

Audax Renovables, S.A. and Subsidiaries

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

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

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF AUDAX RENOVABLES, S.A. AND SUBSIDIARIES FOR 2023

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 accompanying Consolidated Non-Financial Information Statement (“NFIS”) for the year ended 31 December 2023 of Audax Renovables, S.A. and Subsidiaries (“Audax Renovables” or “the Group”), which forms part of the Group's Consolidated Directors’ Report.

The content of the NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verifying the information identified in the “Table of contents - Law 11/2018 and GRI standards”, “Taxonomy Calculation Methodology” and “Taxonomy Reporting Tables (Revenue, CAPEX and OPEX)” Appendices (“the Appendices of the NFIS”).

Responsibilities of the Directors

The preparation and content of the NFIS included in Audax Renovables’ Directors’ Report are the responsibility of the directors of Audax Renovables, S.A. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as other criteria described as indicated for each matter in the “Table of contents - Law 11/2018 and GRI standards” Appendix of the NFIS.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

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

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) 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 behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1) which requires the firm to design, implement and operate a quality control system that includes 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 on 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 work 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 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 obtained is substantially lower.

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

- Meetings held with personnel of Audax Renovables 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 review.

- Analysis of the scope, relevance and completeness of the contents included in the 2023 NFIS based on the materiality analysis performed by Audax Renovables and described in section 2.6 "Materiality Analysis" thereof, 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 2023 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2023 NFIS.
- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2023 NFIS, and the appropriate compilation thereof based on the data furnished by 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 investment, based on the Delegated Acts adopted in accordance with the provisions of that Regulation, establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with eligible economic activities in relation to the environmental objectives of the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems (the other environmental objectives), and in respect of certain new activities included in the climate change mitigation and climate change adaptation objectives, for the first time for 2023, in addition to the information referring to eligible and aligned activities required in 2022 in relation to the climate change mitigation and climate change adaptation objectives. Therefore, the accompanying NFIS does not include comparative information on eligibility in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. Also, since the information relating to 2022 was not required with the same level of detail as in 2023, the information disclosed in the accompanying NFIS is not strictly comparable either. In addition, it should be noted that the directors of Audax Renovables have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in the "Taxonomy Reporting Tables (turnover, CAPEX and OPEX)" appendix of the accompanying NFIS. Our conclusion is not modified in respect of this matter.

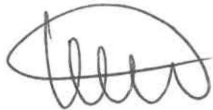
Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Audax Renovables for the year ended 31 December 2023 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the “Table of contents - Law 11/2018 and GRI standards”, “Taxonomy Calculation Methodology” and “Taxonomy Reporting Tables (turnover, CAPEX and OPEX)” Appendices of the NFIS.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.



José Ricardo González Rosal

27 February 2024



**Non-Financial Information
Statement 2023
AUDAX RENOVABLES
and subsidiaries**

**For the year ended on
31 December 2023**

NON-FINANCIAL INFORMATION STATEMENT

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Presentation Letter

Audax Renovables makes available to its stakeholders the Non-Financial Information Statement for the year 2023. This report is an exercise in transparency that provides verified information about the situation, strategy, activities, plans, and progress in the area of sustainability, both internally and externally.

The Group aims to position itself as a leader in the renewable energy sector, with a vertical integration model of its renewable energy production and retail activities. Since 2019, Audax Renovables has broadened the focus on renewable energy production activities to provide the company with a portfolio of photovoltaic and wind projects, which will ensure the sustainability of the business at a medium and long term, to guarantee an efficient and responsible supply of energy and demonstrating the company's strong commitment to its customers, shareholders, and all stakeholders.

The fight against the climate change and the commitment to the energy transition are two of the main challenges addressed by the Group in the area of sustainability. Society is changing the way in which the energy is produced, distributed, and consumed, and the regulators are promoting climate neutrality policies, that prioritise renewable energy consumption over fossil fuels as a pathway to decarbonisation.

Renewable sources are key to the energy transition, and therefore the Group's main objective is to increase the number of energy generation projects and provide the company with a robust portfolio of projects. The company's energy generation projects are being carried out according to the best practices in construction and operation of power plants, ensuring the protection of the environment, preservation of biodiversity and conservation of historic heritage, ensuring the welfare of the local communities where it operates and compliance with the applicable legislation.

In this way, the Group reaffirms its commitment to sustainability, convinced that the integration of the ESG aspects into the Group's strategy will help business growth and generate value for the society in the transition process of the energy sector, contributing to the social welfare and preserving the environment.

During this year the Audax Renovables Group has continued creating a solid foundation demonstrated by the improvement of the financial results obtained in recent months. Furthermore, the company has been rated by Morningstar Sustainalytics ESG Rating* as an "ESG Low Risk Company" or low ESG risk company. The rating confirms its leadership position in ESG performance, placing Audax in the TOP 10 among independent power producers and traders.

None of this would be possible without the people who are part of the Group. The organization's objectives are being achieved thanks to the effort and dedication of its employees. Ensuring and working for the well-being and professional development of employees are fundamental principles for the Company, as well as promoting equality, diversity, and the principles of non-discrimination.

Once again, the Group maintains its commitment to the Sustainable Development Goals included in the 2030 Agenda, the Ten Principles of the United Nations Global Compact, the European Green Deal and the National Integrated Energy and Climate Plan. Consequently, the commitment of the Group and all its employees is to continue along these lines in order to achieve the company's objectives and continue creating value for our stakeholders, the society, and the environment.

1 Audax Renovables Group

1.1 Our Business

Founded in the year 2000, Audax Renovables (hereinafter, the "Group", "Audax" or the "Company") is an independent energy Group, leader in the SME segment in Spain, whose activities are focused on energy production from 100% renewable sources and supplying electricity and natural gas retail. Its business model is based on vertical integration, guaranteeing efficient supply of energy to customers.

After more than two decades present in the sector, the Company is experiencing significant growth and supplies energy to more than 360,000 customers in 8 European countries (Spain, Portugal, France, Italy, the Netherlands, Germany, Poland, Hungary) and Panama. The Group comprises more than 80 subsidiary companies and has a team of 755 employees.

Its main objective is to lead the energy transition in its sector, continuing its activity of electricity and gas supply, investing in electricity generation from 100% renewable sources and contributing to the improvement of the European energy mix and the economy decarbonisation, through both activities.

International presence

Production of renewable energy

The Group promotes all kinds of activities related to energy production from 100% renewable sources, primarily wind and solar energy. The Group manages a portfolio of 1 GW renewable energy generation projects, including wind farms and solar plants in Spain, France, Poland, Portugal, Italy, and Panama.

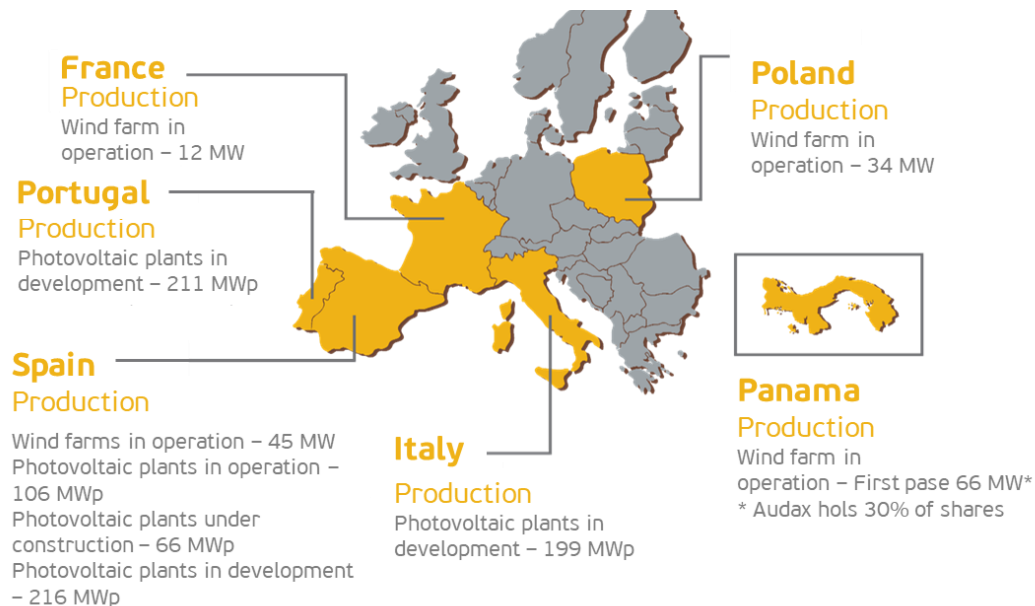


Chart 1: Audax Renovables' energy production activity

Electricity and natural gas retail

Audax Renovables provides electricity and gas to businesses and individual customers through the retailing activity carried out in several European countries: Spain, Portugal, Italy, Germany, Poland, The Netherlands, and Hungary. In 2023, the Group supplied a total of 13.8 TWh of energy to over 360,000 customers. The 46% of the customers chose renewable energy and 35% of the energy supplied by the Group is certified as renewable.

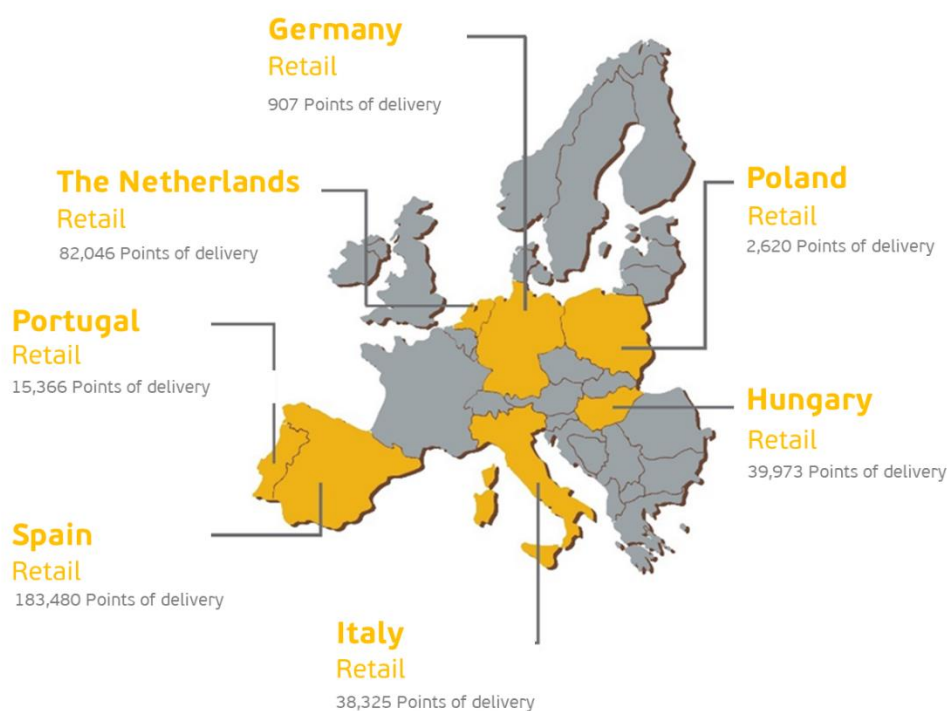


Chart 2: Audax Renovables' energy retail activity

1.2 History of Audax Renovables

Audax Renovables is the result of the downstream merger transaction between Audax Energía and Fersa Energía Renovables, resulting in the Audax Renovables Group, an independent vertically integrated energy group focusing on the production of 100% renewable energy, as well as the supply of electricity and gas, with a presence in 9 countries.

Key milestones:

- In 2003, the shares of Audax Renovables (back then Fersa Energías Renovables, S.A.) were admitted to trading on the secondary market of the Barcelona Stock Exchange, becoming the first independent company dedicated to produce renewable energy, listed on the Spanish stock exchange.
- In 2007, the company was included in the Spanish Stock Exchange Interconnection System (SIBE) of the Madrid Stock Exchange.
- The company started its renewable energy production activities in Spain with its first wind farm in 2006. Currently, the Group carries out its production activity in Spain as well as in France, Poland, Italy, Portugal, and Panama, with a portfolio of wind farms and photovoltaic plants in different stages from project development to construction and operation.

- Between 2013 and 2017, Audax Energía expanded its supply activity to various European countries, including Portugal, Italy, Poland, the Netherlands, and Germany.
- In August 2016, Audax Energía acquired Fersa Energías Renovables through a Public Tender Offer (OPA), subsequently changing its corporate name to "Audax Renovables" a year later.
- In 2018, the downstream merger transaction was completed when Audax Renovables absorbs its parent company Audax Energía, resulting in the Audax Renovables Group. The same year the energy retailer Unieléctrica Energía, from Córdoba (Spain), joins the Group.
- In 2020, the company continued its expansion by acquiring 100% of the share capital of the Hungarian retailer E.ON Energiakereskedelmi Kft.
- The year 2021, marked a turning point in the company's strategy towards the activity of renewable energy production with a clear objective: to become a vertically integrated company between the activity of energy production and supplying electricity and natural gas.
- Audax, with its commitment to sustainability and the fight against climate change, works towards compensating the footprint of retailed energy generated from non-renewable sources and through the acquisition of Guarantees of Origin (GOs). In Spain, 100% of the electricity supplied is certified by the CNMC as renewable.
- Currently, the Group continues its activities of production and retail, as well as its operations of development, construction, and commissioning of its generation portfolio.

1.3 Mission, vision, and values

Audax Renovables establishes various principles and commitments based on the company's corporate values, which describe the fundamental purpose of Audax, and endeavour to address the significant current environmental, social, and economic challenges.

The Group has great responsibility towards its employees, customers, shareholders, suppliers, and other stakeholders. Therefore, the company defines itself as a driver of change in the sector, guided by redoubled efforts to continue boosting the energy transition in the European market and generating differential value within the sector.

Our mission

"We strive daily to ensure that our growth strategy is based in sustainability, economic development, internationalization, and reverence for the environment in which we operate, all while providing proximity to our customers."

Our vision

"We want to be a private and independent listed company that provides our customers, employees and collaborators with a differential value within the energy sector, committing to innovation and transparency".

Our values define us

Ethics and trust	We believe in fostering an honest relationship with our customers and partners.
Customer orientation	We are focused on the customer satisfaction.
Innovation	We develop new products and services to cater to the needs of the customers.
Excellence	We work every day to improve our processes.
Respect for the environment and the community	We contribute to the progress and development of our community.
Professional and personal development	Our staff is the key to the company's success
Focus on the results	Focus on positive economic results and financial strength

1.4 Relevant events during the year 2023

First quarter

The beginning of the year was marked by the closure of a strategic agreement between Audax Renovables and Shell Energy Europe Limited, a global recognized energy company, to supply of electricity and natural gas in Spain. The agreement will provide Audax with a better access to future positions by immediately enhancing the Group's working capital position, and at the same time boosting its competitiveness in the market to offer differential products to its customers.

Moreover, the Company was included in the MSCI World Small Cap, a global reference index, a global benchmark index that represents small-cap stocks in 23 developed economies.

Second quarter

The Company maintained its rating of Investment Grade (BBB-) awarded by Ethifinance Ratings. The rating positively evaluated the company's business profile, based on a favourable situation of the utilities sector associated to renewable energy, a growing geographic and customer diversification, as well as consolidated competitive advantages derived from its recent agreement of Market Access with *Shell Energy*, which contributes to the improvement of its leverage ratios.

In May, the Board of Directors of approved the Sustainability Strategic Plan 2023-2025 to provide the company with a short-term ESG roadmap.

Third quarter

The Company was rated by *Morningstar Sustainalytics ESG Rating** as an “*ESG Low Risk Company*”. The rating confirms the leadership of the Group in ESG performance and states that the risk of the Group experiencing negative impact from ESG factors is low.

In September 2023, the Toabré wind farm located in Panamá, in which Audax Renovables, S.A. holds a share of 30%, certified the issuance of a Corporate Green Bond program worth USD\$200 million on the Panama Stock Exchange.

Fourth quarter

The Group launched a bond repurchase program for a maximum amount of up to €50 million in order to optimise the level of available cash, the volume and cost of debt through a proactive management of financial liabilities in capital markets.

In December, Audax announced an agreement for institutional loan of €66 million led by the EIB (European Investment Bank). This loan is aimed to put into operation a portfolio of solar projects of a total installed capacity of 141 MWp.

In the same month, the Company announced the start of the construction of a photovoltaic project located in the municipality of Carmona in the province of Seville, which will add a total capacity of 57.48 MWp to the Group's renewable production portfolio. The investment in green energy will allow to avoid the emission of 29,757 tonnes of CO2 per year.

1.5 The Group's results

The Audax Group has improved its EBITDA in the year 2023 by 78% compared to the same period of the previous year. The results are the consequence of the actions undertaken by the company over the last two years and is summarised below:

- Vertical integration between production and retailing activities.
- Focus on Audax's strategic segment (Corporate - SME).
- Improvement in demand and consumption forecast estimation processes.
- Greater control and requirement of exactitude in the application of commercial margins.
- Risk diversification (country risk, customer risk, and commodity risk).

Moreover, the net financial debt was reduced by 29% from the end of the previous year, demonstrating the focus of the Group on operating cash flow generation, which has been applied this year and is to be continued in subsequent years to reduce the current gross debt.

The consolidated net result for the year amounts to €31 million in comparison to €8 million in the same period of the previous year, thus showing the results of the strategies implemented and a substantial improvement over the same period of the previous year.

Audax has continued its operations in the development, construction, and commissioning of its generation portfolio. During this period, the investment plan has continued as scheduled.

2. Audax's commitment to sustainability

2.1 Sustainable business model

Sustainability is defined by the United Nations as *" development that meets the needs of the present without compromising the ability of future generations to meet their own needs. "* Guided by this definition, the Audax Group understands sustainability and its three fundamental pillars (environmental, social, and corporate governance) as key strategic and comprehensive elements necessary to ensure the long-term viability of the business and meet the needs and expectations of its stakeholders, the community, and the planet.

The Company's aim is to ensure that its corporate activities are carried out promoting the sustainable value and taking the needs and expectations of the stakeholders into account.

By the nature of its activities and as a Group belonging to the area of energy, the organisation is deeply committed to sustainable development and sustainability is deeply ingrained in its business model. The activities related to electricity generation from renewable sources contribute directly to the progress of the energy transition and are sustainable activities according to the Taxonomy Regulation of the European Union.

The energy transition is a challenge for the Company, but also an opportunity to improve the state of the planet and people's health. Therefore, Audax Renovables recognises the importance of renewable energy as a key driver of this transition. One of the main goals of the Company's corporate strategy is to increase the portfolio of electricity production based on 100% renewable sources, positioning at the highest level the Company's commitment to the energy transition and fight against climate change.

Overall, the Group's CAPEX investment in generation assets since the year 2020 totalled EUR 210 million, thus continuing its commitment to produce energy in its own power plants.

2.2 Materiality assessment

In 2023, Audax updated its assessment applying a double materiality assessment approach in order to align to the European Corporate Sustainability Reporting Directive¹ (CSRD) and lay the foundations of its sustainability strategy. The requirements of the European Sustainability Reporting Standards² (ESRS) and CS were followed, including the scope and implication of the new approach based on CSRD.

The double materiality assessment aims to identify which aspects of the three ESG pillars (environmental, social, and corporate governance) are the most important for the Company and its stakeholders in order to integrate the needs and expectations into the process of decision making and into the definition of the sustainability strategy.

Audax Renovables has developed a new methodology based on CSRD integrate the double materiality perspective into its analysis. Thus, the most material aspects for Audax were identified from a double perspective – impact materiality and financial materiality. The **impact materiality** analyses the impact of the Company's activities on the environment and how they affect the stakeholders (inside - out), while the **financial materiality** involves assessing any

¹European Directive 2022/2464 on corporate sustainability reporting (CSRD) adopted in December 2022.

² In July 2023 a Delegated Act was published on the first set of European Sustainability Reporting Standards (ESRS). This action was mandated by the CSRD.

possible economic impact of the risks and opportunities arising from sustainability on the Company (outside - in).

The impact materiality measures the impact-positive or negative-of Audax on the society and/or environment, directly or indirectly. On the other hand, financial materiality measures the impact of the society or the environment on the financial performance of Audax (identified as risks or opportunities). Each material subject is comprised of positive or negative impacts made by Audax on the society or the environment, and of risks and/or opportunities, which the society or environment create for Audax.

The Company is committed to update annually the double materiality assessment, the stakeholder's analysis, and the social and environmental context.

2.2.1 Methodology

The assessment conducted by the company is comprised of five stages:

1. **Evaluation of the current situation:** Assessment of the current situation and of the external context of Audax to ensure that the list of potentially material subjects includes the current and future priorities and trends.
2. **Mapping of the value chain:** Comprehension and mapping of corporate activities, the value chain, and the stakeholders of Audax.
3. **Participation of the stakeholders:** Surveys and interviews with the stakeholders, throughout all the value chain, in order to include their expectations and needs in the assessment of material subjects of the Group. The assessment includes, among others, the opinion of the employees of all the subsidiaries, members of the Board, investors, consultants, suppliers, external auditors, and the media.
4. **Evaluation of impacts, risks, and opportunities (IRO):** Definition, assessment and evaluation of potential and/or real impacts and risks and opportunities associated with the identified material subjects.
5. **Prioritisation of material subjects, synthesis, and validation:** Final evaluation of the relative importance of the material subjects based on the IRO identified in order to consolidate the findings of the first stages.

2.2.2 Double materiality matrix

As a result of the described methodology, the Group obtained the following double materiality matrix for the year 2023:

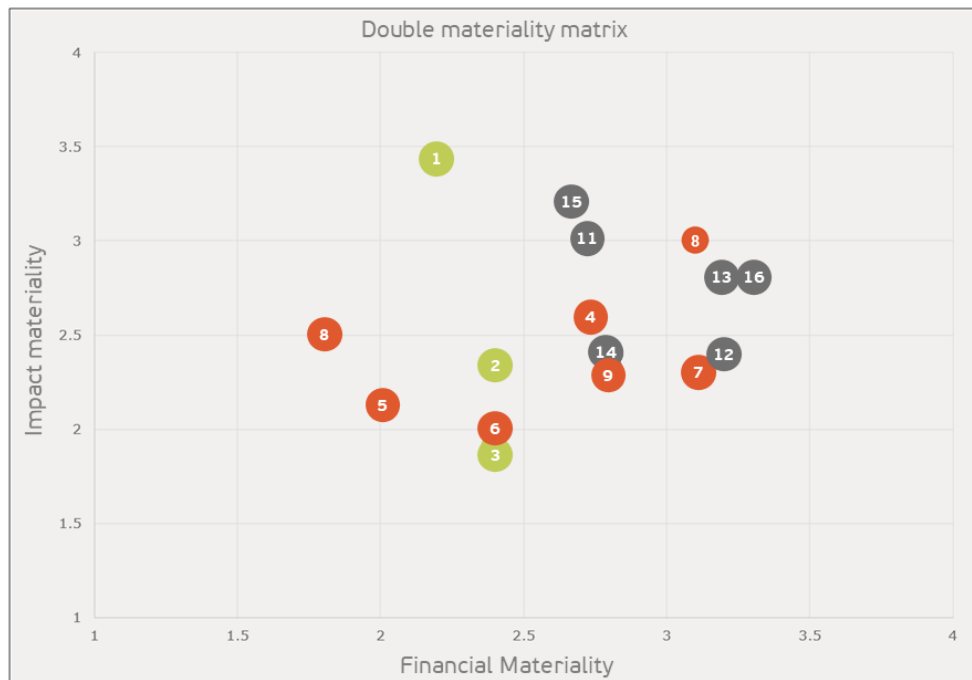


Chart 2: Double materiality matrix

Material Topics of Audax Renovables:

- 1 Climate change and decarbonisation
- 2 Energy transition
- 3 Biodiversity and ecosystems
- 4 Workplace well-being and talent retention
- 5 Diversity, equality and just remuneration
- 6 Local communities
- 7 Affordable energy
- 8 Customer service
- 9 Supply chain
- 10 Corporate culture
- 11 Ethical and responsible leadership
- 12 Innovation and new technologies
- 13 Green finance
- 14 Internal and external communication
- 15 Legal compliance and risk management
- 16 Financial management and long-term strategy

Below the Company presents a brief description of each of the material topics resulting from the double materiality assessment review, according to the ESG pillars (environmental, social, and corporate governance).

Material topics related to environment:

1. Climate change and decarbonisation: Greenhouse gas emissions and other emissions to the atmosphere in direct operations and the value chain.
2. Energy transition: Adaptation of the energy sources, infrastructure and practices of traditional methods based on fossil fuels to alternative sustainable and renewable energy sources in consonance with the environmental and economic goals.
3. Biodiversity and ecosystems: Direct and indirect impact with natural resources and use of land, water and/or air. Preservation of the ecosystems and protected areas as well as species at risk of extinction.

Material topics related to social aspects:

4. Workplace well-being and talent retention: Involves the satisfaction of the employees, their physical, mental, and emotional health, as well as the Company's ability to attract and retain the most talented employees.
5. Diversity, equality and just remuneration: To promote just and inclusive environment to the entire value chain, where equal pay is prioritised, diversity is promoted, and no discriminatory behaviour is allowed.
6. Local communities: Relations with the local communities where the Group operates. Community outreach, philanthropy, and socio-economic effects related to the activities of the Company.
7. Affordable energy: Access to available and sustainable energy sources, which would favour meeting the operating and economic needs of the customers.
8. Customer service: Degree to which the services provided by Audax meet or exceed the expectations and needs of its customers.
9. Supply chain: Appropriate management of the supply chain to identify and mitigate the impacts of the value chain, promoting sustainable, secure, and ethical operations and practices.

Corporate governance material topics:

10. Corporate culture: Corporate values, rules of conduct and standards of the Group, which directly influence the workplace environment and the decision-making process.
11. Ethical and responsible leadership: Implementation of practices and behaviours, which reflect high standards of integrity and ethics. It consists of the formulation and application of transparent policies, the involvement of the management, and promotion of these values within the Company.
12. Innovation and new technologies: Focus on the development of new products and/or services, which would improve the quality, the efficiency and/or the cost. Implementation and collaboration in the development of new technologies.

13. Green finance: Sustainable financing, issue of green bonds and/or raising capital or funds specifically dedicated to sustainable projects, to support and promote sustainable practices, besides reducing the financing cost.
14. Internal and external communication: Transparent disclosure of the financial and non-financial information of the Company, encouraging bidirectional communication with the stakeholders.
15. Legal compliance and risk management: Strategies, policies and protocols dedicated to ensuring legal compliance, to avoid any non-compliance and ensure that the organisation keeps up with the new regulations.
16. Financial management and long-term strategy: Appropriate management, evaluation, and disclosure of financial information. Formulation of a corporate strategic plan with measurable and specific goals, integrating the ESG aspects in order to achieve sustainable development.

2.2.3 Conclusions of the double materiality assessment

The double materiality assessment conducted for this period has changed with respect to the results obtained in the previous year. These changes are mainly the consequence of a change of the methodology applied, the evolution of the Company and the context.

The number of material subjects has decreased from 22 to 16 due to the consolidation of some of them into one material subject, while others are no longer material, because their priority has changed.

The results of the assessment applied from the perspective of double materiality define which ESG subjects should be prioritised by the Company. Many of the initiatives outlined in the Sustainability Strategic Plan provide a response to the material subjects resulting from the assessment. A more exhaustive assessment of the existing and potential opportunities of the environment has shown that it is within the Company's capacity to take advantage of the opportunities resulting from the energy transition and to position itself as a leader in its sector. The analysis of potential risks of the environment shows that the Group should continue working towards integration the ESG material subjects into its medium- and long term strategy.

2.3 Stakeholders

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

In 2023, the stakeholders map was reviewed as a part of the double materiality assessment. The Company is aware of the importance of obtaining a complete view of the internal and external impacts of an organisation, as well as of incorporating the perspective of its stakeholders to prioritise the material subjects. Moreover, the Group promotes transparency, accountability, and cooperation with the interested parties in order to boost sustainable development and the integration of the ESG aspects into the entire value chain.

As a part of the double materiality assessment, an ESG survey was launched in a representative sample of all the stakeholders identified as relevant to Audax. The survey was sent to 130 recipients, 40% of which responded to it. At least one respondent of each group of stakeholders answered the survey, therefore all of them are represented.

The main stakeholders of Audax Renovables are outlined below:



Chart 3: Stakeholders.

Communication channels

The Group has bidirectional communication channels accessible to all its stakeholders. We highlight the following communication channels as those that are most widely used: email, telephone, *WhatsApp*, corporate websites, and/or social networks of the Group. Moreover, the employees have at their disposal the *Employee Portal*, an intranet of updated corporate information.

All the channels are important and the interaction with the stakeholders is fundamental for the Group's operations. Being accessible and proactive are key aspects on which the Group works to ensure that the needs and expectations of our stakeholders are taken into account.

There are communication channels directed to specific stakeholders:

- In regard to the **shareholders**, these relations shall be governed by the general principle of transparency and confidentiality. The Group calls annually a General Meeting of Shareholders and, additionally, makes available to them various communication and consultation channels.
- For the **investors and financial analysts** there are public webcasts organised half-yearly concerning the Company's performance and results. Being a listed company, the organisation has implemented the Internal Regulations for Conduct in the Securities Markets in order to protect the investor by promoting transparency standards. The organisation also has an email account specifically intended for the use of shareholders and investors (investor.relations@audaxrenovables.com).
- Regarding **authorities, regulatory bodies and public administration**, the Group strives for these relations to follow the principles of lawfulness, fidelity, reliability, professionalism, cooperation, reciprocity, and good faith.
- Lastly, in the case of the **customers**, the Group strives and improves constantly the customer service processes to guarantee high quality and personalised service.





2.4 Sustainability strategy

The Group strives for its activities to be based on sustainable development, integrating the ESG aspects into its corporate strategy. As an example of this commitment, the Group incorporated at the end of 2022 a Sustainability and Environment Manager, responsible for leading and implementing the ESG strategy in the Company and ensuring that all the environmental requirements are met.

As an important event of the year, the Board of Directors approved the Sustainability **Strategic Plan 2023-2025** (hereinafter, the "Plan"), which outlines the roadmap for achieving the Company's ESG goals and inspiring the Company to become an energy transition leader in its sector.

The Plan intends to give a response to the main challenges, which the Company is facing, in the three sustainability pillars: environmental, social, and corporate governance. In order to address these challenges, opportunities, and risks, 40 projects and initiatives have been defined with specific objectives based on the material subjects of the Company.

The Plan is focused on four strategic lines: **"Sustainable leadership"**, **"We protect the environment"**, **"Together, we do more"** and **"Compliance Culture"** under the common goal of improving the ESG performance in each of these areas and become a progressively more sustainable company.

Our objective	<i>"Leading the energy transition by producing the energy of the future"</i>			
Strategic lines	 SUSTAINABLE LEADERSHIP	 WE PROTECT THE ENVIRONMENT	 TOGETHER, WE DO MORE	 COMPLIANCE CULTURE
Action fields	<ul style="list-style-type: none"> • Sustainability Culture • Stakeholder management • Communication and transparency • ESG Ratings • Alliances 	<ul style="list-style-type: none"> • Biodiversity conservation • Environmental Policy • Installed capacity • Carbon footprint reduction • Energy efficiency • Waste management 	<ul style="list-style-type: none"> • Talent attraction and retention • Training • Customer focus • Equality Plan • Local communities • Donation program 	<ul style="list-style-type: none"> • Internal policies • Ethical culture • Risk management • Internal Control System • Whistleblower channel • Anti-corruption program

In the area of **"Sustainable leadership"** the Group aspires to create a strong sustainability culture and for this purpose strives to improve the Company's positioning in various renowned ESG ratings of the sector and reinforces its internal and external communication strategy.

With regard to the **protection of the environment** and the second strategic line, the Company focuses on the fight against climate change and on biodiversity conservation. Audax Renovables

joins the challenge of achieving climate neutrality in 2050, in line with its objectives of decarbonisation defined by the Paris Agreement and for this purpose works towards preparing a decarbonisation plan for the Group during the next year.

Being an important aspect of the energy transition, one of the key objectives of the Plan is to continue increasing our portfolio of renewable energy projects for 2025. Currently there are projects in a very advanced stage of development and other projects, whose construction will begin in the next months.

"Together, we do more" is a people-centred strategy line. The employees, the customers, business partners and local communities where the Group operates are key actors of the sustainability strategy. The initiatives included in this strategic line range from an improved model of our employees' performance assessment to an updated equality plan, to an extended donation campaign.

Lastly, the fourth strategic line of the Plan is the **"Compliance Culture"**. It is where the Group aspires that its compliance model set a benchmark in the sector. Training sessions are carried out to promote the culture of ethics and integrity among the employees. An updated version of the Code of Ethics and the implementation of the policy of the Internal Information System are some of the compliance projects included in the Plan.

2.5 European Taxonomy of Sustainable Finance

The Group complies with the obligations established in article 8 of Delegated Regulation 2020/852 of the European Union, which establishes a framework to facilitate sustainable investment. The framework is implemented by the following Delegated Regulations:

- Delegated Regulation 2021/2139 determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation.
- Delegated Regulation 2023/2486 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems, and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
- Delegated Regulation 2021/2178 specifying the methodology of information disclosure.

The Group informs about the eligibility and alignment degree of its eligible sustainable activities aligned with the Taxonomy through a report of three economic indicators: percentage of the revenue, of the investment (CapEx) and of the operating expenses (OpEx).

The information on methodology and the indicators obtained is included in the Appendix II and Appendix III of this statement.

2.6 ESG indexes and ratings



The Company has been qualified by **Morningstar Sustainalytics ESG Rating³** as an **“ESG Low Risk Company”**. Audax Renovables is among the TOP 10 independent power production and traders and has been qualified as an ESG Low Risk Company, with 19.5 points, having improved its ESG performance by over 3 points from the previous year. In 2022 Audax was classified as a medium risk enterprise, with 22.7 points (+3.2 points compared to the year 2023).

The ESG risk rating of *Sustainalytics* measures the degree to which a company's the economic value is at risk driven by ESG factors. The rating confirms the leadership of the Group in ESG performance and states that the risk of the Group experiencing negative impact from ESG factors is low. The rating methodology evaluates three specific blocks: 1) idiosyncratic questions or those unpredictable or unexpected events, which are not related to the business models; 2) a selection of ESG material subjects applicable by subindustry and 3) the risks associated with corporate governance.

The material subjects best valued by the rating are: "Human Capital" and "Biodiversity". While the issues where the Company has the greatest margin of improvement are "Corporate Governance" and "Product Management".



The Group obtained a rating of 50/100 for the year 2022. The rating obtained positions the Company in the average of its sector, in this case the sector of "Utilities". The Group is convinced that the rating obtained for the year 2023 will improve in comparison to the previous year.

2.7 Contribution to the Sustainable Development Goals (SDG)

The 17 Sustainable Development Goals (SDG) defined by the United National for the period of 2015-2030 include global goals to eradicate poverty, protect the planet and ensure the welfare of all. The SDG play an essential role, providing the businesses with a universal and coherent framework to guide their contributions to the sustainable development and create a shared value.

Audax Renovables is a pioneer in its commitment to the environment, as evidenced by the Group's membership of the Spanish Network of the United Nations Global Compact for Sustainable Development since 2013, contributing for the benefit of the people, the planet, general welfare, and global peace.



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Therefore, Audax Renovables has adopted the SDG as standard indicators to identify the value added to the society and as a communication tool for all its stakeholders.

The Company's sustainability strategy is aligned with the fulfilment of the SDG in their entirety, but because of the area of its activity and the sector where it operates, it contributes specifically to the following SDG in the three ESG dimensions:

SDG contributing to environmental protection



TARGET 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.

The Audax Group is a key player in the energy transition, and the improvement of the national energy mix is one of its primary goals. Therefore, we have defined a roadmap to become a benchmark in renewable energy generation, focusing all our efforts and resources on the generation activity and working towards making this energy accessible, affordable, and non-contaminating for the population of the countries where we operate.

Audax is centred around projects of energy generation from renewable sources. In 2023 the generation portfolio reaches 1 GW in wind and photovoltaic projects in different stages of development.



TARGET 9.1

Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

The company's philosophy is to apply the best practices of construction and operation of its photovoltaic and wind power plants, ensuring the correct location of the power plants and preservation of the heritage of the region. Thus, we not only create the best value added for the region, but also mitigate and compensate possible environmental, economic, and social impacts, which the company's operation may represent for the region. The projects are developed through finding the most sustainable, reliable, and resilient alternatives, striving to use the cutting-edge technologies, and promoting their sustainable and efficient use. As the main contribution to sustainable industrialisation, Audax Renovables builds its power plants using the most recent technologies available on the market under assessment, coordination, and execution of independent experts.



TARGET 12.8

By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

The Group promotes innovative and responsible culture by raising awareness and educating people and companies concerning renewable energy, and especially concerning responsible energy consumption. Audax also aspires for the people to have appropriate information and knowledge to start a sustainable lifestyle. Consequently, publications regarding good practices in the area of energy consumption are made available through various channels (corporate Website, LinkedIn, Instagram, etc.)



TARGET 13.2

Integrate climate change measures into national policies, strategies, and planning.

Being aware of the challenges connected with the fight against climate change, the corporate strategy of Audax defines as the main objective to promote the business of energy generation from 100% renewable sources by building photovoltaic installations and wind farms to make a positive impact on the environment through the reduction of greenhouse gas emissions and reduction of other negative effects of the use of traditional fuels. In 2023 the Group for the first time undertook the commitment to develop a decarbonisation strategy to achieve climate neutrality by 2050.



TARGET 15.1

Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements.

Audax strives to ensure the conservation of ecosystems through implementing wind and photovoltaic installations which do not have a direct impact on the land, or the area used for the purpose. The Group's environmental commitments are directly related to the preservation of flora and fauna of the site, the monitoring of the species inhabiting the area while preserving and protecting their natural habitats. Reforestation is also carried out as a compensatory measure equivalent to the area occupied by the photovoltaic panels.

SDG contributing to social matters



TARGET 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

Audax Renovables promotes and contributes to the struggle for gender equality and non-discrimination. Approximately 60% of the Group's staff are women. As a part of its commitment, the Group has drawn up an Internal Equality Plan and a remuneration policy whose fundamental objectives are the application of the principle of non-discrimination based on gender, encouragement of equal opportunities and balance in positions of power and authority, including women in the decision-making processes.



TARGET 8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

The growth of Audax in recent years has been exponential, and not only in the economic aspect. At the close of the year 2023 the staff is comprised of 755 employees, of which 676 are on permanent contracts. The Group expects to continue growing and creating high-quality employment through all its activities.

In particular, the Group contributes to the activation of the economy of rural areas where its photovoltaic plants and wind farms are being installed. The installations are usually located in rural areas, away from the most important towns, and therefore help stimulate the economic growth of these areas and generate local employment of high quality through the construction of the installations and their subsequent maintenance.



TARGET 10.2

By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

As a part of the Group's commitment to reinforce and promote equality within the organisation, the inclusion of diverse collectives is encouraged in the employment procedures. With this regard, in 2023 the total number of employees with disability is 10. Moreover, it also promotes inclusion by hiring external service providers, such as Femarec, in which persons with disabilities comprise 50% of the staff.



TARGET 17.16

Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology, and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular in developing countries.

The Audax Group is committed to the Global Partnership for Sustainable Development, being member of the Spanish Network of the United Nations Global Compact for Sustainable Development since 2013. Audax Renovables maintains partnerships with organisations and associations which aim to cooperate with the society and the environment, such as Fundación Migres, as well as the associations (such as UNEF, AEE and EOLICAT), which have among their members various wind and photovoltaic energy companies of the sector. As part of the social commitment, each year the Company cooperates with various NGO's, which promote protection of children, respect for animals, sport and combating diseases, among others.

SDG aligned with good practices of Corporate Governance



TARGET 16.6

Develop effective, accountable, and transparent institutions at all levels.

The SDG 16 targets are aligned with the good work of Audax, with regard to the fight against corruption, and promoting transparency of information. Consequently, all the information concerning the Group and its history is available on the website, in addition to the various communication channels made available to the stakeholders in order to maintain the transparency and the quality of the information. Internally there is the whistleblowing channel and the Code of Ethics, aimed at preventing and managing any indication of corruption and/or bribery, which might occur in the company.

3 Information on environmental issues

3.1 Environmental management

The Group continues promoting policies, which reinforce the commitment to the environment and conservation of ecosystems. Consequently, in May the Board of Directors approved the Group **Environmental Policy**. This Policy provides the Group with a common framework of reference for the purpose of integrating environmental aspects in the decision making and, in the strategy, and defines the guidelines of respect for the environment and conservation of ecosystems.

All the activities carried out and services rendered meet the highest standards, proof of which is that various companies belonging to the Group have ISO certificates concerning environmental and energy management. With this regard, the Hungarian subsidiary has the ISO 14001 certificate for its Environmental Management System, and the Spanish subsidiary, Unieléctrica, has the ISO 50001 certificate for the Energy Management System since 2016. The Group continues striving to implement solid environmental management and energy management systems in all the companies of the Group.

3.2 Sustainable use of resources

Audax Renovables strives to ensure responsible use of the natural resources, as far as its operation and activities allow it. Due to the activity of the company, the reported data on the use of resources come mainly from two sources: the relative use in the offices of the Group and the use of the wind and solar power plants.

3.2.1 Water consumption

Water consumption associated to the offices of the Group is not so significant, because it is intended for domestic use and the water comes from the supply system. The main share of water consumption takes place in the process of cleaning the panels of the photovoltaic power plants, for the purpose of appropriate maintenance and maximum efficiency.

In the year 2023 total water consumption of the Group was of 2,423.32 m³. The increase is a consequence of the growth in installed capacity in photovoltaic technology and its maintenance compared with 2022.

	2022 ⁴	2023 ⁵
Total water consumption	1,241.80 m ³	2,423.32 m ³

3.2.2 Energy consumption

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

⁴The consumption of neither the subsidiaries of Portugal, Italy, Germany, nor the consumption of the generating farms is included.

⁵The consumption of the subsidiaries of Italy and Germany is not included due to limited information availability.

Electricity consumption was 2,331.69 MWh, of which 94% was generated from renewable sources. Own consumption of natural gas (3.16 MWh) has decreased considerably due to the change of consumption model in one of the Group's subsidiaries. As a novelty, this is the first time that the consumption generated by the vehicle fleet has been reported, although with data limitations.

The total energy consumption translates into energy intensity of 0.08 kWh per profit obtained:

Total energy consumption		
	2022⁶	2023⁷
Total electricity consumption from renewable sources	1,383.79 MWh	2,331.69 MWh
Total electricity consumption from non-renewable sources	89.065 MWh	157.06 MWh
Total gas consumption	41.79 MWh	3.16 MWh
Total fuel consumption (machinery and vehicle fleet) ⁸	-	134,760 litres
Total energy intensity on the basis of the profit obtained	0.42 KWh	0.08 KWh

3.2.3 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.

Material consumption		
	2022⁹	2023¹⁰
Paper and cardboard	12.31 t	65.54 t
Toner	0.03 t	0.012 t

⁶Due to a change in the energy consumption reporting model the Table "Total energy consumption" was updated to include the details regarding electricity consumption categorised by its origin for better indicator clarity.

⁷The energy consumption of the German subsidiary is not included due to limited information availability or because of the consumption being immaterial.

⁸ For the first time fuel consumption is included for the year 2023. In 2022 there were limitations of availability of such information, but they were resolved in the current year.

⁹ Due to limited information availability neither raw material consumption of the subsidiaries of the Group in Hungary, Germany, and the Netherlands, nor the consumption associated with power plants is included.

¹⁰For the year 2023 information is included on consumption of all the subsidiaries, except for Germany, Italy, and the power plants due to limited information availability.

3.3 Climate change

3.3.1 Physical risks resulting from climate change

The Group is firmly committed to the fight against climate change and works every day to provide its customers with products and services, which will allow them to reduce their gas and electricity consumption and promote consumption of energy from renewable sources.

In recent years the fight against climate change has become particularly important because it has been proved that the consequences of climate change will affect the performance of the Company, its environment, and the community. It is important to analyse the possible impacts of the climate change to ensure the Group's sustainability in the long term. Therefore, the European Taxonomy requires an analysis and assessment of the risks and opportunities arising from climate change, which could affect its economic activity in the medium and long term.

In order to comply with this Directive, an **analysis of the physical risks resulting from climate change** to the Company's assets has been carried out in collaboration with a renown external firm. The analysis was based on a physical risk detection tool applied to each asset. Two scenarios were analysed: a scenario of low greenhouse gas (GHG) emissions (SSP1-2.6) and a scenario of high GHG emissions (SSP5-8.5), under three timelines (base line, 2030 and 2050)

The analysis evaluated 8 different extreme climate and meteorological threats, which could harm the assets or have a financial impact on the assets of Audax Renovables. These threats are extreme heat, forest fires, floods, droughts, rains, and cyclones, extreme cold and landslides.

The results obtained from the tool analysis show that the total risk level, considering all the threats, is similar in almost all the assets due to the similarities of the installations. Most of the risks identified have been classified according to their potential impact as "Low" or "Minimal". However, one photovoltaic plant located in the region of Toledo in Spain is the only asset, whose risk is "Moderate" in a scenario of high emissions in 2050, due to the extreme heat in the region and possible loss of efficiency resulting from it.

All the photovoltaic plants face the risk of extreme heat in at least one of the climate scenarios and timelines. Even though they are designed to withstand high temperatures, a significant increase of temperature may affect their efficiency and electronic parts, conditioning the operation of the power plants.

All the solar plants face a risk classified as "High" related to water stress and drought, in both timelines. The reduction of water consumption for the panel cleaning procedures is one of the measures the Company is currently considering. Lastly, in a scenario of high emissions in 2050, the analysis has shown that there are two assets with a high exposure to the risk of fire damage. Specifically, it concerns a photovoltaic farm in Spain and a wind farm in France.

The Group has defined a series of adapting measures for each of the climate threats, which have been classified as material. These adapting measures include, for example, a possible implementation of dry-cleaning processes for the photovoltaic panels, the installation of rainwater harvesting systems, the improvement of fire prevention systems and the installation of cooling systems in order to improve the efficiency of the photovoltaic panels.

3.3.2 Greenhouse Gas (GHG) Emissions

Being aware that the increase of greenhouse gas emissions is the first cause of the climate change, and as a key company in the energy transition, the Group has committed to achieve climate neutrality by 2050 in line with the dispositions of the Paris Agreement. Although Audax is not considered a GHG-intensive company, the Sustainability Strategic Plan outlines projects defined to achieve this objective. The calculation of the scope 3 of carbon footprint and the definition of a decarbonisation strategy are the two most important projects in this area, which will be developed during the year 2024.

Greenhouse Gas Inventory

Greenhouse Gas Emissions		
	2022	2023
Scope 1: Direct emissions	17.73 teq CO ₂	303.7 teq CO ₂
Scope 2: Indirect emissions	28.99 teq CO ₂	47.88 teq CO ₂
Total GHG emission intensity per revenue	0.01 kg eq CO ₂	0.01 kg eq CO ₂

The increase in CO₂ emissions compared to the previous year is mainly due to the inclusion of fuel consumption of the Group's vehicle fleet.

Audax is working to improve its greenhouse gas inventory and as a result of this work it was possible to include the emissions related to the vehicle fleet for the first time.

Scope 1 calculates direct emissions originating from the sources which are owned or controlled by the company. In the case of Audax, only the emissions from fuel consumption and natural gas consumption are included.

Scope 2 involves indirect emissions originating from the economic activity. The scope includes emissions associated with the use of electricity in the Group's offices and buildings, as well as in the operating power plants.

3.4 Circular economy and waste management

The Group is aware of the great challenge faced by the renewable energy sector with regard to recycling material and circular economy. The complex materials, the volume of the wind turbine blades, the limitations of recycling and reusing this kind of equipment - are all challenges faced by the sector. The industry is allocating multiple resources to develop technology capable of responding to these challenges.

Currently there are dismantling plans to address future needs. Moreover, Audax follows the latest developments in technology and cooperates with companies dedicated to the development and innovation in this area, such as, for example, Vestas, a global leader in wind technology and the supplier of wind technology installed by the Group.

Regarding waste management, the greatest impact is generated during the construction of the power plants. The Group is responsible for the appropriate management of generated waste in order to reduce its impact on the environment and avoid contamination. Conscious of its responsibilities, the Group employs authorised waste managers to take over the tasks related to waste management depending on their type and applicable legal requirements.

The main hazardous and non-hazardous¹¹ waste materials generated in the year 2023 are specified below:

Hazardous waste				
Waste type	2022	2023	Recycling	Elimination
Oils (used or mineral)	1,250 litres	1,830 litres	1,830 litres	-
Contaminated filters	0.213 t	0.170 t	0.170 t	-
Grease	-	0.181 t	0.181 t	-
Absorbents	3.868 t	-	-	-
Containers and contaminated material	0.777 t	6.636 t	6.636 t	-
Septic tank sludge	-	5.980 t	5.980 t	-
Electronic equipment	-	1.958 t	1.958 t	-
Batteries	0.04 t	0.226 t	0.226 t	-
Toner	-	0.041 t	0.001 t ¹²	-
	0.04 t	-	-	0.04 t

Non-hazardous waste				
Waste type	2022¹³	2023	Recycling	Elimination
Plastics	26.3 t	0.85 t	0.85 t	-
Paper and cardboard	0.48 t	8.32 t	8.32 t	-
Wood	-	0.24 t	0.24 t	-
Aluminium	-	0.0004 t	0.0004 t	-
Organic	-	33.62 t	0.96 t	32.664 t
Others	-	0.287 t	0.105 t	0.187 t

¹¹ The subsidiaries of Portugal and Germany are excluded from the data on waste management due to limited information availability.

¹² The toner waste which has not been recycled is stored in the Group's offices to be later handed over to the corresponding authorised waste manager.

¹³ The model of reporting information on waste has been modified to include the management and/or elimination by waste type. No data concerning the previous year is available.

3.5 Biodiversity protection

Biodiversity and ecosystem protection is a topic, which directly affects the energy production activity of Audax Renovables, particularly in the areas where its wind and solar farms are located. Therefore, biodiversity protection is integrated into all the stages of the energy generation projects.

While an installation is undergoing the construction process, research is carried out into local vegetation and fauna for the purpose of understanding the behaviours of the species dwelling in the area and establishing adequate environment protection and conservation measures. Once the construction is completed and the installation is put into operation, an exhaustive process of monitoring and tracking of these species is put in place as an integral part of the everyday operation of the facility.

For each of the energy generation projects environmental impact study is carried out, as well as environmental management plans, monitoring of avifauna and rescue and relocation plans to preserve the specimens inhabiting the area of the installations.

In the case of wind farms, due to the risk posed by the wind turbines to birds, it is fundamental to understand the flight paths and the behaviour of the avian fauna of the area. Audax focuses on reducing the bird mortality in the wind farms and on monitoring the species at risk of extinction or vulnerable to it. A proof of this commitment is the Company's collaboration with Fundación Migres, a private non-profit entity, whose purpose is the study, conservation, and propagation of nature and, in particular, the study of bird migration and its relation to climate change, geared towards preservation and improvement of natural heritage.

With regard to the of photovoltaic power plants, the installation of the solar panels is carried out on the surface, which means that concrete structures on the ground are not required, and therefore the soil quality is not affected, and their future disassembly is made easier. In the process of maintenance, control of the herbaceous vegetation of the photovoltaic installations is carried out through grazing, avoiding the use of herbicides and with the aim of eliminating the use of fossil fuels and employing the most sustainable possible means of control of wild vegetation.

Protected areas or areas of high biodiversity value

The Group does not have any plant or installation located on a protected area or an area of high biodiversity value.

Vulnerable or endangered species in the installations' surroundings

During the year 2023 more than 1,600 birds were spotted and identified in the power plants. A total of 55 birds were identified to be classified as vulnerable by the Red List of the IUCN. Specific measures were applied to 6 of those birds to protect their habitat, such as for example baiting, capture and marking for the purpose of tracking and monitoring their reproduction.

Moreover, it should be noted that the operation of 78 wind turbines was suspended because of the presence of birds and the risk of collision with the installations. The operation suspension time was of 247.5 hours. Other specific measures are also applied, such as the alignment of the blades during night-time hours or stopping the wind turbines during farming activities.

Rescues carried out in the installations

Nine rescues and relocations were carried out concerning groups of mammals and reptiles (ophidia). Eight of the rescues carried out took place in the wind farm Toabré (Panama) and three of the were specimens of Boa constrictor, a species considered as vulnerable according to the Catalogue of protected species of fauna and flora most trafficked in Panama.

Rescues and relocations		
Species	Quantity	Vulnerable species
Boa constrictor imperator	3	X
Snake (Colubridae)	2	-
Sloth	3	-
Pygmy anteater	1	-
TOTAL	9	

Reforestations

Reforestation is a usual compensatory measure applied in the wind farms and solar plants for the purpose of restoring and preserving the natural habitats affected, and of compensating for a possible loss of vegetation due to the installation of wind turbines and photovoltaic panels. The most common practice is to reforest a number of hectares equivalent to the area covered with the installations.

In 2023 the Group reforested a total of 47.30 hectares by planting more than 10,000 trees and shrubs, mostly holm oak and broom.

4 Information on social issues and concerning personnel

4.1 The Group's personnel

Human team is the Group's most valued asset, which plays a fundamental role in its operation and success. Investment in the development and well-being of the employees promotes talent retention and contributes directly to the Company's ability to meet its goals.

Therefore, Audax strives to offer high quality training programmes and evaluates its performance to promote the reconciliation of work, private and family life, support equality among its employees and guarantee secure and healthy work environment. Individual subsidiaries of the Company have their own internal Human Resources policies and procedures to ensure that workers' rights are respected in the entire Group, independently of the country where they operate.

4.1. 1 Personnel data¹⁴

The Group has ended the year with a total of 755 employees, of which 60% are women and 40% are men, employed by the different subsidiaries.

In comparison to the previous year, there has been no significant change of the number of employees. In 2022 the staff comprised 787 employees, of which 61% were women.

The following table shows the breakdown of personnel by country, age, gender, professional category, type of employment contract and work time.

Personnel by gender and year		
Gender	2022	2023
Men	305	300
Women	482	455
TOTAL	787	755

Personnel by category and year		
Professional category	2022	2023
Senior Management	4	3
Address	20	23
Leadership	33	24
Middle Management	59	69
Others	671	636
TOTAL	787	755

¹⁴ The Group reports information on all its employees, covering the scope of all the companies which have active employees as at 31 December 2023.

Personnel by type of contract, work time and year			
		2022	2023
Type of contract	Indefinite	604	677
	Fixed term	153	78
Type of work time	Full-time	660	666
	Part-time	97	89

Employees with disability

According to the Group's commitment to bolster equality within the organisation, during the employment procedures the inclusion of diverse collectives is promoted. In 2023 the total number of the employees with disability was similar to the previous year.

	2022	2023
Number of employees with disability	10	10

Non-employees

The Group required the services of 13 non-employees.

Personnel by country, professional category, gender, and age

Employees by country, professional category, gender, and age												
Country	Professional category	Senior Management		Management		Leadership		Middle Management		Others		Total
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Spain	<30	-	-	-	-	-	-	1	-	20	17	364
	30-50	2	1	4	1	9	1	14	19	83	147	
	>50	-	-	1	-	1	-	6	4	11	22	
Portugal	<30	-	-	-	-	-	-	-	-	4	8	37
	30-50	-	-	-	1	-	-	-	1	5	15	
	>50	-	-	-	-	-	-	1	-	0	2	
The Netherlands	<30	-	-	-	-	-	-	1	-	9	9	105
	30-50	-	-	2	-	2	1	2	-	34	19	
	>50	-	-	2	-	2	-	1	-	16	5	
Hungary	<30	-	-	-	-	-	-	-	-	6	10	169
	30-50	-	-	3	1	-	-	3	8	20	98	
	>50	-	-	2	-	-	-	1	-	4	13	
Italy	<30	-	-	-	-	-	-	-	1	1	6	44
	30-50	-	-	1	-	4	2	2	-	6	20	
	>50	-	-	-	-	-	1	-	-	0	0	
Poland	<30	-	-	-	-	-	-	-	-	-	4	28
	30-50	-	-	-	2	-	1	-	2	5	9	
	>50	-	-	2	-	-	-	-	-	1	2	
Germany	<30	-	-	-	-	-	-	-	-	-	-	8
	30-50	-	-	1	-	-	-	1	-	2	0	
	>50	-	-	-	-	-	-	1	-	1	2	
Total		2	1	18	5	18	6	34	35	228	407	755
TOTAL		3		23		24		69		635		755

Personnel by type of contract

In line with the commitment to create stable and quality employment, the Group encourages indefinite employment contracts for professionals. As at 31 December 2023, 90% of the employees had indefinite contracts. Only 10% of the Company's employees work on fixed-term contracts.

Employees on indefinite contracts by age, gender, professional category, and country												
Country	Professional category	Senior Management		Management		Leadership		Middle Management		Others		Total
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Spain	<30	-	-	-	-	-	-	1	0	16	15	353
	30-50	2	1	4	1	9	1	14	19	79	146	
	>50	-	-	1	-	1	-	6	4	11	22	
Portugal	<30	-	-	-	-	-	-	-	-	-	2	14
	30-50	-	-	-	1	-	-	-	1	2	6	
	>50	-	-	-	-	-	-	1	-	-	1	
The Netherlands	<30	-	-	-	-	-	-	1	-	4	2	74
	30-50	-	-	2	-	2	1	2	-	27	11	
	>50	-	-	2	-	2	-	1	-	12	5	
Hungary	<30	-	-	-	-	-	-	-	-	5	10	166
	30-50	-	-	3	1	-	-	3	8	20	96	
	>50	-	-	2	-	-	-	1	-	4	13	
Italy	<30	-	-	-	-	-	-	-	1	1	5	41
	30-50	-	-	1	-	4	2	1	1	6	18	
	>50	-	-	-	-	-	1	-	-	-	-	
Poland	<30	-	-	-	-	-	-	-	-	-	3	20
	30-50	-	-	-	2	-	1	-	1	3	5	
	>50	-	-	2	-	-	-	-	-	1	2	
Germany	<30	-	-	-	-	-	-	-	-	-	-	8
	30-50	-	-	1	-	-	-	1	-	2	-	
	>50	-	-	-	-	-	-	1	-	1	2	
Total		2	1	18	5	18	6	33	35	194	364	676
TOTAL		3		23		24		68		558		676

Personnel by type of contract

Employees on fixed-term contracts by age, gender, professional category, and country												
Country	Professional category	Senior Management		Management		Leadership		Middle Management		Others		Total
		Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Spain	<30	-	-	-	-	-	-	-	-	4	2	11
	30-50	-	-	-	-	-	-	-	-	4	1	
	>50	-	-	-	-	-	-	-	-	-	-	
Portugal	<30	-	-	-	-	-	-	-	-	4	6	23
	30-50	-	-	-	-	-	-	-	-	3	9	
	>50	-	-	-	-	-	-	-	-	-	1	
The Netherlands	<30	-	-	-	-	-	-	-	-	5	7	31
	30-50	-	-	-	-	-	-	-	-	8	8	
	>50	-	-	-	-	-	-	-	-	3	-	
Poland	<30	-	-	-	-	-	-	-	-	-	1	8
	30-50	-	-	-	-	-	-	-	1	2	4	
	>50	-	-	-	-	-	-	-	-	-	-	
Hungary	<30	-	-	-	-	-	-	-	-	1	-	3
	30-50	-	-	-	-	-	-	-	-	-	2	
	>50	-	-	-	-	-	-	-	-	-	-	
Italy	<30	-	-	-	-	-	-	-	-	-	1	3
	30-50	-	-	-	-	-	-	-	-	-	2	
	>50	-	-	-	-	-	-	-	-	-	-	
Germany	<30	-	-	-	-	-	-	-	-	-	-	0
	30-50	-	-	-	-	-	-	-	-	-	-	
	>50	-	-	-	-	-	-	-	-	-	-	
Total		0	0	0	0	0	0	0	1	34	44	79
TOTAL		0	0	0	0	0	0	1	78	79	79	

Personnel by work time

Most of the employees work on full-time contracts for the Group, specifically 88% of the employees work full time, while a total of 89 employees work part time.

Employees on full-time contracts by age, gender, professional category, and country												
Country	Professional category	Senior Management		Management		Leadership		Middle Management		Others		TOTAL
	Age / Gender	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Spain	<30	-	-	-	-	-	-	1	0	19	16	314
	30-50	2	1	4	1	9	1	13	17	82	111	
	>50	-	-	1	-	1	-	5	3	10	17	
Portugal	<30	-	-	-	-	-	-	0	0	4	8	37
	30-50	-	-	-	1	-	-	0	1	5	15	
	>50	-	-	-	-	-	-	-	0	0	2	
The Netherlands	<30	-	-	-	-	-	-	1	-	5	3	74
	30-50	-	-	1	-	1	-	2	-	34	10	
	>50	-	-	2	-	2	-	1	-	11	1	
Poland	<30	-	-	-	-	-	-	-	-	-	4	27
	30-50	-	-	-	2	1	-	-	1	5	9	
	>50	-	-	2	-	-	-	-	-	1	2	
Hungary	<30	-	-	-	-	-	-	-	-	6	10	167
	30-50	-	-	3	1	-	-	3	8	20	96	
	>50	-	-	2	-	-	-	1	-	4	13	
Italy	<30	-	-	-	-	-	-	0	1	1	6	39
	30-50	-	-	1	-	4	2	2	0	6	15	
	>50	-	-	-	-	-	1	0	0	0	0	
Germany	<30	-	-	-	-	-	-	-	-	-	-	8
	30-50	-	-	1	-	-	-	-	1	2	0	
	>50	-	-	-	-	-	-	-	1	1	2	
SUBTOTAL		2	1	17	5	18	4	30	33	216	339	666
TOTAL		3		22		22		63		555		666

Personnel by work time

Employees on part-time contracts by age, gender, professional category, and country												
Country	Professional category	Senior Management		Management		Leadership		Middle Management		Others		TOTAL
	Age / Gender	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	
Spain	<30	-	-	-	-	-	-	0	0	1	1	50
	30-50	-	-	-	-	-	-	1	1	1	36	
	>50	-	-	-	-	-	-	1	2	1	5	
Portugal	<30	-	-	-	-	-	-	-	-	-	-	0
	30-50	-	-	-	-	-	-	-	-	-	-	
	>50	-	-	-	-	-	-	-	-	-	-	
The Netherlands	<30	-	-	-	-	-	-	-	-	4	6	31
	30-50	-	-	1	-	1	1	-	-	1	9	
	>50	-	-	-	-	-	-	-	-	4	4	
Poland	<30	-	-	-	-	-	-	-	-	-	-	1
	30-50	-	-	-	-	-	-	-	1	-	-	
	>50	-	-	-	-	-	-	-	-	-	-	
Hungary	<30	-	-	-	-	-	-	-	-	-	-	2
	30-50	-	-	-	-	-	-	-	-	-	2	
	>50	-	-	-	-	-	-	-	-	-	-	
Italy	<30	-	-	-	-	-	-	-	-	-	-	5
	30-50	-	-	-	-	-	-	-	-	-	5	
	>50	-	-	-	-	-	-	-	-	-	-	
Germany	<30	-	-	-	-	-	-	-	-	-	-	0
	30-50	-	-	-	-	-	-	-	-	-	-	
	>50	-	-	-	-	-	-	-	-	-	-	
SUBTOTAL		0	0	1	0	1	1	2	4	12	68	89
TOTAL		0		1		2		6		80		89

4.1.2 Remuneration policy

According to the remuneration policy, the remuneration is generally comprised of a fixed element and a variable part, which is evaluated annually.

The Group strives to ensure a just 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 organisation's Code of Ethics and Conduct, where it is explicitly stated that the Group "*promotes equal opportunities between men and women in recruitment, training and promotion of professionals in their working conditions*".

The following table shows the average remuneration of the staff by age, gender, and professional category. Starting from 2023, all the reported salaries have been standardized to full time and full year, including basic salary and bonuses, comprised of annual bonuses and other wage and salary payments made to the employees.

Average remuneration of employees by gender and country

The table below shows the average remuneration of the employees by gender in comparison to the previous year:

Comparative average remuneration by year and gender		
Gender	2022	2023
Women	€23,331.55	€23,164.47
Men	€33,357.04	€39,064.06

The table below shows the average remuneration of the employees by country, gender, age, and professional category in 2023:

Average remuneration by gender and country		
Country	Men	Women
Spain	€36,577.95	€25,230.73
Portugal	€14,955.98	€14,979.95
The Netherlands	€52,971.75	€38,495.29
Poland	€35,036.08	€23,679.52
Hungary	€24,958.01	€16,153.02
Italy	€50,247.39	€27,006.26
Germany	€56,188.67	€34,108.96

Average remuneration by age and country			
Country	< 30 years	30-50 years	>50 years
Spain	€21,957.79	€30,977.91	€30,435.03
Portugal	€12,512.08	€16,198.24	€15,584.32
The Netherlands	€26,778.95	€50,024.26	€60,382.18
Poland	€18,004.14	€23,853.37	€45,729.69
Hungary	€15,773.74	€18,070.00	€20,878.31
Italy	€24,598.85	€43,104.64	€35,728.99
Germany	-	€56,101.17	€34,196.46

Average remuneration by country and professional category				
Country	Management	Leadership	Middle Management	Others
Spain	€143,075.08	€86,497.70	€36,322.13	€17,532.00
Portugal	(*)	-	€22,400	€13,124.07
The Netherlands	€143,763.60	€63,840.00	€45,525.00	€43,407.39
Poland	€60,267.15	(*)	€28,627.22	€20,431.74
Hungary	€82,199.06	€57,452.89	€29,904.60	€15,529.38
Italy	(*)	€165,879.84	€31,570.12	€26,098.68
Germany	(*)	-	€36,077.00	€31,030.16

Remuneration accrued to the Senior Management and Board of Directors in the year 2023:

Remuneration accrued to Senior Management and Directors¹⁵		
Professional category	2022	2023
Board of Directors	€136,000.00	€214,000.00
Senior Management	€142,201.68	€132,500.00

¹⁵Average remuneration accrued to Senior Management and Directors.

(*) The data concerning remuneration has not been published to protect the privacy of the employees, as there is only one employee of the company in the presented category.

The percentage ratio of starting salary to the minimum legal wage for the year 2023 is included:

Starting salary to the minimum legal wage (%)	
Spain	100%
The Netherlands	161%
Hungary	117%
Poland	225%

Gender Pay gap

Beyond gathering the remuneration data, the Group has calculated its gender pay gap to ensure better monitoring of its commitment to the pay equity, as established in the human resources policies and the equality plan.

The calculation of the gender pay gap is carried out based on the annual remuneration of the active staff at the end of the fiscal year. Calculated according to the indicated methodology, the global gender pay gap of the Group is of 41%. The main reason of the difference between the remuneration received by men and women is that most of the management positions are held by men, specifically 20 of the 26 existing management positions are occupied by men.

Gender pay gap	
2022	2023
30.1%	41%

Gender pay gap by country and professional category										
Professional category	Senior Management		Management		Leadership		Middle Management		Others	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Spain	65%	(*) ¹⁶	(*)	(*)	29%	-17%	6%	11%	12%	13%
Portugal	-	-	(*)	(*)	-	-	-16%	0%	19%	10%
The Netherlands	-	-	-	-	9%	0%	6%	-	4%	19%
Poland	-	-	43%	52%	-	(*)	-	(*)	1%	-6%
Hungary	-	-	-	21%	-	-	-	13%	5%	13%
Italy	-	-	(*)	(*)	-	12%	-10%	3%	4%	28%
Germany	-	-	(*)	(*)	35%	-	(*)	(*)	21%	-6%

¹⁷ The data concerning remuneration has not been published in order to protect the privacy of the employees, as there is only one employee of the company in the presented category.¹⁶

4.1.3 New employees

Attracting and retaining talented employees has become a great challenge for the companies. Consequently, the Group focuses on improving the processes of attraction, selection and retention of employees endeavouring to minimise the staff turnover.

During the year 2023 the Group hired 129 employees in different categories. The following table shows the breakdown by country, age, and gender.

Employment by country, age, and gender ¹⁷				
Country	Age	2023		
		Men	Women	Total
Spain	<30	18	4	
	30-50	18	13	61
	>50	5	3	
Portugal	<30	4	4	
	30-50	3	7	18
	>50	-	-	
The Netherlands	<30	5	5	
	30-50	6	7	25
	>50	2		
Hungary	<30	-	1	
	30-50	-	5	6
	>50	-	-	
Italy	<30	-	1	
	30-50	3	3	7
	>50	-	-	
Poland	<30	1	1	
	30-50	2	5	9
	>50	-	-	
Germany	<30	-	-	
	30-50	1	-	3
	>50	-	2	
Total		68	61	129

4.1.4 Dismissals

In 2023 a total number of 54 dismissals took place in the organisation, compared to 41 in the previous year). The following table shows the number of dismissals by country, age, and gender:

¹⁷ In 2022 the report did not include the breakdown of employment by country, age, and gender, only the total number.

Dismissals by country, age, and gender ¹⁸				
Country	Age	2023		
		Men	Women	Total
Spain	<30	1	-	
	30-50	4	-	8
	>50	1	2	
Portugal	<30	-	-	
	30-50	-	1	1
	>50	-	-	
The Netherlands	<30	7	4	
	30-50	8	2	23
	>50	2	-	
Hungary	<30	-	3	
	30-50	2	14	20
	>50	1	-	
Italy	<30	-	-	
	30-50	-	-	0
	>50	-	-	
Poland	<30	-	1	
	30-50	-	-	1
	>50	-	-	
Germany	<30	-	-	
	30-50	1	-	1
	>50	-	-	
Total		27	27	54

¹⁸ In 2022 the report did not include the breakdown of dismissals by country, age, and gender, only the total number.

4.1.5 Turnover rate

The turnover rate of the Group for the year 2023 was of 19.58%. A total number of 151 employees left the company for different reasons (voluntary resignation, dismissal, termination of contract, et.). In order to tackle these departures, the Company incorporated a total number of 127 employees throughout the year.

The Group is aware of the ongoing talent shortage in the sector. New generations have different needs and expectations, and for this reason the employment management model is evolving to adapt to the new realities. During the year 2023 the Company has been striving to become more competitive in the area of talent attraction and retention.

Moreover, the employees of the Group give talks in educational institutions, fairs and on different forums to attract talent and help young people in their entry onto job market. There are also available residencies in the company, where the students have the opportunity of becoming for some weeks a part of the Company.

4.1.6 Collective agreements

100% of employees in Spain, Italy and Portugal are covered by collective agreements. In Hungary this figure is 96% as at 31 December 2023. On the other hand, the Netherlands, Poland, and Germany do not have these collective bargaining agreements.

4.1.7 Employee benefits

The Group's employees have the opportunity to enjoy various benefits depending on the subsidiary to which they belong. The employee benefits include the following highlights:

- Special electricity and gas tariffs
- Health insurance
- Maternity and/or paternity leave
- Disability benefits
- Variable remuneration plan

4.2 Diversity, equal opportunities, and non-discrimination

The Audax Group is firmly committed to equal treatment and opportunities, respect for the Non-Discrimination Principles and promotion of diversity and inclusion. As an illustration of this commitment, there are various policies 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.

The staff is comprised of persons from different countries and cultures, diversity being part of our raison d'être. We operate in 9 European countries, and we employ people of different nationalities, who work side by side in a secure and egalitarian workspace. Equality and non-discrimination are considered as basic and fundamental principles in the entire Group.

The Company implemented its Internal Equality Plan in 2020 and will be updating it in 2024 in cooperation with a renowned firm with expertise in the area. There is an action plan prepared to achieve equality of opportunities for men and women. The plan involves initiatives, which will contribute to improve the following aspects of the organisation:

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

With this regard, as at the end of 2023 the following measures have been implemented:

- The Company's remuneration recording process has been formalised with regard to the years 2021 and 2022 in order for the Company to undergo a remuneration audit corresponding to the years 2021, 2022 and 2023.
- Audax has an internal labour market on the Employee Portal, which provides the same opportunities for both genders, boosting Internal promotion.
- A communication plan, which includes as part of its strategy the importance of the use of non-sexist and inclusive language.

Also, within the framework of the Equality Plan, the **Equality Committee** has been set up, and is responsible for supervising the compliance with the equality of treatment and opportunities principle, 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**.

The Group rejects explicitly any forms of harassment and makes available to its employees the **Protocol Against Workplace Harassment**, which defines what kind of conduct is considered as workplace harassment and specifies a procedure to be followed in a situation of workplace harassment. In this regard, the use of the Whistleblowing Channel is encouraged as a means of secure and confidential communication available to all the employees. All the documents mentioned before are available to the employees through the corporate intranet.

In this area we highlight the initiative implemented by the subsidiary of Audax Renovables in the Netherlands. 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 mobbing, 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 explaining every possible option, so that the employee may adopt the best measure based on the advice received.

In the year 2023 the Group did not receive any complaint concerning workplace discrimination, harassment, or aggression.

4.2. 1 Work-Life balance and family conciliation

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), teleworking agreements, working time reduction, or the opportunity to request maternity and/or paternity leave.

The most recent initiative is the implementation of a remote work system in a blended mode applicable to the employees, whenever it is adaptable to the work position.

4.2. 2 Maternity and/or paternity leave and reintegration

Maternity and/or paternity leave and reintegration¹⁹		
Parental leave	2023	
	Men	Women
Total number of employees who have taken parental leave	18	33
Total number of employees who returned to work after parental leave during the reporting period	13	17
Total number of employees who returned to work at the end of their parental leave and who continue being employed during 12 months after returning to work	13	12

4.3 Health and safety in the workplace

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

4.3.1 Health and safety management systems

The Company has Health and Safety Management Systems to comply with applicable regulations. The Spanish subsidiaries, the Italian subsidiary and the subsidiary located in the Netherlands cooperate closely with external prevention services to define and implement all the necessary measures in the area of health, safety, and risk prevention.

Moreover, the subsidiary of Audax in Hungary has a Health and Safety Management System certified in accordance with the ISO 45001 standard.

All the subsidiaries of the Group have implemented policies and procedures concerning health and safety, such as for example prevention plans, self-protection plans and internal prevention guidelines for occupational risk prevention both in the office and teleworking conditions.

During the year 2023 the Group continued applying all the necessary measures to ensure health and safety of all its employees. The following measures in this area should be highlighted:

¹⁹Information on parental leave is published for the first time for the year 2023.

- Carrying out periodic assessment of occupational risks to which the employees may be exposed both in general and in their workstations.
- Medical examinations of the employees.
- The Group is working towards formalising the descriptions of job positions to control whether the Group's personnel meet the technical and personal requirements necessary to assume a particular position.

4.3.2 Employees' health and safety training

Training the employees in occupational risk prevention is essential for their health and safety. For this purpose, the subsidiaries have implemented prevention plans adapted to their circumstances. Those plans include training programmes for the employees. In 2023 the employees of all the subsidiaries have had training sessions concerning this matter. It should be stated that all the employees must be trained in this matter when they join the company.

4.3.3 Accident and absenteeism rates

The aim of implementing the aforementioned measures is to minimize workplace accidents. The Group has not experienced any fatalities since the beginning of its business activities. During the year 2023, the number of accidents with sick leave remained constant, while the number of days lost due to accidents with sick leave, increased in comparison to the previous year.

The hours of absenteeism decreased by more than one third in comparison to 2022:

Accident and absenteeism rates				
Indicator	2022		2023	
	Women	Men	Women	Men
Number of work accidents with sick leave	1	2	3	-
Number of days lost due to work accidents with sick leave	44	16	112	-
Frequency rate	33.83	7.72	18.83	-
Severity rate	0.03	0.01	0.70	-
Hours of absenteeism	137,437		40,214	

4.4 Employees' training and development

4.4.1 Training

Audax Renovables' success is the result of the work, commitment, and professionalism of its team. Therefore, the Company promotes policies and schemes of professional development directed to its employees.

In 2023 the Group continued offering a programme of continuing training to its employees to ensure that the staff had the necessary skills to assume the responsibilities and carry out the tasks associated with their positions and, at the same time, develop new skills, which would enable them to grow personally and professionally. More than 110 training sessions were provided to the employees.

We would like to highlight the following courses conducted in 2023:

- **English:** With the aim of improving internal communication among the Group's subsidiaries and with the Group's stakeholders, English courses have been offered to all the interested employees. Currently more than 100 employees participate in weekly English lessons.
- **Cybersecurity and data management:** 6 courses concerning these matters were provided to various subsidiaries of the Group.
- **Courses on ORP (Occupational Risk Prevention) in the construction sector:** The courses included basic training in the necessary prevention matters in the construction sector. Necessary training to be able to go to the construction site.

The training programme is not limited to the obligatory courses but is aimed at including the specific needs of the employees. Therefore, all Group subsidiaries have internal processes for requesting specific training related to particular job positions.

The following table shows the total number of hours of training of the employees by professional category and gender:

Hours of training			
Professional category	2022²⁰	2023	
		Women	Men
Senior Management	70	33	187
Management	1,032	271	813
Leadership	845	229	1454
Middle Management	678	489	613
Others	11,742	3,421	2,923
Total	14,367	10,431	

The Group's total investment in training was €190,888. It was more than twice the amount of the investment of the previous year, which was €90,860.53.

4.4.2 Performance evaluation

In 2023 the performance evaluation model was updated in order to establish a just and equitable evaluation process for all the employees. This represents a significant increase over the previous year, which was 90,860.53 euros.

²⁰ In 2022 the available information was not sufficient to include the hours of training by gender.

% of employees evaluated in 2023²¹		
Gender	Professional category	%
Men	Senior Management	1%
	Management	1%
	Leadership	2%
	Middle Management	2%
	Others	27%
Women	Senior Management	1%
	Management	1%
	Leadership	1%
	Middle Management	2%
	Others	32%

4.5 Customer management

Audax Renovables and all its subsidiaries have a Customer Service Department focused on responding to queries, incidents and/or claims through the different communication channels established in each subsidiary of the Group. Although each subsidiary has its own customer service and management process, all are based on the same steps:

- The request/complaint is registered.
- 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 to resolve it.

The following table shows the total number of complaints and/or requests received in 2023. The method used most frequently by the customers to contact the company is still by telephone.

Customers' complaints and requests²²		
Stage	2022	2023
No. of complaints and/or requests received	9,224	11,405
No. of complaints and/or requests being handled	8,949	2,239
No. of complaints and/or requests resolved and remedied	7,941	10,218

In 2021 the CNMC impose a sanction of €1.5 million on Audax Renovables for possible irregular conduct in consumer contracts in 2019. The Company lodged an administrative appeal with the National court, which has not been yet resolved.

In 2022 the CNMC issued a disciplinary decision imposing a sanction of €9.258 million on various subsidiaries of the Audax Group. The companies involved lodged an appeal against the decision with administrative court and requested precautionary measures in the form of (i)

²¹ The subsidiaries included in the report are the subsidiaries in Spain, Portugal, the Netherlands, and Italy.

²² The Netherlands is not included in the customer complaints report due to limited information availability.

suspension of the obligation to pay the sanction and (ii) suspension of the application of the resolutions concerning the prohibition of entering into contracts with public administrations.

The appeal was admitted for processing in January 2023. In the case of Audax, the precautionary suspension was approved by judicial decision announced on 8 January 2023. In the case of the other Companies, no decision is known yet, because the different precautionary suspension requests were filed after lodging the appeal.

4.6 Cybersecurity and information privacy

The Group's processes and operations are carried out thanks to a technological infrastructure. This fact implies taking into account the risks related to the technological dependency, which could directly affect the economic performance and operations of the Company.

In order to mitigate such risks, the Group has implemented the Information Security Policy, aimed to preserve the confidentiality, integrity, and availability of the information, which constitute the three basic components of the information security and are aimed to define the set of basic principles, action lines, establish the requirements for the protection of Audax's business.

Moreover, the Company set up a Cybersecurity Committee, which defines, oversees, and monitors the appropriate implementation of the Cybersecurity Master Plan. As a part of the Plan, the Company carried out a Review of the Intranet Security and pen tests of the Group's websites in 2023.

During 2023 the Group experienced only one incident of data privacy breach due to a human error. The incident was investigated, and appropriate measures were implemented to avoid a recurrence of the situation.

4.7 Value chain

Audax wants its supplying companies to operate based on 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 Code of Ethics and Conduct features a section dedicated exclusively to the Ethical Commitment of the Suppliers.

Regarding the application of social responsibility criteria in the suppliers, the Group makes sure to cooperate with companies and suppliers of high renown and contemplates potential risks related to its supply chain, though no negative social impact has been identified neither in the Group's supply chain nor in the operations or its suppliers. Also, no operations or suppliers have been identified with significant risk of forced and/or child labour, or exploitation or non-compliance with human rights.

Audax Renovables has not received any claim deriving from the safety and quality of the Group's services and products. Moreover, the company focuses its efforts on ensuring the security of information of its customers. Therefore, the appropriate measures are adopted to ensure the protection and confidentiality of sensitive data provided by the customers for the purpose of using products and services offered to them.

Local suppliers

The Group is committed to hiring local suppliers²³ companies. During 2023, the expense on local suppliers was 58% of the annual expenditure. At the end of 2022 the expense on local suppliers was 88%.

Supplies expense in EUR thousands			
Country	Total supplies expense	Expense on local supplies	% of expense on local supplies
Spain	€515,300.19	€349,007.56	68%
Portugal	€3,684.72	€3,684.72	100%
The Netherlands	€489,839.68	€158,642.10	32%
Poland	€34,332.81	€33,792.9	98%
Hungary	€4,557.66	€4,557.66	100%
Italy	€148,359.57	€139,999.82	94%
Germany	€9,447.67	€9,447.67	100%
TOTAL	€1,205,522.29	€695,447.7	58%

4.8 Social responsibility

The Group's SDG commitment has made it understand that its economic activity implies being in constant relation with the environment and requires responsible behaviour.

For this purpose, Audax Renovables cooperates with various non-profit organisation, which promote protection of children at risk of social exclusion, research, respect for animals, sports 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 so that all the employees 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.

In 2023, the Group cooperated with the following non-profit organisations and entities by either making donations and/or acquiring their charity products:

²³The 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.

- Federación Española de Enfermedades Raras
- Fundación Aladina
- Fundación Internacional Josep Carreras
- Fundación Miquel Valls
- *Centre Obert Joan Salvador Gavina*
- Fundación privada Small
- Fundación Santuario Gaia
- Fundación Andrea
- Adevida
- Obra social Granadal
- Fundación COMTAL
- Open Arms
- Cáritas
- Remar Andalucía

Another proof of the Group's commitment to the SDG: Global partnership are the associations to which the Group belongs. The associations enable us to be up to date with the trends, challenges, detected risks and applicable regulations. The following are the associations with which the Group cooperates, listed by country:

Spain:

- Global Compact Network Spain
- IAI (Internal Auditors Institute)
- AEE (Association of Wind Energy Companies)
- UNEF (Spanish Photovoltaic Union)
- EOLICCAT (Catalan Wind Energy Association)
- 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)

The Netherlands:

- Energie Nederland
- NEDU (Nederlandse EnergieDataUitwisseling)

Italy:

- Camera di Commercio di Spagna in Italia

Hungary:

- MEKSZ / HETA (Hungarian Energy Traders' Association)

5 Corporate Governance

5.1 Governance model

Audax Renovables is committed to achieve solid and robust corporate governance model, which will allow the company to act with transparency and creating long-term value for all the stakeholders within the organisation.

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: <https://www.audaxrenovables.com/gobierno-corporativo/>

For daily operations, there are various corporate departments such as internal auditor, human resources, finance, risks, operations, sustainability, and natural environment, commercial, invoicing, suppliers, customer service or system support, which have specific functions.

5.2 Governing bodies

As a public listed company, the governance model 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, four members (two of those women) and a non-member female secretary.

Audit Committee

Among others, the Audit Committee is focus on the efficacy of the Company's internal control, internal audit, and risk management systems; to reports 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.

At the end of 2022, the Company incorporated the position of the Sustainability and Environmental Responsible, who reports directly to the Appointments and Remuneration Committee. She is responsible for regularly reporting the company's performance in ESG (Environmental, Social, and Governance) matters.

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

Criminal Compliance Committee

It is the body responsible for criminal compliance within the organisation, with three main objectives: crime prevention, detection of criminal conduct and reaction to such conduct.

Its main tasks involve mainly promoting the compliance culture, ensuring the awareness of the values and ethical principles of the Corporate Code of Ethics, implementing appropriate training programmes, supervising the functions, and monitoring the Compliance and Criminal Risk Prevention Model, and advising the personnel of the Company, its directors, and Senior Management with regard to the criminal compliance matters. As a unit operating through the Internal Information System (SII) Manager, it is also responsible for managing and processing the claims submitted through the Whistleblowing Channel.

The Committee is comprised currently of four members from different departments of the organisation, two of them women.

Equality Committee

The Committee's goal is to supervise the compliance with the principle of equal opportunities and non-discrimination of women and men within the Group, as well as to draw up, modify and implement the Equality Plan and raise the organisation's awareness of the importance of eliminating discriminatory conduct. The Equality Committee is made up of 3 representatives of the company and 3 legal representatives of the employees.

5.3 Regulatory Compliance System

- **Corporate Code of Ethics and Conduct** of Audax Renovables and its group of companies: this document's purpose is to make known to all employees of the Group the values and general principles which ought to govern their work and professional activity. Another objective of the document is to help attain the goals set in the organisation's mission vision and values.
 - The Code of Ethics contains, among others, the recommendations of good governance, of general recognition in the international markets, as well as the principles of social responsibility, such as the respect of fundamental rights and ethical commitments towards the environment and 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, which sets out the disciplinary proceedings for non-compliance with the principles and actions outlined in the Corporate Code of Ethics and Conduct.

The sanctions system featured in the collective agreement will also be applicable, together with the Spanish civil and criminal laws in force.

- **Criminal Compliance Committee.** It is the body responsible for the criminal compliance of the Company, as described with more detail in section 5.2 hereof.
- **Compliance Officer.** As a result of the implemented Compliance Model, the figure of Compliance Manager or Compliance Officer has been defined and created in subsidiary companies of the Group. Compliance officers are responsible for implementing the Compliance Model in each subsidiary, being supported, and reporting periodically to the Criminal Compliance Committee.
- **Regulations of the Criminal Compliance Committee.** Prepared 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 group of companies: this document represents a firm commitment to supervising the compliance carried out by the Group of the management and prevention of criminal risks, which could affect it according to its activity and business sector, and especially after the consecutive amendments to the Spanish Criminal Code, the guidelines established in this aspect by the Spanish Public Prosecutor's Office and the ethical principles of corporate good governance.
- **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 Renovables' personnel and third parties of the organisation's opposition to the commitment of any illicit, criminal, or unlawful act.
- **Internal Information System Policy.** Initial design and approval of the Policy of Internal Information System and Informant Protection in accordance with Law 2/2023 of 20 February, on the protection of persons who report breaches of law and on fight against corruption.
- **Internal Information System Procedure.** It is the Procedure (replacing the previous Whistleblowing Channel Regulations), which updates in accordance with the requirements of Law 2/2023 of 20 February and regulates the protection of persons who report breaches of law and on fight against corruption.
- **Whistleblowing Channel.** It is a tool made available to the employees and business partners who wish to use it, to enable them to report irregularities or make enquiries. The reports can be submitted preferably through a platform designed for this purpose, accessed from the Employee Portal as well as through the following link <https://audax.whistleblowernetwork.net>.

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. The Committee monitors the actions of the Criminal Compliance Committee. Moreover, and as a third line of defence, with regard to ensuring a greater control environment, the Internal Audit Department of Audax Renovables, also reporting to the Audit Committee, draws up annually its Annual Audit Plan, where it outlines the actions to be carried out during the year, also including the necessary audit activities of the compliance area.

As a result of the implementation process of the regulatory Compliance Model, the Group endeavours, and has been endeavouring in previous years, to establish the bases of special training to prevent and detect criminal offences resulting from the risk matrix. Throughout the year 2023 a workshop survey has been conducted, concerning the ethical climate within the Group, to enable a better understanding of the awareness of the persons belonging to it concerning criminal matters and implement improvement actions depending on the results of the survey. Moreover, training has been organised, in the form of training sessions, concerning the Gifts and Hospitality Policy.

Audax Renovables has been endeavouring throughout the year 2023 to implement and update the Compliance Model in the parent company and in its subsidiaries, after completing the implementation of the Criminal Risk and Control Matrix (local assessment) as well as corporate policies and procedures. The Group continues making efforts to raise awareness within the organisation, and to ensure constant supervision and monitoring.

In 2023 Audax Renovables did not receive any fines for non-compliance with the law or regulations in social and economic field.

5.4 Fight against corruption and bribery

In recent years corruption has become a global problem, which not only stifles the economy and the markets, but also hinders the appropriate allocation of existing public resources, thus being one of the main obstacles to the social and economic development. Therefore, the Group pays special attention to corruption and bribery offences, as well as to all corruption-related risks and the results of changes in applicable legislation. Audax is part of the United Nations Global Compact since 2013 and in its adherence to the tenth principle it makes every effort to continue its commitment to fight against corruption in all its forms. The organisation rejects the use of any practices, offers or requests of illicit payments, monetary or otherwise, for the purpose of obtaining benefits in its relations with the interested parties.

The Code of Ethics features a commitment to the rules of transparency and business ethics and extends it to its suppliers. In order to prevent any form of corruption and bribery, Audax Renovables has the following documents and measures available: Code of Ethics, Code of Good Commercial Practice, 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, among others. Those documents establish and put into practice the organisation's key measures for mitigating risk of bad conduct of its members.

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 decision was made 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. Today all the subsidiaries are subject to the same control environment concerning the presentation and oversight of financial information.

During this year efforts were made to raise employee awareness regarding Compliance through a survey and workshop concerning the ethical climate, referred to in paragraph 5.3, in order to strengthen the integrity and regulatory compliance, and thus highlight and make the employees again aware of the importance of the principle of zero tolerance towards corruption and bribery, among other compliance risks.

5.5 Respect for Human Rights

The Group maintains its firm commitment to the respect for and defence of human rights, in accordance with the Ten Principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organisation Core Conventions.

Following these guidelines, Audax Renovables undertakes to respect, in all its activities, the fundamental rights of its workers and civil liberties recognised by national and international agreements and legal systems of the countries where it operates. The Group is committed to the following labour principles in accordance with the fundamental conventions of the International Labour Organisation:

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

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 to ensure compliance with Principle 1²⁴ of the Guiding Principles of Global Compact:

- The 2020 update of the Corporate Code of Ethics and Conduct, whose acceptance is obligatory for each employee, to whom the Code is applicable²⁵. This document outlines the organisation's commitment to the respect for fundamental rights, equal opportunities, diversity and non-discrimination, the right to privacy, harassment prevention, as well as respect for all matters related to health and safety in the workplace. All employees must declare their commitment to the principles of the Corporate Code of Ethics and Conduct, which is a part of the information 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 organisation's Harassment Protocol is aimed at keeping the work environment free of any conduct susceptible to being construed as harassment or bullying in the workplace, thus promoting preventing measures against such types of conduct.
- Policy promoting reconciliation of work, private and family life.
- Audax Renovables focuses its attention on Principle 2²⁶ of the Guiding Principles, extending its commitment to promote human rights among its suppliers. 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.

In 2023 no significant real or potential risk or impact was identified concerning respect for human rights throughout the value chain of Audax.

5.6 Whistleblowing channel

The need to protect the good reputation and prestige of Audax requires that all its employees, when acting on behalf of the Group, always comply with applicable legislation, the Corporate Code of Ethics and Conduct and applicable internal policies and procedures.

In order to detect any conduct against the rules outlined above, Audax has established the Whistleblowing Channel, designed for the purpose of communicating possible irregularities or infringements, which could constitute a breach of law, of the Code of Ethics or its implementing provisions or of other internal applicable regulations; as well as for the purpose of submitting requests of explanation of specific doubts raised by the application or interpretation of applicable regulations, both external and internal, including doubts concerning the operation of the Channel or any other applicable rules.

²⁴Principle 1: "Businesses should support and respect the protection of internationally proclaimed human rights within their scope of influence".

²⁵ The scope of the Corporate Code of Ethics and Conduct includes, by now, Audax Renovables and subsidiary companies (listed company).

²⁶Principle 2: "Businesses should make sure that they are not complicit in human rights abuses".

The functions of the whistleblowing channel are outlined in the Internal Information System Procedure. Its purpose is to establish the principles, guidelines, and functions of the Internal Information System, as well as to regulate the protocols and actions to be taken by the Internal Information System Manager as the body responsible for its management, assisted by the Criminal Compliance Committee in the processing of the enquiries and/or complaints received, always respecting the fundamental rights and duties of the persons who use it.

The Internal Information System and the Whistleblowing Channel of Audax are governed by the principles of legality and corporate ethics, independence and impartiality, transparency and accessibility, traceability and security, diligence and celerity, good faith, respect for fundamental rights, prohibition of retaliation, confidentiality, anonymity, and personal data protection.

In 2023 the Whistleblowing Channel did not receive any complaint. The Group has been hiring an independent external third party for the purpose of managing and resolving the complaints, thus ensuring the independence and impartiality of the decision-making process.

The Group's constant commitment is to tackle any complaint by reviewing the pertinent measures and possible corrective actions to ensure due compliance by the stakeholders.

5.7 Risk management

Audax has a risk management system to guarantee the interests of its stakeholders and promote the Group's growth. For the purpose of tackling the risks in an efficient and effective way, with all that it entails, we continue applying the model of three defence lines, which establishes and outlines the responsibilities and processes structured for an appropriate management of the organisation.

- First Line of Defense: Operational Units and Core Business

The first line of defence comprises all the operational units and business functions within the company. At this level, the owners of the processes and equipment are responsible for identifying, evaluating, and mitigating the risks in their respective areas through control activities. This is achieved by formalising and implementing key internal controls, conducting periodic risk analyses, which should be carried out at least once a year, and integrating risk management into the daily activities, as well as its appropriate management by the owner of each significant process.

A proactive culture of risk management is promoted, ensuring that every employee is aware of their role in identifying and managing the risks related to their duties and responsibilities, as well as in efficiently managing the controls of which they are in charge.

- Second Line of Defense: Business Risk Management

The second line of defence is represented by the function of risk management and since 2022 is devolved to the Risk Committee. It was established by the Group due to the market changes triggered by the energy crisis and the ensuing material risks for the core business. The purpose of this Committee is to establish and monitor policies and strategies concerning risk, appetite, margins, and necessary hedges in order to operate in the electricity and gas market. The Committee meets at least once every quarter of the year and establishes an agenda of relevant topics concerning risk and business to be discussed. It is also the Committee's task to establish policies, rules, and procedures for the management of risks, as well as provide guidance and specialised advice to the operational units referred to the Group's core business, the retail of electricity generated from renewable sources, and gas.

- **Third Line of Defense: Internal Audit**

The third line of defence is comprised of the Internal Audit Department, which primarily provides independent assessment of the efficiency of the processes of risk management and internal control. Periodic reviews are carried out at least once a year concerning risk management and control, to identify the improvement areas and guarantee compliance with applicable laws, regulations, and standards. The main purpose of this Department, reporting to the Audit Committee, is to support the Committee in its supervisory duties through periodic reviews of the process of drawing up the economic, financial, and non-financial information, of the internal controls and risk monitoring, as well as of the legal compliance.

Altogether, the three lines of defence work in cooperation in order to strengthen the organisation's ability to identify, evaluate and manage the risks in an effective manner, thus ensuring the protection of its assets, optimisation of its opportunities and creation of sustainable long-term value. The Group aims to continue focusing on an optimum risk management, allocating resources, and aligning efforts of the entire organisation. For this reason, the Group considers it vital for the corporate culture concerning risks and controls to be continued and constantly growing.

Lastly, and transversally for all the lines, the Group has a key tool of risk management in the form of corporate Risk Map, where each risk manager is assigned a complete evaluation, based on the impact and probability, of the existing factors, severity measures, priority and response prepared for each risk, as well as existing controls to mitigate the risks. The following are some of the factors identified according to the strategic approach of the Group from the point of view of each business object:

- Market risks
- Operational Risks
- IT Risks
- Compliance Risks
- Financial Risks
- Reputational Risks
- ESG Risks
- Commercial Risks

5.8 Transparency and communication

Audax Renovables strives to strengthen the relationship with its stakeholders to promote the communication and understanding of the company, its results, its strategy and its goals and other aspects. Information on financial performance, significant events and ESG matters is published in quarterly reports. The Company's management have attended multiple events and meetings with investors and have appeared in the media giving interviews, participating in panel discussions and sector forums.














Being aware of the importance of making up-to-date, reliable, and transparent information available to our investors, customers, and stakeholders in general, the Company maintains its corporate website up to date by publishing the most recent reports issued, news and information on significant events.

Moreover, the Company has implemented and makes public through the corporate website its Communication Policy of financial, non-financial and corporate information, and on communication with shareholders, institutional investors, and proxy advisors.

Social networks have become an essential tool for the communication strategy of Audax Renovables. In addition to the content related to business results and news of the Company, the Marketing department creates and publishes audiovisual content (posts, pictures, videos, etc.) about energy saving, energy efficiency and promotion of energy from renewable sources and environment protection, among other topics.

In comparison to the previous year, the number of followers on social media has increased by 12%. The community is comprised of more than 43,000 followers, and more than 1,000 posts were published on different social media sites.

Below there is a summary of the communications and interactions made with different media and social networks:

Audax in social media		Media activity
43,196 followers	1,057 posts	95 interactions
<ul style="list-style-type: none">  22,186 followers  2,569 followers  2,503 followers  6,751 followers  9,187 followers 	<ul style="list-style-type: none">  268 posts  254 tweets  241 posts  277 posts  17 videos 	<ul style="list-style-type: none">  15 press releases  2 webcasts with investors  78 information requests to the media

6 Company Information

6.1 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 generates value.

In 2021 Audax Renovables started to pay the corporate income tax in its own tax group. Below we present the tax information on Audax Renovables for the fiscal year 2023.

Profit/loss before tax		
Country	2022	2023
Spain	€-180,760	€-4,766,194
Italy	€3,011,550	€2,312,353
The Netherlands	€3,129,263	€26,584,167
Portugal	€2,050,780	€444,098
Poland	€3,150,979	€270,687
Germany	€-6,471,056	€-5,380,910
France	€299,388	€190,741
Hungary	€-1,451,293	€9,374,903

Corporate Income Tax		
Country	2022	2023
Spain	€4,495,838	€4,147,441
Italy	€297,606	€1,223,953
The Netherlands	€1,746,759	€9,872,712
Portugal	€-405,369	€218,701
Poland	€729,065	€742,968
Germany	€0	€0
France	€67,234	€66,605
Hungary	€0	€0

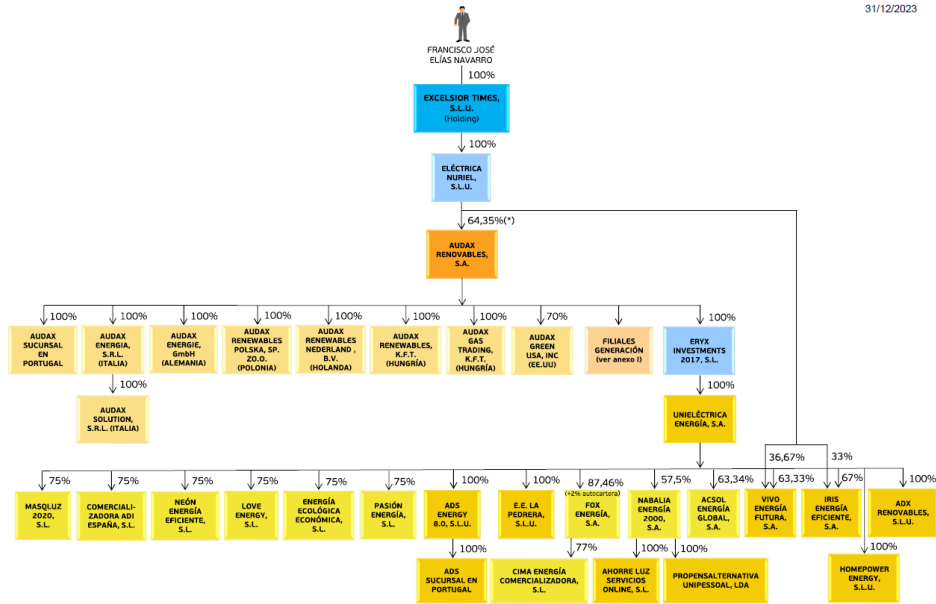
Government subsidies

The Group has not received government subsidies in 2023.

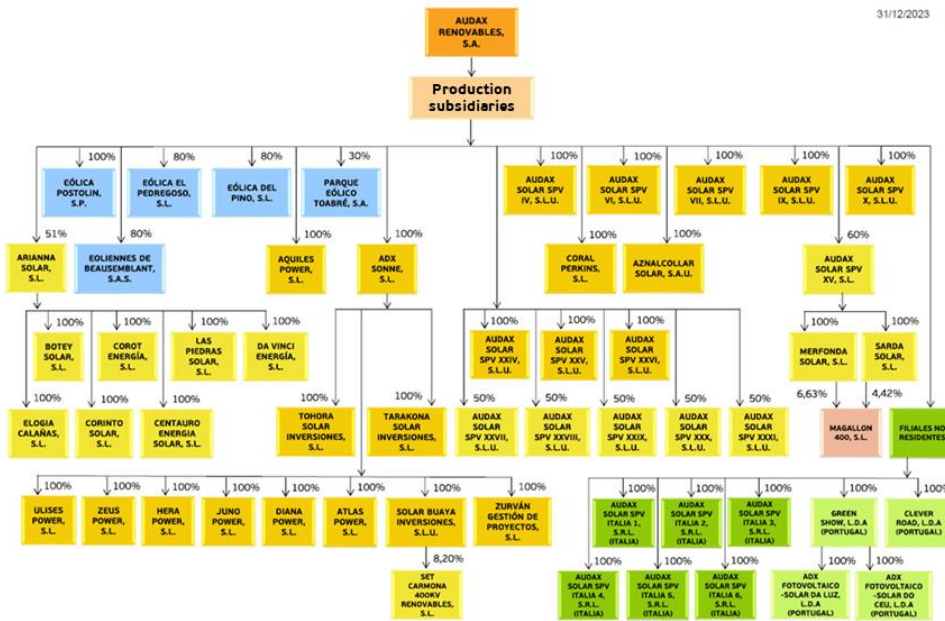
6.2 Corporate structure

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 at 31 December 2023. It should be noted that neither Excelsior Times, S.L.U. nor Eléctrica Nuriel, S.L.U. are featured within the scope of this report.



The following companies are featured within the "renewable subsidiaries", categorised as companies dedicated either to the activity of energy generation or energy retail:



7 About the 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 companies²⁷:

- Generación Iberia, S.L.U.
- Audax Energia, S.R.L.
- Audax Solution, S.R.L.
- Audax Energie, GmbH
- Audax Renewables Polska Sp z o.o
- Audax Renewables Nederland B.V. (formerly Main Energie, B.V.)
- Audax Renewables Kft.
- Audax Gas Trading Kft
- Audax Green USA Inc
- Eólica El Pedregoso, S.L.
- Eólica Del Pino, S.L.
- Eoliennes De Beausemblant, S.A.S.
- Eólica Postolin Sp. z o.o.
- Audax Solar SPV IV, S.L.U.
- Audax Solar SPV VI, S.L.U.
- Audax Solar SPV VII, S.L.U.
- Audax Solar SPV IX, S.L.U.
- Audax Solar SPV X, S.L.U.
- Coral Perkins, S.L.U.
- Aznalcóllar Solar, S.A.U.
- Audax Solar SPV XV, S.L.
- Merfonda Solar, S.L.
- Sarda Solar, S.L.
- ADX Sonne, S.L.
- Tohora Solar Inversión, S.L.U.
- Tarakona Solar Inversión, S.L.U.

²⁷ Should the information provided relate to a different organisational scope or other than specified, it will be stated within the permanent paragraph or table.

- Solar Buaya Inversiones, S.L.U.
- Zurván Gestión de Proyectos, S.L.
- Ulises Power, S.L.
- Zeus Power, S.L.
- Hera Power, S.L.
- Juno Power, S.L.
- Diana Power, S.L.
- Atlas Power, S.L.
- Aquiles Power, S.L.U
- Arianna Solar, S.L.
- Botey Solar, S.L.U.
- Corot Energía, S.L.U.
- Las Piedras Solar, S.L.U.
- Da Vinci Energía, S.L.U.
- Elogia Calañas, S.L.U.
- Corinto Solar, S.L.U.
- Centauro Energia Solar, S.L.U.
- Audax Solar SPV XXIV, S.L.U.
- Audax Solar SPV XXV, S.L.U.
- Audax Solar SPV XXVI, S.L.U.
- Green Show, L.D.A.
- ADX Fotovoltaico - Solar Da Luz, L.D.A
- ADX Fotovoltaico - Solar Do Ceu, L.D.A
- Clever Road, L.D.A.
- Audax Solar SPV Italia 1, S.R.L.
- Audax Solar SPV Italia 2, S.R.L.
- Audax Solar SPV Italia 3, S.R.L.
- Audax Solar SPV Italia 4, S.R.L.
- Audax Solar SPV Italia 5, S.R.L.
- Audax Solar SPV Italia 6, S.R.L.
- Eryx Investments 2017, S.L.U.
- Unieléctrica Energía, S.A.
- Explotación Eólica La Pedrera, S.L.U.
- Fox Energía, S.A.
- Nabalía Energía 2.000, S.A.
- Acsol Energía Global, S.A.
- Vivo Energía Futura, S.A.
- Iris Energía Eficiente, S.A.

- Cima Energía Comercializadora, S.L.
- Ahorre Luz Servicios Online, S.L.
- Propensalternativa Unipessoal, LDA
- ADX Renovables, S.L.U.
- ADS Energy 8.0., S.L.U.
- Homepower Energy, S.L.U.
- Masqluz 2020, S.L.
- Comercializadora ADI España, S.L. (formerly Alset Comercializadora, S.L.U.)
- Neon Energía Eficiente, S.L (formerly By Energyc Energía Eficiente, S.L.)
- Love Energy, S.L.
- Energía Ecológica Económica, S.L.
- Pasión Energía, S.L. (formerly Feed Energía, S.L.)

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:

- **INCLUSION OF THE STAKEHOLDERS:** once the groups have been identified, the report informs on how their needs and expectations are met.
- **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 considered 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 2023, corresponding to the fiscal year of Audax Renovables. The historical data shown in some paragraphs correspond to the year 2022.

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 2023).

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.

Chapter 2: 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.

Chapter 3: Information on issues concerning personnel

Audax Renovables includes the data referring to its employees in the last year (2022) 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 Law 11/2018 and GRI standards

TABLE OF CONTENTS REQUIRED BY LAW 11/2018			
Information required	Materiality	Page of the report	GRI reported
GENERAL INFORMATION			
Brief description of the group's business model, its business environment, its organisation, and structure	Material	6, 7	GRI 2- 6 GRI 2- 9
Markets where it operates	Material	6	GRI 2- 1 GRI 2- 6
Objectives and strategies of the organisation	Material	10-11;17	GRI 2- 1 GRI 2- 22
Main factors and trends, which may affect its future development	Material	11-15	GRI 3-3
Reporting framework used	Material	66-69	GRI 1
Materiality principle	Material	11-14	GRI 3- 1 GRI 3- 2
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	24-29	GRI 3-3
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	23	GRI 3-3
Environmental assessment or certification procedures	Material	24	GRI 3-3
Environmental risk prevention means	Material	See Notes to the Annual Accounts	GRI 3-3
Application of precautionary principle	Material	See Notes to the Annual Accounts	GRI 2- 23
Quantity of environmental risk provisions and guarantees	Material	See Notes to the Annual Accounts	GRI 3-3 GRI 2- 27
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	26	GRI 3-3
Circular economy and waste prevention and management			
Measures to prevent, recycle, reuse, recover and eliminate waste	Material	27	GRI 306- 1 GRI 306- 3 GRI 306- 4 GRI 306- 5
Actions to combat food waste		Non-material	
Sustainable use of resources			
Water consumption and water supply within local limits	Material	26	GRI 303- 1 GRI 303- 5
Raw material consumption and measures adopted to improve material efficiency	Material	27	GRI 3-3 GRI 301- 1
Energy consumption - direct and indirect	Material	26-27	GRI 302- 1
Measures adopted to improve energy efficiency	Material	26	GRI 3-3
Use of renewable energy	Material	26	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	27	GRI 305- 1 GRI 305- 2
Measures taken to adapt to the consequences of climate change	Material	27	GRI 3-3

Medium and long-term voluntary reduction goals to reduce greenhouse gas emissions, and measures adopted for that purpose	Material	26-27	GRI 3-3
Biodiversity protection			
Measures taken to preserve or restore biodiversity	Material	29-30	GRI 3-3
Impacts made by activities or operations on protected areas	Material	29	GRI 3-3 GRI 304- 2
EU Taxonomy			
Regulation (EU) 2020/852 of the European Parliament	Material	70-77 (Appendix II and III)	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	31-47	GRI 3-3
Employment			
Total number and distribution of employees by country, gender, age, and professional category	Material	31	GRI 405- 1
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	31-43	GRI 2- 7
Number of dismissals by gender, age, and professional category	Material	41	GRI 401-1b)
Average remuneration and its development, according to gender, age, and professional category or similar	Material	38-40	GRI 405- 2
Pay gap, remuneration of equal work posts or of company average	Material	40	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	39	GRI 405- 2
Implementation of policies for disconnecting from work	Material	45	GRI 3-3
Number of employees with disability	Material	32	GRI 405- 1
Work organisation			
Organisation of working time	Material	32	GRI 3-3
Number of hours of absenteeism	Material	46	GRI 3-3
Measures designed to help conciliation between work and family life and encourage co-responsible use of the rights by both parents	Material	45-46	GRI 3-3
Health and safety			
Workplace health and safety conditions	Material	45-46	GRI 3-3 GRI 403- 1 GRI 403- 2 GRI 403- 3
Work accidents, in particular, its frequency and severity, as well as occupational diseases; itemised by gender	Material	46	GRI 403- 9 GRI 403- 10
Social relations			
Organization of social dialogue, including procedures of information, consultation, and negotiation with employees	Material	15-16	GRI 3-3 GRI 229
Percentage of employees covered by collective agreement, by country	Material	43	GRI 2- 30
Balance of collective agreements, particularly in the area of occupational health and safety	Material	43	GRI 403- 1 GRI 403- 4

Training

Policies implemented in the area of training	Material	46-47	GRI 404- 2
Total number of hours of training by professional category	Material	47	GRI 404- 1

Universal accessibility

Universal accessibility for persons with disabilities	Material	32	GRI 3-3
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Equality

Measures adopted to promote equal treatment and equal opportunities for women and men	Material	43-44	GRI 3-3
Equality plans, measures taken to promote employment, protocols against sexual and gender harassment	Material	43-44	GRI 3-3
Policy against any type of discrimination and, if applicable, diversity management	Material	43-44	GRI 3-3 GRI 406- 1

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	55-56	GRI 3-3
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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	55-56	GRI 2- 23 GRI 2- 26
Complaints about cases of human rights violation	Material	56	GRI 3-3 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	55	GRI 3-3 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	51-53	GRI 3-3
Measures adopted to prevent corruption and bribery	Material	55	GRI 3-3 GRI 2- 23 GRI 2- 26 GRI 205- 2 GRI 205- 3
Measures designed to fight money laundering	Material	55	GRI 3-3 GRI 2- 23 GRI 2- 26 GRI 205- 2 GRI 205- 3
Contributions to foundations and non-for-profit entities	Material	51-52	GRI 201- 1 GRI 2- 28

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	61-62	GRI 3-3
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Company commitment to sustainable development

The impact of the company's activity on local employment and development	Material	22	GRI 3-3 GRI 203- 2 GRI 204- 1
The impact of the company's activity on local communities and areas	Material	20-23	GRI 3-3 GRI 413- 1 GRI 413- 2

Relations and modalities of dialogue with members of local communities	Material	15-16	GRI 2- 29
Association or patronage activities	Material	52	GRI 3-3 GRI 201- 1 GRI 228
Subcontracting and suppliers			
Including social, gender equality and environmental issues in the procurement policy	Material	49	GRI 3-3
Recognising own social and environmental responsibility in relations with suppliers and subcontractors	Material	49	GRI 2- 6 GRI 308- 1 GRI 414- 1
Supervision and audit systems and their results	Material	53	GRI 2- 6 GRI 308- 2 GRI 414- 2
Consumers			
Measures for the consumer health and safety	Material	48-49	GRI 3-3
Complaint systems, complaints received and resolved	Material	48	GRI 3-3 GRI 418- 1
Tax information			
Profit obtained country by country	Material	61	GRI 207- 4
Income tax paid	Material	61	GRI 207- 4
Public subsidies received	Material	61	GRI 201- 4

APPENDIX II Sustainable finance taxonomy calculation methodology

7.1.1 Eligibility and alignment evaluation process

The activity carried out by the subsidiary companies of Audax Renovables has been evaluated in terms of eligibility and alignment with regard to the goals of climate change mitigation and adaptation the climate change.

Eligibility evaluation

The evaluation process begins with the identification of the activities of Audax Renovables considered as eligible according to the regulation. Eligible activities are those which potentially can contribute to one or several environmental goals of the European Union, indicated in Delegated Regulations 2021/2139 and 2023/2486.

Upon analysing the activities conducted by Audax Renovables and comparing them to the descriptions contained in different Delegated Regulations, in this case, to those included in Appendix I and II of Delegated Regulation 2021/2139, the list of eligible activities is as follows:

- Electricity generation through solar photovoltaic technology (Code 4.1)
- Electricity generation from wind energy (Code 4.3)

Alignment evaluation

For an activity to be considered as aligned, it should meet the technical criteria of substantial contribution to one of the environmental goals. Once the eligible activities are identified, the next step is to determine whether these activities meet the requirements of substantial contribution to the Climate Objectives:

- Climate change mitigation Objective.
- Adaptation to climate change Objective.

For this purpose and in view of the next steps of the evaluation and alignment process, Audax Renovables has developed a methodology of analysis of fulfilment of these requirements through a specific survey for each eligible activity. This has made it possible to approach the task in a uniform and homogeneous way. Each parent company of the business, at the level of energy generation facility, has evaluated the degree of compliance, documenting and supporting the conclusions with necessary proof. The result of this evaluation and the proofs which support it have been duly documented in the company's records.

In the cases of meeting the technical criteria of substantial contribution for each of the two Climate Objectives, the next step involves the assessment whether the activity in question meets the criteria of harmlessness to other environmental objectives. These criteria, established in Delegated Regulation 2021/2139, consider in general the compliance with the European regulations and standards related to various environmental aspects. Again, the evaluation of the criteria of harmlessness to other environmental objectives was carried out at the level of the parent company of the Group and the installations involved.

The last step of the process is to investigate whether there are sufficient social safeguards in the context of the activities being carried out. For this purpose, a similar approach has been used to the evaluation of harmlessness and based on the general analysis of the management policies, procedures and systems ensuring due diligence in the respect for human rights. In this case, the analysis has been common to all the companies of the Group, because all of them share the same management model.

Moreover, in order to ensure coherence between the evaluation of the criteria and actual performance disclosed, the results were contrasted with the data of the following indicators:

- GRI 2-27: Compliance with laws and regulations.
- GRI 205-3: Confirmed incidents of corruption and actions taken.
- GRI 406-1: Incidents of discrimination and corrective actions taken.
- GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data.
- GRI 417-3: Incidents of non-compliance concerning marketing communications (fines or sanctions).

No inconsistencies were found between the content of these indicators and the evaluation of the criteria of harmlessness or minimum social safeguards.

7.1.2 Calculation of the economic indicators

Calculation of the alignment percentage

The starting point to calculate alignment is the eligibility calculation using the same denominator but considering in the numerator only the figures of income, investment, or expense, as appropriate, associated to the eligible activities which meet the alignment criteria established in accordance with the Delegated Regulations on Taxonomy.

Energy production using wind or photovoltaic technology is considered as eligible activity according to the provisions of Delegated Regulation 2021/2139. However, the activity of retail of electricity to end customers is not considered eligible.

Calculation of the percentage of eligible or eligible and aligned Turnover

Audax Renovables carries out the activity of electricity generation as well as retail to the end customer. The income calculated in the process of consolidation eliminates the effect of the intra-group transaction and, consequently, the possibility of double accounting.

Taking the above into account, and to ensure coherence between the reality represented by the income ratio and the investment and operating expenses ratios, the information presented in this paragraph has been processed in the following way:

- The percentage of eligible turnover is calculated according to article 8 paragraph 2 a) of Delegated Regulation 2020/852. This percentage corresponds to the part of net turnover derived from products or services, including intangible, associated to the business activities that are eligible or eligible and aligned with the Taxonomy.
- According to the taxonomy, the net turnover calculated previously (numerator) is divided by the net turnover (denominator), as defined in article 2 paragraph 5 of Directive 2013/34/EU.
- Therefore, to calculate the percentages of eligibility or eligibility and alignment corresponding to consolidated turnover of Audax Renovables:
- The numerator corresponds to the sum of turnover (accounts of the General Accounting Plan) of the activities of the companies/subgroups that are eligible or eligible and aligned.
- The denominator corresponds to the figure of total turnover of Audax Renovables. In this turnover ratio the company includes the entirety of its income associated with the core activity.

Calculation of the percentage of eligible or eligible and aligned CapEx

The proportion of eligible CapEx, according to article 8 paragraph 2 b) of Regulation (EU) 2020/852 is calculated dividing the numerator by the denominator.

The denominator corresponds to the additions to tangible and intangible assets made during the year considered before applying depreciation, amortisation, and possible new valuations (including those resulting from revaluation and impairment) corresponding to the pertinent year, excluding changes in fair value. The denominator also includes the additions to tangible and intangible assets resulting from mergers and acquisitions. For non-financial companies applying the International Financial Reporting Standards (IFRS) adopted by Regulations (EC), the CapEx should cover the costs registered in accordance with:

- IAS 16 Property, plant and equipment, paragraph 73e) i) and iii).
- IAS 38 Intangible assets, paragraph 118e) i).
- IAS 40 Property investments, paragraph 79d) i) and ii) (for cost model).
- IFRS 16 Lease, paragraph 53h). A lease which does not involve registering a right-of-use asset is not accounted for as CapEx.

On the other hand, the numerator includes the part of the denominator, which is related to the investment in assets/processes associated with the activities that are eligible or eligible and aligned with the Taxonomy. It is related to the assets or processes associated with business activities, which are part of a plan to extend the activities that are eligible or eligible and aligned with the Taxonomy or to enable future alignment of eligible activities with the Taxonomy.

Therefore, to calculate the percentages of eligibility corresponding to Audax Renovables:

- The numerator includes only the aggregation of CapEx of the activities of the companies/subgroups considered as eligible or eligible and aligned.
- The denominator corresponds to the total CapEx of Audax Renovables.

Calculation of the percentage of eligible or eligible and aligned OpEX

The proportion of eligible OpEX according to article 8 paragraph 2 b) of Delegated Regulation 2020/852 is calculated dividing the numerator by the denominator.

The denominator includes the non-capitalised direct cost related to:

- Research and development.
- Building renovation measures.
- Short-term lease.
- Maintenance and repair.
- Other direct costs related to the daily operations of property, plant and equipment by the company or outsourced to a third party, necessary to ensure the operation of these assets.

On the other hand, the numerator includes the part of the operating expenses included in the denominator, which:

- Is related to the assets or processes associated with eligible business activities, including training and other adaptation needs of the human resources, and non-capitalised direct costs representing research and development.
- Is related to the assets or processes associated with business activities, which are part of a plan to extend the activities that are eligible or eligible and aligned with the Taxonomy or to enable future alignment of eligible activities with the Taxonomy.
- Is related to the acquisition of the production derived from business activities adjusted to the Taxonomy and individual measures, which enable the objective activities to become low-carbon or involve reduction of greenhouse gas emissions.

Therefore, to calculate the percentages of eligibility corresponding to Audax Renovables:

- The numerator includes only the aggregation of OpEx of the activities of the companies/subgroups considered as eligible or eligible and aligned.
- The denominator corresponds to the total OpEX of Audax Renovables.

Lastly, the controls designed to ensure the uniformity of currencies, accounting principles and prevention of intercompany duplication of amounts or balances are carried out during the process of drawing up the audited consolidated financial statements of Audax Renovables.

The Company has defined two internal procedures (Procedure for the classification of sustainable activities in accordance with the EU Taxonomy Regulation and Procedure for the calculation of indicators (KPI) of sustainable activities in accordance with the EU Taxonomy Regulation). Both procedures have been approved by the competent Committee, and document the processes of eligibility, alignment and calculation of the indicators related to the Taxonomy.

Below we present the figures concerning turnover, CapEx and OpEx aligned to the Taxonomy:

APPENDIX III: Taxonomy report tables (Turnover, CapEX and OpEX)

1) Proportion of turnover derived from products and services associated to the activities aligned with the taxonomy for the year 2023.

Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Percentage of turnover (4)	Substantial contribution criteria		DNSH criteria (Do not cause significant harm)						Minimum safeguards (17)	Proportion of turnover adjusted to the taxonomy year 2022	Proportion of turnover aligned with the taxonomy, year N-1 (19)	Category (Enabling activity) (20)	Category (Transition activity) (21)
				Climate change mitigation (5)	Adaptation to climate change (6)	Climate change mitigation (11)	Adaptation to climate change (12)	Sustainable use and protection of water and marine resources (13)	Transition towards circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)					
A. ELIGIBLE ACTIVITIES																
A.1 Environmentally sustainable activities (Aligned with the taxonomy)																
Electricity generation through solar photovoltaic technology	4.1	7,154,952.79	0.31%	100%	100%	Yes	Yes	N/A.	Yes	N/A.	Yes	Yes	0.00%	-	F	-
Electricity generation from wind energy	4.3	13,298,410.05	0.58%	100%	100%	Yes	Yes	N/A.	Yes	N/A.	Yes	Yes	0.00%	-	F	-
Turnover of sustainable eligible activities (adjusted to the Taxonomy) (A.1)		20,453,362.84	0.89%										0.00%	-	-	-
A.2 Activities that are eligible but not environmentally sustainable (non-aligned activities)																
4.1. Electricity generation through solar photovoltaic technology (Year 2022)	4.1	-	0.00%										0.25%	-	F	-
4.3. Electricity generation from wind energy (Year 2022)	4.3	-	0.00%										0.79%	-	F	-
Turnover of sustainable eligible activities (adjusted to the Taxonomy) (A.1)	-	0.00	0.00%										1.04%	-	-	-
Total (A.1 + A.2)	-	20,453,362.84	0.89%										1.04%	-	-	-
A. NON-ELIGIBLE ACTIVITIES																
Turnover of non-eligible activities (B)	-	2269730740.36	99.11%													
Total (A + B)	-	2,290,184,103.20	100.00%													

2) Proportion of CapEx derived from products and services associated to the activities aligned with the taxonomy for the year 2023.

Economic activity (1)	Code(s) (2)	Absolute CapEx (3)	Percentage of CapEx (4)	Substantial contribution criteria		DNSH criteria (Do not cause significant harm)						Minimum safeguards (17)	Proportion of CapEx adjusted to the taxonomy year 2022	Proportion of CapEx aligned with the taxonomy, year N-1 (19)	Category (Enabling activity) (20)	Category (Transition activity) (21)
				Climate change mitigation (5)	Adaptation to climate change (6)	Climate change mitigation (11)	Adaptation to climate change (12)	Sustainable use and protection of water and marine resources (13)	Transition towards circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)					
A. ELIGIBLE ACTIVITIES																
A.1 Environmentally sustainable activities (Aligned with the taxonomy)																
Electricity generation through solar photovoltaic technology	4.1	21,585,466.76	63.97%	100%	100%	Yes	Yes	N/A.	Yes	N/A.	Yes	Yes	0.00%	-	F	-
Electricity generation from wind energy	4.3	304,386.11	0.90%	100%	100%	Yes	Yes	N/A.	Yes	N/A.	Yes	Yes	0.00%	-	F	-
CapEx of sustainable eligible activities (adjusted to the Taxonomy) (A.1)	-	21,889,852.87	64.87%										0.00%	-	-	-
A.2 Activities that are eligible but not environmentally sustainable (non-aligned activities)																
4.1. Electricity generation through solar photovoltaic technology (Year 2022)	4.1	-	-										69.00%	-	F	-
4.3. Electricity generation from wind energy (Year 2022)	4.3	-	-										0.00%	-	F	-
CapEx of sustainable eligible activities (adjusted to the Taxonomy) (A.1)	-	-	-										69.00%	-	-	-
Total (A.1 + A.2)	-	21,889,852.87	64.87%										69.00%	-	-	-
A. NON-ELIGIBLE ACTIVITIES																
CapEx of non-eligible activities (B)	-	11,854,001.82	35.13%													
Total (A + B)	-	33,743,854.69	100.00%													

Proportion of OpEx derived from products and services associated to the activities aligned with the taxonomy for the year 2023.

Economic activity (1)	Code(s) (2)	Absolute OpEx (3)	Percentage of OpEx (4)	Substantial contribution criteria		DNSH criteria (Do not cause significant harm)							Minimum safeguards (17)	Proportion of OpEx adjusted to the taxonomy year 2022	Proportion of OpEx aligned with the taxonomy, year N-1 (19)	Category (Enabling activity) (20)	Category (Transition activity) (21)
				Climate change mitigation (5)	Adaptation to climate change (6)	Climate change mitigation (11)	Adaptation to climate change (12)	Sustainable use and protection of water and marine	Transition towards circular economy (14)	Pollution prevention and control (15)	Protection and restoration of biodiversity and ecosystems (16)						
A. ELIGIBLE ACTIVITIES																	
A.1 Environmentally sustainable activities (Aligned with the taxonomy)																	
Electricity generation through solar photovoltaic technology	4.1	1,074,769.62	0.78%	100%	100%	Yes	Yes	N/A.	Yes	N/A.	Yes	Yes	0.00%	-	F	-	
Electricity generation from wind energy	4.3	0.00	0.00%	100%	100%	Yes	Yes	N/A.	Yes	N/A.	Yes	Yes	0.00%	-	F	-	
OpEX of sustainable eligible activities (adjusted to the Taxonomy) (A.1)	-	1,074,769.62	0.78%									0.00%	-	-	-		
A.2 Activities that are eligible but not environmentally sustainable (non-aligned activities)																	
4.1. Electricity generation through solar photovoltaic technology (Year 2022)	4.1	-	-									0.34%	-	F	-		
4.3. Electricity generation from wind energy (Year 2022)	4.3	-	-									5.02%	-	F	-		
OpEX of sustainable eligible activities (adjusted to the Taxonomy) (A.1)	-	-	-									5.36%	-	-	-		
Total (A.1 + A.2)	-	1,074,769.62	0.78%									5.36%	-	-	-		
A. NON-ELIGIBLE ACTIVITIES																	
OpEX of non-eligible activities (B)	-	135,918,095.88	99.22%														
Total (A + B)	-	136,992,865.50	100.00%														

