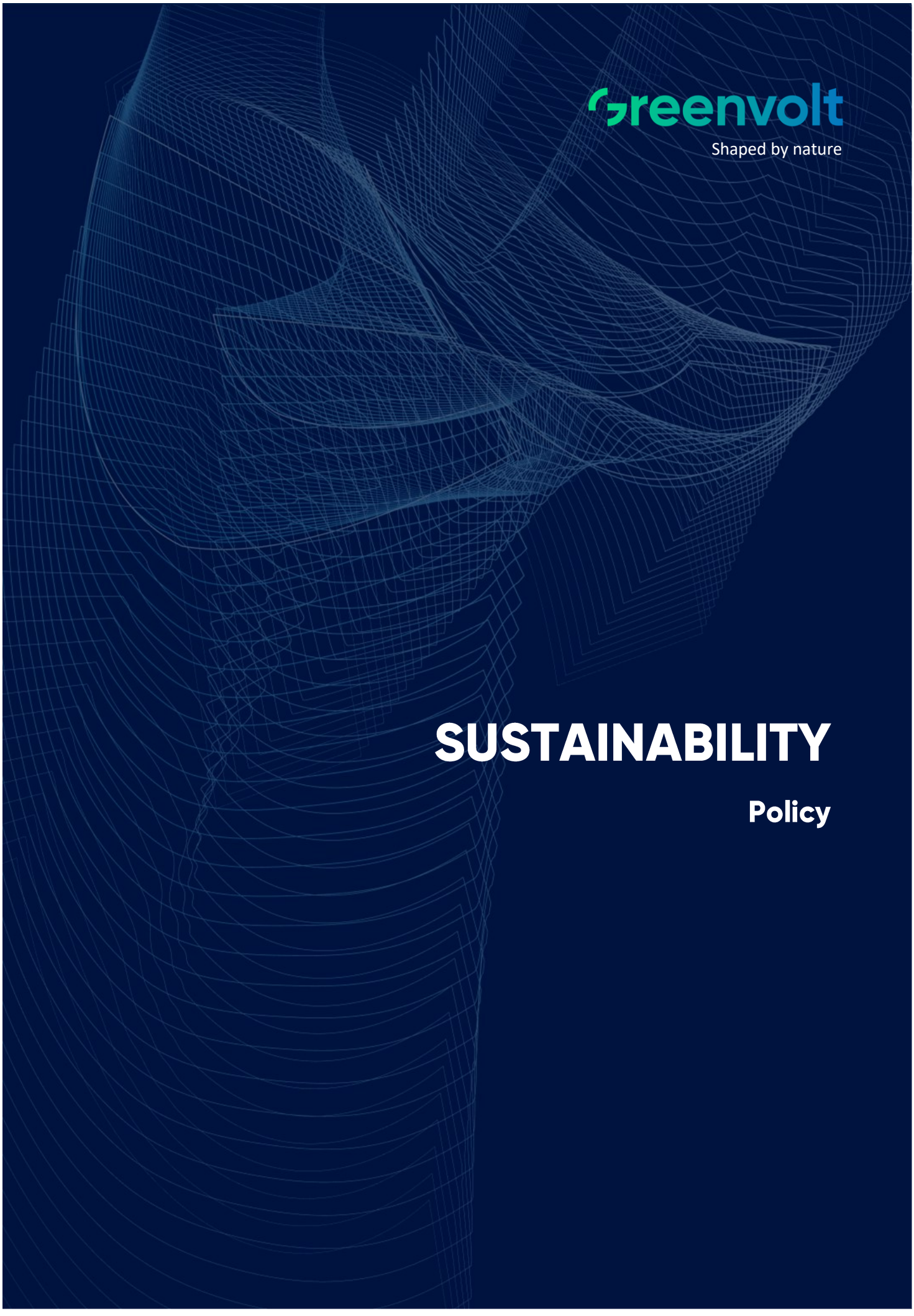

SUSTAINABILITY

Policy

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1	15/03/2022	Ethics and Sustainability Committee	Board of Directors	Initial Issuance
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1. Introduction

For Greenvolt Group (“Greenvolt”) sustainability is a strategic and indispensable factor in the progress of the company and society, which it must be an integral part of each of its business decisions, processes, and projects.

As a reference company in the Portuguese market and increasingly recognized in the international market as one of the main players in the promotion and development of renewable energy projects, it embraces a sustainable and differentiating business model that seeks to create a positive impact on the world, especially in the communities in which it operates.

The global scale of Greenvolt´ s business implies recognizing Diversity, Equality, and Inclusion as a competitive advantage, enhancing and valuing the opinions and values of all people in their work environment, but also safeguarding their safety and health, reconciling the balance between personal and professional life. The commitment to Sustainability is also strongly based on a solid and resilient financial policy that seeks to direct financial flows towards sustainable investments, as exemplified by Greenvolt’ s pioneering issue of *green bonds* in Portugal (through its subsidiary Sociedade Bioelétrica do Mondego, S.A., in February 2019).

The Greenvolt Group's Sustainability Policy ("Policy") establishes the principles of action for the implementation of a development model that creates and/or preserves value for stakeholders and society in general, while identifying risks and maximizing opportunities.

These commitments are reflected in the various initiatives to which it voluntarily subscribes, such as the ten principles of the United Nations Global Compact, the United Nation´s Sustainable Development Goals (SDG´s) and the Charter of Principles of the Business Council for Sustainable Development (BCSD) Portugal, which have underlying lines of action to ensure responsible management in the areas of environmental protection, labour practices, human rights, anti-corruption, ethics and compliance, and sustainable economic development.

At Greenvolt Group, we are strongly committed to leading the energy transition and promoting a more sustainable future.

CEO, João Manso Neto

2. Purpose

This Policy reflects the Greenvolt Group's commitment to a set of principles, fundamental for social progress, environmental balance, and economic development, which materialize the different domains of the defined Sustainability Strategy, supported by Top Management, and based on a careful management of resources and specific action and monitoring plans.

These principles are transversal to all Greenvolt Group companies and direct their management practices towards an ethical and responsible business model, aligned with the best management practices.

The Policy also establishes the mechanisms that define the respective monitoring, review, and approval processes.

3. Scope of application

This Policy, approved by the Ethics and Sustainability Committee, applies to the entire Greenvolt Group, namely to companies wholly owned by Greenvolt and to companies in which Greenvolt has control.

In the case of companies in which Greenvolt exercises co-control or considerable influence, or in the case of companies in which Greenvolt does not exercise significant control or influence, Greenvolt' s representatives must comply with the provisions of this Policy and, whenever possible, promote the adoption of the established rules and mechanisms.

The principles included in this Policy also apply to any person or entity that provides services or acts on behalf of companies of the Greenvolt Group, on a permanent or temporary basis, such as, for example, suppliers or subcontractors.[1]

4. Principles

4.1. Environment

To ensure compliance with applicable environmental laws and regulations and other requirements to which the organization voluntarily subscribes.

1 "Supplier" means all natural or legal persons who supply or intend to supply goods or services to Greenvolt and/or any company of the Greenvolt Group, on a permanent or temporary basis. Subcontractor: person or entity that provides services to the Greenvolt Group, on its behalf.

To adopt the best practices for the protection of the environment, including mechanisms for pollution prevention, safety and adoption of cleaner, more efficient and economically feasible technologies, to prevent and mitigate the environmental impact of its activities.

To combat climate change by implementing mitigation and adaptation measures, that allow to reduce the company's carbon footprint, and seek to positively influence the entire value chain in adopting the best environmental practices.

To develop and operate renewable energy production projects, which contribute to carbon neutrality at electricity production level, promoting a fair and more democratic energy transition by offering concrete solutions that allow families and companies to save on the electricity cost.

To improve energy efficiency in operations and reduce greenhouse gas (GHG) emissions and emissions of other pollutants (non-GHG).

To properly manage the waste produced, maximizing its recycling, recovery, and reintroduction into the economy, and reduce, whenever possible, the waste produced, specifically hazardous waste, resulting from the company's activity.

To properly manage and monitor effluent discharges, seeking, whenever possible, to reduce their release into the environment.

To encourage the efficient use and responsible consumption of water resources, and other natural resources, in all the company's activities and operations.

To preserve and protect biodiversity and ecosystems conservation by prioritising the application of the mitigation hierarchy to different projects, aiming for a positive a "*no net loss*" result or "*net positive impact*" on the biodiversity balance sheet in the long term.

To integrate biodiversity throughout the value chain and the different phases of the project cycle (planning, building, operations, maintenance, and dismantling), avoiding operating in areas of high biodiversity value.

To adopt criteria to minimise environmental and social risks and impacts in the choice of processes, technologies, raw materials and means of transport.

To contribute to the collection and treatment of surplus forest and agroforestry products, to add economic value to communities and to act to prevent forest fires.

To develop community programs to promote engagement and strengthen environmental awareness and education of children and young people, with a view to fostering more environmentally friendly attitudes and behaviours.

To assess, minimize and compensate, as appropriate, the company's environmental impact and risk at each stage of the business cycle, and set goals and objectives to reduce environmental impact accordingly.

4.2. Management and Responsible Action

To ensure participatory, competent, and honest governance of the business.

To integrate sustainability into all business areas and different organizational levels and promote this culture throughout its value chain.

To include the results of risk assessments and business opportunities, while managing regulatory, reputational and/or market risks, including those related to climate change, in the development of strategies and decision-making processes.

To support and respect the protection of internationally recognised human rights within its sphere of influence and refuse to participate in violations of those rights.

To comply with applicable legislation and other requirements defined by the organisation, and continuously improve economic, ethical, social and environmental performance.

To combat corruption, in all its forms, including extortion and bribery, while seeking to minimize conflicts of interest.

To guarantee that the ethical principles and rules that should guide the behaviour of its employees, suppliers and partners are applied and complied with.

To ensure the necessary preconditions for the secure use of Greenvolt services, by guaranteeing availability, integrity, confidentiality and privacy.

To provide customers with the necessary information to make decisions and inform them of any risks associated with the use of the products and services supplied.

To select suppliers based on clear and impartial criteria and treat them with respect, honouring the commitments undertaken with them.

To require suppliers to comply with procedures, rules and principles in line with the standards adopted internally, by stimulating collaboration mechanisms.

4.3. People and Organisation

To encourage the participation of employees in the continuous improvement of the organisation´s performance and in achieving the established objectives, by raising their awareness of them and providing technical training.

To support staff development, enhancing employee's development of their individual and professional skills, by stimulating teamwork and the fulfilment of missions and objectives.

To develop a work environment that fosters diversity and inclusion, by guaranteeing equal access to opportunities and career development, and rejecting abusive and discriminatory practices.

To promote the well-being and balance of employees through the implementation of flexible working arrangements and other work-life balance measures.

To encourage communication, the free expression of opinions and sharing of information among employees, and to respect freedom of association and collective bargaining.

To implement all necessary measures, instruments and procedures to ensure that human rights are not violated in the workplace.

To ensure fair remuneration for all Greenvolt Group employees, ensuring the implementation of measures that contribute to the reduction of the gender pay gap.

To ensure that employees, suppliers and partners carry out their duties in a healthy and safe working environment that prevent risks, occupational illnesses and incidents, and complies with labor legislation and applicable health and safety standards, considering the company´s specific circumstances.

4.4. Communities

To foster the development of the local communities where Greenvolt operates and/or intends to develop business.

To boost and encourage, whenever possible, local hiring and purchases.

To promote initiatives and projects that create value in the communities impacted by Greenvolt' s business, prioritizing, whenever possible, the dimensions of action defined in the Social Investment Policy.

To strengthen dialogue with local communities through formal or informal communication mechanisms.

4.5. Supply Chain

To encourage dialogue with suppliers and the development of partnerships along the value chain to disseminate the adoption of good environmental, social and ethical practices.

To implement measures, tools and procedures that seek to prevent the violation of human rights in the value chain (e.g. forced or child labor), during the performance of its activities at the service of Greenvolt.

To facilitate, as far as possible, equal opportunities, development options, and appropriate treatment of suppliers' employees and subcontractors.

4.6. Transparency and Dialogue

To ensure an open and trusting relationship with all stakeholders.

To communicate and consult regularly with stakeholders to identify, understand and consider their concerns and expectations.

To report regularly on economic, environmental, social and ethical policies, practices and performance in a transparent, accurate and objective manner.

To establish and implement conditions conducive to satisfying the needs and expectations of shareholders, customers, employees, suppliers, community and other stakeholders, with respect for the environment and under economically, socially and environmentally sustainable conditions, with a view to continuous improvement, preventing pollution, injuries and damage to the employees' health.

4.7. Integrated Management System

To implement and maintain the Sustainability Strategy and the Quality, Environment, Energy and Health and Safety Management Systems, to continuously improve their performance and effectiveness, establishing objectives and targets which are periodically reviewed.

To contribute to raising awareness among employees and other stakeholders regarding sustainability, to adopt the best environmental, ethical and social practices in its business activities.

To prevent accidents, prepare and maintain a state of operational readiness to deal with emergencies.

To regularly monitor and implement best management practices to guarantee environmental and landscape rehabilitation in situations of decommissioning and demolition of our assets, using external expert assessments to mitigate negative impacts and maximise benefits, which are embodied in the recognition of provisions for decommissioning and rehabilitation in our financial statements.

To provide the information and the necessary resources to achieve the objectives and targets set.

4.8. Innovation and Value Creation

To encourage innovation as a basic pillar for the development of the business in the search for new market opportunities and improvements in processes and energy solutions that are sustainable from the technical and operational point of view and that support social progress.

To develop efforts to create economic, social and environmental value, through partnerships and responsible and sustainable business models, assuming a leading role in the production of clean and renewable energy and contributing to the energy transition.

4.9. Sustainable Finance

To invest in projects that improve the company's environmental performance, promote the basis for clean and renewable energy production, strengthen integrated pollution prevention and control, and that are based on the circular economy.

To stimulate the aim and future validity of a carbon-neutral society, supported to a greater extent on resource efficiency and sustainability of the economy.

To enable investors to reorganise their investments through more sustainable businesses and technologies.

To comply with short- and long-term financial obligations and guarantee access to capital markets, by careful management of liquidity levels and maintaining adequate levels of solvency.

To focus the investment plan on sustainable projects, following the regulatory criteria of the European Union system, ensuring a fully renewable composition.

To present the proportion of capital expenditure (CAPEX) on sustainable economic activities.

5. Related Policies

- Code of Ethics and Conduct
- Supplier Code of Conduct
- Integrated Risk Management Policy
- Sustainable Procurement Policy
- Biodiversity Policy
- Social Investment Policy
- Health and Safety Policy
- Diversity, Equality and Inclusion Policy
- Quality Policy

6. Monitoring Mechanisms

Greenvolt Group ensures the necessary monitoring tools and mechanisms to carry out the accountability and monitoring of this Policy, as well as an organizational structure responsible for the achievement of these objectives and the implementation of the defined principles of action. In this way, the following mechanisms can be used, among others:

- Review and/or updating of the strategic sustainability axes through the implementation of practices that, among others, include consultation with different stakeholder groups and materiality analyses;
- Specific indicators and action plans of the different Group Companies, Departments and/or Business Areas to improve Sustainability performance in general;
- Internal and external audits to identify deviations and promote corrective measures, if necessary;
- Continuous monitoring of the evolution of the business, and the policies and codes in force.

Such mechanisms can be activated with the recurrence that may be deemed necessary.

7. Approval Mechanisms

The Board of Directors establishes, promotes and approves the principles on which this Sustainability Policy is based, which must be accepted and implemented by the Directors and/or Managers in each specific Department and/or Area with the support of all employees, as a single team.

8. Review Mechanisms

The Sustainability and Safety & Health Department is responsible for reviewing this Policy every two years, or whenever there are relevant changes to the applicable legal framework and the context of the activities carried out by the Greenvolt Group, presenting the proposed changes to the Board of Directors.

9. Final Provisions

Any request for clarification regarding this Policy may be addressed to the Sustainability and Safety & Health Department, via email sustainability@greenvolt.com.