,087.83
>50 years	€29,613.31	€31,949.94

Table 13: Average remuneration by age

	AVERAGE REMUNERATION			
	2020		2021	
	Women	Men	Women	Men
Management ²⁵	-	€105,171.65	=	€122,167.87
Leadership	€35,299.08	€72,074.28	€39,502.04	€86,254.85
Middle Management	€26,093.83	€39,800.81	€31,306.44	€38,555.87
Others	€22,949.13	€25,478.60	€19,555.06	€23,732.22

Table 14: Average remuneration by professional category and gender

²⁵ The average remuneration of women in the Management category is not shown due to confidentiality reasons, because there two or fewer persons in such position, therefore showing their salary would amount to making explicitly public their annual remuneration.

	AVERAGE REMUNERATION OF DIRECTORS AND MANAGERS	
	2020	2021 ²⁶
Senior Management	€109,256	€163,377.67
Directors ²⁷	€74,600	€92,000

Table 15: Average remuneration of Senior Management and Directors

Furthermore, there is also a flexible remuneration with the purchase of health and dental insurance, and there are certain additional benefits such as special tariffs on electricity and natural gas for the employees. Currently, the Group does not have its own pension plan.

The Group is committed to offering better salary conditions to its employees. The average ratio of standard entry level wage compared to local minimum wage for the Group is 1.27²⁸ In Spain the ratio is 1.02, in the Netherlands it is 1.35, in Portugal it is 1.24, in Germany it is 1.47, in Hungary it is 1 and in Poland it is 1.22.

PAY GAP

Beyond gathering the remuneration data, the Group has calculated its pay gap in order to ensure better monitoring of its commitment to the pay equity, as established in the human resources policies and other documents mentioned before.

The calculation of the pay gap is carried out based on the annual remuneration of the active staff at the end of the fiscal year, according to the following formula:

$$\text{Pay gap} = \frac{\text{Average remuneration of Men} - \text{Average remuneration of Women}}{\text{Average remuneration of Men}}$$

According to the methodology indicated before, the global pay gap of the Group is of 29% (54% in leadership, 19% in middle management, and 18% in the category of others)²⁹

²⁶ The information on average remuneration of Senior Management and Directors is not itemised by gender, as there are two or fewer women in both categories.

²⁷ The information concerning directors refers to the year 2021, thus it includes the remuneration of those Directors who were active as at 31 December 2021. Two of the Directors are executive. Regarding the Non-executive Directors (3 of them being men and 2 women), the report shows the amounts received by them for their attendance to the meetings and committees during the fiscal year of the report. For more information see the Annual Report on the Remuneration of Directors.

²⁸ The ratio of Italy is not included in this calculation, because in Italy there is no local minimum wage.

²⁹ The information on pay gap in the category of Senior Management and Management is not presented due to confidentiality reasons, because in such categories the number of women is 2 or fewer, therefore showing the pay gap in conjunction with the data on the salaries of men (previous table) would allow to get to know their annual remuneration.

TRAINING

As previously mentioned, the Group is aware that success is the result of the work, commitment and professional skills of its team. Therefore, the Group is committed to promote policies and schemes of talent retention and professional development directed to its employees.

Audax Renovables strives to detect and provide effective solutions to the needs of its clients. Accordingly, Audax Renovables decided to carry out various training courses in Excel (both basic and advanced level) and languages. Audax Renovables is aware that the employees are the company's paramount value and, therefore, evaluates and tries to cater for their needs. Apart from these courses, in the year 2021 there were English courses and seminars on visualisation tools and data analysis (Qlik Sense), in addition to specialised courses related directly to the Group's activity, such as the course on electricity market or "gas pricing".

In 2021 the Group continued offering a programme of continuing training in order to ensure that the staff had the opportunity of personal and professional development. The programme of continuing training in the subsidiaries is not limited to the obligatory training, but is aimed at including the specific needs of the employees.

For example, the **Polish subsidiary** provides quality active training organising internal courses on updated information about the company's products and activities, as well as courses on occupational risk prevention, courses on data protection law, on how to work with confidential documents, among others. In addition to the obligatory courses, there are language courses during work hours in the same company.

The **Hungarian subsidiary** has an annual budget assigned to the training and development of its employees, which covers the obligatory training as well as the courses designed to develop new professional skills. In this regard, it should be mentioned that training in this subsidiary includes subjects such as team working or special courses for sales representatives.

The **Italian subsidiary**, in turn, assigns a fixed budget for training in order to provide its employees with new professional skills and acquired knowledge about regulatory and legislative changes. There are also seminars on subjects related to compliance, privacy, audit and finance.

Another good practice which should be pointed out has been implemented in the **Unieléctrica** subsidiary, where they prepare an annual plan of training needs taking into account corporate strategic training, career plans and the evaluation of needs. The employees' concerns are also taken into account. This subsidiary works towards catering for the educational needs of the employees through loans granted by Fundación Tripartita. During the present year in Unieléctrica there were internal and external courses focused on developing the expertise in the electric market, occupational risk prevention and improvement of sales efficiency.

In 2021 the Group invested a total amount of €100,749.64 in training.

The following table shows the total number of hours of training of the Group's employees by professional category:

	HOURS OF TRAINING		
	2019	2020 ³⁰	2021 ³¹
Senior Management	0	43	55
Management	261	250	166
Leadership	174	437	318
Middle Management	167	713	221
Others	1,221	3,733	5,916
Total	1,823	5,176	6,676

Table 16: Total number of hours of training by professional category

As specified above, among the subjects of the courses offered this year, the following stand out:

- Languages
- Customer service
- Data protection
- Occupational risk prevention
- Workshops and webinars on the tools used within the organisation, Qlick
- Expert course on electricity market
- Gas pricing

RECONCILIATION OF PERSONAL, PROFESSIONAL AND FAMILY LIFE

The Group is strongly committed to respect the personal and family life of all persons who are part of the Group. Consequently, it implements reconciliation programmes, which support the distribution between professional and personal time, such as flexible working hours (whenever it is possible according to the type of work) and working time reduction (at the employees' request).

The following table shows the typology of working day according to gender, age group and professional category, which confirms the flexibility as the Group's differential value.

	EMPLOYEES BY TYPE OF WORK TIME					
	2019		2020		2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Women	225	65	384	69	402	74
Men	222	32	276	28	306	21
Total	447	97	660	97	708	95
Percentage	82%	18%	87%	13%	88%	12%

³⁰ This figure refers to Audax Renovables, Unieléctrica, and the Portuguese, Italian, Dutch, German and Hungarian subsidiaries. The increase in hours of training is the result of the commitment to online training as well as the improvement of the reporting system.

³¹ This data refers to Audax Renovables, Unieléctrica, Masqluz, the Dutch, Hungarian and Italian subsidiaries

Table 17: Total number of employees by workday type and gender

	EMPLOYEES BY TYPE OF WORK TIME					
	2019		2020		2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
< 30 years	88	21	111	22	112	13
30-50 years	316	62	490	63	525	70
>50 years	43	14	59	12	71	12
Total	447	97	660	97	708	95
Percentage	82%	18%	87%	13%	88%	12%

Table 17: Total number of employees by workday type and age

	EMPLOYEES BY TYPE OF WORK TIME					
	2019		2020		2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Senior Management	3	-	3	-	3	-
Management	15	3	17	-	17	-
Leadership	29	1	27	1	29	2
Middle Management	51	6	36	4	38	6
Others	347	87	577	92	621	87
Total	447	97	660	97	708	95
Percentage	82%	18%	87%	13%	88%	12%

Table 18: Total number of employees by workday type and professional category

As an illustration of the Group's commitment to reconciliation and flexibility, and beyond compliance with applicable local regulations, working hours in the Group are established according to the season. For example, in the **Dutch, Polish** and **German subsidiaries**, the organisation offers flexible hours schedule, which allows employees to start the workday between 07:30 and 09:00 a.m. and finish between 4 and 5:30 p.m. In the **Hungarian subsidiary** the schedule is flexible between 6:00 a.m. and 6:00 p.m., with five fixed hours between 9:00 a.m. and 2:00 p.m.

In the case of **Audax Renovables**, the working hours are usually from 8:30 a.m. to 5:30 p.m., except for the SAC (Customer Service), which has different schedule in order to cover the time range between 9:00 a.m. and 7:00 p.m. In **Unieléctrica**, the working hours from Monday to Thursday is 8:30 a.m. to 2:30 p.m. and 4:15 p.m. to 6:30 p.m. and Friday afternoons are free of work on a rotation basis. The organisation also sets summer working hours in July and August by promoting intensive work day.

As in the previous year, due to the consequences of the pandemic, the organisation continued promoting flexible hours in order to improve work-life balance of its employees in this extraordinary situation.

On the other hand, in all companies the rest time is determined by the specific collective agreement subject to the local applicable regulations.

Lastly, in regard to switching off from work, the organisation has implemented various measures in this regard, such as not calling meetings at certain hours, and, in the specific case of **Unieléctrica**, sales coaches are not obliged to answer phone calls outside their working hours.

In conclusion, it should be noted that 100% of employees in Spain, Italy and Portugal are covered by collective agreements. In Hungary this figure is 98%. On the other hand, the Netherlands, Poland and Germany do not have these collective bargaining agreements.

The minimum term for operational changes continues to be the one established in applicable law.

3.2. Diversity, equal opportunities and non-discrimination

The Audax Group is firmly committed to equality of treatment and opportunities, as well as to diversity. As an illustration of this commitment, there are various schemes and procedures, whose objective is to prevent and mitigate any discriminatory situation or a threat to the dignity of the persons who comprise the Group.

Together with the introduction in 2020 of **the first Internal Equality Plan**, an analysis was carried out and action plan was prepared to achieve equality of opportunities for men and women, and based on those documents specific actions were designed to be implemented in the following areas:

- Organizational culture and management
- Working conditions
- Access to the organisation
- Internal and/or continuous learning
- Promotion and/or career development
- First-aid measures
- Remuneration
- Working time and co-responsibility
- Gender-neutral communication
- Health and safety in the workplace
- Prevention of and reaction to sexual and gender harassment

The priority measures, of which some have already been implemented and appear in the Group's structure at the end of 2021, are as follows:

- An internal labour market on the Employee Portal, which provides the same opportunities for both genders, implemented in 2020.
- Promotion of equality of women and men in all departments. In this regard, at the management level, the company integrated in 2021 two women into its superior governing body. Therefore, the incorporation of female talent, which is in line with the best practices of good governance, is reflected in the composition of the Board of Directors and places the female participation at 33% of the total number of members of the Board.
- A plan for the improvement of the internal communication, which highlights the importance of using non-sexist and inclusive language.

Also, in accordance with the Equality Plan, the **Equality Committee** has been set up, comprised of 6 persons from the staff, and is responsible for supervising the compliance with the equality of treatment and opportunities principle within the organisation, ensuring the fulfilment of the plan and its actions within the proposed deadlines, organising follow-up meetings and encouraging new awareness-raising actions and measures. All these functions are outlined in the **Regulations of the Equal Opportunities Committee**.

According to the Group's commitment to bolster equality within the organisation, during the employment procedures the inclusion of diverse collectives is promoted. With this regard, in 2021 the total number of employees with disability is 12.

Moreover, as a part of the Equality Plan, and given that the Group explicitly rejects any forms of harassment, it has drawn up the **Harassment Protocol**. Apart from the definition applied within Audax Renovables of the term of workplace harassment, the document specifies also a procedure for complaints which may be received through the Group's Whistleblowing Channel. In this regard, the Group promotes the use of the Whistleblowing Channel as a means of secure and confidential communication available to all the employees of the Group, and works towards ensuring compliance with its policies of conduct.

During 2021 the Group received a complaint through the Whistleblowing Channel of Audax which, upon due examination by the Criminal Compliance Committee (CCP) and consultation with an external advisor in order to guarantee the utmost independence and impartiality of the investigation, was dismissed and consequently filed. Notwithstanding the filed procedure, the CCP will monitor and publish pertinent informational actions in 2022, emphasising and promoting the compliance culture within the organisation.

All the documents mentioned before are made available to the employees on the Employee Portal, and relevant information has been sent by email.

Notably, the **Dutch subsidiary** has implemented various measures designed to prevent any possible discriminatory conduct: the organisation has designated two employees as "Confidential Advisers". Their role is to offer advice to the employees who experience undesirable behaviour from others, such as bullying, discrimination, aggression, violence or sexual harassment. All conversations between the employees and the advisers are entirely confidential and private. The confidant shall advise and guide the employee offering an explanation of every possible option, so that the employee may adopt the best measure based on the advice received.

It is also worth mentioning that **Unieléctrica** has information cards with the descriptions of work posts, aiming to promote equality in the organisation in all its dimensions, and helping to reduce the possibility of any kind of biased approach. At the same time, the Human Resources and Labour department of that subsidiary coordinates its work in order to draw up formal documents regarding this matter.

Another means of equality promotion was implemented in the **Hungarian subsidiary** in the form of the so called maternity coordination task. It has been designed in response to the reality of the country, where mothers have the possibility of staying at home with the child for up to three years. Coordination tasks were implemented in order to allow these women to stay in touch with the team and get up-to-date information on the changes and/or news in the organisation.

Lastly, the Group strives to guarantee workspace accessible for disabled persons, in compliance with current legislation, and has entrance ramps, lifts and other facilities. Since 2020 Audax

Renovables has the new headquarters in Badalona, which also has all the accessibility measures implemented in order to ensure universal access to all its facilities.

3.3. Workplace health and safety conditions

Paying utmost attention to the health and safety of all staff members is another essential aspect of the Group's management.

In 2021 the use of those necessary measures - implemented in 2020 - has continued in order to guarantee security, health and work-life balance of all the staff during the lockdown periods, and were adapted to the needs arising from the situation of the pandemic.

Some of the implemented measures, which confirm the Group's commitment to continuing improvement of the staff's health and safety, are specified below:

- The organisation offers training on the subject of occupational risk prevention.
- Each year an analysis is conducted of accidents at work occurred in the Group, if there are any, in order to enable the implementation of prevention programmes. Moreover, as many of the jobs in the Group are office jobs, the main risks identified are of postural nature; for this reason, the Group works in close cooperation with ASPY in order to publish documents and leaflets explaining those risks to the employees and advising appropriate precautionary measures in order to prevent them. Additionally, Audax Renovables carries out specific health surveillance for Senior Management, including a complete yearly medical check-up.
- With the support of the Occupational Risk Prevention services of Aspy Prevención, **Audax Renovables** and **Unieléctrica** have been able to evaluate the occupational risks to which the employees are exposed (both in general and in their work stations). On the grounds of that study, necessary preventive measures have been established in order to eliminate or control each and every identified risk.
- The **Dutch subsidiary**, together with Preventix (a company hired for the purpose of Occupational Risk Prevention), draws up a document containing a checklist of various inspections carried out throughout the year and their result.
- Furthermore, **Audax Energia**, the Italian subsidiary, has another prevention service at its disposal and has implemented a formal protocol of occupational risk management, where the role of every individual participant involved in the prevention system is specified. There are management guidelines for emergency situations as well as for identification and evaluation of the risks to which members of the staff are exposed. Moreover, there is an external consultant providing assistance in the management of the health and safety in the workplace matters.
- The **Hungarian subsidiary** has an ISO 45001 certificate of occupational health and safety.
- Lastly, in various subsidiaries the employees are offered the option of purchasing health and dental insurance as part of their flexible remuneration.

- In addition to that, information cards have been drawn up describing work posts³² and detailing technical and personal requirements to be met in order to assume a particular work post within the Group.

Additionally, and as a consequence of the COVID-19 pandemic, the Group has endeavoured to raise the widest awareness and sensitivity to the importance of a good workstation while working from home, assisting the employees with ensuring the health and comfort measures in their workstations.

MAIN FIGURES RELATED TO ACCIDENT RATES

The aim of the implementation of all these measures is to reduce to the minimum the accidents at work. In the year 2020 in particular these figures increased, because the cases of COVID-19 were considered as accidents at work, pursuant to the current legislation. In the current year, among the reported accidents at work, there were 18 corresponding to the cases of COVID-19 (13 in women and 5 in men).

	ACCIDENT RATES ³³					
	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
No. of work accidents with sick leave ³⁴	5	2	17	3	17	8
No. of days lost due to work accidents with sick leave	196	48	359	11	244	34
Frequency rate	8.24	3.09	38.94	10.19	37.13	25.14
Severity rate	0.32	0.07	0.82	0.03	0.53	0.11
Hours of absenteeism ³⁵	32,948		50,944		58,073	

Table 19: Number of work accidents, days lost, frequency rate and severity rate and hours of absenteeism

The calculation of accident rates by gender is done using the following formulas:

$$\text{Frequency Rate} = \frac{\text{Number of work accidents with sick leave} \times 10^6}{\text{Actual hours worked}}$$

$$\text{Severity rate} = \frac{\text{Days lost due to work accidents with sick leave} \times 10^3}{\text{Actual hours worked}}$$

³² Unieléctrica was the subsidiary which prepared these information cards describing work posts. The Dutch subsidiary has a document with the vacancies and specifications of each of them.

³³ There were no occupational diseases during the three years disclosed in the accident rates table.

³⁴ The criteria for work accidents reporting include commuting (*in itinere*) accidents and the cases of COVID-19 with leave reported to Seguridad Social (national health system in Spain) for the years 2020 and 2021, therefore the frequency and severity rates for the years 2020 and 2021 are higher than those for the year 2019. The main part of the text contains a breakdown of the COVID-19 cases considered as work accidents.

³⁵ The reported hours of absenteeism include the hours or work lost because of sick leaves due to work accidents and common contingencies.

3.4. Respect for human rights

The Group strives to promote respect for human rights,

It was not considered critical to bring the company's operations to an evaluation regarding human rights during the year 2021. However, in line with its commitment to guaranteeing respect for human rights in all the Group's activities, there are several documents, which comply with the Ten Principles of the United Nations Global Compact as well as with the Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organisation.

For example, **Audax Renovables**, has promoted various actions in order to ensure compliance with Principle 1³⁶ of the Guiding Principles:

- Update of the Corporate Code of Ethics and Conduct, whose acceptance is obligatory for each and every employee, to whom the Code is applicable³⁷. This document outlines, for example, the organisation's commitment to the respect for fundamental rights, equal opportunities, diversity and non-discrimination, the right to privacy, harassment prevention and matters related to health and safety in the workplace. This way the organisation ensures compliance with the fundamental human and labour rights in all its activities.

It should be mentioned that all employees must declare their commitment to the principles of the Corporate Code of Ethics and Conduct, which is a part of the *Welcome Pack* received by each employee at onboarding in the company.

- The existence of the Whistleblowing Channel, a mechanism designed for the purpose of reporting types of conduct which might entail human rights violation.
- The harassment protocol of the organisation is aimed to keep the work environment free of any conduct susceptible of being considered as harassment or bullying in the workplace. The document also suggests measures which can be taken to prevent such types of conduct.
- Policy promoting reconciliation of work, private and family life.
- Measures implemented in order to ensure safe and healthy work environment.
- Lastly, Audax Renovables focuses its attention on Principle 2³⁸ of the Guiding Principles, extending its commitment to promote human rights among the suppliers. In this respect, the company makes explicit reference in its Code of Ethics and Conduct to the ethical commitments of the suppliers, to which special attention was paid during the construction of the wind farm in Panama. However, it should be mentioned that, due to the Group's activity, usually there is no direct risk related to human rights abuse by its suppliers.

³⁶Principle 1: "Businesses should support and respect the protection of internationally proclaimed human rights within their scope of influence".

³⁷ The scope of the Corporate Code of Ethics and Conduct includes, by now, Audax Renovables and subsidiary companies (listed company).

³⁸Principle 2: "Businesses should make sure that they are not complicit in human rights abuses".

The subsidiary company **Unieléctrica** has implemented a code of criminal conduct, which contains a section on human rights and makes reference to the integrity, honesty, respect for the persons and objectivity in business operations.

The Group is committed to the following labour principles in accordance with the fundamental conventions of the International Labour Organisation:

- Support freedom of association and effective recognition of the right to collective bargaining.
- Support elimination of all forms of forced or obligatory labour.
- Support effective abolition of child labour.
- Support elimination of discrimination in employment and occupation.

As mentioned before, in 2020 a new whistleblowing channel was implemented and made available to the employees and suppliers in order to enable communication of any irregularity and/or consultation on compliance matters and regarding human rights of company employees and stakeholders.

In 2021 a complaint was received through the channel, which, upon due examination by the Criminal Compliance Committee and consultation with an external advisor on terms of confidentiality, utmost independence and impartiality with respect to the provisions of the Whistleblowing Channel Regulations, was dismissed and consequently filed. The Group's commitment is to tackle any complaint by reviewing the pertinent measures and possible corrective actions in order to ensure due compliance by the stakeholders.

In 2021 the Group did not carry out special training on Human Rights issues. These training sessions will be developed within the framework of special training on Compliance Model from the year 2022.

4. System of Regulatory Compliance of Audax Renovables

The activity of the **Group** is founded on the culture based on its values and is carried out in strict compliance with applicable law and with the highest compliance standards. In order to go a step further, the organisation is working towards **drawing up and implementing a Compliance and Criminal Risk Prevention Model**, which will allow it to prevent, detect and punish possible offences. For this purpose the organisation applies the following policies and mechanisms:

- | Corporate Code of Ethics and Conduct of Audax Renovables and its subsidiary companies: updated in 2020, this document's purpose is to make known to all employees of the Group the values and principles which ought to govern their work and professional activity. Another objective of the document is to help the Group attain the goals set in its mission, vision and values.
 - o The Code of Ethics addresses, among other issues, the respect for fundamental rights, the aspects related to the Group's employees and the ethical commitments to the environment and to the suppliers.
- | Disciplinary Rules and Sanctions – Corporate Code of Ethics and Conduct of Audax Renovables and its subsidiary companies: a supplement to the Code of Ethics and Conduct, the document sets out the penalties for non-compliance with the principles and actions outlined in these documents.
- | Criminal Compliance Committee. It is the body responsible for criminal compliance within the organisation. Its duties include mapping out the risks, developing the process for identification of specific risk areas, periodic analysis of identified risks and assistance to the Senior Management in the case of new risk scenarios. The Committee is also responsible for managing the Whistleblowing Channel. The Committee, set up this year, is comprised of the managers of various departments within the organisation.
- | Compliance Officer. As a result of the implemented Compliance Model, the post of Compliance Officer has been defined and created in various subsidiary companies of the Group.
- | Regulations of the Criminal Compliance Committee. Developed by the Criminal Compliance Committee itself and approved by the Audit Committee and the Board of Directors, the regulations determine the principles governing the Committee's activity and its internal organisation.
- | Compliance and Criminal Risk Prevention Handbook of Audax Renovables and its subsidiary companies: this document constitutes a strong commitment to maintain compliance with the Criminal Code and the principles of ethics and good corporate governance. For this purpose it is structured around 4 principles: Prevention, Detection, Reaction and Follow-up.
- | Compliance and Criminal Risk Prevention Policy. Within the framework of the Compliance Handbook mentioned before and in line with the Code of Ethics, the policy informs Audax personnel and third parties of the organisation's opposition to the commitment of any illicit, criminal or unlawful act.

- | Whistleblowing Channel. The access to the whistleblowing channel platform, designed for the employees and suppliers, will be possible through the Employees Portal or a special website set up for this purpose. It is a means of reporting irregularities and/or making queries about the matter.
- | Whistleblowing Channel Regulations. The regulations govern the activities and steps to be taken by the Criminal Compliance Committee as the body in charge of the Whistleblowing Channel. The anonymity of the informants and confidentiality of the information are guaranteed.

For the purpose of overseeing the implementation of and compliance with all these documents, among other objectives, the Group has established the Audit Committee, a delegated body of the Board of Directors. Moreover, the Internal Audit Department of Audax Renovables draws up annually the Audit Plan, detailing the tasks to be carried out throughout the year.

Likewise, within the framework of the regulatory compliance process, the Group will endeavour to establish the basis of special training on the Compliance Model, which will start in January 2022. The training capsules will cover, among others, the topics related to corruption, bribery, money laundering, the whistleblowing channel and offences against natural resources and against workers' rights.

The Group continues developing the Compliance Model in the parent company as well as in its subsidiaries, and will be organising subsequent informational meetings in order to implement it in all the Group's subsidiaries.

Additionally to the application of those documents, **Unieléctrica** has its own Code of Good Practice and Code of Criminal Conduct. The following obligations defined in the Code of Conduct should be emphasised: compliance with applicable law and internal regulations; integrity, honesty and objectivity in business operations; respect for persons and protection of health and physical integrity.

The **Hungarian subsidiary** currently pursues various policies on access to financial systems.

In 2021 Audax Renovables did not receive any fines for non-compliance with the law or regulations in social and economic field.

4.1. Risk management

The organisation applies also a formal process of risk identification³⁹ developed by the Internal Audit Department. Within the framework of the new compliance governance model, a new Risk Map was drawn up at the end of 2020, which was reviewed with regard to probability and impact in May 2021. Thus, many of the relevant risks have been included in the Audit Plan for 2022.

Additionally, for the purpose of drawing up the Non-financial Information Report a general risk analysis was carried out.

Below is presented a summary of the main identified criminal risks as well as other recognised risks addressed in this report.

- Major risks identified in the area of Environment: due to the nature of its business activity, the Group is exposed to environmental risks, such as weather conditions of the

³⁹The organisation understands risk management to be any future event or contingency which could hamper the Company's ability to successfully meet its business objectives.

places where the facilities are located. Another issue considered as risk is the fauna conservation and management as well as appropriate management of the environment and natural resources.

- Major risks identified in the area of **Labour**: this refers to all kinds of risk related to the work post and the activities of all the persons working in the Group. At the same time, specialisation, training, talent retention and succession planning are some of the issues to which special weight is attached, because the knowledge and skills of the employees are of the utmost importance for the Group. Therefore it is necessary to identify professional needs and establish clear requirements for each work post, as well as to have available a portfolio of candidates whose profiles are potentially suitable for the most popular posts.
- Major risks identified in the area of **Human Rights**: to respect and guarantee compliance with the principal human rights of all persons is a key subject for the Group.
- Major risks identified in the area of **Fight against Corruption and Bribery**⁴⁰: risks related to violation of Criminal Code, with special attention given to corruption and bribery offences, as well as the risks related to the possible changes to legislation. In this context, Audax Renovables identifies three materialisation variants in the area of public corruption (bribery, influence peddling and corruption of public officials) and corruption in business.

In order to prevent any form of corruption and bribery, **Audax Renovables** has the following documents and measures available: client acquisition procedures, contract validation handbook, bank reconciliation, delivery contract model, dissemination of public administrations delivery contract terms, public administrations proceedings, cash and bank accounts management, digital certificates of electricity and gas purchases, forecasts of income from energy retailing and price hedging contracts. Those documents establish the company's key procedures for mitigating risk of bad conduct of its employees.

Due to a case of professional negligence in the Polish subsidiary, the Group's Management decided in 2021 to appoint a new person in charge of that subsidiary. Moreover, and as a measure to improve the control environment, the Group decided to accelerate the process of implementation of the Internal Control over Financial Reporting System, in line with the rest of the subsidiaries of the Group.

Accordingly, in the **Hungarian, German and Polish subsidiaries** the system of internal control of the group was implemented. The Internal Control for Financial Information (ICFR) systems serve to mitigate the risk of fraud, operational and financial risks, and help prevent corruption and bad conduct of the employees and middle management executives. The internal control system was validated and tested by an external expert, in this case Deloitte, and involved all the Group's subsidiaries with effective results.

The **Hungarian subsidiary** has also a detailed financial process and a set of policies available (submission policies, invoice compensation policies) which define the access to the financial systems of the company. The activities identified as vulnerable to corruption and bribery risks are subject to control procedures such as payment processes

⁴⁰ This aspect is immaterial to the company, as it is not directly subject to the law. However, the organisation has implemented some simplified measures of due diligence based on the law 10/2010.

controlled by SAP, reviewing of providers' ratings prior to placing orders, procedures for standardised purchases, closed management processes for collection of payments, commission payment policies, acceptance of electronic only payments and avoidance of cash payments, among others.

Moreover, the Corporate Code of Ethics and Conduct outlines the basic standards of conduct in third party relations (for example, with the suppliers).

- Major risks identified in the area of **Community**: refers to all those risks which may have direct impact on the community, on the supply chain and on the clients.
- Major risks identified in the area of **Economy**: these are risks connected with prices, accounting requirements, money laundering and others.

5. Information on social matters

5.1. Company commitment to sustainable development

The Group's commitment to sustainable development has made it understand that its business activity is in constant relation with the environment and requires responsible behaviour.

For this purpose, the Group cooperates with various non-profit organisation, which promote protection of children at risk of social exclusion, research, respect for animals, sport or combating diseases.

The Group encourages the employees to take part in various activities carried out within the framework outlined before. Therefore, since 2017, internal mechanisms have been implemented in order to allow all the employees to suggest and vote for the organisations which they want to cooperate.

The mechanism works in the following way: the employees of the Group can suggest any non-profit association or NGO which operates on national or local level within the scope of issues such as assistance and help to marginalised communities or groups at risk, defence of human rights, defence and protection of animals or the natural environment, as well as others. Subsequently, the employees of the Group can vote to choose three entities with which they want to cooperate throughout the year.

In 2021 the organisation made donations in the amount of €10,304. This amount includes purchase of charity products from associations and other non-profit entities.

Audax Renovables has contributed to the following entities:

- SPAM - La Societat Protectora d'Animals de Mataró,
- Fundación de Oncología Infantil Enriqueta Villavecchia,
- Fundación Pequeño Deseo, SJD Pediatric Cancer Center Barcelona
- Els Petits Valents – initiative of Sant Joan de Déu)
- Cris contra el cancer

In 2021 the **Italian subsidiary** of Audax Renovables made the following donations:

- La Fondazione Pangea Onlus
- La Associazione Italiana Sclerosi Multipla Onlus - AISM
- La Associazione Italiana per la Ricerca sul Cancro - AIRC
- Huntington Onlus.

As regards **Unieléctrica**, in 2021 the subsidiary cooperated with the foundation Fundación Privada Catalana Comptal Cáritas y FEPAMIC

The organisation's Code of Ethics and Conduct states specifically that any connection, affiliation or cooperation of the employees with political parties must be carried out in such a way as to highlight its personal character and avoid any connection with the Group.

Another example of the Group's commitment in this area is its affiliation to such entities, as:

Audax Renovables:

- | AEE (Association of Wind Energy Companies)
- | UNEF (Spanish Photovoltaic Union)
- | EOLICCAT (Catalan Wind Energy Association)

- | ASNEF (National Association of Credit Finance Institutions)

Unieléctrica:

- | ASNEF (National Association of Credit Finance Institutions)
- | ANESE (Association of Energy Services Companies)
- | A3E (Association of Energy Efficiency Companies)
- | CECO (Confederation of Companies of Córdoba)

Dutch subsidiary:

- | Energie Nederland
- | NEDU (Nederlandse EnergieDataUitwisseling)

Italian subsidiary:

- | Camera di Commercio di Spagna in Italia

Hungarian subsidiary:

- | MEKSZ / HETA (Hungarian Energy Traders' Association)

The Group has not identified transactions of significant impact on local communities, nor has it quantified the indirect economic impact derived from its activity.

However, the organisation is highly aware of a possible impact which its activities may have on local communities and areas. An example of this awareness is the construction of the wind farm in Panama, commenced in 2018, which has been carried out in compliance with the Equator Principles for strict managing of social and environmental risk and health and safety. Although the plant is not located in an indigenous population area, but it is in a region of biodiversity. Therefore, the company is conducting research on bird migration and has a plan for environmental, social and water monitoring, which outlines the means of wildlife rescues, if necessary, among others. The entire construction of the wind farm has been carried out under the supervision of an external consultant.

5.2. Supply Chain

Audax wants its supplying companies to operate on the basis of the same ethics commitments which it has defined for its own activities. No specific evaluations are made regarding environmental or social matters, but the Group pursues the compliance of the Code of Ethics and Conduct throughout its supply chain.

For this reason, the updated Code of Ethics and Conduct features a again section dedicated exclusively to the Ethical Commitment of the Suppliers. The section contains the following statements:

- "The relations with the suppliers shall be governed by the principles of integrity and fairness".
- "The Group and its employees shall extend their own values to the suppliers of goods and services".
- "Confidentiality of the suppliers' data shall be protected and legal provisions on personal data protection shall be complied with".

- "The relations with clients and providers shall be based on the highest standards of professionalism and transparency".
- "The employees shall avoid any kind of interference or influence of the clients, providers or third parties, which might alter their professional impartiality and objectivity".

In regard to the application of the criteria of social responsibility in the supplying companies, the Group endeavours to work with companies of recognised standing.

Audax evaluates the possible risks associated with its supply chain, and in 2021 no negative social impacts have been identified within the Group's supply chain, and no transactions or suppliers have been identified whose freedom of association or collective bargaining could be at risk. Also, no operations or suppliers have been identified with significant risk of forced labour.

Moreover, the Group prioritises contracting local suppliers⁴¹. Proof of it is that 90.52% of its annual expense for the year 2021 was spent on that type of suppliers.

5.3. Commitments to the community and stakeholders

The Group undertakes to maintain fluent and transparent relations with stakeholders, considering it as essential to understand their main concerns related to the Group's activity and the risks to which they might be exposed.

An example of this commitment may be found in the Code of Ethics and Conduct of **Audax Renovables**, which contains an explicit reference to the obligations towards the stakeholders, and constitutes a key pillar of ethical conduct of the employees. Some of these commitments are presented below:

- In regard to the **shareholders**, the document highlights that these relations shall be governed by the general principle of transparency and confidentiality. Consequently, there are various channels made available for the purpose of communication and inquiry, such as the Shareholders' Corner on the corporate website.
- In regard to the **investors and financial analysts**, since Audax Renovables is a listed company, it has implemented the Internal Regulations for Conduct in the Securities Markets. The objective of that document is to protect the investor by promoting transparency rules.

In order to ensure communication with these stakeholders, apart from other established communication channels, the organisation has created the Investor Relations Management and has an email address for shareholders and investors.

- Regarding **authorities, regulatory bodies and public administration**, the Code of Ethics and Conduct states that these relations shall follow the principles of lawfulness, fidelity, reliability, professionalism, cooperation, reciprocity and good faith. Contractual obligations that have been undertaken shall also be fulfilled.

⁴¹The organisation uses local suppliers such as supplying companies located in the country where it operates. The calculation of the supplies expense includes all those suppliers registered in the system.

- Lastly, in regard to the **clients**, the Group assures that it shall continue working towards guaranteeing high quality personalised services.

Accordingly, in various subsidiary companies there are communication channels made available to the clients in order to fulfil this commitment.

Commitment to our clients

The Group is aware that its clients are its most valuable asset, and consequently according to annex GRI 417 – 1 (requirements for information and labelling of products and services) makes available to them various communication mechanisms (website “www.audaxrenovables.com”, postal address, telephone number, generic mail and specific mail for the investors) for the purpose of resolving any issue or complaint. Upon receiving a complaint, the systems puts in operation a procedure⁴² designed to resolve any issue which may have arisen in the customer service:

- The request/complaint is registered on the Intranet.
- If the request/complaint is resolved online, it is closed automatically.
- Otherwise, it stays open and the complaints department receives a signal and starts investigating the issue and, when appropriate, takes the necessary measures in order to resolve it.

The following table shows the total number of complaints and/or requests received over the year, resolved and remedied (complaints resolved by offering a solution or alternative option to the client).

	COMPLAINTS AND/OR REQUESTS		
	2019	2020 ⁴³	2021 ⁴⁴
No. of complaints and/or requests received	14,330	26,388	25,888
No. of complaints and/or requests handled	13,315	23,164	20,483
No. of complaints and/or requests resolved and remedied	13,306	23,017	18,433

Table 20: Number of complaints and/or requests received and resolved

The satisfaction of the clients is a priority, therefore the Group considers it to be opportune to focus on those risks which, given its activity, are the most probable to materialise. In this regard, due to the activity of the company, those risks which could be associated with the products and services offered are not considered as applicable. The fact that no claim has been received deriving from the health and safety of the services of the company confirms this approach.

⁴² This procedure refers to Audax Renovables.

⁴³ In 2020 the figure includes the complaints and/or requests received by Audax Renovables, Unieléctrica, the Polish subsidiary, the Dutch subsidiary and the Portuguese subsidiary. In comparison to the previous year, the scope of the two latter companies was increased.

⁴⁴ All the complaints specified in the table for the current year refer to the companies Audax Renovables, Unieléctrica and the Portuguese, Polish and Hungarian subsidiaries.

The company considers it to be of the highest importance for its activity to focus the efforts on ensuring the security of information of its clients. Therefore, the appropriate measures are adopted in order to ensure the protection and confidentiality of sensitive data provided by the clients for the purpose of using products and services offered to them.

During the year 2021 no complaint was received in relation to a data privacy breach. Of the four communications received, two were rejected as inadmissible. Regarding the remaining two, processed by the Spanish Agency for Data Protection, one was dismissed upon due investigation, and the other is being processed and was not considered as relevant as at the closing of 2021.

The procedure is comprised of two instances, the first being when the interested party places its query about their data with Audax, and if the response is considered insufficient, then they refer to the controlling authority, the Spanish Agency for Data Protection. There each case is examined, and the Agency may not accept it, or accept it and ask for documentary evidence from Audax. Concerning the filed case, all the requested evidence was submitted, and the authority decided to dismiss and file the case upon analysing the evidence. Therefore we can confirm that there were no relevant problems in this area.

Therefore, the subsidiary **Unieléctrica** has commissioned a specialised firm (Fepamic) to carry out destruction of confidential data, which the company may have obtained in the course of its activities. Fepamic undertakes to issue a Certificate of Destruction which, apart from certifying the compliance with environmental regulations concerning material recycling, guarantees safe destruction of data in absolute confidentiality.

Similarly, the **Polish subsidiary** has a Protocol for destruction of used paper and confidential documents, establishing guidelines to be followed in order to avoid the risk of loss and manipulation of sensitive data in possession of the company.

5.4. Tax information

With regard to the tax information it should be noted that the tax policies and practices of Audax Renovables are aligned with the latest international standards. The Group complies with the tax legislation of the countries where it operates and pays the duly corresponding part in the jurisdictions where it creates value.

In 2021 Audax Renovables started to pay the corporate income tax in its own tax group⁴⁵. Below we present the tax information on Audax Renovables for the fiscal year 2021.

The company Eólica Postolin Sp. z o.o. received non-repayable grants from the EU through the Polish Ministry of Economy for the construction of its wind farm. The received subsidies are recorded in the profit (loss) according to the depreciation of the wind farm⁴⁶.

⁴⁵ For more information see Note 18 of the Annual Accounts of AUDAX RENOVABLES, S.A and subsidiaries.

⁴⁶ For more information see Note 15 of the Annual Accounts of AUDAX RENOVABLES, S.A and subsidiaries.

	PROFITS OBTAINED		
	2019	2020	2021
Spain	€20,460,459	€9,650,604	€-1,896,262
Italy	€1,194,559	€-662,095	€657,174
The Netherlands	€-1,257,365	€-4,293,022	€27,096
Portugal	€2,867,820	€3,219,147	€-1,234,322
Poland	€2,732,651	€650,815	€-259,252
Germany	€-1,466,976	€893,823	€-2,216,512
France	€886,214	€921,212	€869,277
Hungary	-	€16,004,815	€6,415,979

Table 21: Profit obtained by country

	INCOME TAX 2021 ⁴⁷
Spain	1,769,005.82
Italy	0.00
The Netherlands	1,174,626.00
Portugal	862,798.54
Poland	536,563.34
Germany	0.00
France	348,704.00
Hungary	0.00

Table 22: Income Tax by country according to the cash criterion

⁴⁷ Historical data of the Income Tax by country for 2019 and 2020 can be accessed in the Annual Accounts of Excelsior.

ABOUT THIS REPORT

Basis for drawing up the report

This report features non-financial information of Audax Renovables and subsidiaries, hereinafter: "Audax Renovables" or "the Group", for the year 2021. Through this document, the Group responds to the requirements of Non-Financial Reporting and Diversity introduced by the Law 11/2018 of 29 December 2018.

Aligned with the scope of the consolidated annual accounts, this report contains information concerning the following companies⁴⁸:

- ≈ **Audax Renovables S.A.**
- ≈ Grupo Eryx – **Unieléctrica** (includes Unieléctrica and its subsidiaries)
- ≈ Audax Renewables Kft (**Hungarian subsidiary**)
- ≈ Main Energie, B.V. (**Dutch subsidiary**)
- ≈ Audax Energía, S.R.L. (**Italian subsidiary**)
- ≈ Audax Energie GmbH (**German subsidiary**)
- ≈ Audax Energia Sp. z o.o. (**Polish subsidiary**)
- ≈ ADS Energy 8.0, S.L. and subsidiaries
- ≈ Propensalternativa Unipessoal, LDA (**Portuguese subsidiary**)
- ≈ Generación Iberia S.L. (representation company)
- ≈ By Energyc Energía Eficiente, S.L.
- ≈ Love Energy, S.L.
- ≈ Masqluz 2020, S.L.
- ≈ Renewable energy subsidiaries (Generation division)
 - ≈ **Eólica Del Pino, S.L. (wind division)**
 - ≈ **Eólica El Pedregoso, S.L. (wind division)**
 - ≈ **Eólica Postolin Sp. z o.o.(wind division)**
 - ≈ **Eoliennes de Beausemblant, S.A.S. (wind division)**
 - ≈ **Las Piedras Solar, S.L.U. (solar division)**
 - ≈ **Da Vinci Energía, S.L.U. (solar division)**

The following pages furnish information concerning the Group's environmental, social, labour or human rights matters, as well as corruption and bribery prevention, following the guidelines specified by Law 11/2018 of 29 December 2018. In regard to every matter the document outlines the policies that are applied and the measures that are undertaken, as well as the risks that arise from the business activity.

The report has been drawn up on the basis of the global sustainability reporting initiative **GRI (Global Reporting Initiative)** in its "Standards" version and in its essential option. The principles of the definition of content and quality of the report, defined in the GRI, have also been applied, as well as the principles of comparability, reliability, materiality and relevance established in the Non-Financial Information Act.

Principles taken into account in the definition of the content of the report:

- INCORPORATION OF THE STAKEHOLDERS: once the groups have been identified, the report informs on how their needs and expectations are met.

⁴⁸ Should the information provided relate to a different organisational scope other than specified, it will be stated within the pertinent paragraph or table.

- SUSTAINABILITY CONTEXT: the organisation's performance is presented in the broadest understanding of the sustainability context.
- MATERIALITY: the report shows significant economic, environmental and social impacts of the organisation, or those which might substantially influence the stakeholders in their evaluations and decisions.
- THOROUGHNESS: the report includes the coverage and the achievements associated with the identified material aspects, allowing the stakeholders to evaluate the organisation's performance.

Principles taken into account in the definition of the quality of the report:

- PRECISION: the information presented is precise and detailed.
- BALANCE: the report presents both positive and negative aspects of the organisation's performance.
- CLARITY: the information is presented in a way which is comprehensible and accessible to all the stakeholders.
- COMPARABILITY: the information has been selected, compiled and communicated in a coherent manner. The information disclosed is presented in a way that allows the stakeholders to analyse the changes in the organisation's performance and supports the analysis related to other organisations.
- RELIABILITY: the report gathers, registers, compiles, analyses and communicates the information and the processes used in the preparation of the report in order that they may be subject to revision and that they establish the quality and the materiality of the information.
- PUNCTUALITY: the report is drawn up and presented every year, making the information available in time for the stakeholders to make informed decisions.

Scope of the report

This report presents information concerning the period from 1 January to 31 December 2021, corresponding to the fiscal year of Audax Renovables. The historical data shown in some paragraphs correspond to the two previous years.

The financial information included in the report, in accordance with the Law 11/2018 of 29 December, comes from the Consolidated Annual Accounts for the same year (1 January to 31 December 2021).

The reported non-financial information includes companies that were previously mentioned, except for some cases where, due to the particularity of the company, the reported data do not apply. In those cases where the scope differs from the established standard, the companies included in the reported data are specified in the footnote.

Information on environmental issues:

The data reported by Audax Renovables in this section refer to the day-to-day operations of its offices. In cases of increase or difference from the established scope, it is specified in the footnotes.

The wind farms of Toabré, Calañas, Arenales and Toconal became operative at the end of the year 2021 - these are projects whose construction has been completed or they are in the administrative stage of application for operation permit - but are not operating. Therefore the environmental impact of their activity is not reported.

Information on issues concerning personnel:

The data included refer to the employees of all the Group in the last 3 years (2019, 2020 and 2021) itemised, in accordance with the Law 11/2018 of 29 December, by gender (female, male), age bracket (<30, 30-50, >50) and professional category (Senior Management, Management, Leadership, Middle Management, Others). Consequently, regarding the indicators included in this section, only the information related to the companies with employees is reported.

APPENDIX I: TABLE OF CONTENTS OF THE LAW 11/2018 AND GRI STANDARDS

TABLE OF CONTENTS REQUIRED BY LAW 11/2018			
Information required by Law 11/2018	Materiality	Page of the report where the item is addressed	Selected GRI (2016 version, if not specified otherwise)
GENERAL INFORMATION			
Brief description of the group's business model, its business environment, its organisation and structure	Material	2-6	GRI 102-2 GRI 102-7
Markets where it operates	Material	2-5	GRI 102-3 GRI 102-4 GRI 102-6
Objectives and strategies of the organisation	Material	2-5, 11-15	GRI 102- 14
Main factors and trends, which may affect its future development	Material	4, 5	GRI 102-14 GRI 102-15
Reporting framework used	Material	51-53	GRI 102- 54
Materiality principle	Material	13-15	GRI 102-46 GRI 102-47
ENVIRONMENTAL ISSUES			
Policies applied by the group, including due diligence procedures applied to the identification, evaluation, prevention and mitigation of significant risks and impacts, as well as verification and control, and the measures that have been adopted	Material	16	GRI 102-15 GRI 103-2
Detailed general information			
Detailed information on current and expected impacts of the company's activities on the environment and, if applicable, on health and safety	Material	16	GRI 102- 15
Environmental assessment or certification procedures	Material	16	GRI 103- 2
Environmental risk prevention means	Material	See Notes 26 and 27 of the Annual Accounts	GRI 103- 2
Application of precautionary principle	Material	See Notes 26 and 27 of the Annual Accounts	GRI 102- 11
Quantity of environmental risk provisions and guarantees	Material	See Notes 26 and 27 of the Annual Accounts	GRI 103- 2
Pollution			
Measures to prevent, reduce or repair emissions seriously affecting the environment, taking into account any form of pollution specific to the activity, including noise and light pollution.	Material	18-19	GRI 103-2 GRI 305-7
Circular economy and waste prevention and management			

TABLE OF CONTENTS REQUIRED BY LAW 11/2018

Information required by Law 11/2018	Materiality	Page of the report where the item is addressed	Selected GRI (2016 version, if not specified otherwise)
Measures to prevent, recycle, reuse, recover and eliminate waste	Material	20	GRI 103- 2 GRI 306- 2
Actions to combat food waste		Non-material	
Sustainable use of resources			
Water consumption and water supply within local limits	Material	16-17	GRI 303-1 (2018) GRI 303-4 (2018) GRI 303-5 (2018)
Raw material consumption and measures adopted to improve material efficiency	Material	18	GRI 103- 2 GRI 301- 1
Energy consumption - direct and indirect	Material	17-18	GRI 302- 1
Measures adopted to improve energy efficiency	Material	17-19	GRI 103- 2
Use of renewable energy	Material	17-19	GRI 302- 1
Climate change			
Greenhouse gas emissions generated as a result of the company's activity, including use of goods and services it produces	Material	19	GRI 305-1 GRI 305-2
Measures taken to adapt to the consequences of climate change	Material	19	GRI 103- 2
Medium and long-term voluntary reduction goals to reduce greenhouse gas emissions, and measures adopted for that purpose	Material	19-20	GRI 103- 2
Biodiversity protection			
Measures taken to preserve or restore biodiversity	Material	22, 23, 47	GRI 103
Impacts made by activities or operations on protected areas	Material	22, 23, 47	GRI 304- 2
EU Taxonomy			
Regulation (EU) 2020/852 of the European Parliament	Material	23-25; Annex II	Criterion of the company
Delegated Act of the EU Taxonomy (EU) 2021/2139 of the Commission			
SOCIAL ISSUES AND MATTERS CONCERNING PERSONNEL			
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues connected with the group's activity	Material	25-26	GRI 102-15 GRI 103-2
Employment			

TABLE OF CONTENTS REQUIRED BY LAW 11/2018

Information required by Law 11/2018	Materiality	Page of the report where the item is addressed	Selected GRI (2016 version, if not specified otherwise)
Total number and distribution of employees by country, gender, age, and professional category	Material	28	GRI 102- 8 GRI 405-1 b
Total number and distribution of types of employment contracts and annual average of indefinite-term contracts, fixed-term contracts and part-time contracts by gender, age and professional category	Material	27, 29, 33-34	GRI 102- 8
Number of dismissals by gender, age and professional category	Material	29	GRI 401- 1
Average remuneration and its development, according to gender, age and professional category or similar	Material	30-31	GRI 102- 35 GRI 202- 1 GRI 405- 2
Pay gap, remuneration of equal work posts or of company average	Material	31	GRI 103-2 GRI 405-2
Average remuneration of directors and managers, including variable remuneration, allowances, compensations, payments to long-term saving and retirement plans and any other payment, distributed by gender	Material	32	GRI 103
Implementation of policies for disconnecting from work	Material	33-36	GRI 103- 2
Number of employees with disability	Material	37	GRI 405- 1
Work organisation			
Organisation of working time	Material	33-36	GRI 103- 2
Number of hours of absenteeism	Material	39	GRI 103- 2
Measures designed to help conciliation between work and family life and encourage co-responsible use of the rights by both parents	Material	33-35	GRI 103- 2
Health and safety			
Workplace health and safety conditions	Material	37-38	GRI 103-2 GRI 403-1 (2018) GRI 403-3 (2018)
Work accidents, in particular, its frequency and severity, as well as occupational diseases; itemised by gender	Material	38	GRI 403-9 (2018) GRI 403-10 (2018)
Social relations			
Organization of social dialogue, including procedures of information, consultation and negotiation with employees	Material	36	GRI 103- 2
Percentage of employees covered by collective agreement, by country	Material	36	GRI 102- 41
Balance of collective agreements, particularly in the area of occupational health and safety	Material	36	GRI 103- 2
Training			

TABLE OF CONTENTS REQUIRED BY LAW 11/2018

Information required by Law 11/2018	Materiality	Page of the report where the item is addressed	Selected GRI (2016 version, if not specified otherwise)
Policies implemented in the area of training	Material	31-33	GRI 103-2 GRI 404-2
Total number of hours of training by professional category	Material	34	GRI 404- 1
Universal accessibility			
Universal accessibility for persons with disabilities	Material	37-38	GRI 103- 2
Equality			
Measures adopted in order to promote equal treatment and equal opportunities for women and men	Material	36-37	GRI 103- 2
Equality plans, measures taken to promote employment, protocols against sexual and gender harassment	Material	36-37	GRI 103- 2
Policy against any type of discrimination and, if applicable, diversity management	Material	36-37	GRI 103- 2
RESPECT FOR HUMAN RIGHTS			
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues connected with the group's activity	Material	40-41	GRI 102-15 GRI 103-2
Application of due diligence procedures			
Application of due diligence procedures in the areas of human rights and prevention of the risk of human rights violation and, if applicable, measures to mitigate, manage and repair possible infringements committed	Material	40, 43	GRI 102-16 GRI 102-17
Complaints about cases of human rights violation	Material	41	GRI 103-2 GRI 406-1
Measures implemented for the purpose of promotion and compliance with the provision of the ILO fundamental conventions related to the freedom of association and the right to collective bargaining, elimination of discrimination in employment and occupation, abolition of forced labour, and effective abolition of child labour	Material	36-37, 40-41	GRI 103- 2 GRI 407- 1 GRI 408- 1 GRI 409- 1
FIGHT AGAINST CORRUPTION AND BRIBERY			
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues connected with the group's activity	Material	42-45	GRI 102-15 GRI 103-2

TABLE OF CONTENTS REQUIRED BY LAW 11/2018

Information required by Law 11/2018	Materiality	Page of the report where the item is addressed	Selected GRI (2016 version, if not specified otherwise)
Measures adopted to prevent corruption and bribery	Material	42-45	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205- 3
Measures designed to fight money laundering	Material	42-45	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205- 2 GRI 205- 3
Contributions to foundations and non-for-profit entities	Material	46	GRI 102- 13 GRI 201- 1
INFORMATION ON SOCIAL MATTERS			
Management approach: description and results of the policies related to these issues, as well as the main risks related to these issues connected with the group's activity	Material	46-47, 48-49	GRI 102- 15 GRI 103- 2
Company commitment to sustainable development			
The impact of the company's activity on local employment and development	Material	46-48	GRI 103- 2 GRI 203- 2 GRI 204- 1
The impact of the company's activity on local communities and areas	Material	46-48	GRI 413- 1 GRI 413- 2
Relations and modalities of dialogue with members of local communities	Material	46-48	GRI 102- 43 GRI 413- 1
Association or patronage activities	Material	46	GRI 103- 2 GRI 201- 1
Subcontracting and suppliers			
Including social, gender equality and environmental issues in the procurement policy	Material	39-40, 46-47	GRI 103- 2
Recognising own social and environmental responsibility in relations with suppliers and subcontractors	Material	47-48	GRI 102- 9 GRI 308- 1 GRI 414- 1
Supervision and audit systems and their results	Material	47-48	GRI 102-9 GRI 308-2 GRI 414-2
Consumers			
Measures for the consumer health and safety	Material	48-50	GRI 103-2 GRI 416-1
Complaint systems, complaints received and resolved	Material	48-50	GRI 103- 2 GRI 418- 1
Tax information			

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Information required by Law 11/2018	Materiality	Page of the report where the item is addressed	Selected GRI (2016 version, if not specified otherwise)
Profit obtained country by country	Material	51	GRI 103- 2
Income tax paid	Material	51	GRI 103- 2
Public subsidies received	Material	51	GRI 201- 4

APPENDIX II TAXONOMY CALCULATION METHODOLOGY

For the purpose of analysis, all the companies belonging to the Audax Renovables Group were taken into account, meaning the same scope as the one used in this report.

Audax Renovables has two main business lines, which comprise practically the entirety of the economic activity of the Group - the line of electricity Generation and the line of natural gas and electricity Retailing. The latter was not considered adjusted to the classification criteria of the EU Taxonomy.

Calculation methodology

After identifying the eligible economic activities, calculations began for individual Taxonomy indicators based on the financial and business results for the year 2021. The calculations were carried out with the following methodology and considerations:

Turnover:

In the Group's integrated business model the activities of energy generation and retailing are aligned in order to complement the retailed energy with the generated energy. In the calculations of these indicators were eliminated those balances which being carried out between the group's companies do not constitute the entirety of the turnover.

For calculating the turnover proportion was considered the net sales volume of each of the Group's companies involved in generating energy, whether from wind or photovoltaic sources, and to each of these eligible activities the sum was assigned in the numerator. For the denominator the figure of total turnover of the Group was used.

The indicator of % Turnover was calculated considering the percentage of turnover adjusted to the taxonomy based on sum total.

$$\frac{\text{Turnover associated with Generation of renewable energy}}{\text{Net turnover}} = 1 \%$$

CAPEX:

The investments in fixed assets for the group's activity of renewable energy generation represent practically the entirety of the yearly investments aligned with the Group's medium- and long-term goals, focused on the generation of renewable energy through the construction and operation of wind farms and solar power plants. These are completed and active projects, as well as commenced projects and projects under construction distributed across six different countries.

The CAPEX percentage indicator has been calculated considering the annual investment made in projects of photovoltaic and wind energy generation. For the purpose of itemisation, of each Company of the Group involved in the activity of energy generation, their recognitions of fixed and intangible assets were considered, whether originating from their investments in the generation plants or from business combinations, which adjust to the taxonomy. After identifying the recognitions, not including amortisation and depreciation charges, appropriate consolidation adjustments were added, because it regarded the recognitions of CAPEX of Audax Renovables as head of the Group. The denominator is comprised of all the recognitions in CAPEX without separating by company of the group involved in the activity of energy generation, the result being that 82% of the recognitions by CAPEX are taxonomy-aligned.

$$\frac{\text{CAPEX 2021 associated with Generation of renewable energy}}{\text{CAPEX Total Recognitions 2021}} = 82 \%$$

OPEX:

The operating expenses for the companies involved exclusively in the construction of power plants and generation and retail of renewable energy, are given in their majority by staff costs. Given that this staff works for all the group, a monthly assignment of working hours is carried out for the projects on the generating companies and on the retailing companies. Thus the Human Resources Department verifies and assigns percentages to each employee and then the Accounting Department can allocate the costs correctly. In order to assign the numerator figures in this case there is the established criterion mentioned before, which we understand is the most appropriate to assign in a very detailed way the most representative cost, the staff cost.

The OPEX indicator (%) has been calculated considering the total amount of operating expenses of the energy Generation activity in relation to the total sum of operating expenses of the activity of all the companies of Audax Renovables. For the calculation of the numerator in particular the staff costs were taken into account, which were assigned totally or partially to the companies of the Group whose activity is the energy generation, and other operating expenses among which there are services and consultancy of third parties, lease agreements, maintenance and repairs of the plants constructed and under construction.

$$\frac{\text{OPEX 2021 associated with Generation of renewable energy}}{\text{OPEX Total Group 2021}} = 6 \%$$

The details of the three key indicators, whose numerators imply the economic activity of wind and solar energy generation from renewable sources, comply with the criteria specified in article 3 of the R852, because of contributing in a substantial and explicit way to the environmental goals of climate change mitigation and adaptation through the generation of green energy. In order to use inexhaustible natural resources, such as wind, and solar light, through the

investments mentioned before, it is possible to generate totally clean energy without producing greenhouse gas emissions or polluting emissions, and therefore without contributing negatively to the climate change.

The numerators and denominators recently analysed are derived from the accounting of companies with particular objects, whether generation or retail of energy, and thus it is possible to obtain figures already itemised and processed for each company and, consequently, for each activity. Additionally to the consolidation process, in which the figures of all the companies belonging to the Group are reflected without considering the transactions between them, the net figures are obtained by activity adjusted to the European taxonomy and can be divided according to the three key indicators described above. Thus it is possible to avoid the risk of accounting twice for the same figures, based on the fact that they are assigned to different companies and the consolidation process of financial statements is externally reviewed, and to obtain the figures which are divided according to the activity and adjusted to the taxonomy.