

ENVIRONMENTAL AND CLIMATE POLICY

Our transparent and transcendent commitment

1 Purpose

Holaluz-Clidom S.A. (hereinafter "Holaluz," "the Company," or "the Enterprise") presents the following Environmental and Climate Policy as one of the pillars of its ESG Policy, which encompasses the guiding principles and structures that determine the company's environmental, social, and governance (ESG) commitments. This aligns its operations and procedures with the Ten Principles of the UN Global Compact and the Sustainable Development Goals (SDGs).

The aim of Holaluz's **Environmental and Climate Policy** is to establish the guiding principles that drive its commitment to conducting operations that respect and promote climate change mitigation, actively contributing to the planet's sustainability and well-being.

2 Scope

The Environmental and Climate Policy applies to all companies and teams within Holaluz, regardless of their activity or country of operation. Additionally, Holaluz will promote the knowledge and application of this Policy throughout its entire value chain.

3 Our Impact through the Business Model

Holaluz was founded with the purpose of tackling the global challenge of climate change through the energy transition towards a sustainable and environmentally respectful future. For years, it has been commercializing 100% renewable electricity and promoting distributed solar production.

In its commitment to leading this change, Holaluz offers innovative solutions that drive the adoption of renewable energies and emission reductions. Its vision is clear: to work

tirelessly to contribute to national and European climate goals, promoting a more prosperous and environmentally friendly future.

Holaluz's purpose is to create and live in a world where electricity is based on the electrification of energy demand, distributed generation, and sustainability.

4 Principles According to International Reference Frameworks

- Sustainable Development Goals (SDGs)

As a member of the United Nations Global Compact, the company is committed to implementing universal sustainability principles in its operations and maximizing its contribution to the SDGs.



- The company is part of the **Business Ambition for 1.5°C initiative**, committing to short- and long-term science-based emission reduction targets, adhering to the Science Based Target Initiative (SBTi) criteria.

BUSINESS AMBITION FOR 1.5°C



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Certified Operational Excellence According to the Following Standards:
 - ISO14001 (Environmental Management System) in offices and main warehouses.
 - ISO 14064 and GHG Protocol accreditation for greenhouse gas (GHG) emissions calculation in three scopes.
- Application of the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations.

5 Commitment

Holaluz's commitment to the environment is comprehensive and absolute, characterized by a dual approach: outwardly through a business model that directly impacts the decarbonization of the economy, and inwardly through a transversal management of internal environmental impacts across all operations.

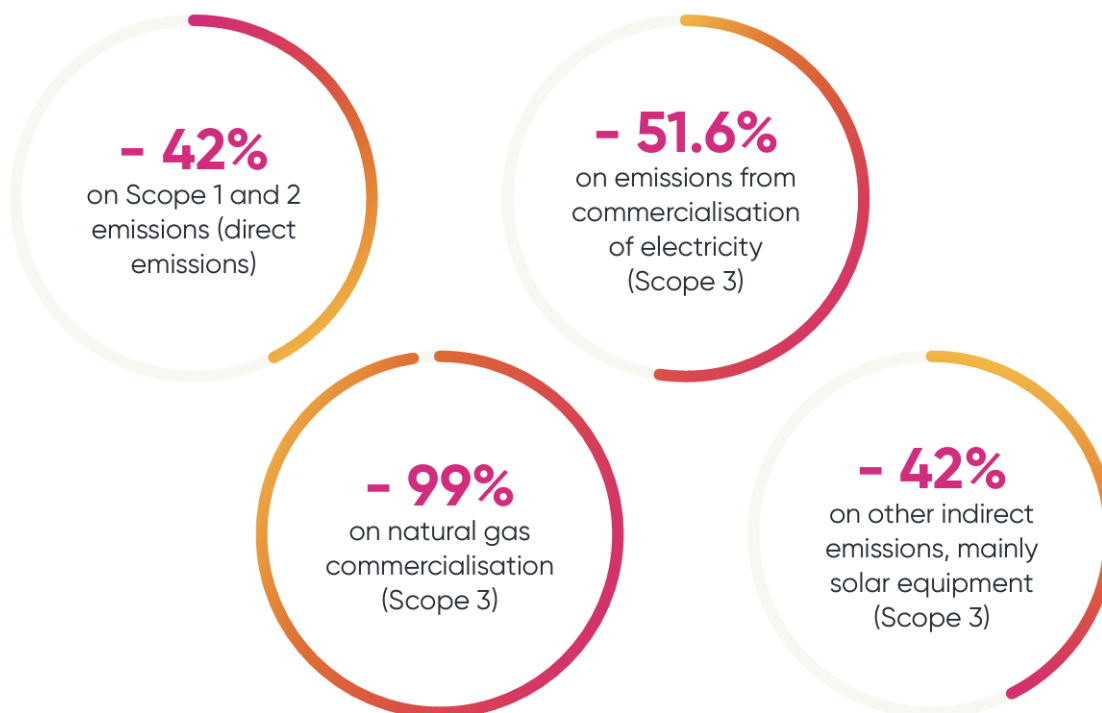
5.1 Climate change

Holaluz responds directly to climate change mitigation and adaptation by transforming how energy is produced, distributed, and consumed in the sun's country. This is done through The Rooftop Revolution, a model based on distributed and fully decarbonized generation. Thus, Holaluz commits to decarbonize the economy by:

- Transforming the current energy generation model – centralized and non-renewable – towards a new model with a greater share of distributed and 100% green generation.
- Being a key player in the electrification of energy demand.
- Providing decentralized energy resources (flexible assets) to meet the flexibility needs for operating a 100% renewable system.
- Ensuring an environmentally friendly and socially beneficial energy transition.

Operationally, Holaluz has aligned its future commitments regarding CO₂ emissions with the Science Based Targets initiative (SBTi), as it provides a clear, globally recognized, and scientifically supported framework for companies aiming to help keep global warming below 1.5°C.

The emission reduction targets for 2030 (short-term) are as follows:



The company has also set **the target to achieve net zero carbon emissions by 2040 (long-term)**, which involves a 90% reduction in all emissions across scopes 1, 2, and 3, and neutralizing the remaining emissions.

To meet these commitments, the company has developed a Climate Action Plan with the firm objective of decarbonizing its activities, using 2022 as the baseline year, when the carbon footprint was calculated according to the GHG Protocol methodology.

5.2 Circular economy

As part of its commitment, Holaluz adopts a comprehensive approach to a circular economy, integrating methodologies, processes, technologies, and best practices that allow for selecting more environmentally friendly products and processes with less impact throughout the value chain.

Holaluz considers the criteria of the [System for Categorizing Circular Economy Models](#) to address circularity in its own operations and in the upstream and downstream phases of its value chain.

5.3 Waste prevention and management

The company works on the prevention and proper management of the waste it generates by promoting prevention, reuse, and recycling in its solar installations. In this way, Holaluz commits to developing its activity in accordance with the following principles:

- Prioritize the avoidance or minimization of waste (reuse, repair, renew, remanufacture, and repurpose) over waste treatment.
- Maximize the reuse, recycling, and valorization of waste.
- Treat and manage hazardous waste specifically.
- Promote awareness campaigns to engage the entire team and stakeholders in sustainable practices.

5.4 Responsible use of natural resources

Holaluz recognizes the vital importance of access to water as a human right and the challenge of ensuring its availability for future generations in a context of scarcity. Therefore, it is committed to managing this resource responsibly to use it rationally and contribute to its preservation.

In this regard, it is essential to more thoroughly evaluate water management in its own operations and the preceding and subsequent stages of the value chain. Thus, Holaluz commits to:

- Manage the use and supply of water in its own operations, including ensuring proper water treatment as a step towards more sustainable supply and preventing and reducing water pollution resulting from activities.
- Significantly reduce water consumption in high-risk water areas, both in its own operations and throughout the preceding and subsequent stages of the value chain.
- Although the sustainable use of oceans, seas, and watersheds is not a material aspect of the company, Holaluz will ensure the care and protection of this aspect in its value chain.

Regarding the responsible use of energy, the company commits to:

- Implement and promote technologies and practices that reduce energy consumption in all its operations.

- Encourage the use of renewable energy in all operations and promote energy efficiency in customers' homes.

All Holaluz establishments use electricity from renewable sources.

5.5 Biodiversity

The conservation of biodiversity and the responsible use of natural heritage are not only an ethical commitment for Holaluz but also an essential condition for global sustainability. Its commitment to biodiversity protection is structured around two fundamental pillars:

- Integration of biodiversity protection and promotion: through The Rooftop Revolution, the company works to reduce the visual impact of photovoltaic installations, integrating solutions that protect and promote local biodiversity.
- Conservation and promotion of natural heritage: Holaluz commits to conserving, protecting, and promoting the development and growth of natural heritage, ensuring that its activities contribute positively to the natural environment and biodiversity

6 Environmental management

Holaluz's environmental management is a transversal aspect that permeates all its teams. The awareness and communication of the environmental commitment are embedded in the company's DNA and materialize in this Policy. Holaluz's commitment to sustainability translates into the reduction of environmental impacts derived from its activities and services at its main workplaces. This is achieved through the implementation and certification of an Environmental Management System (EMS) in accordance with the international standard ISO 14001:2015.

Holaluz's environmental operations comply with the following objectives:



7 Environmental and climate governance

Holaluz integrates environmental and climate considerations into its business decisions as follows:

- **Board of Directors:** the highest governing body that approves this policy and, through the Impact Team, supervises the implementation of the ESG Policy and corresponding strategy.
- **Impact Team:** composed of the CEO and Co-Founder of Holaluz and executives from all company teams, this body is responsible for validating and implementing the ESG strategy aligned with the ESG Policy commitments. This structure ensures transversal representation and a comprehensive approach to managing climate aspects across all areas of the company. The Impact Team also validates the planning and environmental and climate objectives set periodically to ensure their continuous suitability, adequacy, and effectiveness. This includes evaluating the company's progress toward achieving its environmental goals, identifying areas for improvement, and considering changes in the external environmental context.
- **Impact & ESG:** a team dedicated to coordinating and executing sustainability projects across the company and designing and implementing Holaluz's sustainability strategy. This team assumes leadership and commitment to the implemented Environmental Management System and ensures that responsibilities and functions are communicated within the organization.
- **Environment Committee:** a multidisciplinary team formed by members from different Holaluz teams, responsible for defining and analyzing projects that have a transversal impact on the company.

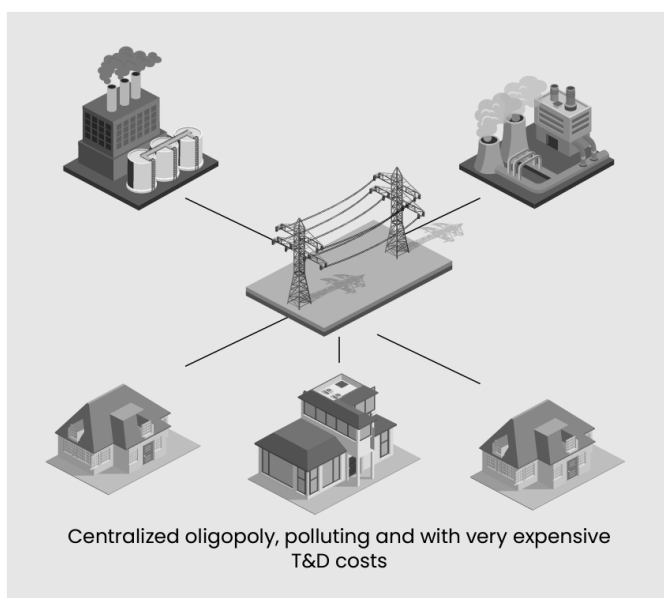
8 Strategy and actions

8.1 Main lines of action

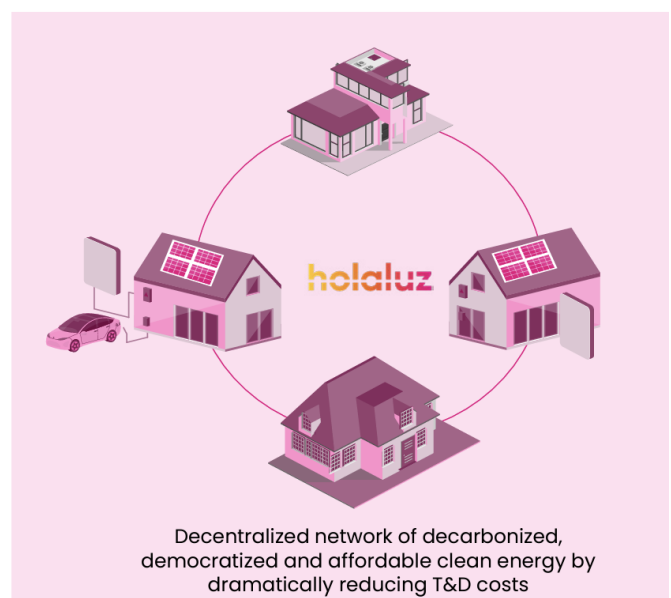
8.1.1 Decarbonizing the economy through the business model

Holaluz is a company dedicated to the energy transition, aiming to decarbonize the economy and promote the use of 100% green energy. In the face of the climate emergency, it advocates for urgent and long-term sustainable solutions. Its proposal is to transform the current centralized and non-renewable energy model into one based on distributed and entirely renewable generation.

With a strategy focused on two key businesses—the installation of solar panels and energy management—Holaluz seeks to create the largest green energy community in Europe. It promotes the development of distributed solar energy and energy storage to maximize the demand electrification. Holaluz creates a virtuous circle by connecting rooftops with local communities that use the excess solar energy, thereby increasing its positive impact and democratizing access to clean and local energy, leveraging proximity networks.



From
To



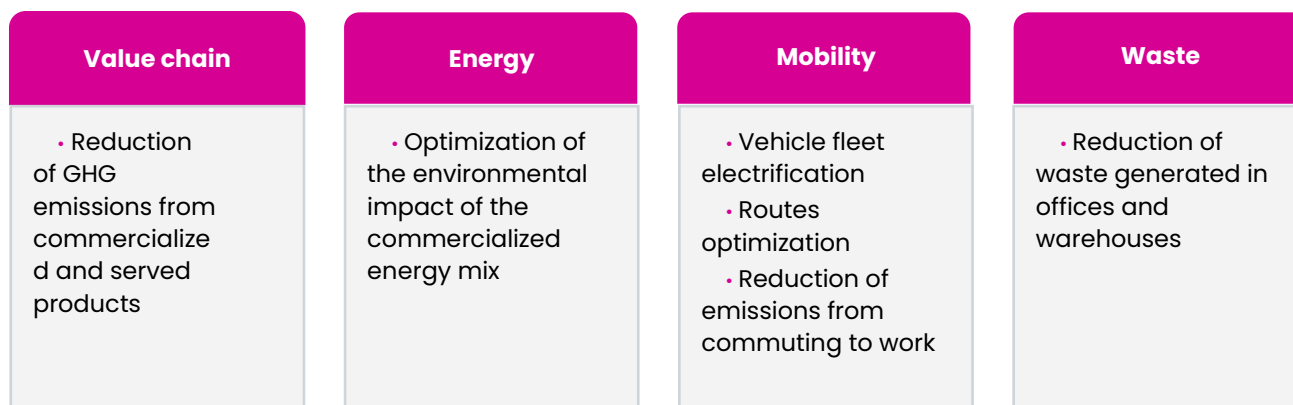
8.1.2 Climate strategy towards decarbonization

The climate strategy towards decarbonization is based on Holaluz's operational and value chain emission reduction commitments in two scenarios: 2030 (short-term) and 2040 (long-term).

Climate strategy for 2030:

- Zero direct emissions in Holaluz's facilities and vehicle fleet.
- Reduce emissions per MWh of marketed renewable electricity.
- Cease natural gas commercialization (since 2022, Holaluz has stopped marketing natural gas).
- Reduce other indirect emissions by at least 42%.

Holaluz's Decarbonization action plan sets [short- and long-term targets](#) articulated in different strategic lines of action.



These actions are an integral part of Holaluz's commitment to the environment, ensuring that all its operations are carried out in accordance with the highest standards of environmental responsibility. With these initiatives, Holaluz moves towards a more sustainable future, reducing its ecological footprint and significantly contributing to environmental protection.

8.2 Climate risk and opportunity management

As a leader in the energy transition and committed to decarbonization, Holaluz considers the identification, evaluation, and management of climate-related risks and opportunities crucial. This analysis allows the company to make informed decisions to mitigate risks and leverage opportunities, anticipating societal needs and advancing its mission to lead the energy transition.

To comprehensively address the management of physical and transition risks, as well as climate opportunities, Holaluz has integrated the assessment and management of these risks into its general risk management. The company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), covering governance, strategy, risk management, and metrics and targets.

Holaluz distinguishes three main categories of climate risks:

- Risks related to the transition to a low-carbon economy.
- Risks related to the physical impacts of climate change.
- Climate-related opportunities

It will periodically update its analysis of these risks and opportunities, detailing management approaches in its Climate Transition Report and Integrated Report.

8.3 Community and stakeholder engagement

Holaluz is committed to involving its stakeholders in its operations and integrating their expectations into its sustainability and climate change initiatives. It fosters transparent dialogue through continuous communication via established channels.

8.4 Transparency and communication

Holaluz demonstrates its commitment to transparency by publishing an annual Integrated Report, based on principles of accuracy, balance, clarity, comparability, and reliability. This ensures that stakeholders have access to relevant information about the company's business activities and its environmental, social, and governance (ESG) performance.

The company uses the Global Reporting Initiative (GRI) standard for its sustainability reports and discloses ESG information to international organizations such as B Corp and Sustainalytics. Additionally, to strengthen its Environmental and Climate Policy, Holaluz annually publishes the Climate Transition Report, detailing its efforts and progress in mitigating climate change and adapting to its impacts.

9 Approval and update

This Environmental and Climate Policy was approved by Holaluz's Management Team at its meeting on July 11th, 2024.