



ANNUAL REPORT 2020 OF THE SUSTAINABLE DEVELOPMENT COMMITTEE OF SOLTEC POWER HOLDINGS, S.A.

This report complies with Recommendation 53 of the Good Governance Code of Listed Companies ("**GGC**" or "**Code**") so that the Board of Directors of SOLTEC POWER HOLDINGS, S.A. ("**Soltec**" or "**Company**") may periodically evaluate the functioning of its Audit Committee. ("**Soltec**" or "**Company**") may periodically evaluate the functioning of its Sustainable Development Committee.

This report should also enable shareholders and other interested parties to understand the activities carried out by Soltec's Sustainable Development Committee ("**Committee**" or "**CDS**") during the 2020 financial year.

The content of this report is expected to be published on the Company's website sufficiently in advance of the ordinary general shareholders' meeting. It should enable shareholders, and other interested parties, to understand the activities carried out by this Committee in each financial year.

This report on the Committee's operation and activities have been prepared in line with best corporate governance practices.

a) Regulation of the CDS

Article 529 *terdecies* of the Capital Companies Act, the consolidated text of which was approved by Royal Legislative Decree 1/2010 of July 2 ("**RLD**"), establishes that listed companies could create internal specialist committees, determining their composition, appointing committee members and establishing their individual roles.

The Committee was established on October 6, 2020, by resolution of the Company's Board of Directors and its rules of composition, operation and powers are regulated in article 25 of the Articles of Association. These rules have been implemented through article 16 of the Board of Directors Regulations.

In accordance with Principle 23 of the GGC, in case the Board of Directors in the exercise of its self-organization powers opted to create specialist committees additional to the mandatory committees (e.g the *CDS*, it is recommended that composition and operational requirements for additional committees follow similar guidelines to mandatory committees.

Although the Company is indeed interested in complying with all the recommendations of the CBG, it is true that the development contained in the Regulations of the Company's Board of Directors itself is sufficiently detailed, at this time of its recent listing on the Continuous Market.

b) Members

Under the provisions of Soltec's Articles of Association and the Regulations of the Board of Directors, the Committee shall be composed exclusively of non-executive commissioners, a majority of whom are independent.

Thus, the Committee is made up of three members, a president and two members.

The Committee members have been appointed by the Board of Directors, considering the knowledge, skills and experience commensurate with the work which they are called upon and the Committee's duties. The members of the Committee as a whole have the relevant expertise concerning the energy sector.

The President is an independent commissioner who the Board of Directors has assessed as having knowledge, skills and experience the subject matter.

In the case of the members of the Committee, the aforementioned qualification is met.

On 6 October 2020, the Board of Directors of Soltec appointed as members of the *CDS* those who are currently still members of the Audit Committee:

<i>Councilman</i>	<i>Typology</i>	<i>Position</i>
Ms. Nuria Aliño Perez	External Independent	President
Ms. María Sicilia Salvadores	External Independent	Member
Ms. Marina Moreno Dolera	External Proprietary	Member

The date of reappointment is October 6, 2024. The report justifying the appointment was included in the minutes of the meeting. All their *curricula vitae* are published on the Company's website. No director member of the Audit Committee performs executive functions in the Company.

No commissioner member of the Committee performs executive functions in the Company and two of its three members are independent commissioners. Hence, it amply complies with legal regulations and the recommendations of good governance, which establish that it should be composed of a majority of independent commissioners.

The Committee's meetings are attended by Ms. Silvia Diaz de Laspra Morales, Secretary of the Committee, and Ms. María de la Torre Rodriguez, the Legal Adviser.

c) Functions and tasks

1. Functions

The functions attributed to the Committee and its rules of operation are set out in article 25 of the Articles of Association and implemented in article 16.6 of the current Regulations of the Board of Directors, which were approved on October 6, 2020.

We refer to these texts published on the Company's corporate website for further details.

To this end, the Board Secretariat prepares an agenda for approval by the Committee's President, which is sent to all participants well in advance of the meeting, together with the relevant documentation for each of the items on the agenda.

The Committee's President, if she considers it appropriate, could call a preparatory working session attended by all the Committee Members, as well as the persons to be convened so that A can be discussed with prior work.

In addition to the members of the Committee, the Secretary of the Board and the Legal Adviser, upon invitation by the President, attend the meetings in those areas and items of the agenda that are required, as well as the Compliance Director, ESG Director of the Group's ESG Committee, Director of Relationships with Investors, the Chief Financial Officer and all those executives and employees of the Group that the President deems appropriate.

Minutes of the conclusions reached at each meeting are drawn up by the Committee Secretary and included as an item on the next Board of directors meeting, will be President of the Committee reports to the entire Board on the most relevant points discussed and recommendations if any.

2. Tasks

Within its functions and the powers assigned by the Board of Directors to the Committee, it carries out the following tasks:

- Proposing the design of the Group's Sustainability strategy in accordance with the Sustainability Policy, as well as supervising actions carried out by the ESG Committee.
- Informing the Board of Directors about the proposal to approve (or not) Corporate Governance Reports and non-financial information before approval by the Board.
- Reviewing compliance with the Corporate Governance Plan.

d) Meetings held during the financial year and number of attendees, including whether non-members of the Committee have been invited.

In accordance with the Company's Board of Directors Regulation, the Committee shall meet at the request of any of its members and when called by its chairman or the compliance officer, which must call a meeting whenever the board of directors or its chairman requests the

issuance of a report or the adoption of proposals and, in any case, whenever considered necessary to properly perform its functions.

Since the Committee was created on October 6, 2020, the Committee did not hold any meeting in 2020, with the first meeting being held in January 2021. Although the Board of Directors Regulation does not refer to a minimum number of meetings per year, the *CDS* aims to be fully active so as to engage the Group in the implementation of best practices within their areas of expertise.

e) Assessment of the functioning and performance of the *CDS*

Given the recent establishment of the Sustainable Development Committee under article 529 of the RLD, the Board of Directors will carry out an annual evaluation of its functioning and its Committees in the coming year, based on the annual reports submitted by the Appointment and Remuneration Committee and the Audit Committee, as well as the annual questionnaire sent by the Secretary of the Board to all Directors (internal self-evaluation).

Conclusion

No events or circumstances have occurred in the *CDS*'s competence areas throughout the 2020 financial year requiring intervention and notification to the Board of Directors.

This annual report will be presented to the Board of Directors of the Company at the meeting scheduled for March 24, 2021.

Madrid, March 22, 2021

Ms. Nuria Aliño Perez
President of the Sustainable Development Committee