

Sustainability clause

When managing its relationships with suppliers, Soltec is complying with the highest legal and ethical standards set forth in its Purchasing Policy (https://soltecpowerholdings.com/uploads/2023/07/20210426_Politica-de-sostenibilidad-Soltec-comentarios-Comision-Sostenibilidad_EN.pdf) and in its Code of Conduct (https://soltecpowerholdings.com/uploads/2023/07/Code-of-Conduct_en.pdf). The other party declares to have had access to it and it undertakes to comply with the same principles when carrying out its business activities and when managing its relationships with third parties. In order to maintain its commercial relationship with Soltec, the supplier shall show its commitment to the following points related to the United Nations Universal Declaration of Human Rights, the seven fundamental subjects within ISO26000, the 17 Sustainable Development Goals of the UN, the guiding principles of the company and Human Rights, issued by the UN High Commissioner for Human Rights.

Organizational Governance: The supplier shall be committed to promoting Social Responsibility (SR) strategies and objectives, advancing in terms of commitment and accountability, creating a SR culture, establishing incentives to achieve positive SR performance, making use of efficient resources, improving opportunities for vulnerable groups (women, ethnic minorities, etc.) to occupy leadership positions, addressing the needs of stakeholders and future generations, improving communication with stakeholders, encouraging participation of members of the organization in SR activities, making a continuous review of the governance of the organization.

Human Rights: The supplier shall undertake to get to know and put into practice international regulations on human rights, including the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic Rights, Social and Cultural (ICESCR). The supplier shall support and respect the protection of Human Rights, as defined in the United Nations Universal Declaration of Human Rights. In this sense, the supplier may not carry out any action violating these principles, either directly or indirectly.

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_sp.pdf

The commitment to respect and protect human rights shall exist regardless of the capacity or willingness of the country in which the supplier operates to comply with its own human rights obligations.

Labour Practices: The supplier shall scrupulously follow the labour and social security regulations that apply to it and be in a position to prove it.

In the same way, the supplier, when signing this contract, ensures that they have specific policies and do not Benefit from any form of forced or child labour.

The supplier shall uphold the freedom of association and the effective recognition of the right to collective bargaining, as these provide opportunities for constructive and non-confrontational dialogue. Neither employers, nor a representative of said employee, should interfere in an employee's decision about their right to join and should not discriminate him/her for joining.

The supplier shall support the abolition of discriminatory practices in employment and occupation. It shall promote policies and procedures that make qualifications, skills, and experience the basis for the hiring, placement, training, and advancement of staff at all levels. In particular, it shall strengthen the role of groups that are discriminated or potentially at risk, as well as gender equality policies..

At last, the supplier agrees to take into account the International Labour Organization (ILO) recommendations that may be applicable to his branch of activity.

Environment: Respect for the environment, the fight against climate change and promoting circular economy systems is transversal to Soltec and it shall extend to its supply chain.

The supplier shall demonstrate its commitment to greater environmental responsibility, through business strategies focused on implementing cleaner and greener production measures. It is about having self-regulations, regulations and initiatives that commit to planning and decision-making towards sustainable environmental practices.

The supplier shall always maintain a preventive approach that favours the environment. In this sense, when there is a reasonable suspicion of possible prejudice to the environment, a preventive approach must be applied when making decisions, in such a way that the necessary measures are taken in a timely manner to guarantee that environmental damage does not occur.

The supplier shall favour the use of technologies that protect the environment, pollute less, use resources in a sustainable way, recycle more their waste and products, and handle waste in a more acceptable way than the technologies they replace. In this sense, the supplier shall develop circular design skills to facilitate the reuse, recycling and use of the products it manufactures in multiple cycles. A transition to a circular economy.

Fair operating practices: Compliance with high anti-corruption standards is a key aspect for Soltec and it is an essential part of its Compliance program. In developing its relationships with the client, the supplier shall scrupulously respect the Soltec Anti-Corruption Protocol (available at <https://soltecpowerholdings.com/en/shareholders-and-investors/corporate-regulations-and-policies/>).

Likewise, Soltec shall assess the adoption and monitoring of similar standards in the supplier's relationships with third parties.

Active participation and development of the community: The supplier shall take actions and adopt measures that show its commitment to corporate social responsibility, understood in a broad sense as a way of directing companies based on the management of the impacts that its activity generates on its customers, suppliers, employees, shareholders, local communities, the environment and the society in general.

The supplier therefore undertakes:

- To inform Soltec immediately of the knowledge of any fact that violates the regulations or points mentioned.
- To inform, if Soltec requests it, on compliance with the rules and obligations established in this clause and, for this purpose, Soltec reserves its right to carry out verifications and control activities for which it reserves the right to request from the supplier a copy of all those documents it deems appropriate.
- To actively cooperate in the case of being audited for compliance with the above points. The result of these audits shall be taken into account by Soltec in any future orders.

Summary of the supplier approval procedure

Within the continuous improvement process of the Procurement department, in 2021 a new **supplier risk assessment system** was implemented that replaces the previous supplier approval process.

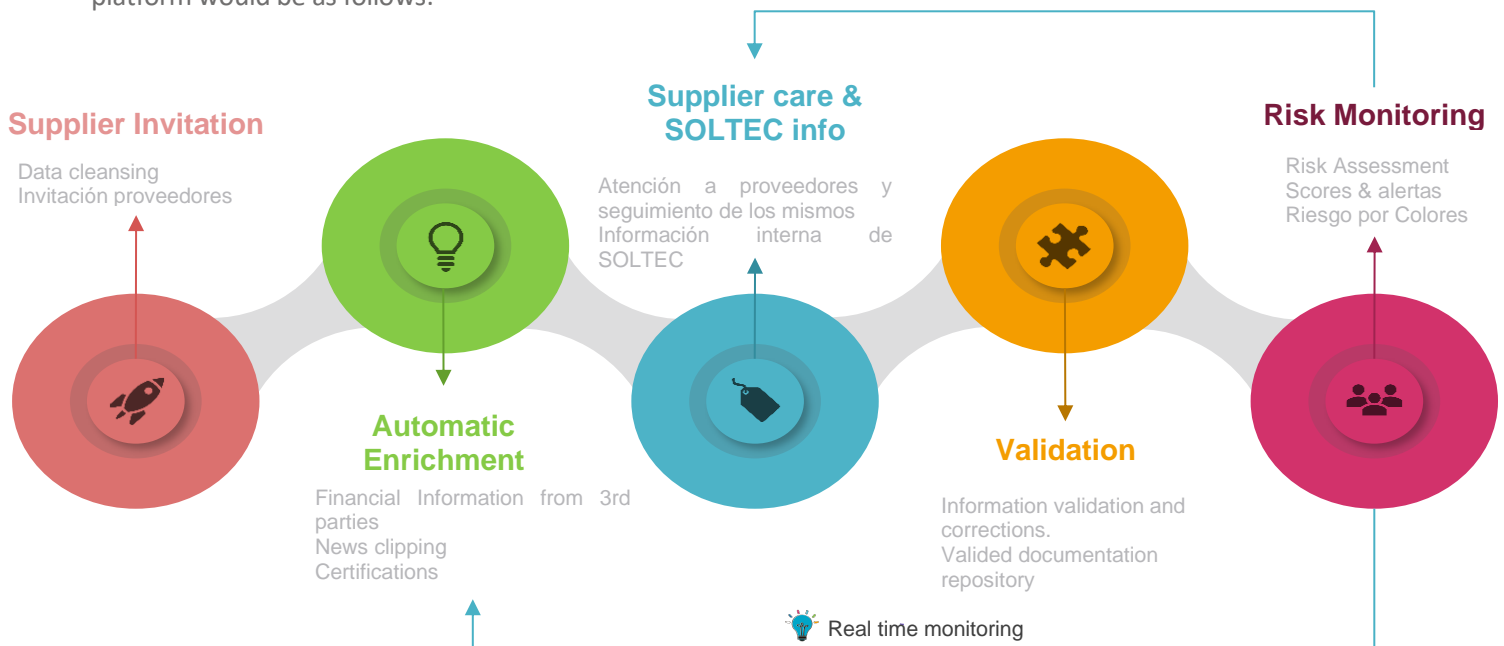
With this new supplier risk assessment system, Soltec has set out to have a more responsible management of its supply chain, which adds value to both its customers and its investors. This allows a fair and transparent process for Soltec suppliers, thus complying with the principles of fairness, transparency, objectivity and impartiality in the management of suppliers, which govern the values of Soltec acquisition processes.

Soltec has opted for the **digitization of the new process**, implementing a free digital supplier information management platform provided by the company GoSupply, through which **all suppliers who would like to supply Soltec must complete a questionnaire, where different topics are tackled.**

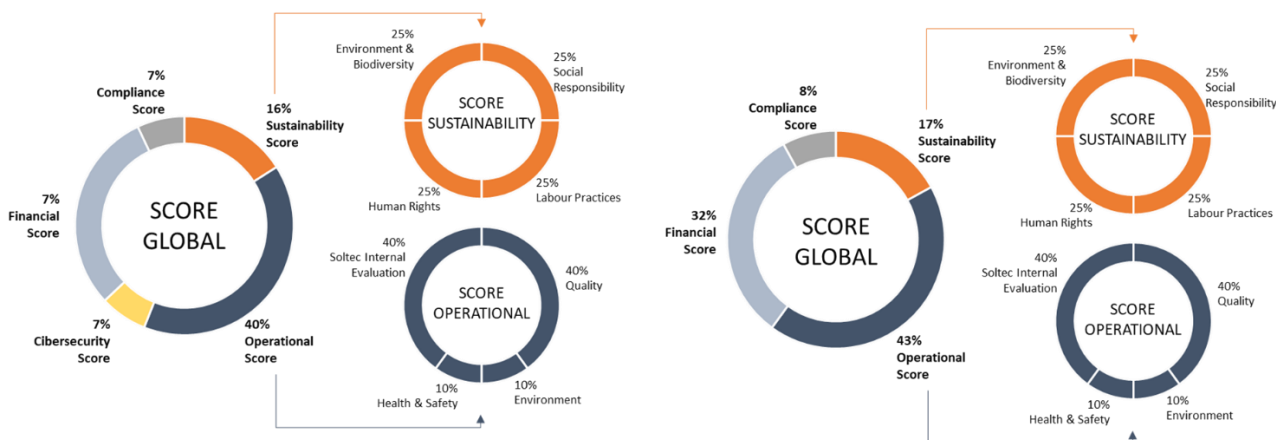
Soltec has classified its suppliers into 3 categories, based on the criticality of the good or service they supply Soltec with:

- **360º Suppliers:** all those directly related to Soltec core business. Strategic in Soltec Supply Chain. Example: tracker components, raw materials, PV modules, electrical wiring, inverters.
- **180º Suppliers:** they are main suppliers, complementary to Soltec core business. Example: tracker or electrical installation and assembly subcontractors, main electrical material distributors, carriers, quality certifiers.
- **Elementary Suppliers:** are the suppliers related to the functional management of Soltec. Example: Consultants, auditors, supplies of consumables, rentals, electronic equipment, etc.

This new approval process through the platform will result in a risk level for each supplier. This risk level is obtained thanks to the questionnaire that the supplier fills out, the information obtained from external sources, internal alerts and the assessment of the supplier carried out by Soltec. The flow of the information management process on the platform would be as follows:



Each supplier will have a global score (from 0 up to 100), which is based on the sum of the different scores obtained from the responses and documentation provided for each of the individual areas evaluated that are:



Global Score supplier 360^o

Global Score supplier 180^o

In addition to the scores for each of these variables from which the global score is obtained, different alerts are also taken into account reporting irregular situations of the supplier. All these alerts can arise either from the documentation or information provided by the supplier, or from the information provided by external sources, as well as by the internal evaluation carried out on the supplier at the end of the provision of the service or the delivery of the purchased goods.

Based on the number of alerts and the global score, the supplier's degree of risk is obtained, which can be::

Global Score	0-30	31-50	51-70	71-100
Without alerts	Medium-High Risk	Medium Risk	Low Risk	Low Risk
1-2 High Risk Alerts	Medium-High Risk	Medium-High Risk	Medium Risk	Low Risk
3-5 High Risk Alerts	High Risk	Medium-High Risk	Medium-High Risk	Medium Risk
>5 High Risk Alerts	High Risk	High Risk	High Risk	Medium-High Risk

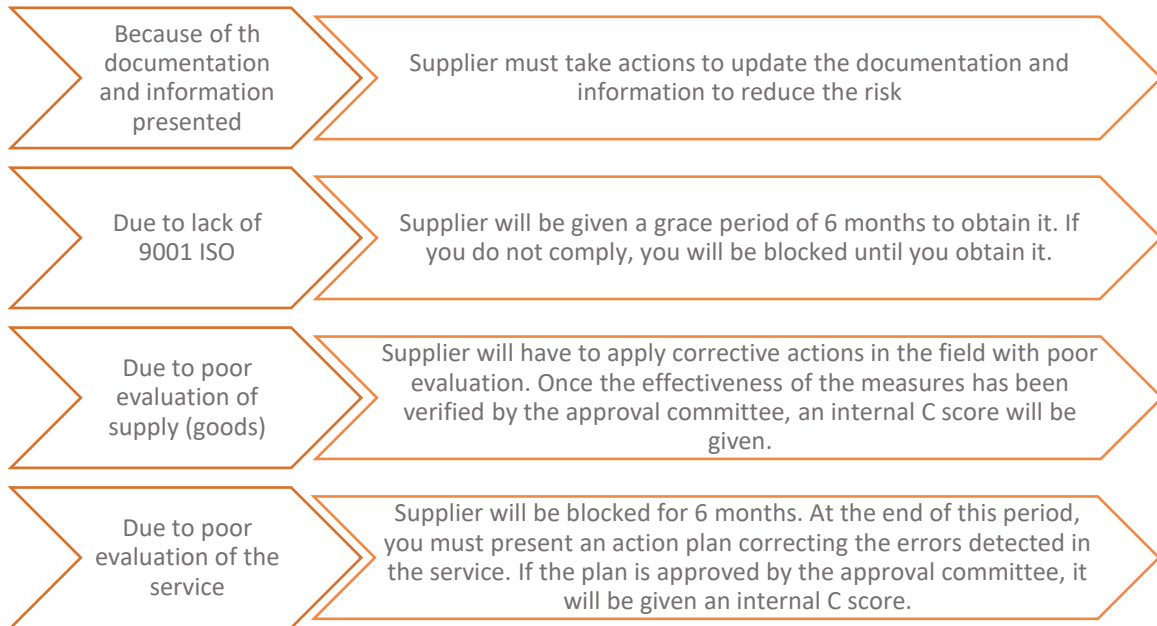
Risks Map

Soltec will only issue purchase orders to Suppliers with médium or low risk, and to medium-high risk Suppliers that have an overall score above 50.

Disapproved Supplier

If a supplier has a high risk, or a medium-high risk with an overall score of less than 50, it will be considered disapproved and will be automatically blocked in Soltec's ERP and no order can be issued.

Depending on the reason that has generated the high risk, the measures to be taken will be evaluated so that this supplier can be considered again for an acquisition. At least 4 general situations are identified:



Supplier performance evaluation (continuous evaluation)

All suppliers that belong to the 360º and 180º category will be evaluated by the performance of their service or supply. Evaluations will be available once the purchase order has been 100% received and 100% invoiced. And at the end of the year, those suppliers that have not been subjected to any evaluation will open an evaluation of the supplier's global supply. The evaluation methodology varies, whether it is a service or a supply, although in both cases it will be carried out in Soltec's ERP and in both cases the result of the evaluation will be transferred to the risk evaluation platform so that it is computed in the Operational Score.

Approval validity

The supplier information management platform is dynamic with an immediate update of the information and documentation of all the suppliers registered in it. This means that the validity of a supplier's approval status depends exclusively on itself maintaining a low, medium or medium-high risk (with more than 50 points in the global score) during the entire period that it wishes to collaborate with Soltec.