

Soltec Power Holdings, S.A. and subsidiaries

Consolidated statement of non-financial information

Introduction

1 January 2018 was the effective date of Law 11/2018, of 28 December, amending the Code of Commerce, the revised text of the Capital Corporations Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July, on the auditing of accounts in the field of non-financial and diversity information (hereinafter, "Law 11/2018"), which substitutes Royal Decree-Law 18/2017 of 24 November, transposing into the Spanish legal system Directive 2014/95/EU of the European Parliament and of the Council as regards the disclosure of non-financial and diversity information.

In accordance with the provisions of Law 11/2018, certain companies, including Soltec Power Holdings, S.A. (hereinafter, the "Parent Company") and its subsidiaries (hereinafter, "Soltec Power Holdings" or the "Group") must prepare a non-financial information statement, which must be incorporated into the consolidated management report or in a separate report corresponding to the same year that includes the same content and meets the requirements, and which includes, among other issues: the information required to understand the Group's evolution, results and situation; the impact of its business on environmental and social issues, respect for human rights and the fight against corruption and bribery; and personnel-related matters, including the measures which, if appropriate, have been adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of people with disabilities and universal accessibility.

In this context, the Parent Company incorporates the consolidated non-financial information statement into the Group's consolidated management report, which accompanies the consolidated annual accounts for the year ended 31 December 2020.

This non-financial information statement has been prepared in accordance with the content established in the current trading regulations, following the criteria described for each subject in the table "Content of the non-financial information statement", as well as, to the extent possible, the selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), applying the principles of comparability, reliability, materiality and relevance set forth in the aforementioned non-financial information law.

Business Model

Soltec Power Holdings, S.A. and subsidiaries form a consolidated group of companies which carry out their business activity in the renewable energy industry, particularly in the photovoltaic sector.

The Parent Company was incorporated on December 2, 2019 and on December 23, 2019 it received non-cash contributions for 100% of the shares of Soltec Energías Renovables, S.L.U. and 100% of the shares of Powertis, S.A.U. both of which are head companies of their corresponding groups.

On October 28, 2020, Soltec Power Holdings, S.A. has started its stock exchange listing with a public share offering (IPO) through the issuance and circulation of new ordinary shares. Shareholders' participation up to the aforementioned date has been diluted proportionally, and the money raised by this increase will be used to finance business growth.

The Group's parent company has the following corporate purpose:

- a) The execution of all kinds of activities, works and services for or related to the promotion, development, construction and maintenance of electricity producing plants, including the manufacture, supply, installation and assembly of industrial equipment and other facilities for these plants.
- b) The provision of assistance or support services to investee companies or those within the scope of the business group, for which purpose it may provide, in their favour, the financing, guarantees and consolidations that may be appropriate.

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- c) The control and administration of securities representing the own funds of companies that are resident and non-resident in Spain through the appropriate organization of personal and material means, if legislation of collective investment is not affected.

The main productive activity of the Group in the 2020 and 2019 financial years was the installation and marketing of photovoltaic solar trackers, which is the Group's industrial segment, managed by Soltec Energías Renovables, S.L.U. and its investees.

Additionally, the Group considers another of its main branches of activity to be the development of facilities for producing photovoltaic solar electric energy. It does this through the sale, transfer and/or acquisition on its own account of shares and/or holdings in entities with a special purpose, whether or not they have legal status, as well as the administration, direction and management of the investments, which is an activity managed by Powertis. S.A.U. and its investees.

The highest decision-making authority of the Group, that is to say, the board of directors of the Parent Company, individually evaluates returns by project, grouping the activities into these two segments for management purposes. This evaluation is carried out based on internal information regarding the Group's projects, which form the basis for periodic review, discussion and evaluation in the decision-making process.

The information concerning dependent companies, by activities, of the subgroups mentioned above is as follows:

- Sales and management of renewable energy equipment based on supply, installation and maintenance work: Soltec Energie Rinnovabili, S.r.L. (Italy), Soltec America L.L.C. (USA), Soltec Chile S.p.A. (Chile), Soltec Brasil Industria, Comercio e Serviços de Energias Renovaveis LTDA (Brazil), Soltec Energías Renovables, S.A.C. (Peru), Seguidores Solares Soltec SA de CV (Mexico) y Soltec Trackers PVT LTD (India).
- Sales and management of equipment for renewable energy: Soltec Australia, PTY LTD (Australia), Soltec Argentina, S.R.L. (Argentina), Soltec France, S.L. (France), Soltec Trackers Colombia SAS (Colombia) and Soltec Commercial Consulting Co. Ltd. (China).
- Technical engineering services and activities related to technical advice: Soltec Innovations, S.L. (Spain).
- Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities: Amber Solar Power (0, 2, 6, 7, 8, 11-14, 17-40), S.L. (Spain), Luminora Solar (0, 1, 5-20), S.L. (Spain), Usina de energia fotovoltaica Leo Silveira (1-6), Ltda. (Brazil), Usina de energia fotovoltaica Graviola (1-IV), S.A. (Brazil), Ambra Solare (Brazil), Luminora Solar (0, 1, 5-20), S.L. (Spain). (Brazil), Ambra Solare (1-20), S.r.L. (Italy), Luminora Catania, S.r.L. (Italy), Luminora Tuppeto (1-3), S.r.L. (Italy), Luminora Ripizzata, S.r.L. (Italy), Luminora Ripizzata, S.r.L. (Italy), Luminora Sparpagliata, S.r.L. (Italy), Luminora Sparpagliata, S.r.L. (Italy), Luminora Santelia (1-2), S.r.L. (Italy), Luminora Cavaliere, S.r.L. (Italy) and Luminora Barba S.r.L. (Italy)
- Development services office, management of solar and photovoltaic projects, and supervision of electrical contracting works, among other activities: Usina de energia fotovoltaica Pedranópolis Ltda. (Brazil); Usina de energia fotovoltaica de Araxa Ltda. (Brazil); and Powertis S.r.L. (Italy).
- Search and development of greenfield projects: Powertis Brasil Desenvolvimento de Projetos de Energia e Participações LTDA. (Brazil).
- Use and implementation of solar energy: Usina de energia fotovoltaica Solatio Varzea Ltda. (Brazil) and Usina de energia fotovoltaica Belvedere SPE Ltda. (Brazil).

The Group's main facilities are located in Molina de Segura (Murcia), with further facilities in Chile, the United States, Brazil, Peru, Mexico, Argentina, Australia, India, Italy, France, Colombia, Israel and China, among other countries.

The Group's international presence is a challenge that inspires us to take part in global practices and procedures

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that are cross-sectional and applicable in all the countries where we operate. This means that the entire Group is growing globally in a sustainable way.

The geographical segments in which the Group distributes the net amount of its turnover, which amounted to 235 million euros in 2020 (356 million euros for the 2019 fiscal year), are the following: Spain, Brazil, North America (United States of America and Mexico), Rest of South America (Argentina, Chile, Colombia and Peru), APAC (Australia, India and Thailand) and others (Denmark, Egypt, Israel, Jordan, Kenya and Namibia).

It should be noted that most of the information included in this consolidated statement of non-financial information corresponds to the subsidiaries that have had the most significant activity during fiscal years 2020 and 2019.

Soltec Power Holdings, in developing its strategy, strives to ensure that its subsidiaries are leaders in their business. For this, it is essential to ensure proper application of the Group's values. In this sense, the Group's governing bodies promote a commitment to excellence with its customers, suppliers and partners, responsibility for its goals and needs, and a governance and control model.

Soltec Power Holdings' mission is to contribute to a clean, sustainable and fair world based on the efficient production of photovoltaic energy through transparent leadership and social balance, seeking to lead the global photovoltaic energy market and offering reliable state-of-the-art technology from a remarkable corporate governance and social responsibility, through three fundamental pillars, integration, innovation and sustainability.

Soltec Power Holdings' values emphasize solidarity and commitment to social justice, commitment to sustainability and environmental responsibility, transparency, equality and innovation as mechanisms for positive change, through a vertically integrated business model to offer greater added value to its customers.

Soltec Power Holdings employees have a strong sense of non-conformity and pro-activism as well as loyalty and respect for its mission and vision. Teamwork and trust in the team are key values for the company's development.

With a firm commitment to the production of renewable energy and the environment, the Group is committed to product development and research to provide cutting-edge technology in the industry, minimizing the environmental impact and championing the development of local economies and the societies in which it operates, as well as its own workforce.

Soltec Power Holdings' strength comes from its large team of people, 1,207 professionals at the end of fiscal 2020 (1,629 professionals at the end of fiscal 2019), who combine professional expertise in photovoltaic tracking, as well as in different fields of activity, to generate added value and contribute to the company's growth with talent and innovative approach. The Soltec Power Holdings team is led with passion and expertise at all levels, with staff around the world to offer the best regional solution, close and responsive to the needs of each project.

The Group's main activities are the design, manufacture and supply of solar trackers and the development of photovoltaic projects:

Design, manufacture and supply of solar trackers

Soltec manufactures and supplies solar tracking equipment designed and tested to withstand extreme conditions, making it the perfect solution for any type of climate. The Group's trackers are self-powered, requiring no additional photovoltaic modules or grid connection.

The solar tracker of Soltec Energías Renovables, S.L.U. has a high performance and better adaptation to the terrain, perfect for large-scale solar plants. These features, combined with high profitability in installation and operations, have led the Group to be, according to 2019 data, the third largest manufacturer worldwide in total number of trackers, highlighting its leading position in the Latin American market.

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Each module can be installed in a short time, reducing construction time and labour, which lowers the final cost of installation and allows for a higher return on investment with a higher installed MW rate.

Additionally, as a result of continuous investments into product innovation to ensure market leadership, the Group expects to obtain a reduction in costs, a shorter assembly time, as well as a greater simplicity of the assembly system.

In addition to the trackers, the main services offered by the Group are the following:

- **Project engineering:** design without losing sight of performance. Our engineers have the experience and dedication to optimize the performance of each project, allowing the Group to develop the most profitable solar tracking solution that allows the highest return on investment in the project. Each project is unique, so project engineers work together with customers to meet their needs and to provide the most innovative and profitable solutions. Project engineering services include optimized design to maximize the performance and profitability of each project and to minimize earthworks and environmental impact, all provided by dedicated engineering teams throughout the project in the office and on site.
- **Onsite services:** services include orientation, logistics, training, commissioning, installation and O&M. The onsite advisory plan service is the most profitable for many customers. The engineers guide the plant installation and the organization of logistics, plant work and procurement, giving installers the freedom to supervise, manage and direct the plant.

The teams of specialists dedicated exclusively to support the installation, whether onsite or electronically, serve as a guide and support at each phase of the project to ensure the best organization and installation, as well as meeting deadlines. The Group's pullout tests are not commonplace among tracker providers but have become a popular choice among customers to reduce investment risk and meet due diligence criteria in the pre-construction phase.

- **Solhub:** the standard factory service includes the innovative Solhub logistics and warehousing system, which delivers unified tracker components to the project site, within agreed deadlines and without intermediary transport companies.

Stock inventory and shipping activity between factory warehouse locations are synchronized with regional operations and project schedules to provide the best customer experience when it comes to reliable delivery times.

Solhub, combined with the Group's annual manufacturing capacity, meets customer needs for the supply of large-scale solar tracking projects.

- **Training:** The Group's training service connects the experience of fifteen-plus years of history in solar manufacturing and construction with the needs of each customer's projects to ensure that they comply with deadlines and meet the highest quality criteria.

Whether on-site or remotely, factory experts provide training services that solve problems both proactively and when an urgent response is needed.

- **Commissioning:** The Group offers its own plant commissioning service that includes the commissioning of the plant and the correct application of monitoring of the project's solar trackers by specialized engineers. With a commissioning capability of 5 MW per day, extendable up to 10 MW per day, the Group provides a more efficient start-up.

- **Installation:** customer demand for contracting and executing the installation varies from market to market. The Group responds with the turnkey delivery of equipment which, together with regional stock capacity, has proven to meet the most demanding timeframes on the market.

In addition to ensuring customer success, the Group is strongly committed to improving the local economies in which its companies operate. The Group recruits and trains local people to incorporate them

into their team and thereby provide each project with the necessary resources.

- **Customer service:** Solmate is the customer service of the Group via a new platform that provides the best guarantee, care, operation and maintenance to customers. With local infrastructure in countries such as Mexico, the United States, Brazil, Spain, Chile and Australia, in addition to Solhub warehouses in different countries to initiate rapid spare parts management, the Group guarantees the best and fastest response to any operating incident.

The Group has continued to consolidate its position as one of the world leaders in the sector, ranking among the best tracker manufacturers.

Development of photovoltaic projects

Powertis is also configured as a development and investment platform for solar photovoltaic projects at a global level. This activity is based on extensive experience covering the entire life cycle of each project: development, financing, construction and operation of solar photovoltaic plants. It has an attractive portfolio of projects in Europe and Latin America with interesting development or acquisition opportunities.

Powertis has a team with extensive experience in the development and implementation of large-scale photovoltaic projects around the world, a team committed to each project, adapting to the client's needs and accompanying owners and investors in every step of the process.

Main impacts of COVID-19

The appearance of the COVID-19 Coronavirus in China in January 2020 and its global spread to a large number of countries has led to the viral outbreak being classified as a pandemic by the World Health Organization as of March 11, 2020.

Considering the complexity of the markets due to their globalization and the recent appearance at the end of December of an effective medical treatment against the virus (vaccine), the consequences for the operations of Soltec Power Holdings will depend to a great extent on the evolution and extension of the pandemic in the coming months, as well as on the reaction and adaptation capacity of all the impacted economic agents considering the vaccination process initiated at international level.

In the aforementioned context, the directors and management of Soltec Power Holdings have made an assessment of the current situation according to the best information available. From the results of this assessment, the following issues relating to non-financial information are highlighted:

- **Business model:** the current circumstances have not led Soltec Power Holdings to rethink any relevant feature of its business model, having established working groups and specific procedures aimed at monitoring and managing the evolution of its operations at all times, in order to minimize their impact. In this way, protocols have been adopted and implemented to ensure compliance with the regulations approved in RD-Law 6/2020 and RD 463/2020, both in terms of subcontractors, personnel and offices.

Based on the evaluation of the Group's business development by the directors and management, the Group has been able to maintain the development of the budgeted projects or backlog without significant delays in the collection of trade accounts receivable that could affect the Group's liquidity and its operating cycle.

- **Environmental issues:** the expected impact in this area is low, insofar as, in addition to the active management carried out during fiscal year 2020, the reduction of on-site activity in the Group's physical facilities has led, as shown in the "Environmental aspects" section, to an improvement in environmental indicators.
- **Personnel issues:** following the entry into force of RD-Law 10/2020 of March 29, 2020, which regulates recoverable paid leave for employees who do not provide essential services, the Soltec industrial segment has continued its operations with almost total normality, despite the delays in the execution of certain

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projects, derived from the impact of the pandemic, by maintaining export contracts with international customers and providing services for the essential electric power sector, while the development segment has been able to continue its activity telematically. This has only caused an interruption of 5 to 10 working days for installation projects based in Spain and a partial stoppage of 1 day for international shipments. In the opinion of the administrators, this interruption of activity is not significant for the year as a whole and they expect to recover the lost activity through the recovery of working hours by means of the mechanisms foreseen.

During the year 2020, the only temporary labor force adjustment plan (hereinafter, ERTE), with retroactive effect, carried out in the Group has affected the company Soltec Energías Renovables, S.L.U. in its production center in Talaván (Cáceres) during the period from March 14 to March 29, 2020, affecting a total of 298 employees.

- **Health and safety issues:** the instructions of the Group's prevention service have been followed, which have taken into account to a greater extent the "Procedure of action for occupational risk prevention services to exposure to the new coronavirus (SARS - COV-2)" of March 5, 2020, published by the Ministry of Health, as well as successive publications or updates, there having been a significant increase in absenteeism hours during fiscal year 2020.
- **Supply chain issues:** no significant delays have been noted in the process of supplying trackers by suppliers, and all contracts in force have been carried out in accordance with the previously established conditions.

Finally, it should be noted that the Group's directors and management are constantly monitoring the evolution of the situation in order to successfully deal with any possible impacts, both financial and non-financial, that may arise.

Material aspects and stakeholders

Soltec Power Holdings' sustainability practices have been developed based on the analysis of priority relevant issues. Soltec Power Holdings consolidates its commitment to an open and continuous dialogue with its stakeholders with the objective of contributing value to them through an open and participative attitude. By strengthening this dialogue in the business strategy, improvements are made in competitiveness and in the quality of products and services.

Stakeholders are an important pillar in the success of the organization, so the Group continually strives to achieve effective engagement in order to obtain their important input and concerns. The aim is to build and develop transparent solutions based on trust with all stakeholders, respecting their points of view, key expectations and concerns as the business strategies are being developed.

Soltec Power Holdings regularly engages with stakeholders through the stakeholder engagement process, for which it has multiple communication channels. Detailed stakeholder engagement helps to define the main material issues, which are clearly expressed in future decisions and aspirations.

Soltec Power Holdings evaluates materiality issues by considering the importance of economic performance, expansion of operations and territorial presence, relationships with stakeholders (especially customers, employees and suppliers), as well as engagement in social (mainly associations, local communities and public administrations) and environmental issues (mainly emissions, energy consumption and waste management) as well as regulators, financial market, investors and shareholders.

The material aspects together with the areas of performance identified by Soltec Power Holdings have been structured based on the following materiality matrix:

Critical matters

- Continuous commitment to innovation in products and solutions provided to our customers
- Contribution to the energy transition and the deployment of renewable energies
- Regulatory environment and new regulations

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<ul style="list-style-type: none"> Differential business model Attraction, development and retention of human capital
Relevant matters
<ul style="list-style-type: none"> Good governance and transparency Contribution to the development of local communities Strategic alliances to support business development and company growth Management of cash conversion cycles Ethics and integrity in our operations Excellence in our products and services Employee health and safety Increased visibility to the market and transmission to investors of the business plan
Other relevant matters
<ul style="list-style-type: none"> Diversity and equal opportunities Promotion of circular economy and efficient management of resources Reduction of the carbon footprint in our operations Minimization of impacts on land and biodiversity Collaboration with new clients that add value to the business Responsible supply chain management

- Continued commitment to innovation in products and solutions provided to customers:** a differential value of Soltec Power Holdings that has been present since the company's inception and has enabled its survival and current success, reinforcement of performance in this area through the creation of a specific company (Soltec Innovation) and a management framework (policy, strategy, plans, committees, etc.), the company's investment effort in R&D&I for the development of new solutions, priority in the digital transformation of the company and its processes, and active participation in the development of new storage systems such as green hydrogen.
- Contribution to the energy transition and the deployment of renewable energies:** approval of policies and agreements at national and international level that promote the energy transition, contribution of companies in the photovoltaic sector to the achievement of the objectives of these policies and the expansion of distributed generation and the importance of having a presence in the benchmark markets in the solar tracker sector in the coming years (Spain, Australia, Brazil, Mexico and the Middle East).
- Regulatory environment and new regulations:** ability to adapt to a changing framework, identification of regulatory risks, new regulations to govern the economic regime for renewable energies in Spain and tax incentive policy in the United States.
- Differential business model:** existence of an integrated and sustainable long-term business model offering services along the entire value chain, presence of local teams in the different locations of operation, development of customized solutions for clients, economies of scale and tax contribution.
- Attraction, development and retention of human capital:** updating the recruitment process to encourage the hiring of new profiles, the existence of internal bodies that supervise employee training and participation, the development of our own scholarships to attract young talent, the implementation of positive impact programs that increase employee satisfaction (well-being program) and the existence of multiple internal communication mechanisms with employees.
- Good governance and transparency:** development of the governance model to adapt it to the requirements of investors and the market. Reporting on the company's ESG performance is a fundamental action to reinforce transparency in its activities.

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- **Ethics and integrity in operations:** scrupulous compliance with current legislation, development of a compliance management system according to the most demanding standards existing in the market, covering criminal and tax matters, existence of communication mechanisms for reporting incidents and specific risk analysis at country level accompanied by the development of policies to mitigate them.
- **Excellence in products and services:** product performance in accordance with customer criteria, existence of quality certifications for the product portfolio, supervision of the product development process entrusted to third parties to ensure its quality, accessibility and transparency of information, measurement of customer satisfaction through surveys and knowledge of the main customer demands through various communication channels.
- **Contribution to the development of local communities:** contribution to the development of rural areas where projects are implemented by hiring and training people and raising awareness of local communities regarding the importance of renewable energies, development of corporate volunteer initiatives to support the local community (improving the local environment, meeting needs, etc.), creation of a Foundation to channel all initiatives within the framework of CSR, commitment to dissemination and education on renewable energies and direct involvement through donations against the COVID-19 pandemic.
- **Strategic alliances to support business development and company growth:** collaboration with other key industry partners to increase the company's visibility and ensure cash flow through cyclical projects, presence in national and international forums related to the company's activity, development of collaborations with partners for product integration, participation in industry organizations to actively contribute to defend the interests of the sector and promote the company's criteria in the development of public policies.
- **Employee health and safety:** promotion of a preventive culture among all employees, technical and practical training for workers, launching of prevention and health improvement campaigns, and development of numerous actions to prevent the impacts of COVID-19 on employees and operations.
- **Increased visibility in the market and transmission of the business plan to investors:** holding roadshows for investors, increasing the number of analysts covering the company and increasing visibility as a key player in the sector.
- **Management of cash conversion cycles:** management of working capital, ability to meet payment commitments and participation in projects with positive cash flows from the beginning.
- **Diversity and equal opportunities:** development of policies, plans and committees that specifically address this issue, economic valuation of jobs to ensure non-discrimination, existence of a trained equality agent in the workforce and presence of women in committees and bodies of the company.
- **Reduction of the carbon footprint in operations:** initiatives for a more sustainable management of energy consumption in operations (consumption of renewables, energy efficiency measures), participation in public initiatives to promote and enhance the value of the carbon footprint (reduzco seal) and promotion of electric mobility in operations.
- **Promotion of the circular economy and efficient resource management:** use of raw materials with a high percentage of reuse (steel), reuse of construction materials (wood or cardboard) left over from projects, and efficient management of water and water risks.
- **Minimization of impacts on the land and biodiversity:** compliance with legal requirements necessary for the operation (environmental impact studies, etc.), compliance with environmental clauses required by clients, and reduction of the ecological footprint and impact on biodiversity of projects.
- **Collaboration with new clients that add value to the business:** creation of solid alliances with key players in the sector, generation of value through large-scale projects and greater presence in other countries.



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- **Responsible management of the supply chain:** inclusion of environmental and social clauses in contracts with suppliers, supplier monitoring procedures to guarantee their alignment with Soltec Power Holdings' strategy, and development of procedures that ensure the purchase of materials under sustainable parameters.

Within Soltec Power Holdings, socially responsible behaviour is manifested in the respect for the rights of workers; free collective bargaining; equal opportunities between men and women; non-discrimination based on age, racial origin, religion, or disability; and the protection of employee health.

In this model, ethical, responsible, and sustainable management is the yardstick for the team. This, together with the corporate commitments mentioned above, will help the Group adapt to the changes that are continually occurring today.

The stakeholder assessment has provided the sustainability context for Soltec Power Holdings, helping them to align the strategy with stakeholder expectations, as well as improve environmental, social and economic behaviour and performance in the coming years, considering the conceptual frameworks identified in its sustainability policy: Spanish Constitution, draft law on climate change and energy transition, CNMV Code of Good Governance, integrated national energy and climate plan, 2050 decarbonization strategy, circular economy strategy and the United Nations Paris agreement.



Soltec Power Holdings contributes to the economic and social development of its environment. The creation of wealth, employment and knowledge are the main benefits generated.

Through this statement of non-financial information, all aspects identified as material are included, aligned with the requirements contemplated by Law 11/2018 on non-financial information.

Corporate governance and risk management

The board of directors is the supreme governing body of the Soltec Group in matters of corporate responsibility and risk management.

The board of directors of the parent company of Soltec Power Holdings acknowledges and accepts the importance of having a corporate governance system that guides the structure and operation of its corporate bodies, in the interest of the different companies and their shareholders. The Group firmly believes that good corporate governance leads to effective decision-making, which is essential for the success of any organization.

The way the business is managed ensures sustainable growth and sustains the growth of operations.

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The rules of corporate governance, including the board of directors' regulations and the internal code of conduct, are reviewed, and updated periodically, always based on a commitment to business ethics and corporate responsibility.

Soltec Power Holdings' corporate governance rules are inspired by the following best practices:

- ✓ Fostering internal and external communication, responding to the expectations of stakeholders, and applying the principle of transparency.
- ✓ Guaranteeing the protection of human rights, as well as respect for the ethical standards and regulations applicable through internal and external regulations.
- ✓ Zero tolerance for corruption and unfair competition practices.
- ✓ Fostering corporate social responsibility by promoting initiatives and monitoring the degree of compliance with commitments.
- ✓ Continuously working on identifying risks and opportunities, while prioritizing key issues for long-term business sustainability.

The Board of Directors and the Audit Committee of Soltec Power Holdings establish that risk management is one of the key pillars of the Group's internal control system, and therefore of the organization's own strategy.

The Group periodically identifies, classifies, and assesses potential risks that may affect all relevant business units, as well as establishes control mechanisms and mitigation measures by assigning responsibilities derived from each of them.

Risks are assessed and managed through the risk management area. The Group's risk management system allows the proactive management of identified risks, implementing both preventive and reactive measures to potential events, as well as the periodic monitoring of their evolution, also allowing to take advantage of potential opportunities identified.

The main operational, strategic and regulatory risks affecting the Group are related to the uncertainty in the demand for products and services in a changing environment, affected by the global pandemic Covid-19, the difficulties in adapting to the different regulatory environments together with political and social instabilities, as well as potential regulatory changes, the growing competitiveness in the photovoltaic industry and specifically in the solar tracker industry, with impacts on the reduction of solar tracker prices, potential regulatory non-compliance at the operational level, information security related to product R&D, as well as potential problems arising from natural disasters, system failures and/or supply interruptions.

In relation to financial risks, the main risks are related to credit, liquidity, market (exchange rate and interest rate) and obtaining the necessary guarantees to be able to contract and execute projects.

To ensure adequate risk management, a first line of defense has been defined, which carries out the daily operational management of risks through the implementation of policies and procedures and is made up of the heads of the different business areas, a second line, which is responsible for the implementation, support and monitoring of the risk management system, and a third line of internal audit, which provides independent and objective advice.

Environmental aspects

Soltec Power Holdings is fully committed to respecting and caring for the environment and is fully aware of its commitment to customers and to society in general, which motivates it to work constantly and regularly to minimize the impact of activities on the environment. In this sense, it has developed a series of internal mechanisms that lay the foundations for commitment to the environment. The central framework is the quality management, environment and health and safety system, as well as the existence of a specific Health, Safety and Environment Department, which oversees compliance with all environmental measures.

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For the management and coordination of all the Group's environmental actions related to the design, manufacture and assembly of solar trackers, the environmental management system implemented at the Group's sites in Spain, Mexico, Brazil and Chile is regularly monitored, based on ISO-14001:2015.

The Group's quality, environment and health and safety policy establishes the following principles that must be applied in the Group:

- Ensure that the services comply with the applicable specifications, standards and codes, as well as the applicable laws and regulations on quality, environment and occupational safety.
- Establish actions and programmes aimed at continuous improvement, prevention of pollution and prevention deterioration of health, with regard to the quality of services, protection of the environment and the safety of people.
- Incorporate the minimization or elimination of environmental impacts into services and make this objective compatible with the rational use and consumption of raw materials, energy and natural resources.
- Increase customer satisfaction, taking on the concepts of quality and respect for the environment and commitment to occupational safety.
- Maintain permanent communication with stakeholders in order to work together on improving services, whether in technical aspects, quality assurance, occupational health and safety, and prevention of environmental risks.
- Inspire and motivate staff through the necessary training and awareness, in order to enhance their integration in the management and development of the quality, environment and occupational health and safety systems.
- Establish mechanisms that encourage the participation of workers in order to improve health and safety in the workplace.

In addition to the framework established by this policy, in order to carry out the strategic planning of the environmental management system, the Group's Environmental, Health and Safety (hereinafter EHS) department is responsible for identifying environmental aspects and determining the different areas that may have a significant impact on the environment.

In addition to the in-house environmental processes of Soltec Power Holdings, the organization implements environmental management plans for the installation projects of solar trackers, which is adapted to the specific environmental legislation in the different countries where the projects are underway.

In order to identify the main impacts and risks in the environmental field, the different stages of the life cycle of the products and services provided by the Group are taken into account.

The main environmental risks considered by Soltec Power Holdings are the use of raw materials, waste generation, noise pollution and atmospheric emissions derived from energy consumption.

As a result of the environmental management plan and the main risks identified, environmental monitoring plans are drawn up for the projects with the aim of establishing a mechanism to ensure compliance with the proposed protective and corrective measures and the detection of unforeseen alterations.

As a further line of environmental risk control, the control of the applicable legal requirements at international, state, autonomous community and local level is implemented, thanks to which no significant non-compliance has occurred during the period covered by this statement of non-financial information.

In addition, periodic internal audits are carried out by the health, safety and environment department, covering both headquarters and subsidiaries, as well as the design, manufacturing and installation projects of the solar

trackers in progress.

Finally, it is worth mentioning the awareness and training actions carried out for all Soltec Power Holdings employees, whose objective is to make them aware of the importance of saving resources in their work environment and reducing the environmental impacts derived from their daily activities, in order to contribute to reducing their ecological footprint. In this context, the Group's manual of good environmental practices serves as a basis for training and raising awareness among its employees.

Contamination

Soltec Power Holdings has modelled its economic growth based on respect for the environment through innovation and optimization of photovoltaic technology.

Thanks to its cutting-edge technology, the Group continues to strengthen its position in the solar photovoltaic market with revolutionary products such as its monofacial and bifacial solar trackers. The functionality of the solar trackers is to make the photovoltaic module rotate around its axis following the direction of the sun, thus generating more energy. During fiscal year 2020, projects with an accumulated power of 1,752 MW have been completed, resulting in an estimated reduction of 1,402,008 CO₂ emissions (Tn). During fiscal year 2019, projects with an accumulated power of 2,909 MW were completed, which allowed the estimated reduction of 2,326,912 CO₂ emissions (Tons) in 2019).

Meanwhile, the standard factory service includes the innovative Solhub logistics and warehousing system, which delivers components within agreed deadlines and without intermediary transport companies. This provides a better service, keeps full control of the entire process, controls CO₂ emissions, controls the management of waste and, ultimately, means that the organization is responsible for environmental sustainability.

At the same time, Soltec Power Holdings is responsible for implementing measures to reduce its significant environmental aspects. The carbon emissions derived from the combustion of its vehicles are checked to ensure that they have passed all regulatory controls, and the speed at which they circulate through the site is limited, guaranteeing lower gas emissions.

Likewise, noise control measures are carried out in the projects through the use of noise reduction systems in machinery and construction vehicles, verification of machinery manufacturers' certificates of conformity, the use of low sonic level compressors and drills, periodic noise measurements, and periodic reviews of machinery and silencers.

Circular economy: waste prevention and management

Soltec Power Holdings understands that the transition from a linear to a circular economy is a key step in improving and caring for the environment, as it entails a considerable reduction in waste through the optimal use of available resources.

Soltec Power Holdings follows a methodology to properly manage the waste generated throughout the organization, which it conveys to employees and the people responsible for internal or external waste management.

Training is carried out regularly, both for employees and subcontractors, where a series of best practices is shared the importance of the proper separation of waste for recycling purposes is underlined.

The Group's activity generates different types of waste, non-hazardous and hazardous, due to the diversity of activities carried out at its work centers from office, logistics, manufacturing, installation, and maintenance activities.

The amount of hazardous waste, mainly oils, and non-hazardous waste, mainly plastic, paper and cardboard and wood, generated during 2020 and 2019 are presented in the following table:

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	Tons	
	2020	2019
Dangerous	13	12
Non-hazardous	1,400	1,464
Total	1,413	1,476

In all projects there is a measurement of the waste generated, suggesting different alternatives in relation to them, such as reuse within the projects or the recycling of cardboard or wood.

The Group has contracted external companies as authorized managers for the collection and management of hazardous and non-hazardous waste, in accordance with current legislation.

All waste is correctly labelled, allowing for its rapid identification and the reporting of the associated risk, both to users and managers. In addition, all the Group workplaces that generate waste have a properly marked storage place.

The size and characteristics of the waste storage area are commensurate with the volume of waste generated at the work centre. The safety, health and environment department carry out periodic reviews of the condition of the waste storage areas to detect anomalies, possible improvements and to verify that internal waste management is being carried out correctly.

On the other hand, Soltec Power Holdings in Spain registers all its production centres in the registry of small waste producers of the General Directorate of the Environment, keeping each registry updated in accordance with the regulations published by the relevant regional authorities. In relation to the aforementioned area, each country takes into consideration the local legislation in this regard.

Sustainable use of resources

The aim of Soltec Power Holdings is to integrate corporate sustainability into decision-making processes in line with the UN Sustainable Development Goals, which also generates value for both society and the company.

Its purpose is to attend to current needs without compromising the ability of future generations to satisfy their own, thereby guaranteeing the balance between economic growth, care for the environment and social well-being.

As a result, all products are designed without losing sight of performance. The Group's engineers have the experience and dedication to optimize the performance of each project, allowing them to develop the most profitable, efficient, and sustainable solar tracking solution. The manufactured trackers generate more energy per hectare occupied and guarantee a better use of space.

Within the field of saving limited resources, the Group has created a list of best practices for employees, with special emphasis placed on saving energy and water. A reduction in the use of paper is also encouraged.

Thanks to new technologies, the Group has developed a process of digital transformation of all its activities and the way in which they relate to stakeholders. In this sense, it has created a digital intranet for the entire organization, which means that all communications to employees are always available, using electronic means such as email whenever possible and using the website and other digital means for promotion or marketing, which cancels out the need for advertising brochures, for example.

Raw materials

The main raw materials used in 2020 and 2019 have been the following:

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	Tons	
	2020	2019
Steel	73,079	123,989
Other components	8,671	19,051
Total	81,750	143,040

During 2020, the reduction in the consumption of raw materials is mainly due to the reduction in the overall installed power of the projects as well as to the supply of piles by customers in certain projects. In addition, through the development and innovation of the engineering team, the weight of certain components has been reduced, which has consequently also reduced the steel consumption of these parts with respect to the previous year.

The raw material supply model includes a hub system that supplies demand efficiently and globally. In this way, various supply solutions are available to achieve a global supply chain that optimizes the transport of materials.

Energy

Caring for the environment concerns all employees, which is why Soltec Power Holdings carries out several training and awareness campaigns each year, in which special emphasis is placed on the responsible use of resources, and especially energy. In addition, this knowledge is regularly refreshed with continuous training pills using posters on notice boards, small labels on taps or switches, etc.

During 2020 fiscal year, the Group's total electricity consumption amounted to 398,972 kWh (521,322 kWh in 2019), being the energy consumed in Spain, approximately two thirds of the Group's total, of 100% renewable origin, thus contributing to the protection of the environment. In relation to diesel and propane consumption, this amounted to 569,117 litres and 44 kg, respectively, in 2020 (844,144 litres and 880 kg, respectively, in 2019).

The reduction in the Group's electricity consumption during fiscal year 2020 is mainly due to teleworking as a result of the Covid-19 pandemic. In relation to the reduction of diesel and propane consumption during the fiscal year 2020, the use of forklifts and electric equipment and the reduction of propane consumption have been promoted to reduce greenhouse gas emissions into the atmosphere.

Climate change

Soltec Power Holdings is committed to the fight against climate change, aiming to be a GHG-neutral (greenhouse gases) company in the long term, with a progressive reduction in emissions in the short and medium term.

For this, in the case of Spain, the Group only works with electricity suppliers with an electricity mix that does not generate CO2 or other GHG emissions due to electricity consumption, duly undertaking not to vary this selection criterion. From a sustainability front, the Group is committed to progressively reducing its electricity consumption by carrying out control campaigns, performing awareness-raising activities, changing equipment for more efficient types, etc.

On the other hand, the Group in Spain has implemented a plan to reduce its carbon footprint, in which it continuously monitors its emissions and commits to reducing them year by year. It is worth mentioning that the carbon footprint generated by Soltec Power Holdings is very small, considering the size of the organization, but even so, Soltec Power Holdings seeks excellence with an even lower level of emissions, and is committed to achieving it.

Emissions for 2020, calculated based on the energy consumption indicated in the "Energy" section considering the energy emission factor applicable for each type of emissions, amounted to 1,419 tons of CO2 of scope 1 and 20 tons of CO2 of scope 2 (2,107 tons of CO2 of scope 1 and 29 tons of CO2 of scope 2 in 2019). Scope 1 includes emissions from all direct combustion sources, mainly diesel, and Scope 2 includes emissions

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associated with electricity consumption, considering the 100% renewable origin of the electricity consumed in Spain.

Soltec Power Holdings is currently identifying the relevant activities and metrics linked to Scope 3 emissions corresponding to other indirect emissions, among which are being evaluated, among other aspects, work trips by external means, transportation of raw materials and products carried out by third parties.

With the aim of reducing its emissions at a logistical level, the Group has introduced the Solhub solution, which delivers tracker components to the project site without intermediary transport companies, based on environmental aspects related to transport and packaging in the supplier approval process.

Precautionary principle

As far as the precautionary principle is concerned, it is not appropriate for Soltec Power Holdings to address this principle, as the Group's activities do not generate impacts that could cause serious or irreversible damage to the environment.

Biodiversity

Soltec Power Holdings has an environmental management plan that supports the construction process of photovoltaic installations with the company's products. The environmental management plan foresees the control of potential effects on flora and fauna, among other aspects. In this way, mechanisms for the protection of biodiversity are foreseen in operations where there may be impact, beside operations that are usually carried out in industrial areas with no risks of impact on biodiversity.

Impact on fauna

Recommendations include the installation of wildlife fencing on which rectangular plates are placed to prevent bird strikes, the planning of activities to prevent impacts on fauna, the necessary surveys to detect the possible presence of wildlife nests or habitats, and compliance with the rescue protocol for wildlife that could be affected by the works.

The recommendations also include not making any blitzes to scare away mammals and birds in the project area; cleaning the work area and not leaving waste behind; limiting noise levels, vibrations and the generation of dust, especially during breeding and nesting seasons; limiting the maximum speed inside the project to 20 km/h; strictly following the environmental monitoring plan; observing whether the works are affecting the neighbouring fauna habitats and acting accordingly; and restoring an area of approximately 8 ha as an ecological corridor to create a favourable ecotone for birds in the area.

Impact on flora

Forecasts include appropriately planning activities so as not to affect flora; restricting the area of action, including access roads and auxiliary facilities; watering down vegetation if there is a build-up of dust on it; not stockpiling of any materials, not even temporarily, in areas occupied by natural vegetation; and informing staff about important or protected species and communities around the site.

Furthermore, the application of herbicides or pesticides is not allowed, nor is the clearing of vegetation located outside the project area. Operational areas must be equipped with regulatory firefighting equipment to protect the area and the surroundings from possible fires; the maximum speed inside the project must be limited to 20 km/h; and ecological corridors should be rehabilitated if they exist.

Impact on the ecological heritage

Regarding ecological heritage, activities must be properly planned to minimize the effects on neighbouring heritage, paying particular attention to earthworks in sensitive areas. Information and plans must be collected from the competent agencies, identifying and signalling the most sensitive areas and prohibiting the use of heavy machinery.

Company and personnel issues

The people who make up Soltec Power Holdings are the foundation for the growth and development of the organization. At the heart of Soltec Power Holdings' success are its employees, their passion for the products, teamwork, and customer relations to provide quality service.

The Group believes in the skills of its employees, in the diversity of talent and in the vocation to grow. Therefore, it always understands professional relationships as a long-term partnership in which everyone benefits. In the aforementioned context, the Group provides its employees with job stability, stable contracts and a motivating professional project where they can continuously develop and learn in an environment of generational diversity.

For this reason, one of the main goals of the Group is the creation of an inclusive corporate culture, which embraces and encourages diversity to help all employees attain their maximum potential. This involves the need for forward-thinking employment management, bearing in mind that the current market requires professionals capable of working in a collaborative, dynamic, diverse and flexible environment.

The Soltec Power Holdings team of professionals is made up of people with a high level of commitment, with a passion for always doing things well and exceeding customer expectations. Creativity and the contribution of new approaches and different points of view from any member of the team is always welcome in the organization.

In line with the above, Soltec Power Holdings is very aware that leadership is the key to success in its past trajectory and in its future goals, as is also the commitment of 1,207 employees at the close of the 2020 fiscal year (1,629 employees at the close of the 2019 fiscal year). For this reason, human resources management is based on a leadership model that provides each person with the necessary tools for their professional development, allowing employees to lead their own path, that of their colleagues and that of the Group as a whole.

Soltec Power Holdings global human resources policy is based on that idea, believing in people and focusing on their talent to continuously grow and expand. The Group's international presence is a challenge that inspires us to take part in global practices and procedures that are cross-sectional and applicable in all the countries where we operate. This means that sustainability is not limited to Spain and the head office, but that the entire Group grows globally in a sustainable manner.

Among the most relevant risks that could affect the organization in labour matters are those of equal treatment and opportunities between women and men, discrimination and inclusion of people with disabilities and universal accessibility. Soltec Power Holdings, in the development of its activities, is firmly committed to operating within the framework of a management model based on the assumption of business ethics. In the aforementioned context and as a commitment linked to the Group's values and standards of action, a code of conduct has been implemented during the 2020 fiscal year, which, among other aspects, includes: the general principles on which the reference values on which the Group's activities are based are defined, the guidelines for action that must be respected by the entire organization, and the follow-up mechanisms for controlling compliance with the aforementioned code and its continuous improvement.

Attracting, developing and retaining the talent of candidates and employees is a key objective at Soltec Power Holdings. The Group is convinced that, through the development of people, it will increasingly become an efficient, productive, and competitive organization, consolidating the leadership of Soltec Power Holdings, based on the value and contribution of each employee.

During the 2019 fiscal year, Soltec Power Holdings launched the "Soltec Wellbeing" program, a wellness program promoted for members of the entire team. Through this program, we seek to generate a greater sense of company, improving horizontal and vertical relationships in the company, as well as the work climate, promoting communication, integration, good working environment and employee motivation, reducing the risk of exclusion at work and encouraging greater employee involvement.

Along these same lines, the Group has internal social networks that facilitate two-way and transversal

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communication between workers, allowing for collaborative and conversational work, the display of documentation on the network, the provision of public information groups and private work groups, and immediate participation and communication.

In this context, Soltec Power Holdings' priorities around labour management are as follows:

- ✓ Guarantee a safe and healthy workplace, adapting to the general and job-specific requirements.
- ✓ Develop recruitment and internal promotion processes based on equal opportunities, promoting training and the development of employee skills to improve their experience and performance.
- ✓ Commitment to compliance with employment conditions established by law, offering decent wages adapted to each circumstance.

Employees

The total number and distribution of employees by country as of December 31, 2020 and 2019 is as follows:

	Number of employees	
	2020	2019
Spain	603	660
Chile	202	30
Brazil	200	656
Mexico	160	225
United States	14	9
Peru	11	12
Colombia	8	9
Australia	7	8
Argentina	2	17
India	-	3
Total	1,207	1,629

The total number and distribution of employees as of December 31, 2020 and 2019 by gender, age and occupational classification is as follows:

Fiscal year 2020

	Number of employees					
	Men	Women	Total	<30	30-49	>49
Department Director	22	6	28	1	19	8
Foreman	218	60	278	42	209	27
Technician	238	46	284	115	158	11
Administrative	49	78	127	55	66	6
Operator	446	44	490	169	250	71
Total	973	234	1,207	382	702	123

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Fiscal year 2019

	Number of employees					
	Men	Women	Total	<30	30-49	>49
Department Director	52	22	74	11	54	9
Foreman	149	22	171	34	122	15
Technician	220	49	269	96	151	22
Administrative	66	74	140	58	76	6
Operator	895	80	975	430	473	72
Total	1,382	247	1,629	629	876	124

The total number and distribution of employment contract modalities, by type of contract, gender, age and professional category as of December 31, 2020 and 2019 is as follows:

Fiscal year 2020

	Number of employees					
	Men	Women	Total	<30	30-49	>49
Indefinite	455	143	598	155	386	57
Temporary	518	91	609	227	316	66
Total	973	234	1,207	382	702	123

	Number of employees		
	Indefinite	Temporary	Total
Department Director	28	-	28
Foreman	204	74	278
Technician	181	103	284
Administrative	58	69	127
Operator	127	363	490
Total	598	609	1,207

Fiscal year 2019

	Number of employees					
	Men	Women	Total	<30	30-49	>49
Indefinite	785	164	949	341	557	51
Temporary	597	83	680	288	319	73
Total	1,382	247	1,629	629	876	124

	Number of employees		
	Indefinite	Temporary	Total
Department Director	73	1	74
Foreman	148	23	171
Technician	132	137	269
Administrative	105	35	140
Operator	491	484	975
Total	949	680	1,629

The annual average during the years ended December 31, 2020 and 2019 of permanent and temporary contracts by gender, age and professional category is as follows:

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Fiscal year 2020

	Average annual contracts (%)					
	Men	Women	Total	<30	30-49	>49
Indefinite	34%	9%	43%	10%	28%	5%
Temporary	51%	6%	57%	21%	28%	8%
Total	85%	15%	100%	31%	56%	13%

	Average annual contracts (%)		
	Indefinite	Temporary	Total
Department Director	3%	-	3%
Foreman	15%	4%	19%
Technician	15%	7%	22%
Administrative	3%	4%	7%
Operator	7%	42%	49%
Total	43%	57%	100%

Fiscal year 2019

	Average annual contracts (%)					
	Men	Women	Total	<30	30-49	>49
Indefinite	35%	8%	43%	15%	26%	2%
Temporary	52%	5%	57%	23%	27%	7%
Total	87%	13%	100%	38%	53%	9%

	Average annual contracts (%)		
	Indefinite	Temporary	Total
Department Director	3%	-	3%
Foreman	7%	1%	8%
Technician	7%	8%	15%
Administrative	5%	2%	7%
Operator	21%	46%	67%
Total	43%	57%	100%

The total number of dismissals by gender, age and occupational classification, during fiscal 2020 and 2019, is as follows:

	Number of terminations					
	Men	Women	Total	<30	30-49	>49
2020	605	66	671	302	344	25
2019	119	28	147	50	90	7

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	Number	
	2020	2019
Department Director	2	2
Foreman	35	23
Technician	25	16
Administrative	30	23
Operator	579	83
Total	671	147

The increase in the number of redundancies compared to fiscal 2019 is mainly due to the completion of relevant projects in Brazil during fiscal 2020.

The salary model generally applicable to Soltec Power Holdings workforce is fundamentally a fixed salary model, based on the provisions of the applicable collective bargaining agreements or by the conditions and agreements in force in each country, which consider the level of responsibility, the functions performed and the professional career of each employee. The principles of in-house equality and the value of the employee's role play an important role in the total salary. The award and amount of this fixed salary is based on predetermined and non-discretionary objective criteria.

The abovementioned model includes a variable salary made up of income subject to the fulfilment of certain conditions, normally related to the employee's performance, and is implemented by means of incentives and commissions.

Additionally, Soltec Power Holdings' salary system also includes a flexible salary to voluntarily design the make-up of the compensation package for employees according to their personal and/or family needs, substituting the cash salary for certain products and services, such as transport tickets, childcare, restaurants, and medical insurance.

The Group's average salaries for 2020 and 2019 was as follows, broken down by gender, age and professional category:

Fiscal year 2020

	Euros				
	Men	Women	<30	30-49	>49
Salary	23,633	26,859	18,796	24,835	26,850

	Euros				
	Director	Manager	Technician	Administrative Assistant	Operator
Salary	85,030	37,551	24,980	18,384	15,757

Fiscal year 2019

	Euros				
	Men	Women	<30	30-49	>49
Salary	16,686	18,766	11,184	19,701	20,386

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	Euros				
	Director	Manager	Technician	Administrative Assistant	Operator
Salary	56,325	33,805	23,613	12,999	9,575

The Group's salary policy promotes equal treatment between men and women, which does not establish or promote a pay gap. The salary model rewards the level of responsibility and professional career, ensuring in-house equality and external competitiveness.

To calculate the Group's salary gap, the average salary of men and women by professional category has been considered. This information is conditioned by the following aspects:

- the professional categories are formed by an assimilation of different professional categories according to the legal and employment framework of the country.
- professional categories include different jobs with different salaries depending on the position.
- not all professional categories or both sexes exist in all companies/countries.
- the salary structures of each company/country are different.

In this context, the salary difference for each category has been calculated as the difference in average salary between men and women divided by the average salary of men. With the abovementioned information, the weighted average has been calculated considering the weighting of each category with respect to the workforce during the year. Finally, these calculations give the contribution to the overall salary difference by professional category, not identified in relation to the pay gap for the Group as a whole.

During the 2020 fiscal year, there has been a change in the Parent Company's administrative body to a board of directors composed of seven members (3 women and 4 men) of which the former sole director is a member and of which the chairman of the board has performed the duties of chief executive officer.

During 2020 and 2019 the directors and senior management (2 women and 5 men) of the Parent Company have accrued the following monetary income (includes both incomes paid by the Parent Company and by any other subsidiary):

	Thousand euros (*)	
	2020	2019
Remuneration for membership on the Board and/or Board Committees (**)	76	-
Salaries (***)	721	180
	797	180

(*) In fiscal 2020, all *Chief Executive Officers* and general managers of the industrial and development segment are considered senior management (in fiscal 2019, the sole director was considered senior management).

(**) 40 and 36 thousand euros, respectively, female administrators and male administrators.

(***) Includes the salary of the Chief Executive Officer of the Parent Company who is also a member of the Board of Directors (596 and 125 thousand euros, respectively, men and women).

In addition, they have not accrued amounts classified as income in kind for their work as senior management or directors in addition to those indicated above in any of the periods.

The accrued amount of personnel expense resulting from share-based payments to employees, one-man senior management, during the fiscal year 2020 amounts to 53 thousand euros (55 thousand euros in fiscal year 2019).

The ratio between the minimum wage paid by Soltec Power Holdings and the minimum wage for 2020 and 2019 is greater than one unit for Spain, and the Group undertakes to comply with the local regulations in force

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in the rest of the subsidiaries, both at the level of agreements and agreements related to the establishment of a local minimum wage.

Working hours

Soltec Power Holdings companies have the autonomy to organize their working time based on the applicable collective bargaining agreements and/or company agreements that regulate the annual working day, as well as the operational needs applicable in each situation.

Based on compliance with legal requirements, and in balance with the obligations of each of the companies, Soltec Power Holdings promotes flexible practices that facilitate the adaptation of the work schedule for its employees: flexible start times, adjustments to the lunch schedule depending on the start time, intensive workdays on Fridays, etc.

In Spain, working hours for the years 2020 and 2019 have been set, in the most relevant collective bargaining agreements, at 1,760 effective annual working hours for full-time employees. For part-time employees, the percentage reduction is applied in proportion to the contractually agreed working hours.

The average annual number of full-time and part-time employees by gender, age and professional category for the years ended December 31, 2020 and 2019 is as follows:

Fiscal year 2020

	Average annual employees (%)					
	Men	Women	Total	<30	30-49	>49
Complete	87%	12%	99%	36%	53%	10%
Partial	-	1%	1%	1%	-	-
Total	87%	13%	100%	37%	53%	10%

	Average annual employees (%)		
	Full time	Part time	Total
Department Director	1%	-	1%
Managers	11%	-	11%
Technician	12%	-	12%
Administrative assistant	5%	1%	6%
Operator	70%	-	70%
Total	99%	1%	100%

Fiscal year 2019

	Average annual employees (%)					
	Men	Women	Total	<30	30-49	>49
Complete	87%	13%	100%	38%	53%	9%
Partial	-	-	-	-	-	-
Total	87%	13%	100%	38%	53%	9%

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	Average annual number of full-time employees (%)
Department Director	3%
Foreman	8%
Technician	14%
Administrative	7%
Operator	68%
Total	100%

Although there is currently no common policy establishing measures for employees to disconnect from work, the Group tries to facilitate, as far as possible, the work-life balance of its employees. To this end, courses and meetings are held during working hours, and all employees who request them can take advantage of the reduced working day. Likewise, as a result of COVID-19, and as a preventive measure, teleworking has been promoted in order to limit face-to-face attendance whenever possible.

A total of 27 men and 3 women were able to take parental leave in 2020 (19 men and 1 woman in 2019). It should be noted that the Group has established a set of preventive measures aimed at protecting mother and child during pregnancy and breastfeeding.

The total number of absenteeism hours during the year ended December 31, 2020 amounted to 68,521 hours, equivalent to 3% of total equivalent hours (30,127 hours, equivalent to 1% of total equivalent hours during fiscal year 2019), the increase being due to the effects of the COVID-19 pandemic on the Group's workforce.

Health and safety

Soltec Power Holdings assumes as one of its fundamental commitments the integral protection of the health of its employees. Soltec Power Holdings' commitment to occupational health and safety is transmitted to the different stakeholders through the policies and systems defined by the company: quality, environment and health and safety policy and management system based on the ISO 45001 and ISO 14001:2015 standards, in which the design, manufacturing, and assembly of solar trackers at the locations in Spain, Mexico, Brazil, and Chile are certified.

This system is eminently preventive in nature and is based on the identification and prior planning of units that may pose a risk to the health and safety of workers, to implement these units in accordance with the criteria established.

The Group has opted in Spain, as an organizational modality for prevention management, for the arrangement of an external prevention service, which assumes the specialties of industrial hygiene and health surveillance. The Group's own prevention service manages the specialties of safety, ergonomics and applied psychosociology.

Meanwhile, Soltec Power Holdings has its own preventive resources through an EHS department that is designed as a specific organizational and functional unit, integrated within the Group's management team and directly dependent on the company's management team, which is also responsible for providing training to all employees and for carrying out inspections and audits to help maintain a high level of prevention throughout the Group. It also has prevention officers and a Health and Safety Committee.

Given that the activity of the organization is so geographically dispersed across the world, the global director of the EHS department is physically located at the Murcia head office, with a head of the EHS department at each of the Group's projects and offices in the world.

During the fiscal year ended December 31, 2020, the Group's various prevention departments have become particularly relevant due to the outbreak of the coronavirus pandemic. From the outset, Soltec Power Holdings implemented a series of measures to ensure the safety and health of its employees, customers, and suppliers,

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in addition to reinforcing the preventive measures already in place, in order to guarantee the continuity of its operations.

At the beginning of the pandemic, Soltec Power Holdings defined a procedure for dealing with coronavirus infection, which has been periodically updated and made available to all workers. Likewise, preventive measures have been established in all its facilities, for its workers, supplier visits and for loading and unloading at docks, including access control, temperature measurement, hygiene measures and reinforcement of equipment and cleaning tasks, PPE management, ventilation, among others.

Soltec Power Holdings recognizes the importance of working conditions as a key factor in employee commitment and talent retention. In this sense, it ensures the quality of life of its workers, providing them with conditions suitable for their comfort in a stable and high-quality working environment.

In the countries where Soltec Power Holdings operates, there are several collective agreements that regulate the recruitment of employees, and most of them address specific conditions regarding health and safety, in order to foster and encourage safe working conditions. These conditions generally cover aspects such as:

- The obligation to provide PPE suitable for the task in question.
- The need to ensure the training and skills of employees who perform hazardous work.
- The right of any employee to stop work that is being carried out in unsafe conditions.
- The obligation of employees to comply with the established rules, procedures, and guidelines to carry out the work safely.
- The obligation of workers to undergo occupational medical examinations to validate their medical aptitude in relation to the work to be performed.

The frequency and severity rate of occupational accidents, excluding accidents while commuting, categorized as minor, was 7.8 and 0.3 during the year ended December 31, 2020 and 0.3, respectively (1.4 and 0.07, respectively during the year 2019), with fifteen accidents involving men and two involving women (four accidents involving men during the year 2019). No cases of occupational diseases have been reported during fiscal years 2020 and 2019. In this context, no high-risk jobs have been identified.

The Group is committed not only to continue to reduce its accident rates, which are generally below the national or sector average, but also to continue to rigorously comply with the environmental requirements of ISO 14001:2015. Additionally, Soltec Power Holdings has adhered to the Luxembourg declaration for healthy companies, with the objective of not only maintaining, but also improving the health of all the Group's personnel.

Due to Soltec Power Holdings' continuous effort to care for the health of its employees, during the 2019 fiscal year an agreement was formalized with a healthy food company, thus reducing staff travel and avoiding potential traffic accidents, as well as providing a healthy and balanced meal that will benefit their health.

Soltec Power Holdings provides its employees with a personal trainer twice a week, encouraging its workers to develop healthy and sporting habits. During the 2020 and 2019 fiscal years, it has also organized courses, including one with a captain of the Civil Guard, who has won a national award for occupational risk prevention, so that interested employees could improve their skills in stressful situations.

Company relations

In accordance with current regulations, the working conditions and rights of Soltec Power Holdings employees, such as freedom of association and union representation, are included in standards, in agreements and in agreements signed, if applicable, with the corresponding workers' representatives. Dialogue and negotiation are part of the way of dealing with any difference or conflict in the Group, for which there are specific procedures for consultation with the aforementioned representatives, with the most relevant coverage percentages in Spain, Mexico and Brazil, which amount to 100%, 62% and 100%, respectively, during the 2020 fiscal year (100%, 95% and 77%, respectively, during 2019 fiscal year), with the variations with respect to the 2019 fiscal year corresponding to situations derived from the relations with the trade unions in the projects in progress in Mexico and Brazil.

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The collective bargaining agreements for the iron and steel industries in the Autonomous Community of the Region of Murcia and Cáceres and its province, the metal industries and services agreement in the province of Albacete, the metal sector agreement in the province of Zaragoza, the sector agreement for engineering companies and technical studies offices and the agreements for offices in Murcia and Madrid are the most relevant reference agreements in Spain, and all the employees of the Spanish companies are covered by collective bargaining agreements. As for the rest of the subsidiaries, they are governed by the applicable sectoral/company collective bargaining agreements, where applicable, and a significant number of the Group's employees, mainly in Brazil and Mexico, are covered by these agreements.

In countries where there are no collective bargaining agreements, employees are covered by the labor legislation in force in those countries.

The Group companies acknowledge the right to join any trade union and to non-discrimination due to this membership as well as equal opportunities, treatment, and non-discrimination for pay in jobs with the same value. The application of these rights results in a continuous, open, and constructive dialogue that the Group maintains constantly with the unions and which results in a significant number of consultations and negotiations throughout the year, with no relevant conflict between the company representatives.

Training

Staff training and motivation play a fundamental role in Soltec Power Holdings' value creation process. That is why, year after year, the Group companies develop training plans appropriate to the needs of the team's education, integration, and professional and personal development, considering the collective goals of the Group and the individual goals of each employee.

The internal training plans have set out to expand the training on offer and course duration in order to provide a greater variety of training that can be accessed by all staff, addressing aspects not just related to general development (languages and IT skills), but also incorporating specific courses to expand job-related skills and abilities in each area.

The Group companies encourage their workers to express their goals and expectations, maintaining an open dialogue with them in order to know how to retain and motivate workers by proposing attractive, realistic and long-term skills development options. Training needs are analysed at all levels, including business strategy, operational difficulties, and other issues such as individual performance, development and succession, and legal requirements.

In this sense, the Group makes professional development plans available to all its employees to address their short, medium and long-term professional development goals. These plans guide and monitor the evolution and development of employees' skills and careers in order to ultimately achieve the goals set. The development plan is fully aligned with the training plan, thereby ensuring consistency throughout the employees' time at the company.

What's more, in the constant search for the best prepared professionals that adapt to the Group's needs, we have developed the Solteach Scholarship to train newly graduated engineers in solar energy and a Solteach On-Site training course, focused on training electronics professionals and the electricity in the field work that is needed for the correct operation and installation of the photovoltaic farms. These courses consist of different sections to introduce the student to the key aspects of the international photovoltaic market and the processes that our products follow.

All the courses given were in response to training needs identified in the workforce and amounted to a total of 41,403 hours during the year ended December 31, 2020, of which 4,151 were given to management personnel, 3,200 to administrative personnel, 9,701 to technical personnel, 8,737 to supervisors and 15,614 to operators (59,827 hours, of which 4,812 were given to management personnel, 5,081 to administrative personnel, 14,337 to technical personnel, 11,332 to supervisors, 11,701 to supervisors and 15,614 to operators). 614 by operators (59,827 hours, of which 4,812 were carried out by management personnel, 5,081 by administrative personnel, 14,337 by technical personnel, 11,052 by managers and 24,545 by operators during fiscal year 2019), having been reduced with respect to the previous fiscal year, mainly due to the reduction in personnel and the COVID-19 pandemic. Training hours provided in Spain, Brazil and Mexico accounted for 56%, 25%

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and 10%, respectively, of the total hours in fiscal year 2020 (45%, 41% and 11% in Spain, Brazil and Mexico, respectively during 2019).

Accessibility

For Soltec Power Holdings, the integration of people with diverse abilities into the labour market is important from both a human rights and economic perspective, leading to equal opportunities and higher employment rates.

Soltec Power Holdings strives towards this integration, establishing action protocols to resolve issues that arise in cases where health conditions, biological condition, disability, or any other cause, give rise to a special sensitivity of a worker to the conditions of the work he/she usually performs.

Soltec Power Holdings specifically guarantees the protection of these workers, and to this end will take these aspects into consideration in the risk assessment and based on this, will adopt the necessary preventive and protective measures.

As of December 31, 2020, the Group had 11 people with disabilities (18 people in 2019). In the context, the Group supports labour integration and the incorporation of people with disabilities into the world of work. The distribution by gender and category of the number of people employed by the Group, 6 in Spain and 5 in Brazil, at December 31, 2020 (8 in Spain and 10 in Brazil in 2019), with disabilities greater than or equal to 33%, is as follows:

	Number	
	2020	2019
Managers	2	1
Technician	1	2
Administrative assistance	2	4
Operator	6	11
Total	11	18

Equality

The Group declares its commitment to the creation and development of policies that integrate equal treatment and opportunities for all its employees, without discriminating directly or indirectly for reasons of gender, ideology, race, age, social origin. It also fosters and promotes measures to achieve real equality within the organization, establishing the same opportunities between men and women as a strategic principle of its corporate policy and human resources, in accordance, within the Spanish legal framework, with Organic Law 3/2007 of 22 March, for the effective equality between women and men, and Royal Decree-Law 6/2019 of 1 March, on urgent measures to guarantee equal treatment and opportunities between women and men in employment and occupation.

The principle of equal opportunities for women and men is applied in all areas of activity, from recruitment to promotion, including wage policy, training, working and employment conditions, occupational health, working time management and work-life balance.

The aforementioned principles will be put into practice by Soltec Power Holdings through the promotion of equality measures or through the implementation of an equality plan, considering, among other aspects, the regulations in force and the following measures:

- Fully and actively incorporate the principle of equal opportunities in the Group.
- Developing and incorporating specific measures that help enhance the employability of women who work in the Group.
- Creating working procedures in human resources that are governed by the principles of equal

opportunities when selecting and recruiting personnel.

- Incorporating a gender perspective into all decision-making processes that affect the Group's business and employment matters.
- Implementing work-life balance measures from an equality level within the internal structure of the Group.
- Fostering and implementing within the company a professional development model based on quality and equal opportunities between women and men.
- Formally acquiring the commitment to promote equal opportunities cross-sectionally in all the actions undertaken by the Group.

In this context, the Group has set up a permanent joint equality committee, developing its operating regulations and providing it with the basic instruments necessary to identify and correct any possible situations of discrimination or inequality that may exist in the workplace or those that may arise indirectly.

Soltec Power Holdings recognizes the need to prevent harassment in the workplace, making its appearance impossible and eradicating all behaviour that could be considered to constitute harassment in the workplace; on the one hand, emphasizing the unacceptability of harassment in the workplace, whatever type it may be, and on the other hand, and in a coherent manner, proposing actions to prevent and sanction it in the event that it occurs.

Respect for the dignity and privacy of people, the fight against all forms of discrimination, the promotion of effective equality of women and men, the guarantee of health and safety and of physical and moral integrity, are all basic rights of all the Group's employees.

In this sense, and in order to guarantee the protection of the legally recognized rights of the person, the Soltec Group, in its commitment to establish an organizational culture of guidelines and values against such harassment, states that a basic principle is the right of employees to receive respectful and dignified treatment, committing to put in place procedures that prevent, detect and eradicate the psychosocial risks of employees and, in particular, formalizing the response protocol to behaviours which may lead to workplace harassment, having implemented an action protocol against workplace harassment that establishes the procedures, response measures and prevention, as well as the follow-up and monitoring of any incident related to it.

During the fiscal years ended December 31, 2020 and 2019, no relevant risks in equality have been identified and no complaints have been received in relation to the same.

Human rights

As a responsible company, Soltec Power Holdings is committed to respecting and complying with numerous laws, regulations and other legally binding rules that are applicable. As a result, the Group's employees undertake to respect the laws in force in the countries where they carry out their activities and not to do anything that could damage the company's interests.

Soltec Power Holdings may be declared legally liable for violations of laws and other mandatory regulations, as well as for any other illegal activity of its employees, so it expects all its employees to act lawfully, ethically, and professionally in the performance of their duties.

The commitment to comply with the legislation in all areas in each of the places where its activity is developed, is an inexcusable premise and of essential relevance to maintain and improve trust with citizens and society.

In all professional conduct, the Group's employees strive to do not just what is legal, but also what is correct, and they strictly respect the human rights and public liberties included in the Universal Declaration of Human Rights of the United Nations.

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Furthermore, the Group's suppliers are required to support and respect the protection of human rights, as defined in the United Nations declaration, and are not authorized to take any action which violates these principles, either directly or indirectly.

Soltec Power Holdings assumes the following principles of the Global Compact, which are derived from United Nations declarations on human rights, labour, environment and anti-corruption and which enjoy universal consensus:

- I. Soltec Power Holdings does not use or support the use of child labour.
- II. Soltec Power Holdings does not use or sponsor the use of forced labour by employees.
- III. Soltec Power Holdings establishes a safe and healthy work environment, takes appropriate measures to prevent accidents and injuries. All risks that could not be avoided are evaluated. Actions are planned to eliminate or reduce identified risks. The facilities are correct with respect to occupational risk prevention.
- IV. Soltec Power Holdings respects the right of its employees to form unions, and that they can choose a union of their choice. Soltec Power Holdings guarantees that personnel representatives are not discriminated against and can have access to the rest of the workers in the workplace.
- V. Soltec Power Holdings does not carry out or sponsor any type of discrimination based on race, origin, nationality, religion, disability, sex, sexual orientation, union participation, political or ideological orientation, work category or age. Soltec Power Holdings does not allow behaviour, gestures and language that violate the dignity or integrity of persons.
- VI. Soltec Power Holdings does not use or support corporal punishment, mental or physical coercion, or verbal abuse.
- VII. Soltec Power Holdings employees have at least one day off during each seven-day work period. Overtime is paid according to the collective bargaining agreement and is always voluntary for workers.
- VIII. The salary paid complies with the legal minimum wage requirements per job. Soltec Power Holdings complies with all labour and social security obligations established in current legislation.
- IX. Soltec Power Holdings monitors the compliance of relevant suppliers and subcontractors with social, labour and occupational risk prevention regulations.

Soltec Power Holdings has not identified during fiscal year 2020 and 2019 any relevant risks of a possible breach of human rights in the organization's direct or indirect activities.

During the years ended December 31, 2020 and 2019, no complaints of human rights violations have been received.

Fight against corruption and bribery

In every step of the business, from corporate governance to operations and supply chain, the Group strives for integrity, respecting fundamental responsibilities in the areas of human rights, work, the environment and the fight against corruption. Soltec Power Holdings has a commitment to zero tolerance towards fraud, bribery or corruption that may occur in the environment of its operations, either by its professionals or by third-party collaborators.

Soltec Power Holdings has management tools that guarantee that all employees act with integrity, complying with the law and respecting people and human rights. Specifically, the Group has developed a code of conduct, applicable to Soltec Power Holdings, S.A. and Soltec Energías Renovables, S.L.U., which will be progressively implemented in the rest of the companies, which will be progressively implemented in the rest of the companies and whose purpose is to establish the guidelines and action guidelines for all its administrators, managers and workers in their daily performance, with regard to the relations it maintains with all its stakeholders, with a

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transparent, effective and efficient management of resources, being honest with customers, suppliers, institutions, and being socially and environmentally responsible.

The Group's code of conduct is based on the definition of the Group's mission, vision, values and principles, and stands as an action guide to ensure an adequate performance in the professional performance of its employees, adapting and accommodating to the legislation in force in the country where the Group carries out its activities, as well as with the internal policies and protocols. Likewise, the Group promotes and encourages its suppliers and collaborating companies to adopt the behavioural guidelines developed in this code of conduct.

The aforementioned code of conduct is the basis for the corporate compliance program implemented by Soltec Power Holdings during 2020, which has been certified by AENOR according to the UNE 19601 standard, with the aim of preventing, avoiding and identifying the commission of criminal offenses in the business environment in compliance with the provisions of the Spanish criminal code, and for which a compliance body has been established to ensure adequate operational supervision of the program's operation.

Soltec Power Holdings' criminal prevention function has the following strategic objectives:

- Promote a culture of compliance within Soltec Power Holdings, as well as the knowledge by its members of the rules and regulations applicable to the above matters, through advisory, dissemination, training and awareness-raising actions.
- Define and drive the implementation and full adherence of the organization to risk management frameworks and measures related to compliance issues.

Based on the foregoing, an analysis has been made of the activities carried out by the Group, as well as its internal operation, identifying the crimes that could be applicable or with respect to which there is a certain risk of being committed in the Group, in view of the activity carried out.

In addition, Soltec Power Holdings has aligned the internal protocols or procedures aimed at preventing or mitigating the commission of crimes by employees when they act on behalf of the Group in the development of its activities with the potentially identified risks. These protocols include the anti-corruption policy and the internal rules of conduct in the securities markets.

In summary, the corporate compliance model currently includes, broadly speaking, the following elements:

- The criminal risks that affect each of the different departments and areas, as well as the review of critical activities.
- The general controls and corporate policies in place to prevent the commission of crimes.
- The process of monitoring the controls that make up the criminal risk supervision and follow-up system.
- The appointment of a compliance body as a control body.
- A financial resource management system.
- A disciplinary system.
- A whistleblower channel where non-compliance can be reported.
- Regular employee training.

The Group requires all its employees to strictly comply with all applicable anti-corruption regulations, and in this regard, they will not be able to offer, directly or indirectly, any benefit or service to customers, partners or any other person or entity which has or may have dealings with the company, in order to unlawfully influence the dealings.

Group employees may not make or offer, directly or indirectly, any payment in cash, in kind or any other

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benefit, to any public official, with the intention of illegally securing or maintaining business or any other advantages. Likewise, they may not, under any circumstances, accept gifts, handouts, special benefits, or any other kind of favor from any person or private entity during their activity, unless they are symbolic and insignificant or as a sign of courtesy.

To report possible breaches, Soltec Power Holdings has made a whistleblower channel available both to its employees and to any of the Group's business partners who consider it necessary to make use of it, through which they should report any type of well-founded suspicion or knowledge of possible breaches of the code of conduct, as well as of any general or specific protocol that the Group has adopted as part of the implementation of corporate compliance.

The potential crime of money laundering has been specifically evaluated in the context of Soltec Power Holdings' activity and no relevant aspect has been identified in relation to it.

Likewise, although it is not an obligated subject due to its activity, Soltec Power Holdings is committed to firmly fighting against money laundering, to prevent the financing of terrorism, as well as other illicit activities by loyally following the recommendations of the Financial Action Task Force. To this end, Soltec Power Holdings will not establish business relationships with persons or entities that do not comply with the money laundering and terrorist financing obligations of each country or that do not provide adequate information regarding compliance with the same.

The personal data collected, stored and/or used by the Group will be registered and processed in compliance with the obligations established in the Organic Law on Data Protection (regulations in force at any given time), ensuring the recognition of the rights (information, access, rectification, etc.) established in the Law.

The transfer of personal data (whether of customers, suppliers, employees or third parties) to unauthorized persons is strictly prohibited, as is improper access to such data (by unauthorized persons or for purposes other than internal business use).

During the years ended December 31, 2020 and 2019, there were no relevant sanctions or complaints related to the areas described in this section.

Social outreach

Society

For Soltec Power Holdings, sustainability is understood as permanence over time, and in order to achieve it, it is necessary to respond to the expectations that society and the people who surround the Group have of it. For this reason, the Group pursues economic, environmental, and social objectives in equal measure.

The Group is committed to ensuring that its activities have a positive impact on the society in which it operates, establishing a good relationship with the environment through various active initiatives in the constant pursuit of these goals, which are so important today.

Soltec Power Holdings is committed to everything that involves being socially responsible. The business takes place in an environment that must be respected, in a society to which a good part of what is delivered every day must be returned, and in a state to which taxes and contributions must be contributed.

The first goal is focused on customer satisfaction, based on the following priorities: (i) the achievement and fulfilment of the specific and temporary expectations raised by customers; and (ii) the guarantee that the expectations will be adapted to the new demands that the market and customers may demand in the future. Therefore, this is a commitment to the continuous improvement of quality.

With a firm commitment to renewable energies and the environment, Soltec Power Holdings is committed to product development and research to provide cutting-edge technology in the industry, minimizing the environmental impact and championing the development of local economies.

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The Group is fully aware of the socioeconomic development of all the areas in which it operates. The commitment to recruiting local labour is real, especially in areas plagued by unemployment or other social disasters.

During fiscal year 2020, as a consequence of the current health and economic crisis derived from Covid-19, the Group has allocated significant resources to food banks, with its employees actively collaborating in the Jesús Abandonado canteens, and to entities that have needed protective equipment, masks, etc.

What is more, education is a cornerstone in its commitment to local communities. The Group provides theoretical/practical training courses in the communities where it operates, not just in renewable energies, but also in other trades that may benefit the target group. These courses are free for local staff, who generally come from areas plagued by unemployment without the possibility of accessing the employment market due to a lack of specific training.

This training is particularly valued in developing countries, where unemployment is very high. In this context, training can enable them to significantly improve their quality of life.

Social projects are also developed, attending to the needs of each place, highlighting the Group's commitment and solidarity with people in need by collecting and donating toys to different non-governmental organizations worldwide.

The Group actively supports health campaigns such as the World Breast Cancer Day, with talks and informative leaflets, helmet stickers, etc., and also mobilized during the earthquakes in Mexico, where it made both economic donations and delivered food for the victims, highlighting, among other aspects, the volunteer team in Murcia, in response to the disasters caused by the floods resulting from the Dana, through a campaign to help clean up and rehabilitate the most affected areas, as well as in the cleaning of plastics on the coast of Cabo de Palos.

Finally, among many other contributions, the Group took part in the reforestation of *Mount Roldán*, an area of incomparable beauty, to repopulate this area with its most indigenous and endangered species, such as cypress and *albaida* (local shrubs).

Associations and sponsorships

Aware of the social responsibility that the Group has as an organization, all means are provided to guarantee the integrity of employees and partners.

Soltec Power Holdings collaborates with the community by promoting sporting, cultural and charitable activities. The Group encourages social contribution thanks to partnership initiatives with non-profit groups or entities with the commitment to assess the potential impacts and inherent risks of the business which may affect society.

Actions include the sponsorship of the Murcia International Tennis Tournament, sponsorship of the annual cycle of concerts by young musicians in Murcia, or sponsorship of one of the electric cars that competed in the Greenpower Iberia South-East race.

With regard to the associations in which the Group actively participates, we can highlight, among others, the following:

- UNEF (Spanish Photovoltaic Union)
- APPA (Spanish Renewable Energy Association)
- SEIA (Solar Energy Industries Association)
- MESIA (Middle East Solar Industry Association)
- SEPA (Smart Electric Power Alliance)
- Energy Council Australia
- AREMUR (Business Association of Renewable Energies and Energy Saving of Murcia)
- FREMM (Regional Federation of Metal Businesspeople of Murcia)

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- RES4Africa (Renewable Energy Solutions for Africa)
- ABSOLAR (Associação Brasileira de Energia Soalr Fotovoltaica)
- Solar Power Europe
- Future Electricity
- ENTRA Aggregation and Flexibility
- SECARTYS
- AHMUR (Murcia Region Green Hydrogen Sector Association)

The amount of donations made by Soltec Power Holdings during 2020 and 2019 fiscal years was thirty-six thousand and eleven thousand euros, respectively, including donations made to food banks, the Health Service of Murcia, Aldeias Infantis SOS, Doctors of the World, UNICEF, Ready for Africa, etc.

Outsourcing and suppliers

The procurement policy sets out to build a solid base of approved suppliers to meet the demands and expectations of customers. The Group, by means of efficient and transparent procurement management, continually seeks to identify and mitigate the social and environmental risks inherent to the entire supply chain.

The Group takes the approach of continuous improvement of its processes as part of its commitment to the search for added value in its supply chain. Thus, its operational processes are reviewed and adapted to include an evaluation of suppliers to ensure the quality, safety, ethical compliance and sustainability of their integrated practices in the value chain, in response to the growing interest of stakeholders in the origin of raw materials. The Group is working to ensure that logistics suppliers are efficient and reduce their environmental impact.

The management of supplier relationships also includes the added value that human aspects of the business can bring to operations, respecting the following foundations: two-way, open and effective communication; mutual respect and willingness to consider the needs and opinions of the other party; fairness in negotiations; building trust, so that the Group can find innovative ways of working and solving problems together; and the flexibility to meet the needs of both parties.

Because the success of the projects carried out by Soltec Power Holdings depends largely on the good performance of those suppliers that supply tracker components or provide services for their installation on site, they undergo a strict process of approval and control.

As a prerequisite to making any purchase order, these suppliers' facilities, materials, equipment or services must be audited and approved by the Group's approval committee, which is made up of a member from the areas of quality, administration, engineering, procurement, production, logistics, safety and the environment.

By approving these suppliers, the aim is to reduce the risks inherent to the supply of these goods and services, which are considered essential, and to promote quality in the management of suppliers in general. As a result of the approval process, a list of approved suppliers is obtained, outside which the procurement managers will not be able to use when it comes to purchasing components for the trackers or contracting services for their installation on site.

Suppliers of goods or services that are not directly related to the *tracker* manufactured by the Group are not required to undergo the homologation process but must provide formal documentation to be accredited. This group includes all suppliers that do not supply *tracker* components or provide assembly and installation services.

In addition, the purchasing procedures and supply contracts entered into with suppliers require compliance with all provisions in force at any given time, especially those related to labour, social security or taxation, as well as those related to the environment, health and safety, and must prove their compliance in the established manner and within the established deadlines. To this end, among other aspects, available quality certificates (ISO 9001), policies to respect the environment (ISO 14001), occupational health and safety policies (ISO 18001 and ISO 45001), policies related to compliance with the guidelines established by the international labour organization will be requested, and internal and external audits will be carried out periodically.

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Furthermore, the Group's suppliers are required to support and respect the protection of human rights, as defined in the United Nations Universal Declaration of Human Rights and are not authorized to take any action which violates these principles, either directly or indirectly.

The material supply contracts signed by suppliers clearly specify that the products supplied must not contain asbestos or any other hazardous or radioactive material or substance in any form, either in the raw material or in the components used.

In this sense, the supplier shall certify and ensure that no "conflict minerals" such as tin, tantalum, tungsten, wolfram or gold are procured or contained in the supply from conflict-affected or high-risk areas, including from its own suppliers. In general, the supplier shall follow and comply with all relevant laws and regulations regarding restrictions on substances, materials and radioactivity.

Finally, it is worth highlighting Soltec Power Holdings' support for local growth in the region and economic development and, therefore, its commitment to purchasing from local suppliers whenever the type of product required allows it, representing the supplies made in the countries where it operates, during 2020, approximately fifty percent of the purchases made, 45% Spain and Portugal and 7% Brazil, (fifty percent of the purchases made during 2019, 39% in Spain and Portugal, 9% in Brazil and 2% in Australia). The remaining procurements have been made during 2020, mainly in China and Korea with 29% and 14%, respectively (China and Korea with 30% and 12%, respectively during 2019).

Customers

Soltec Power Holdings, aware of its commitment to its customers, has the necessary resources to establish a quality, environmental, and health and safety management system in its organization, certified according to ISO 14001:2015, ISO 9001 and OHSAS 18001:2007. Its goal is to provide customers with a more efficient service every day, realizing that the services provided must have a constant increase in quality, reliability, and safety.

All the Group's products are guaranteed to ensure their correct operation, according to the contracted warranty terms, undergoing strict quality controls to meet the specifications and requirements of its customers. As a compilation of all inspections, trials and tests performed, a FAT certificate is issued. The objective is to offer the best service to customers, accompanying, advising, and training in each case in order to ensure the best and fastest technical assistance.

The operation and maintenance plan offer the best assistance with immediate response, regular instructions, rapid management of problems with regional coverage, onsite and online coordination, routine and urgent visits to plants, periodic reports, dedicated staff, online monitoring, and administration. Additionally, there are operational procedures that set forth the necessary requirements for carrying out tracker maintenance, with the aim of standardizing activities during works and thereby managing to control, reduce and/or eliminate the risks of accidents with injury to people or damage to equipment, facilities, and the environment.

Similarly, Soltec Power Holdings offers its customers a customer service, "Solmate", and has a new *online* platform available 24 hours a day through which customers can always report problems quickly and track their requests at any time. With local infrastructure in countries such as Mexico, the United States, Brazil, Spain, Chile and Australia, as well as Solhub warehouses in different countries to initiate quick spare parts management, Soltec Power Holdings guarantees the best and fastest response to any operating incident.

With Solmate Care, customers can enjoy continuous technical assistance, *online* or *onsite*, and additional support options. Its objective is to accompany them throughout the entire process, with dedicated experts that enable immediate response, as well as the diagnosis of the problem and the fastest management of the solution. Through Solmate Care, customers can access complementary benefits such as the monitoring of its Tracking Monitoring System, which allows a more precise knowledge of the operation of the solar trackers, as well as warranty extensions.

As part of the quality system, the Group has a procedure for identifying and managing non-conformities, which are appropriately documented by each project/subsidiary and reported to the central quality department at

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least once a month, as well as regular satisfaction surveys. Once the necessary actions have been implemented, the causes (source) of the non-conformities are analyzed and the necessary corrective actions are determined to avoid their repetition.

The number of complaints received during the year ended December 31, 2020, two hundred and eighteen (sixty-seven in 2019), from customers and admitted for processing has not been significant in relation to the number of equipment installed, being the same resolved, mainly through the replacement of materials and / or repairs.

Soltec Power Holdings currently has no fines or penalties for non-compliance with regulations related to consumer health and safety issues.

Tax reporting

During the year 2020, Soltec Power Holdings, S.A. and Soltec Energías Renovables, S.L.U. have implemented a corporate tax policy, which has been certified by AENOR according to the UNE 19602 standard, in order to strengthen the basis for compliance with the tax functions entrusted to the management body in accordance with the applicable regulations and best tax practices.

In this sense, the Groups' tax strategy has the fundamental goal of ensuring compliance with tax regulations and all tax obligations in each of the jurisdictions in which it operates, all within the framework of respecting principles of corporate integrity, transparency, and corporate interests. Similarly, Soltec Power Holdings is committed to maintaining a cooperative relationship with the public agencies.

Committing to the responsible payment of taxes and respecting in all cases the local tax regulations in each of the countries where Soltec Power Holdings operates, the principles that govern the Group's tax strategy and the good practices that derive from them are as follows:

- Adoption of the necessary measures to guarantee the reduction of significant tax risks and the prevention of conduct that could generate them, through the establishment of a policy of supervision, monitoring and control of the activity (*tax compliance* policy). The purpose of this policy is to implement a tax organization and management model based on due control and the reinforcement of an ethical business culture with respect to compliance with tax obligations.
- Implementation of effective information systems and internal control of tax risks, including measures to mitigate them and establishing internal corporate governance rules on this matter, compliance with which may be subject to verification.
- Rejection of the use of opaque structures for tax purposes.
- Relationship with tax administrations based on the principles of good faith, collaboration and transparency.
- Collaboration with public administrations in the detection and search for solutions regarding fraudulent tax practices that may develop in markets in which we are present.
- Use of all the possibilities offered by the contradictory nature of the inspection procedure and encouragement, as far as possible, of the voluntary regularization of any contingency.
- Information to the Group's management body on the tax policies applied and the tax consequences of transactions or matters to be submitted for its approval when these constitute a relevant factor.
- Adoption of decisions in tax matters based on a reasonable interpretation of the rules, under the principles of prudence and responsibility and, where appropriate, avoiding possible conflicts of interpretation through the use of instruments established for this purpose by the tax authorities.

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- Promotion of a tax culture of compliance and responsibility by effectively communicating the tax compliance program and the derived obligations in order to reinforce the ethics-based corporate culture.

In order to comply with these guidelines, the Board of Directors has appointed a *tax compliance officer* in charge of supervising the model, who, among other aspects, will promote the review of the aforementioned tax policy, adopting the modifications and improvements deemed appropriate, in accordance with the regulations applicable at any given time.

The distribution by country of the results and income taxes paid during 2020 and 2019 are as follows:

	Thousand euros					
	2020			2019		
	Pre-tax profit (loss)	Profit (loss) for the period	Income tax paid	Pre-tax profit (loss)	Profit (loss) for the period	Income tax paid
Spain	(6,609)	(2,496)	682	1,804	2,330	1,072
Brazil	(4,333)	(3,498)	-	(2,273)	(1,160)	-
Mexico	484	74	-	(1,671)	(1,671)	138
Chile	33	(19)	-	(77)	368	-
Argentina	(221)	(193)	-	187	14	204
Peru	(34)	(34)	-	(91)	(92)	-
USA	1,062	1,651	-	(567)	(554)	15
India	15	10	-	14	13	-
Australia	209	129	-	(64)	(64)	6
France	(433)	372	35	3,117	2,172	-
Italy	(909)	(889)	-	(35)	(35)	-
Others	(34)	(35)	3	16	19	-
Total	(10,770)	(4,928)	720	360	1,340	1,435

During 2020 and 2019 the Group has not applied tax deductions for a significant amount, being capitalized pending application at December 31, 2020 an amount of 1,535 thousand euros (48 thousand euros at December 31, 2019). CDTI loans at December 31, 2020 amounted to 359 thousand euros (388 thousand euros at December 31, 2019), and no amount was drawn down in 2020 (238 thousand euros in 2019).

Subsequent events

There have been no subsequent material events related to non-financial information from December 31, 2020 through the date of preparation of this consolidated statement of non-financial information that have not been appropriately disclosed in the preceding sections.

Contents of the Statement of Non-Financial Information

Contents of Law 11/2018 INF			Reference standard	Page Report
Business Model	Description of the group's business model	Brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development.	GRI 102-2 Activities, brands, products and services	p. 1 to 10
			GRI 102-4 Location of activities	
			GRI 102-6 Markets served	
			GRI 102-15 Key impacts, risks, and opportunities	
			GRI 102-7 Organizational Dimension	
Information on environmental issues	Policies	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	GRI103-2 Management approach and its components	p. 10 to 15
			GRI 103-3 Evaluation of management approach	
	Main risks	Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information on the impacts that have been identified should be included, providing a breakdown of the impacts, in particular on the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks, and opportunities	p. 10 to 15
			GRI 102-11 Precautionary approach or principle	p. 15
General	Current and foreseeable effects of the company's activities on the environment and, if applicable, on health and safety.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-29 Identifying and managing economic, environmental and social impacts	p. 10 to 15	

Contents of the Statement of Non-Financial Information

Contents of Law 11/2018 INF		Reference standard	Page Report
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	GRI 103-2 Management Approach (with a view to GRI 306)	p. 12 and 13
Sustainable use of resources	Water consumption and water supply in accordance with local constraints	GRI 303-1 Interaction with water as a shared resource	This aspect is not considered material for the Group, since water consumption is mainly for human use.
		GRI 303-3 Water withdrawal	
GRI 303-5 Water consumption			
Sustainable use of resources	Consumption of raw materials and measures taken to improve the efficiency of their use	GRI 103-2 Management Approach (with a view to GRI 300)	p. 15
		GRI 301-3 Recovered Products and Packaging	
Sustainable use of resources	Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency, Use of renewable energies	GRI 102-2 Management approach (with a view to GRI 302 Energy)	p. 13 and 14
		GRI 302-1 Intra-organizational energy consumption (energy from renewable and non-renewable sources)	
		GRI 302-2 Energy consumption outside the organization	
		GRI 302-4 Reduction of energy consumption	
Climate Change	Greenhouse Gas Emissions	GRI 302-5 Reduction of energy requirements of products and services	p. 14 and 15
		GRI 305-1 Direct GHG emissions (scope 1)	
		GRI 305-2 Indirect GHG emissions from energy generation (Scope 2)	

Contents of the Statement of Non-Financial Information

Contents of Law 11/2018 INF		Reference standard	Page Report
Main risks	Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information on the impacts that have been identified should be included, providing a breakdown of the impacts, in particular on the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks, and opportunities	p. 16 to 27
	Total number and distribution of employees by gender, age, country and job classification	GRI 102-7 Organizational Dimension GRI 102-8 Information on employees and other employees GRI 405-1. b) Employees by employment category for each category, gender, and age group.	p. 16, 17 and 18
Employment	Total number and distribution of employment contract modalities	GRI 102-8 Information on employees and other employees	p. 18 and 19
	Average annual number of permanent, temporary and part-time contracts by gender, age and professional classification.	Not included in GRI: provides the total number of employees by contract (permanent/temporary and full/part-time) by gender, but not the average by age and professional classification (recalculation of 102-8).	p. 19, 22 and 23
	Number of dismissals by gender, age and occupational classification	GRI 401-1. b) Total number during the reporting period, by age group and gender (only regarding dismissals). Not included in GRI: Number of redundancies by occupational classification	p. 19

Contents of the Statement of Non-Financial Information

Contents of Law 11/2018 INF		Reference standard	Page Report
	Average salaries and their evolution broken down by gender, age and professional classification or equal value.	Average compensation by gender, age and job classification should be reported. For its calculation, the total salary payments in cash and remuneration in kind should be taken into account, so that the benefits referred to in GRI 401-2 should be taken into account for the calculation.	p. 20 and 21
	Wage Gap	OECD: The gender pay gap is defined as the difference between the average earnings of men and women relative to the average earnings of men.	p. 21
	Remuneration for equal or average jobs in the company	GRI 202-1 Ratio of standard entry level salary by gender compared to local minimum wage (this indicator is used because as one progresses through the career ladder, various factors may influence the definition of each individual's remuneration).	p. 21
	The average remuneration of directors and executives, including variable remuneration, per diems, indemnities, payments to long-term savings systems and any other payments disaggregated by gender.	GRI 102-35 Compensation policies GRI 102-36 Process for determining compensation (for management approach) GRI 201-3 Obligations under employee benefit plans and other pension plans Not included in GRI: Information disaggregated by gender.	p. 21



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Contents of Law 11/2018 INF		Reference standard	Page Report
		403-7 Prevention and mitigation of impacts on the health and safety of workers directly linked to commercial relations	
	Occupational accidents (frequency and severity) disaggregated by sex	GRI 403-2 Types of accidents and rates of occupational accidents, occupational diseases, lost days, and absenteeism, and number of related fatalities (section a) GRI 403-3 Workers with high incidence or high risk of diseases related to their activity. GRI 403-9 Injuries due to occupational accidents GRI 403-10 Occupational diseases and illnesses	p. 24
	Occupational diseases (frequency and severity) disaggregated by gender	GRI 403-2 Types of accidents and rates of occupational accidents, occupational diseases, lost days, and absenteeism, and number of related fatalities (section a) GRI 403-3 Workers with high incidence or high risk of diseases related to their activity.	p. 24
Social Relationships	Organization of social dialogue, including procedures for informing, consulting and negotiating with personnel.	GRI 102-43 Approach to Stakeholder Engagement (related to unions and collective bargaining) GRI 403-4 Worker involvement, consultation and communication on occupational health and safety	p. 24 and 25
	Percentage of employees covered by collective bargaining agreements by country	GRI 102-41 Collective bargaining agreements Not included in GRI: broken down by country	p. 24 and 25
	Review of collective bargaining agreements, particularly in the field of occupational health and safety	GRI 403-1 Worker representation on joint health and safety committees	p. 24 to 25

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Contents of Law 11/2018 INF		Reference standard	Page Report
		GRI 403-4 Occupational health and safety topics covered in formal agreements with employee representatives.	
Training	Policies implemented in the field of training	GRI 103-2 Management Approach (with a view to GRI 404-Training and Education)	p. 25 and 26
	Total number of training hours by professional category	GRI 404-1 Average hours of training per employee per year Not included in GRI: total hours of training.	p. 25
Accessibility	Universal accessibility for people with disabilities	GRI 103-2 Management Approach (with a view to GRI 405 Diversity and Equal Opportunity and GRI 406 Non-Discrimination)	p. 26
Equality	Measures taken to promote equal treatment and opportunities for men and women	GRI 103-2 Management Approach (with a view to GRI 405 Diversity and Equal Opportunity)	p. 26 and 27
	Equality plans	GRI 103-2 Management Approach (with a view to GRI 405 Diversity and Equal Opportunity and GRI 406 Non-Discrimination)	p. 26 and 27
	Measures taken to promote employment	GRI 103-2 Management Approach (with a view to GRI 401 Employment) GRI 404-2 Programs to enhance employee skills and transition assistance programs	p. 26 and 27
	Protocols against sexual and gender-based harassment	GRI 103-2 Management Approach (with a view to GRI 405 Diversity and Equal Opportunity and GRI 406 Non-Discrimination)	p. 26 and 27

Contents of the Statement of Non-Financial Information

Contents of Law 11/2018 INF			Reference standard	Page Report
		Integration and universal accessibility of people with disabilities	GRI 103-2 Management Approach (with a view to GRI 405 Diversity and Equal Opportunity and GRI 406 Non-Discrimination)	p. 26
		Policy against all types of discrimination and, where appropriate, diversity management	GRI 103-2 Management Approach (with a view to GRI 405 Diversity and Equal Opportunity and GRI 406 Non-Discrimination) GRI 406-1 Cases of discrimination and corrective actions taken.	p. 26 and 27
Information on respect for human rights	Policies	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	GRI103-2 Management approach and its components GRI 103-3 Evaluation of management approach	p. 27 and 28
	Human Rights	Implementation of human rights due diligence procedures	GRI 103-2 Management Approach (with a view to GRI 412 Human Rights Assessment)	p. 27 and 28
		Prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress possible abuses committed	GRI 103-2 Management Approach (with a view to GRI 412 Human Rights Assessment)	p. 27 and 28
		Complaints of human rights violations	GRI 102-17 Mechanisms for ethical advice and concerns (complaints received and resolution) GRI 103-2 Management Approach (with a view to GRI 412 Human Rights Assessment)	p. 28

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Contents of Law 11/2018 INF			Reference standard	Page Report
			GRI 419-1 Non-compliance with laws and regulations in the social and economic spheres	
		Promotion and enforcement of the provisions of the ILO core conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.	GRI 103-2 Management Approach (with a view to GRI 406 Non-discrimination; 407 Freedom of Association and Collective Bargaining; 408 Child Labor; 409 Forced or Compulsory Labor and 412 Human Rights Assessment)	p. 27 and 28
Information related to the fight against corruption and bribery	Policies	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	GRI103-2 Management approach and its components GRI 103-3 Evaluation of management approach	p. 28 to 30
	Main risks	Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information on the impacts that have been identified should be included, providing a breakdown of the impacts, in particular on the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks, and opportunities GRI 102-30 Effectiveness of risk management processes	p. 28 to 30
	Corruption and bribery	Measures taken to prevent corruption and bribery	GRI 103-2 Management Approach (with a view to GRI 205 Anti-Corruption)	p. 28 to 30
		Measures to combat money laundering	GRI 103-2 Management Approach (with a view to GRI 205 Anti-Corruption)	p. 29 and 30

FIRMADO por: MARCOS SAEZ NICOLAS (NIF: 34815039P)
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 FIRMADO por: JOSE FRANCISCO MORALES TORRES (NIF: 22435190R)
 FIRMADO por: MARINA MORENO DOLERA (NIF: 48453578F)
 FIRMADO por: SILVIA AWATERATSU DIAZ DE LASPRA MORALES (NIF: 48698104C)
 FIRMADO por: NURIA ALIÑO PEREZ (NIF: 03103668W)
 FIRMADO por: MARIA SICIALIA SALVADORES (NIF: 07496776H)
 FIRMADO por: FERNANDO CABALLERO DE LA SEN (NIF: 11813931G)

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Firma válida.

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Contents of Law 11/2018 INF		Reference standard	Page Report
		Contributions to foundations and non-profit organizations	GRI 103-2 Management Approach (with a view to GRI 205 Anti-Corruption) p. 31
Social outreach	Policies	Policies applied by the group, including due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and verification and control, as well as the measures that have been adopted.	GRI103-2 Management approach and its components GRI 103-3 Evaluation of management approach p. 30 to 35
	Main risks	Key risks related to these issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse impact on these areas, and how the group manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each subject matter. Information on the impacts that have been identified should be included, providing a breakdown of the impacts, in particular on the main short, medium and long-term risks.	GRI 102-15 Key impacts, risks, and opportunities p. 30 to 35
		Impact of the company's activities on local employment and development	GRI 203-2 Significant Indirect Economic Impacts GRI 413-1 Operations with local community involvement, impact assessments, and development programs p. 30 to 35
		Impact of the company's activities on local populations and the territory.	GRI 203-2 Significant Indirect Economic Impacts GRI 413-1 Operations with local community involvement, impact assessments, and development programs p. 30 to 35
	Relationships maintained with local community stakeholders and the modalities of dialogue with them	GRI 102-43 Approach to Stakeholder Engagement (related to community) p. 30 to 35	

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Contents of Law 11/2018 INF		Reference standard	Page Report
		GRI 413-1 Operations with local community involvement, impact assessments, and development programs	
	Association and sponsorship actions	GRI 102-12 External initiatives	p. 31
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the procurement policy.	GRI 103-3 Management Approach (with a view to GRI 308 and GRI 414)	p. 32 and 33
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	GRI 102-9 Supply Chain GRI 103-3 Management Approach (with a view to GRI 308 and GRI 414) GRI 414-1 New suppliers that have passed selection filters in accordance with social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken.	p. 32 and 33
	Monitoring and auditing systems and audit results	GRI 414-2 Negative social impacts in the value chain and actions taken.	p. 32 and 33
Consumers	Consumer health and safety measures	GRI 103-2 Management Approach (with a view to GRI 416 Customer Health and Safety) GRI 416-1 Assessment of health and safety impacts of product or service categories. GRI 416-2 Non-compliance cases related to health and safety impacts of product and service categories.	p. 33 and 34



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Contents of Law 11/2018 INF		Reference standard	Page Report
Tax information	Complaint systems, complaints received and their resolution	GRI 102-17 Mechanisms for ethical advice and concerns (complaints received and resolution) GRI 103-2 Management Approach (with a view to GRI 416 Customer Health and Safety) GRI 418-1 Substantial complaints regarding breaches of customer privacy and losses of customer data.	p. 33 and 34
	Benefits obtained by country	GRI 207-4 Country-by-Country Reporting	p. 34 and 35
	Taxes on profits paid	GRI 207-4 Country-by-Country Reporting	p. 34 and 35
	Public subsidies received	GRI 201-4 Financial assistance received from the government	p. 34 and 35

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FORMULATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT

The board of directors of Soltec Power Holdings, SA, in compliance with current commercial regulations, has prepared on March 24, 2021 the consolidated financial statements and the consolidated management report of Soltec Power Holdings, SA (hereinafter, the Company parent) and subsidiaries (hereinafter, the Group) of the year 2020 following the format and labeling requirements established in the EU Delegated Regulation 2019/815 of the European Commission.

The members who make up the Company's board of directors hereby declare the aforementioned consolidated financial statements and the consolidated management report for the year 2020 signed unanimously, with a view to their verification by the auditors and subsequent approval by the general meeting of shareholders.

Mr. Raúl Morales Torres
President of the Board of Directors

Mr. Fernando Caballero de la Sen
Member of the Board of Directors

Ms. Nuria Aliño Pérez
Member of the Board of Directors

Ms. María Sicilia Salvadores
Member of the Board of Directors

Mr. José Francisco Morales Torres
Member of the Board of Directors

Ms. Marina Moreno Dólera
Member of the Board of Directors

Mr. Marcos Sáez Nicolás
Member of the Board of Directors

Ms. Silvia Díaz de Laspra
Secretary of the Board

Soltec Power Holdings, S.A. and subsidiaries

Independent Limited Assurance
Report on the 2020 Consolidated
Non-Financial Information Statement
of Soltec Power Holdings, S.A. and
subsidiaries

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

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT OF SOLTEC POWER HOLDINGS, S.A. AND SUBSIDIARIES FOR 2020

To the Shareholders of Soltec Power Holdings, 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 (“the NFIS”) for the year ended 31 December 2020 of Soltec Power Holdings, S.A. and subsidiaries (“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 review work was limited solely to verification of the information identified in the “Non-Financial Information Statement table of contents” in the NFIS.

Responsibilities of the Directors

The preparation and content of the NFIS included in the Group’s Consolidated Directors’ Report are the responsibility of the Board of Directors of Soltec Power Holdings, 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 “Non-Financial Information Statement table of contents” of the aforementioned NFIS.

These responsibilities of the Directors and Management 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 directors of Soltec Power Holdings, S.A. are 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 Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

(IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented 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 Responsibilities

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our review 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 ("ISAE 3000 Revised"), 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 making inquiries of management and the various units of the Group 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 Group personnel 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 2020 NFIS based on the materiality analysis performed by the Group and described in the NFIS, 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 2020 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2020 NFIS.

- Verification, by means of sample-based tests, of the information relating to the contents included in the 2020 NFIS and the appropriate compilation thereof based on the data furnished by information sources.
- Obtainment of a representation letter from the directors and management.

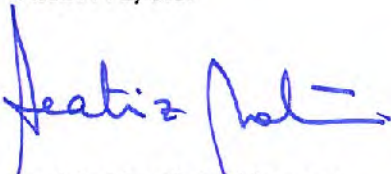
Conclusion

Based on the procedures performed and the evidence obtained no additional matter has come to our attention that causes us to believe that the Consolidated Non-Financial Information Statement of Soltec Power Holdings, S.A. and subsidiaries for the year ended 31 December 2020 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 “Non-Financial Information Statement table of contents” of the aforementioned CNFIS.

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.



Beatriz Martín Velázquez

30 March 2021

This report corresponds to seal no. 01/21/06767 issued by the Spanish Institute of Certified Public Accountants.