

## SUSTAINABLE PROCUREMENT POLICY

### 1. Object

Holaluz-Clidom, S.A. (hereinafter referred to as “Holaluz” or the “Company”) presents the following *Sustainable Procurement Policy*, a set of guiding principles and commitments in place to align the company's procurement activities with its vision and ESG commitments, within the framework of the United Nations Sustainable Development Goals (SDGs).



### 2. Scope

*Sustainable Procurement Policy* applies to all companies and teams within Holaluz, irrespective of their activity or location, especially those involved in procurement activities.

This Policy is applicable likewise to all Holaluz's suppliers and business partners. They include distribution and transportation companies, independent green energy producers, solar business companies, customer service and technology solutions providers, advisor services, investments, among other corporate services. While the company acknowledges that some suppliers, such as distribution and transportation companies, may be subject to regulatory constraints beyond its control, it encourages collaboration to the extent possible within such constraints.

### 3. Principles

As part of Holaluz's commitment of further embedding sustainability, one of its Impact & ESG Strategy pillars is Sustainable Business, where all sustainable procurement efforts fall under. Close collaboration with suppliers and business partners throughout the value chain catalyzes the growth of the industry and multiplies business positive impact on society. Holaluz prioritizes proximity procurement to foster local economic growth while emphasizing the importance of long-term value creation for all stakeholders.

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From Holaluz's standpoint, the following set of principles represent the company commitment to its suppliers/business partners:

- **Sustainable development:** promote sustainable development, respect human rights, and contribute to the SDGs.
- **Ethics and integrity:** maintain the highest ethical standards and comply with local laws and international recommendations.
- **Transparency and fairness:** foster honest, transparent, and equitable relationships.
- **Confidentiality and data protection:** ensure the confidentiality of all shared information.
- **Active listening, dialogue, and communication:** promote ongoing dialogue and feedback mechanisms to create long-term value.

Aligned with Holaluz's commitments to its suppliers and business partners, the following set of principles represent Holaluz expectations on their behavior:

- **Sustainability promotion:** foster sustainability within their own operations as well as with their own supply chain.
- **Governance and accountability:** establish strong governance measures (policies and procedures), allocate responsibilities accordingly and ensure accountability mechanisms.
- **Ethics and integrity:** meet the highest standards regarding ethical business development, aligned with Holaluz's *Code of Ethics*.
- **Human Rights and working conditions:** guarantee respect and promotion of Human Rights and working conditions considering international recommendations or applicable collective bargaining agreement within their own operations and concerning their own supply chain.
- **Respect for the environment:** minimize environmental impact and share common goals to reach Holaluz's vision to achieve world 100% green energy fostering economic decarbonization.
- **Quality guarantee:** provide the highest quality products and services in a timely manner.
- **Community commitment:** encourage society development and act as a promoter within the community where they operate.

### 4. Our Sustainable Procurement Procedure

Holaluz is committed to long lasting collaborations with suppliers and business partners who share the same vision and purpose, creating an honest and strong relationship with them. The company

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will continue to strengthen this bond with its suppliers and business partners through continuous efforts to create a meaningful impact.

Holaluz's procurement procedure encompasses a comprehensive evaluation process that considers ESG principles, alongside traditional procurement criteria such as price, quality, and delivery.

In addition to our commitment to ongoing improvement, we are working on initiatives to enhance our procurement process. These include supplier evaluations based on ESG performance, training, and collaborative efforts.

Non-compliance with our Sustainable Procurement Policy will result in consequences for the contractual relationship between Holaluz and its suppliers/partners. The responsibility for addressing non-compliance will rest with the company and the team members involved in the procurement process. Holaluz will maintain a register of non-compliance incidents and the measures taken to ensure policy adherence and prevent repeated offenses.

Stages of the sustainable procurement procedure:

1. **Identification of goods and services and solicitation:** before the commencement of the sustainable procurement procedure, a specific need must be recognized either by the company or the individual business units.
2. **Suppliers/business partners selection and bidding:** evaluating and selecting suppliers/business partners considering specific criteria including an ESG checklist and negotiating dedicated requirements. The valuation process should consider the difference between a service (which can be canceled at any time) vs an investment (with a long term impact in the financials of the company, BS).
3. **Award:** finalization of the negotiation details and communication of the final decision to the selected supplier/business partner.
4. **Order:** after the final contract has been agreed, the purchase order can be made between the business units and the selected supplier/business partner.
5. **Reception:** reception of the goods/services purchased and ensure the delivery meets the specified requirements within the contract.
6. **Invoice and order management:** management of the order and maintaining traceability of the sustainable procurement procedure.

Furthermore, this Policy is aligned with other Holaluz's policies and procedures:

- *Code of Ethics*
- *Hiring and Negotiation Policy with Third parties*

- *Purchasing Policy (internal)*

## **5. Responsibility, development, diffusion, and review**

Holaluz's Board of Directors, in collaboration with team members overseeing procurement activities, is responsible for overseeing compliance with the Sustainable Procurement Policy. These responsibilities are outlined in Holaluz's internal procedures.

Holaluz is responsible for upholding the principles and objectives outlined in this Policy, as well as ensuring its supervision, accountability, and continuous improvement.

## **6. Approval and update**

This Sustainable Procurement Policy was approved by Holaluz's Board of Directors on 20<sup>th</sup> December 2023. It will be subject to periodic review to ensure its continued relevance and effectiveness.