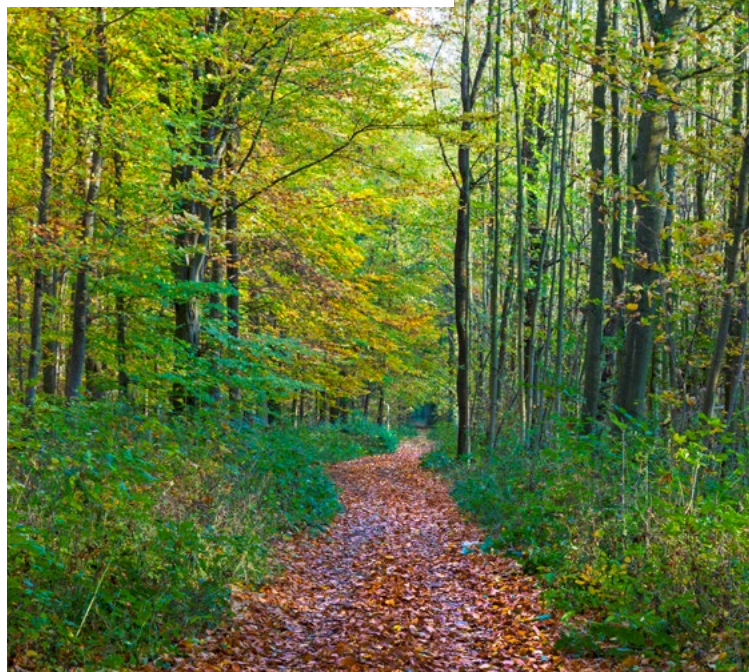
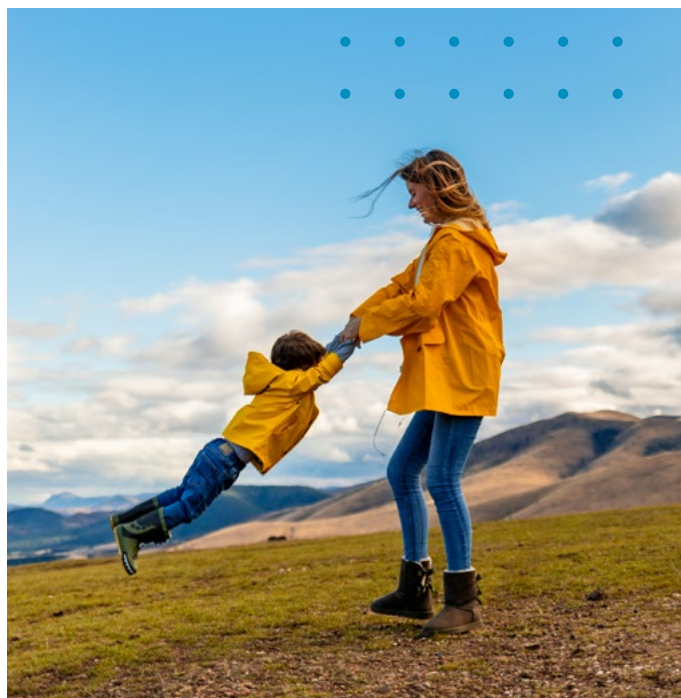
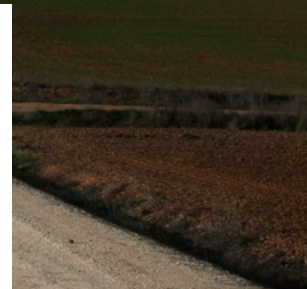
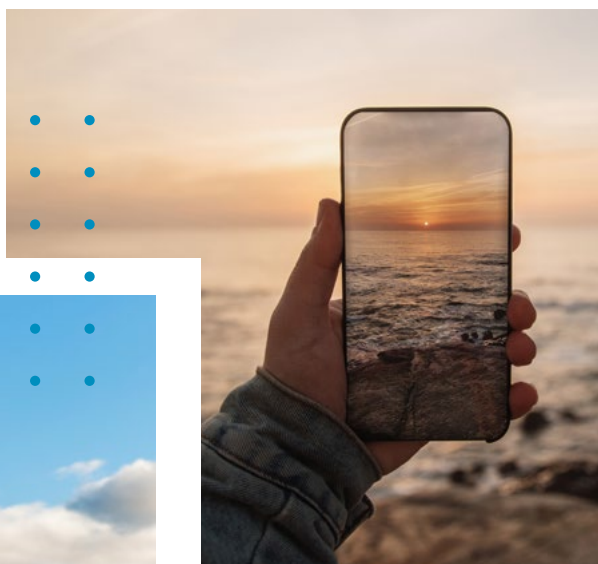
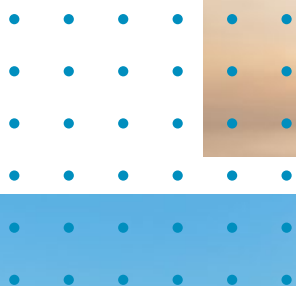




A new 100%
renewable energy
company model

Integrated Report 2020



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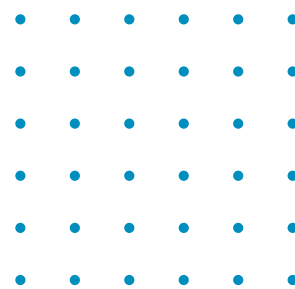
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Strategic dialogue



Juan Lasala -Non Executive President - **Juan José Sánchez** -Chief Executive Business Officer with Capital Energy- and **Víctor Gimeno Granda** -Chief Digital & Sustainability Officer-, reflect on the work so far and the vision for the future of Capital Energy, addressing the challenges and opportunities that the company is facing.



Above and from left to right: Víctor Gimeno Granda, Juan Lasala and Juan José Sánchez

Víctor Gimeno Granda (VGG): Juan, Juanjo, to begin with, I would like to briefly go over the history of Capital Energy. If you had to describe the trajectory up to today, what would you highlight?

Juan José Sánchez (JJS): It seems like it was just yesterday, but Capital Energy is already almost 20 years-old. In the beginning, we worked on promoting wind and solar energy, but over the years we have gained experience in the sector and this allowed us to expand our outlook. Additionally, the potential in the renewable energy sector has always led us to continue forward and to innovate, to become the company that we are now.

We designed our motivation as a supplier of sustainability for our clients, a generator of socio-economic development in the areas where we operate and an ally for decarbonising the economy, thanks to generating clean energy.

With our presence in more than 1,000 municipal districts, we want to provide differential value along the entire value chain, promoting the creation of local jobs, talent development and innovation. This vision has led us to become the first 100% renewable, vertically integrated electrical company on the Iberian Peninsula, present in Spain and Portugal.

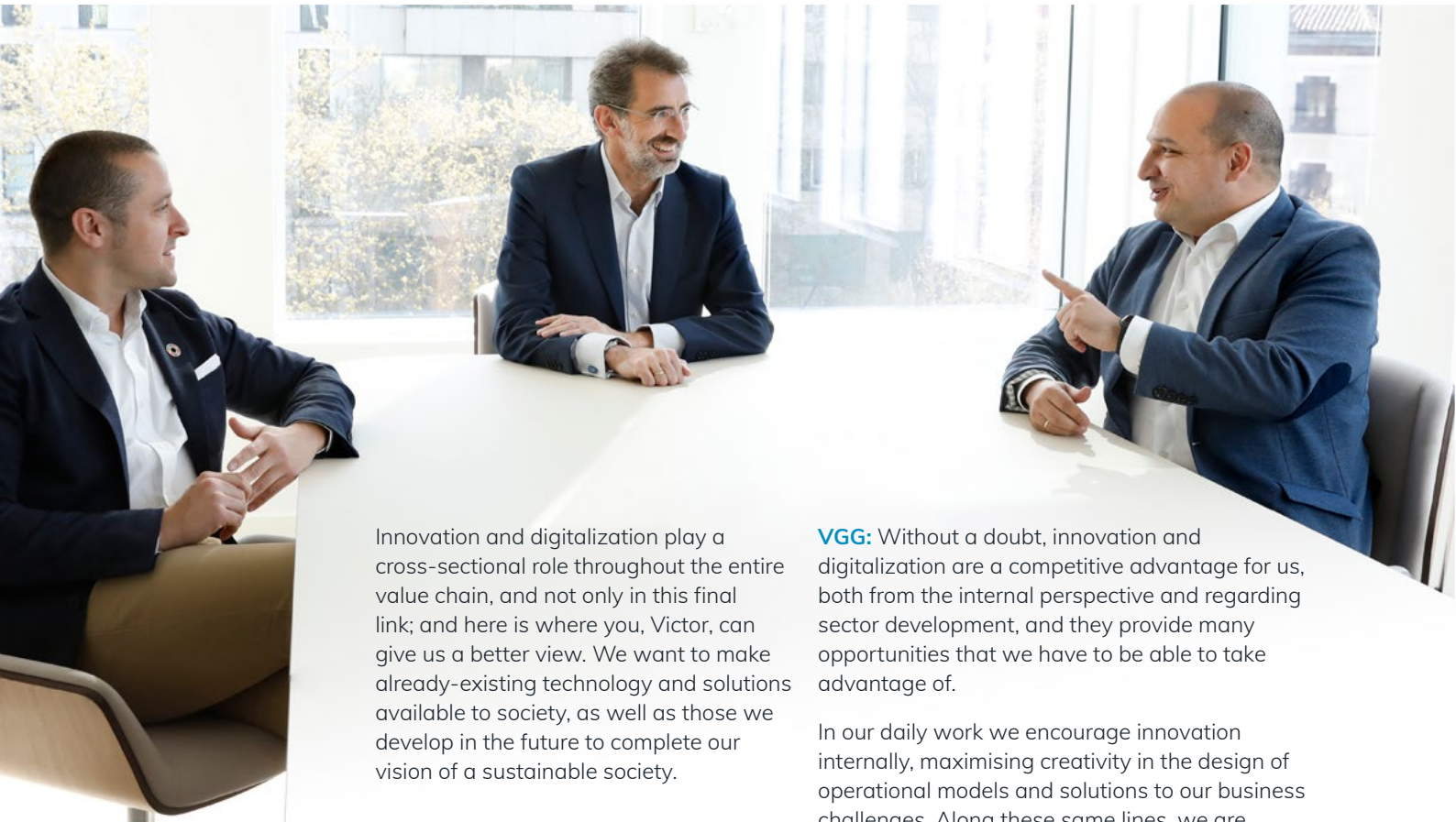
VGG: Just to add to Juanjo's statements, I am convinced that our corporate culture and the team that we are, highly motivated by the project, are the key pieces that have allowed us and will allow us to evolve as a company and to continue transforming the sector. If I had to define Capital Energy, I would choose the company's five values: digital, sustainable, innovative, agile and committed.

JJS: Looking back, the company has evolved and matured quite a bit over these years and it has maintained its essence, but if we had to think about this new phase, how do you think Capital Energy will face this new reality, with the integration of the entire value chain? What are the challenges?

Juan Lasala (JL): 2020 was complicated for everyone due to covid-19 and its effects, which will stay with us for a while. However, in our case, the financial year also yielded results and we were able to celebrate the achievement of our goal of being present throughout the entire renewable energy generation value chain, as Juanjo mentioned: from promotion, where the company is consolidated, to construction, production, storage, operation and supply.

We are convinced that we are part of a revolution, and therefore we want to go further, placing customers in the forefront and transforming their relationship with energy and its consumption. To this end we offer our clients an innovative, agile and transparent service, making them aware of the positive impact of consuming locally-produced renewable energy, in an energy model that they feel they are part of, and which they are also proud to be part of.

We are convinced that we are part of a revolution, and therefore we want to go further, placing customers in the forefront and transforming their relationship with energy and its consumption.- JL



Innovation and digitalization play a cross-sectional role throughout the entire value chain, and not only in this final link; and here is where you, Victor, can give us a better view. We want to make already-existing technology and solutions available to society, as well as those we develop in the future to complete our vision of a sustainable society.

VGG: Without a doubt, innovation and digitalization are a competitive advantage for us, both from the internal perspective and regarding sector development, and they provide many opportunities that we have to be able to take advantage of.

In our daily work we encourage innovation internally, maximising creativity in the design of operational models and solutions to our business challenges. Along these same lines, we are permanently on the lookout for new technologies that will allow us to increase our contribution to a sustainable energy transition, among which are artificial intelligence, virtual and augmented reality, blockchain, the use of drones, mobility solutions, etc., and in general all of the capabilities brought about by the connected industry, digitalization and platform models, that are transforming both our and other sectors.

Also, from a strategic standpoint, we are focusing our efforts on energy storage and green hydrogen, and we also have Capital Energy Quantum, a corporate venturing vehicle, that includes €20 million for investments between 2020 and 2024, the aim of which is to create a portfolio of EnergyTech start-ups with the potential to transform the energy sector.

JJS: While indeed we have a lot of opportunities on the table, but adding to what Juan said earlier, we also have to be aware of the challenges posed by our strategic goals, with the exponential growth of the business and of the workforce, in this last year especially.

Covid-19 has highlighted the importance of renewable energies as an economic driving force that is compatible with decarbonisation.- VGG



JL: Our team has gone from 30 people to over 350 in the last two years¹, distributed throughout 14 offices in Spain and Portugal, and we hope to have around 450 professionals in 2021. This is a challenge for our corporate culture, even more so in an environment affected by the pandemic and the difficulties it entails when managing human resources. Here, we are working on ensuring a proper welcome for new professionals, establishing areas for dialogue and collaboration in order to continue evolving with the same vision and common focus, as well as providing all of the means necessary, adapted to the individual needs of our employees.

Being able to attract the best professionals of each discipline and maintain a collective team feeling, committed to and aligned with the same values, in spite of the disruptive growth, is a subject where we have to get an A+. It is the same with our suppliers and other allies, we have to work with the best. We have to ensure that we are all on board and in alignment when it comes to values and commitments.

JL: We have talked about the green economy, about people and development, green and fair transition and its connection to innovation and digitalization... These were the most common themes during 2020, especially trying to envisage the new scenario after the pandemic. What do you think Capital Energy's contribution will be to a sustainable recovery and post-covid growth?

VGG: Covid-19 has just highlighted the importance of renewable energies as an economic driving force that is compatible with decarbonisation. There are many plans, strategies and regulations regarding this sector, and we will just mention the main ones in Europe and Spain, such as the EU Action Plan for financing sustainable growth, the Europe/Spain recovery plans (Next Generation), the Integrated National Energy and Climate Plan 2021-2030, among many others.

This context has also placed the sector as a lever to reduce inequalities by promoting prosperity and socio-economic development for certain underprivileged regions, such as, for example the "empty" Spain, in alignment with the United Nations 2030 Agenda and the national plans and commitments in this regard.

JJS: As Victor has said, energy is, without a doubt, one of the main pillars on which to build the post-Covid growth model. Our energy production and consumption patterns determine, to a high degree, our future economic growth model. And our current patterns are not suitable. We have to change course in order to overcome some of the most significant challenges faced by humanity, such as local pollution and climate change.

If the strategies to overcome the covid-19 crisis do not take these factors into account, it will be a false start, with a hugely negative impact on our lives from many angles, not only environmental: health, economy, safety, etc. In the short-term, replacing contaminating electricity-generating technologies with competitive renewable technologies is probably the path that generates the most tangible impact in terms of sustainability and contribution to the economy. However, there is still a long way to go in terms of energy efficiency and electrification of end consumer sectors.

We want to be part of the solution to global challenges and contribute to the decarbonisation and sustainable development goals, taking over a major role in the renewable energy sector, with the magnitude that this entails. We have one of the largest portfolios of projects under assessment and development, mainly wind, but also solar, in Spain and Portugal: 37.9 GW power, of which more than 8 GW already have access licences granted. This translates into the development of over 400 projects with wind and solar energy technologies, located in 45 Spanish provinces and 11 districts in Portugal¹.



¹ Data as of 1 March 2021.



(...) we industry companies have to meet expectations, and it is not only about developing renewable energy. It is about ensuring that the new developments take into consideration potential impacts on the territories, as well as environmental, social and economic impact, (...). JL

VGG: With what you have said so far, I believe that we are quite clear on what we want to be, but I have questions on how our stakeholders see us, how the market sees us... And so I would like to talk about how we want to be recognised.

JL: Our stakeholders should see us as a good neighbour, as a good employer, as an organisation that is committed to and concerned about its environment, as an innovative, digital, honest and approachable company in the provision of its services, and as a good ally or partner. In short, as a company that does things properly, upstanding and transparent in all of its actions, motivated by its higher aim to generate value over the long-term.

We industry companies have to meet expectations, generate shared value, and it's not only about developing renewable energy. It's also about ensuring that new developments take into account the potential environmental, social and economic impacts on the areas, it's about pitching in when the situation and society need it, it's about operating transparently and honestly with all of them.

JJS: Along the same lines as Juan, we want to be part of the relevant conversations in the sector and actively contribute to the green and fair energy transition and create value over the long-term, taking into account corporate sustainability in its widest sense.

In 2020, for example, we participated in the "Positive Energy" project, a joint project between several industry companies, that aims to contribute to our country's economic and social recovery after the health, social and economic crisis caused by covid-19, by supporting innovative projects by start-ups and scale-ups related to sustainable mobility, decarbonisation and sustainability, social impact, digitalization and Industry 4.0 so that they could implement them immediately, thus contributing to mitigate the economic and social effects of the current situation.

VGG: Now that you mention this, Juanjo, I would also like to point out our participation in various industry events and initiatives, as well as our subscribing to the United Nations Global Compact. This means that we are committed to bringing all our operations in alignment with the Ten Universal Principles defined by the United Nations in relation

We want to be part of the solution to global challenges and contribute to the decarbonisation and sustainable development goals, taking over a major role in the renewable energy sector, with the magnitude that this entails.- JJS



to conduct and action in the fields of human rights and business, employment regulations, the environment and the fight against corruption and, in this way, achieve the organisation's Sustainable Development Goals (SDGs).

On the other hand, given the nature of our operations and their connection with the natural capital, in 2020 we also signed the Biodiversity Compact, promoted by the Biodiversity Foundation and the Ministry for the Green Transition and the Demographic Challenge.

VGG: Thinking about the 2030 Agenda leads me to the future. I would like for us to imagine what the company and its environment will look like in 10 years. What is the long-term vision for Capital Energy?

JJS: Those of us that are part of this industry have some very exciting years ahead of us. Technological disruption will establish the times and guidelines for all agents, and we don't want to be the ones bringing up the rear, because of our essence, our drive to excel, what is definitely clear is that Capital Energy will be at the forefront.

As the electricity we generate becomes more renewable, as a company, we should pair it up with new management solutions, such as energy storage and active demand management. However, electricity that is more renewable, and higher percentages of electrification, will probably not be enough in the long term, due to the difficulty in electrifying some end consumers. Hydrogen, produced from renewable sources, should play a leading role here.

JL: As Juanjo mentioned, energy storage or green hydrogen will not have a differential impact in the very short term, but if we want them to do so in the medium or long term we need to start acting now.

As you said before, Víctor, we've been working on unique and innovative projects for a while and paving the way for our technological diversification, in order to provide a difference in the energy model in the places where we operate and we hope to continue on this path, looking to the future and anticipating it whenever possible.

But, as well as being an industry of the future, right now renewable energy is part of one of the values that is increasingly rooted in society and in the philosophy of many governments, institutions, companies and citizens: sustainability, and here again, Víctor, you can probably explain it better than I can.

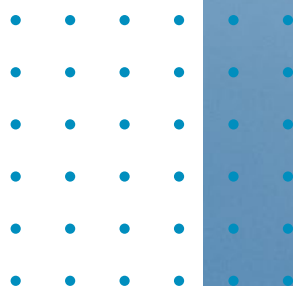
VGG: Thank you, Juan. Talking about sustainability is a way to understand the relationship that a company establishes with its surroundings and its way of doing things. In our case, practising sustainability lives alongside digitalization as an indivisible pairing; it is an innovative concept that we at Capital Energy are especially proud of, because we are convinced that it must go hand-in-hand with each and every one of the company's areas.

These two disciplines are part of our DNA and we want to take advantage of this synergy to create a new energy model, focused on protecting the environment and on economically and socially boosting the environments where we work, in line with the 2030 Agenda and the Sustainable Development Goals. This year sees the beginning of the decade of action, according to the United Nations, and I believe that we have a lot to contribute within this field, and so we established in our Sustainability Strategy, also defined in 2020.

Our streamlined, digital and innovative nature means we can develop our business model in a way that respects our environment, at all levels, via active, constant collaboration with our stakeholders.

In alignment with our commitments, this report is without a doubt a step further on transparency with our stakeholders and will allow us to introduce ourselves to the world as what we are today, but also as what we want to be.

1



Capital Energy: the future of energy

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The company's value proposition:
to generate

100%

green energy and take it to
homes and businesses.

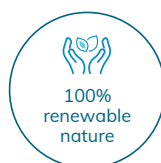


Awarded

622 MW

in the First auction of the Renewable
Energy Economic Regime

Capital Energy as a sustainability provider



100%
renewable
nature



Digital
DNA



Human
centric



Creating
value

Creation of Capital Energy Quantum, a
Corporate Venturing fund with

20 Mill. €

to transform the energy sector.

The future of energy

Purpose, vision and values

Capital Energy is a 100% renewable and vertically integrated company, present throughout the entire renewable energy generation value chain: from promotion, where the company has a consolidated position and maturity, to construction, production, storage, operation and supply.

Purpose



Contribute to the transformation of the energy sector, reconciling the decarbonisation goal, by implementing renewable energy and the commitment to developing the regions where the facilities are located and a firm stand on innovation and talent.

Vision



To become a vertically integrated, 100% renewable utility and industry leader

Values

Digital

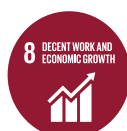


It evolves as an organisation continuously focusing on the customer, with technology as the differentiating factor, which will allow the company to maintain and boost the Capital Energy DNA, adapting to the changes in its immediate surroundings and optimising work methods to satisfy internal and market needs.

Sustainable



It performs its operations in a transparent and responsible manner, generating positive social, environmental and economic impact, and with a long-term vision in order to contribute to a sustainable future.



Company contribution to the 2030 Agenda:

Goal 7.1: "Ensure universal access to affordable, reliable and modern energy services".

Goal 7.2: "Increase substantially the share of renewable energy in the global energy mix".

Goal 8.2: "Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors".

Goal 9.2: "Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances".

Goal 9.4: "Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities".



Employee involvement in defining the organisation's values

In 2020, Capital Energy led an exercise to define the Group's values. All company employees answered an in-house survey to select the five values that define the company's culture, and participated in several development workshops.

In addition to the attributes, employees also collaborated on defining its meaning, the key conducts and the description of the behaviour expected from each of them at the various levels of the organisation.

By involving the staff 100% in this reflection process, the aim is to consolidate the commitments and ensure that everyone is familiar with and complies with them.



Further information:
on the Capital
Energy values

Innovative



It continuously provides added value through new solutions and ways of working that translate into differential improvements for society.

Agile



Proactively, quickly and safely faces the challenges posed by the market, in order to adapt internally and externally, including customer demands as a differential value, always seeking to responsibly maintain a competitive edge.

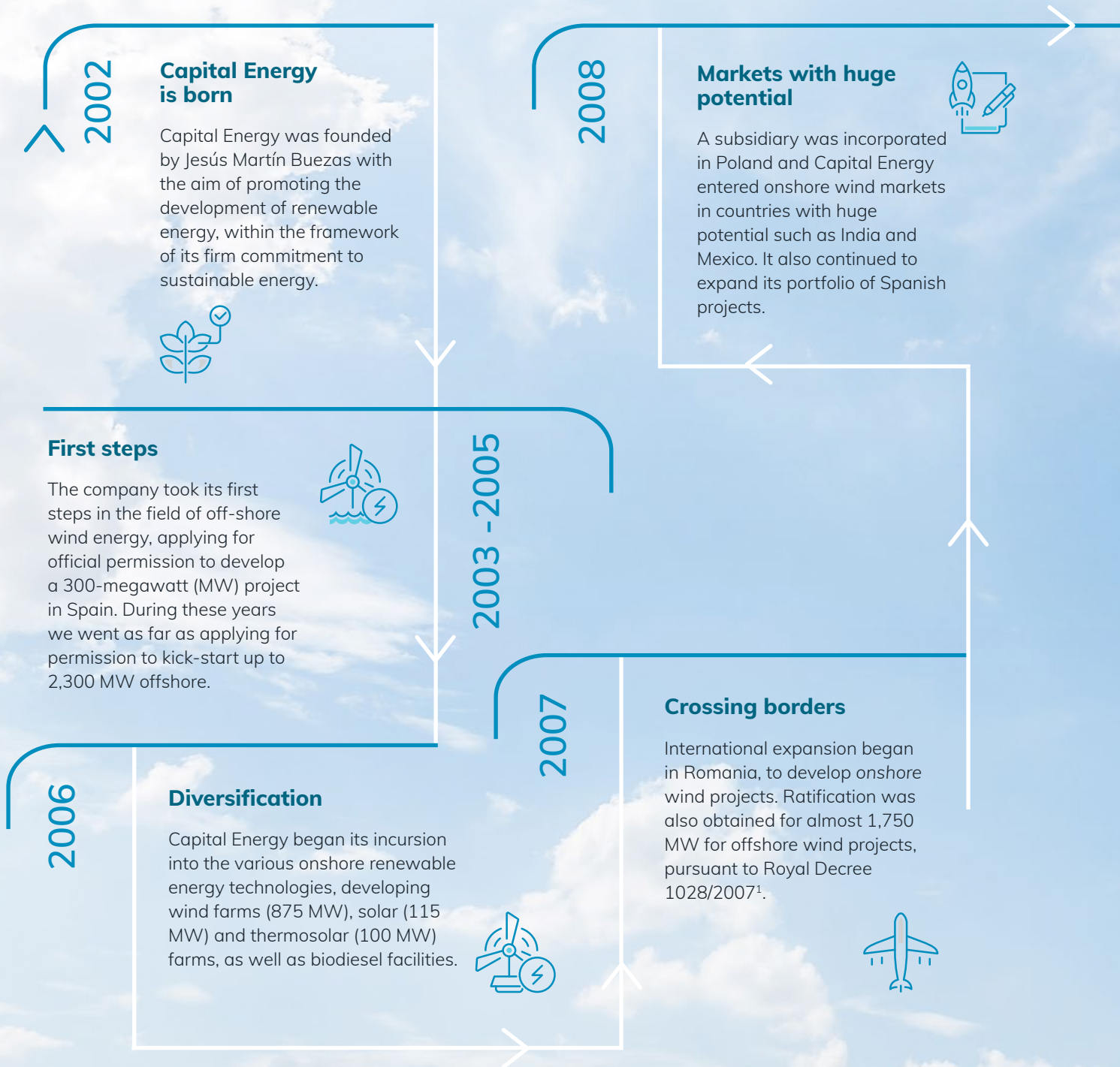
Committed



The employees are emotionally and professionally linked to Capital Energy, to its purpose, challenges and goals, which all translates back into satisfaction (excitement at being part of the organisation), involvement (alignment with values, philosophy and goals) and loyalty (pride in belonging) with the company.

Almost 20 years of history

Committed to 100% green energy



¹ RD 1028/2007, dated 20 July, establishing the administrative procedure to formalise the applications for authorisation to install regional offshore electricity-generating facilities.

2009

Landing in the United States and first projects in Poland

Capital Energy started up in the USA and began to develop its first wind projects in Poland.



2009 - 2015

Adaptation to changes in regulations

Capital Energy changed its strategic direction: it let go of its international assets to focus on the project portfolio in Spain and adapt to the changes in regulations, which involved an in-depth restructuring of the company.



2016 - 2019

New promotion leadership on the Iberian market

Capital Energy began its project promotion activity in Portugal, restarting the growth of its promotion activity on the Iberian market.

Adaptation of the company to avail itself of the opportunities provided, since 2016, by the renewable energy auctions.



2021

Leading the first renewables auction in Spain under the new framework

In 2020 the new Economic Regime of Renewable Energies² was regulated and a guideline schedule for auctions³ was established for the 2020-2025 horizon.

Capital Energy participated in the 2020 event, held on the 26 January 2021, and was awarded 622 wind MW, of the 1,000 MW that were awarded in total.



2019 - 2020

Change of strategy towards vertical integration



With more than 350 projects at various stages of development, Capital Energy became one of the biggest renewable energy developers on the Iberian Peninsula, with wind farms and solar farms.

In addition to promotion activities, the company participates throughout the entire value chain: construction, production, storage, operation and supply.



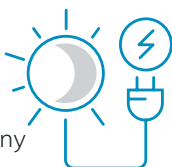
Further information at:
the website.

² RD 960/2020, dated 3 November, regulating the economic regime on renewable energy for electricity-producing installations.

³ Order TED/1161/2020, dated 4 December, regulating the first auction mechanism to grant the renewable energy economic regime, and establishing the guiding calendar for the 2020-2025 period.

Main milestones in 2020

Connection of a solar farm in Álava (Ekian)



Along with various partners, the company connected a solar farm in Álava, with **67,000 solar panels**, that will generate every year **40,000 MWh**, equivalent to the consumption of **15,000 families**.

Recognition as a good company to work for



Capital Energy received the "Great Place to Work" certification and **was also listed among the 100 best companies to work for** in the "Actualidad Económica" magazine's ranking.

Launch of Capital Energy Quantum



Capital Energy created a **€20 Million Corporate Venturing fund** to transform the energy sector.

Vertical integration with the launch of the retailing arm section

Capital Energy launched its retailing arm and began to supply its own wind and solar energy in Spain. It thus became the **first 100% vertically integrated renewable electricity company on the Iberian peninsula**.

Sectoral Agenda for the Hydrogen Industry

Capital Energy sponsors the '**Sectoral Agenda for the Hydrogen Industry**', that is produced by the Spanish Association of Hydrogen and is part of the European Clean Hydrogen Alliance.

Support and collaboration against covid-19

The company has implemented various initiatives with its employees, **to ensure their health and safety**. As part of its social involvement, the company has also participated in several projects and collaborated with the corporate and social organisations to respond to the emergency situation caused by covid-19.

The first three pre-PPA signed with offtaker investment grade

The company signed its **first pre-PPA** (Power Purchase Agreement) to supply energy, originating from three wind farms, with guarantee of origin included and guaranteed price for 5-10 years, to a Tier 1 European utility.



Definition of Capital Energy's Sustainability Strategy and ESG integration



With the participation of its key business and corporate departments, the company has defined the strategic lines and actions to be taken to progress in integrating the ESG aspects with the governance model in coming years.

It is also committed to the 2030 Agenda and to minimising its impact on the immediate surroundings and protecting natural assets by joining the Spanish Network of the United Nations Global Compact and signing the Biodiversity Pact, respectively.

Post-covid recovery



In 2020 Capital Energy worked on defining numerous innovative projects in the energy field, 11 of which were submitted for subsidy applications both nationally and in Europe, and most of them were also submitted to national and regional interest statements, with the hope that in the future they may receive assistance from the European Union Recovery Funds. **The total budget for the projects submitted is over €11.7 billion, to develop renewables, green hydrogen, energy storage, digital and R+D.**

Capital Energy starts construction of two wind farms



The company began construction of 88 MW distributed in two wind farms, **Buseco and Loma de los Pinos**, located in Asturias and Seville respectively. These farms will produce 232,000 MWh of energy annually, equivalent to the supply for over 96,000 homes and will prevent the emission of close to 93, 000 tonnes of CO₂ into the atmosphere.

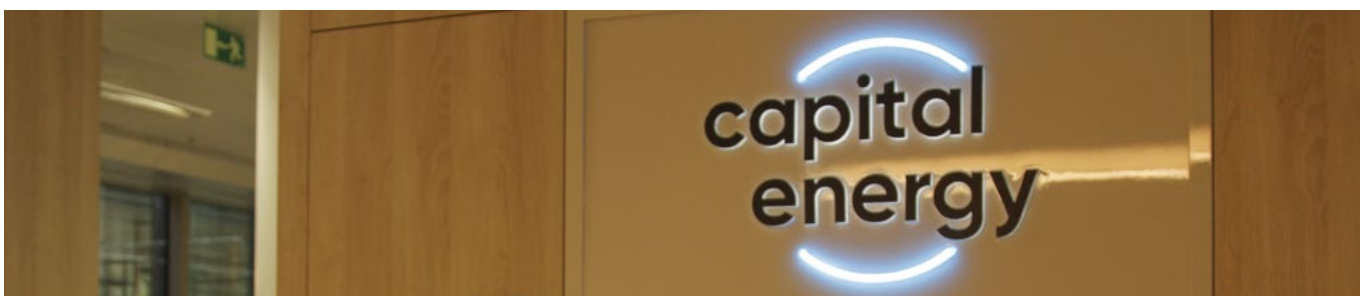
Juan Lasala joins Capital Energy as Non-Executive Chairperson

Juan Lasala, in his new position, strengthens the Capital Energy team in the implementation of its business plan, to become a company integrated throughout the entire renewable energy generation value chain.

Participation in the European 'PROMETEO' project



After the official approval of the project by the European Commission and the Fuel Cells and Hydrogen Joint Undertaking (FCH JU), the Grant Agreement was signed in December 2020, which entails the **official launch of the project** and of the consortium that Capital Energy is part of.



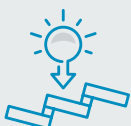
Definition of the Digital Strategy



The Directorate of Digital Strategy, Organisation and Sustainability, in coordination and collaboration with all areas of the company, has defined the Capital Energy Digital Strategy that will allow it to implement its business plan as digitally native, focusing on innovation, and to become a market leader. **Four fundamental digital capabilities were defined to implement the Strategy**, rolled out within the company as digital hubs: Design & Experience, Data, Speed and Innovation. Digital initiatives with impact on the entire value chain were implemented throughout 2020 by means of these capabilities.

Digital initiatives with impact throughout the entire value chain were implemented in 2020, among which are: creation of the retailing arm's digital assets (commercial website and customer area, app, etc.), selection and implementation of Workday as the human resources management system or the setting up of digital operating models strengthened by tools in various company areas (Promotion, Procurement, etc.).

Projects accepted for processing (Royal Decree-Law 23/2020, approving steps on energy and other fields to reactivate the economy)



In 2020, **114 projects** (for a total of 5,967MW, of which 5,493 MW are wind and 474 MW are solar) **were submitted to request Administrative Authorisation**, and all of them had positive results.

Purchase of the retailing arm Eneluz

The purchase of the company ENELUZ 2025, S.L.U. became effective on the 31st December 2020, with the resulting **expansion of the portfolio up to 30,000 clients**.



And in 2021...

622 MW were awarded in the First auction of the Renewable Energy Economic Regime

On the 26th January 2021 **Capital Energy was awarded 622 MW of wind power** on the first auction held under the new economic regime, which is a rate of over 60% of the total auctioned wind capacity, and over 20% of the total capacity auctioned.

This auction was convened in 2020 as the first milestone on a 2020-2025 schedule to assign the economic regime of renewable energy, in order to meet the National Integrated Energy and Climate Plan (PNIEC) 2021-2023.

3,000 MW of power were being auctioned, of which 1,000 MW must be assigned, at least, to wind power.

Financing for the Buseco wind farm

Capital Energy has closed a **project finance** with Banco Sabadell, for up to €26 million **for the Buseco wind farm**, with 50 megawatt (MW) capacity. The financing operation comprises two tranches: €22 M and an additional €4M in the event of a PPA being signed, which would also entail an extension of the financing schedule. It is planned to begin in the first half of 2022.



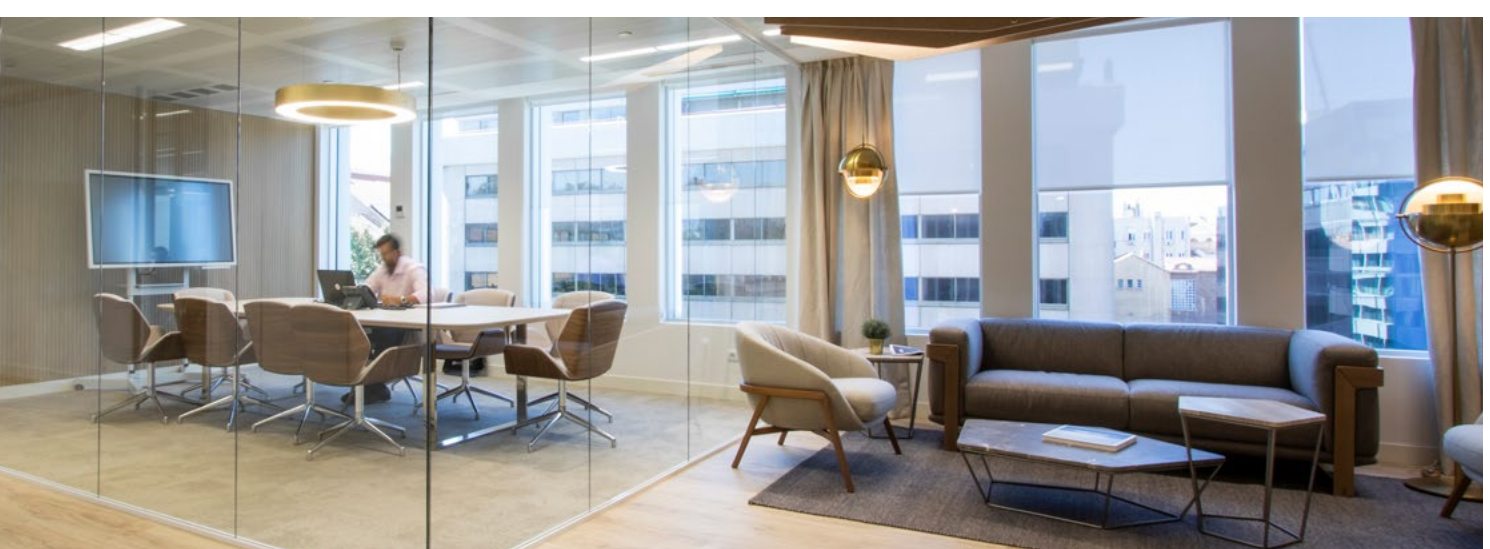
The first wind farm in operation

Our first wind farm in Spain, Las Tadeas, was commissioned in the first quarter. The renewable energy facility, located in the towns of Paredes de Nava and Cardeñosa de Volpejera, in Palencia, has an installed power of 39 megawatts (MW) and its development involves an investment of €38,000,000.

Financing with Eiffel Investment Group



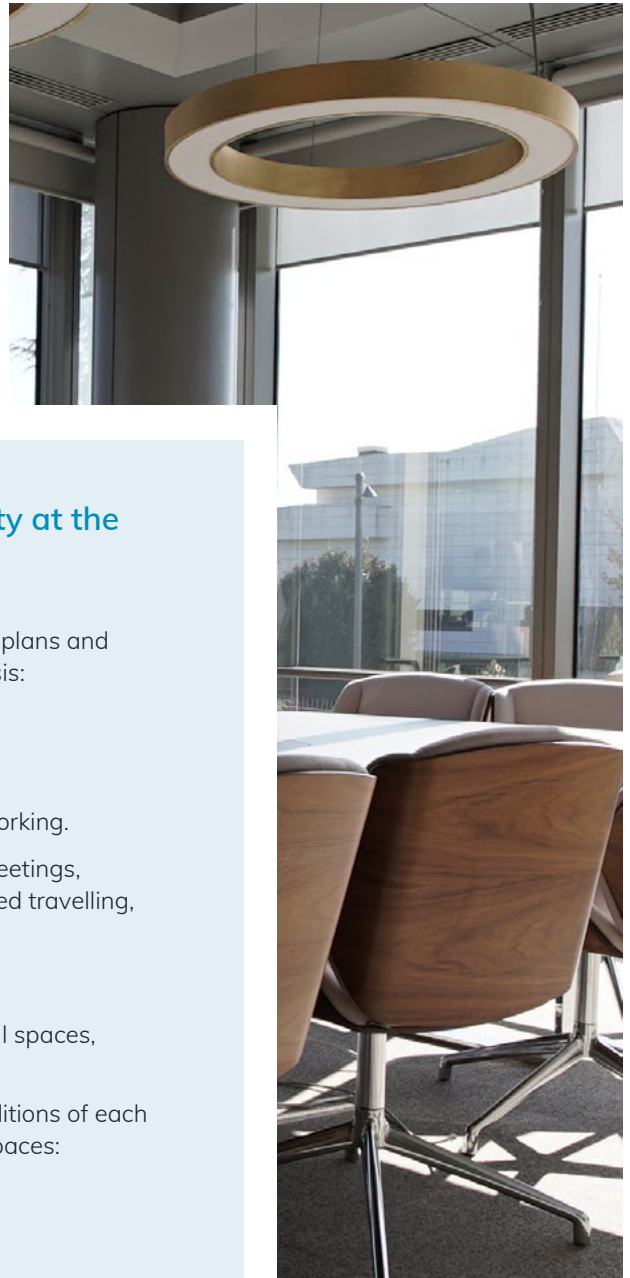
Capital Energy has issued a €50 million bond fully subscribed by the French investor *Eiffel Investment Group*, to be used on five facilities that are in various stages of development: four wind and one solar that jointly add up to almost 170 MW of power, installed in Asturias, Castille and León, Andalusia and Extremadura.



Actions and response to covid-19

The economic, social and health crisis and the uncertainty caused by covid-19 have had a significant impact on the company, on its stakeholders and on the other system agents.

This situation led to Capital Energy deploying a series of steps, with triple priority: ensure the health and safety of its workers and collaborators with whom the company operates, protect the business and anticipate and prevent any deviations that may be derived from the contingency, and act as a good corporate citizen.



Steps and protocols to ensure health and safety at the workplace

Capital Energy acted quickly and effectively, establishing action plans and implementing a series of protocols from the beginning of the crisis:

During the state of alarm:

- Production and publication of steps to prevent transmission.
- Updating of the internal systems and tools to allow remote working.
- Covid-19 containment and mitigation procedures (reduced meetings, equipment handling, signatures with digital fingerprint, reduced travelling, etc.).

Initiatives to return to the offices:

- Flexible reincorporation: flexible and gradual return to physical spaces, ensuring the physical safety of its employees.
- Design a staggered gradual return based on the specific conditions of each employee, never exceeding 50% physical occupation of the spaces:
 - Schedule flexibility
 - Health and hygiene protocols for employees and visitors.
 - Internal communications through physical and digital media on hygiene and prevention throughout the facilities.
- Closing of communal elements such as microwaves, cafeterias, etc.

Support and collaboration against covid-19

In alignment with Capital Energy's social commitment, the company has earmarked resources, prioritising the most vulnerable groups and the most urgent needs during the health crisis. In 2020 the company donated € 135,763, distributed over several initiatives, to respond to the crisis: donation of protective equipment, donation of beds to hospitals and donation of material to certify autonomous respirators, as well as collaboration with the Food Bank.

Participation in the "Positive Energy" initiative

Capital Energy, along with other industry companies, is part of a pioneering initiative in Spain that looks for projects related to environmental sustainability, mobility, social impact, digitalization, telecommunication and 4.0, always from an energy and social innovation perspective, to contribute to mitigating the economic and social crisis caused by covid-19.



Donation of protective equipment

With the aim to support first-line healthcare workers, Capital Energy donated 12,000 face masks, 400 coveralls, 36 surgical glasses and 306 units of hydroalcoholic gel to the Hospital de la Paz, the Hospital General Villalba, the Hospital Quirón de Madrid, the HUCA in Oviedo and to the Sisters of the Poor.

Donation of beds to hospitals

Action aimed at increasing the health resources available to covid-19 patients in those hospitals with the highest demand for care. Specifically, Capital Energy donated 50 hospital beds to the Hospital Gregorio Marañón and 23 hospital beds to the Hospital Clínico San Carlos in Madrid, which helped to partially reduce the crowding in these two centres.

Donation of material to certify respirators

In order to speed up the research to produce respirator equipment for intensive care units in hospitals, Capital Energy backed the "ennomotive" engineering and innovation platform to develop a not-for-profit respirator prototype.



Contribution to the Food Bank

Capital Energy collected the equivalent to 11 tonnes of food through a campaign to help the Food Bank.



Further information at:
the section on Social value

The playing field: global trends

There are a series of trends related to each other that provide opportunities and challenges over the short-, medium- and long-term. These elements and their connection trace the current and future playing field layout for companies, but also for society as a whole.

Decarbonising the economy, fighting climate change and sustainable recovery



The commitments for decarbonising the economy and fighting climate change in Europe and Spain were consolidated in the post-covid recovery strategies, because all of them have a sustainable vision. The renewable energy sector in Europe will thus double in coming years, thanks to the various European Union initiatives to promote a transition to a sustainable economy and to reach the carbon-neutral goals for 2050, among these the **European Green Deal**, which forecasts an estimated investment of €500 billion on green projects up to 2027 and defines the first **European Climate Law**. There is also the **European Recovery Fund** after covid-19 and other national mechanisms such as the **Plan for Recovery, Transformation and Resilience of the Economy “España puede”** -the pillars of which are green transition, digitalization, gender equality and social and territorial cohesion.

To reach the decarbonisation goals, the **National Integrated Energy and Climate Plan** aims to implement renewable energy in the region, up to an installed capacity of 161 GW by 2030. Of these, around 24% (39 GW) would be from installed solar energy and 31% (50 GW) from onshore and offshore wind energy, in alignment with the **National Plan on Adaptation to climate change 2021-2030**.

Also, to guarantee a fair energy transition, Spain has implemented the Fair Transition Agreements, that propose comprehensive actions to maintain and create activity and employment, and the Statements of Interest, that identify key energy projects to achieve this transition.

The Strategy for a Modern, Competitive and Climate-Neutral Economy in 2050, the Fair Transition Strategy and the Draft Law on Climate Change and Green Transition are just some of the future plans and regulations in Spain.

Sustainable financing



In May 2018 the European Union published the Action Plan on sustainable finances, the main goals of which included: reroute capital flows towards sustainable investments, manage the ESG financial risks and promote transparency and long-term vision in financial activities. The European Green Deal approved in December 2019 also has a sustainable investment plan for €1,000 billion between 2020 and 2030.

The need to define what is considered sustainable and what is not has led to the work on **taxonomy of sustainable finances** and the **green bond standard**, produced by the Technical Group Expert in sustainable finances of the European Commission. New technical rules are planned to be published, pertaining to mitigating and adapting to climate change (2021); to social goals (2021) and another four environmental goals (2022).



Innovation and new energy



Innovation applied to energy

Innovation is one of the fastest-growing driving forces in the energy sector. Along these lines, the European Union presented in June 2020 the **strategy on hydrogen** with which it aims to support decarbonisation of the industry, transportation, electricity generation and energy efficiency in buildings, by promoting renewable hydrogen produced mainly from wind and solar energy. Between 2020 and 2024 the European Union will back the installation of at least 6 GW of renewable hydrogen electrolyzers and the production of up to one million tonnes of green hydrogen. To make this strategy a reality, the commission has set up the **European Alliance for clean hydrogen**, that Capital Energy belongs to. In Spain, work is also being carried out on the **energy storage strategy**, recently approved, and on the **hydrogen roadmap** that focuses on research, development and applicability of renewable hydrogen.

System integration

In addition to hydrogen storage, the European Union is also focusing on the **integration of energy systems** that will connect energy sectors to build a more circular and efficient energy system. Added to this strategy, nationally, is the **national self-consumption strategy** with renewable energy sources, the **roadmap for offshore wind and sea energies** or, in Europe, the **offshore renewable strategy** by the European Union.

Digitalization



Digitalization is a fundamental pillar in the recovery and it is presented as an opportunity for resilience for the European Union and its member states. It is expected that at least 20% of the funds of the **Mechanism for Recovery and Resilience** are dedicated to digital transformation.

Nationally, we have the **Digital Spain Agenda 2025**, with €11 billion aimed at promoting measures to digitalise small and medium enterprises, the public administration, and digital skills for the general population between 2021 and 2023.

Social inequality



Covid-19 has increased social inequalities, poverty, the number of people at risk of economic-social exclusion, it has weakened or has uncovered the weakness of the health systems, in addition to putting at risk -and in some cases interrupting- the supply of basic resources such as power, water or food. This has slowed down progress towards the **Sustainable Development Goals** established by the Agenda 2030.

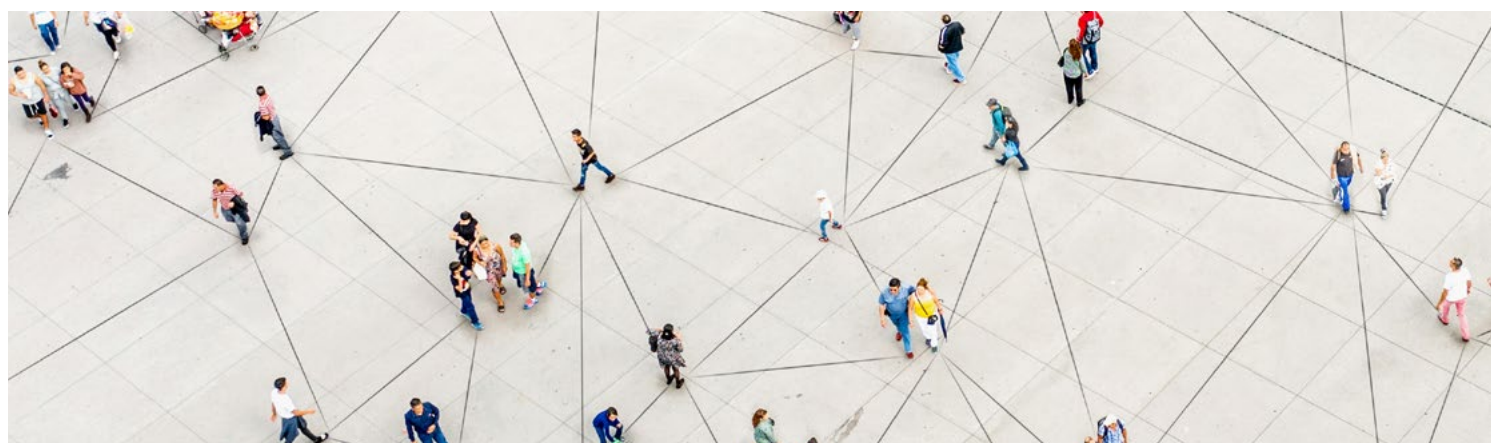
The European Union recently updated the **European Pillar of Social Rights** on social rights issues, defining an action plan with milestones until 2030, related to improving the unemployment, education and poverty situation in the regions.

Diversity and care for human capital



The gender pay gap in the European Union is at 16% and at 14.2% in Spain. To reduce this corporate and economic inequality, the European Union has started the **European Gender Equality Strategy 2020-2025** focused on reducing the pay gap and on increasing the number of people in executive positions.

In Spain, **Royal Decree-Law 6/2019** asks for urgent steps to guarantee equal treatment, specifying aspects on salary recording and payment audits, and the **Good Governance Code for Companies Listed on the National Securities Market Commission (CNMV)** includes recommendations on equality and having 40% of directors of the lesser-represented gender in 2022. Disconnecting from work and remote working will also be regulated in Spain, based on the **new decrees**.



Biodiversity and natural capital



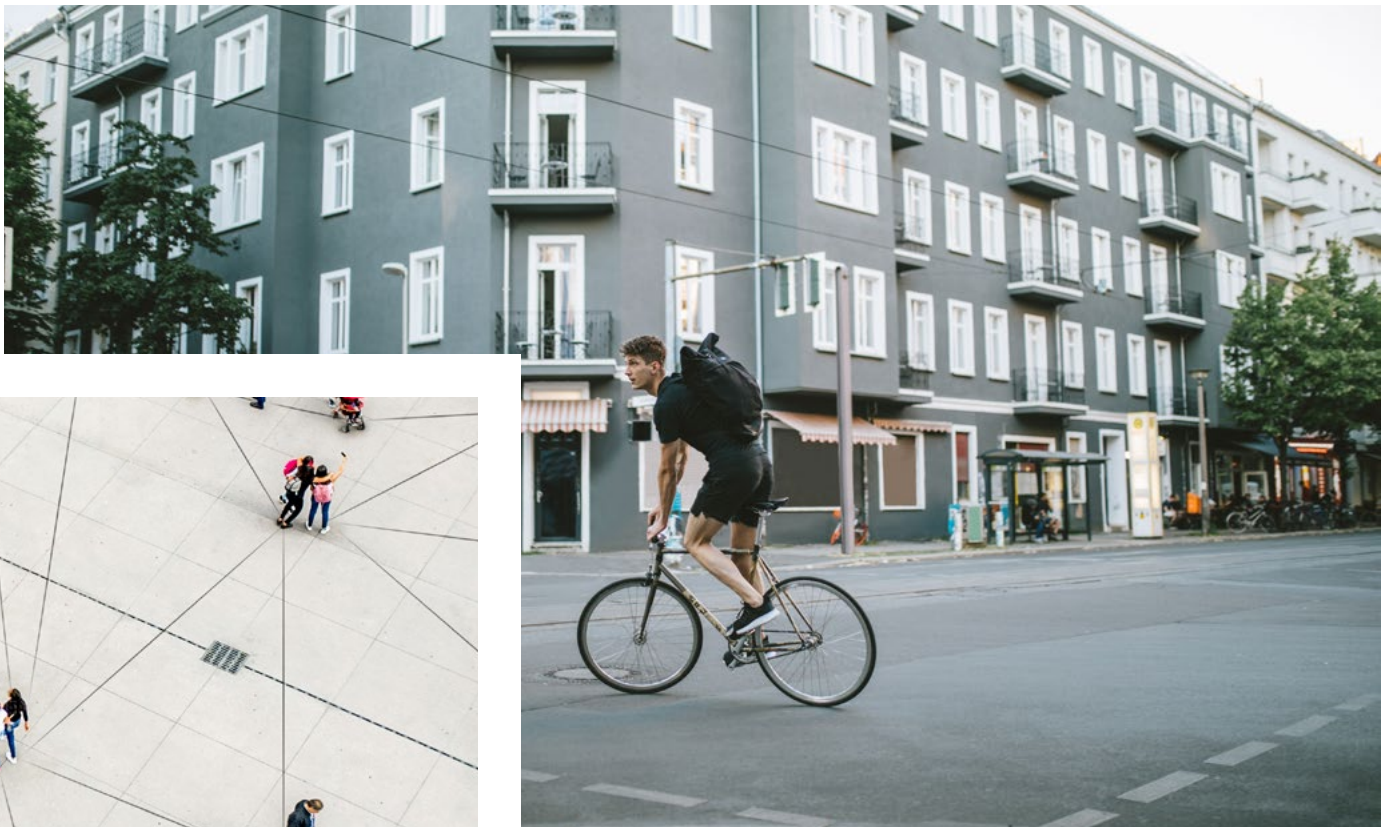
The **EU Biodiversity strategy for 2030** will set the way for European recovery with the aim to create protected areas in Europe, at least 30% on land and another 30% offshore, with legally binding objectives for nature recovery in 2021. This strategy will release €20 billion for biodiversity and establishes, among other goals, to plant 3 billion trees by 2030. There is currently a task force that is planning the work to be carried out in the next two years pertaining to the *Task Force for Nature-related Financial Disclosures (TNFD)*, to cover financial institutions' requirements for information, metrics and data that will allow them to better understand the risks, dependencies and impacts on nature.

In collaboration with the industry, the report presentation framework will be produced in 2021 and will be tested in early 2022, before becoming available worldwide.

Circular economy



The European Union is working to transform the economy of the member states from linear to circular economy, and to this end it has defined a specific **strategy**. The **Circular Economy Action Plan** includes measures for sustainable products, reliable information for consumers on product durability and reparability, minimising waste, and it focuses on key sectors such as fuel cells and vehicles, energy, electronics and ICT, etc. Spain is also producing a **Draft Law on Waste and Contaminated Soils**, that will regulate these matters along the same lines as the above-mentioned plans and strategies.



Business model

What does the company do?

PROMOTION

A leading company in the promotion of renewable energy.

It has the largest independent platform for renewable projects under development on the Iberian peninsula.

CONSTRUCTION

It has an expert team to build its assets.

It is currently building over 100 MW and it expects to begin construction of over 1 GW in 2021.

GENERATION AND OPERATION

This includes various services for operating assets, from asset management, including the operation and maintenance of infrastructures, to energy management.



Capital Energy is present throughout the entire renewable energy value chain and its goal is to bring to end consumers 100% clean energy, guaranteeing excellent management at each of the links.

STORAGE FOR GREEN ENERGY AND HYDROGEN

It promotes innovative technologies that will be key in the coming years, providing manageability, flexibility and portfolio diversification, and will allow the current energy system to evolve.

SALES

It is defined as a new independent and sustainable energy provider that brings homes and businesses 100% renewable electricity generated by the company in the immediate area.

Differential attributes

100%

A 100% green company, with no history of “brownfield” projects



Commitment to sustainability and the green and fair transition



Vision of integration throughout the entire value chain



Unique assets portfolio regarding scale and maturity (a mix of technologies and geographies)



Differential talent



Digitally native, innovative and agile company



Sustainable and digital ambition

Sustainability is key for Capital Energy from the beginning; it is part of its corporate values and culture and is at the heart of its purpose: to contribute to creating a new energy model, focusing on protecting the environment and on promoting the economic and social aspects of its operating environs.

This ambition is established within Capital Energy's firm commitment to sustainable development, which materialised in 2020 by the company joining the Global Compact Network Spain. The company thus aligns its strategy to actively contribute to the green and fair energy transition and create long-term value, taking into account corporate sustainability in its widest sense.



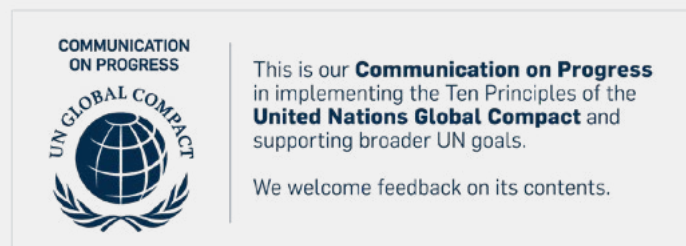
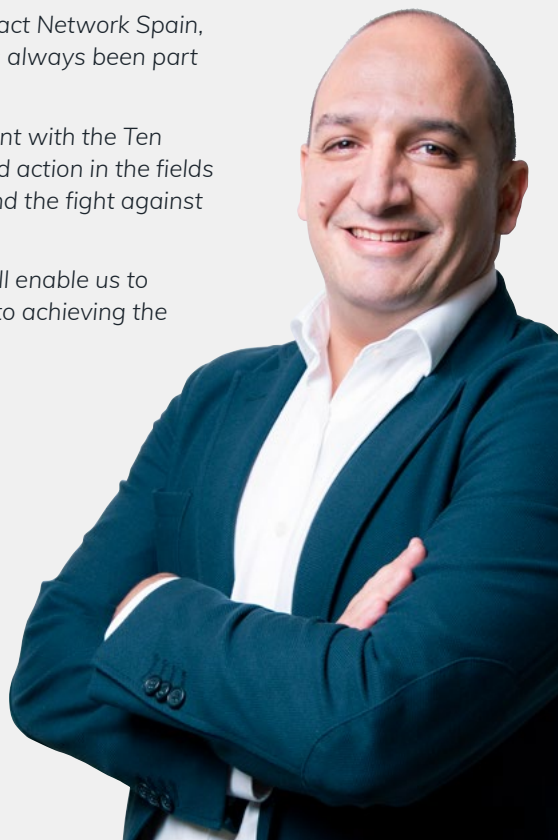
Joining the Global Compact Network Spain

"At Capital Energy we are very proud to become a part of the Global Compact Network Spain, which strengthens our commitment to sustainable development, which has always been part of our Company's DNA.

With this agreement, we commit to bringing all our operations into alignment with the Ten Universal Principles defined by the United Nations in relation to conduct and action in the fields of human rights and business, employment regulations, the environment and the fight against corruption.

We are sure that the huge platform for collaboration that is the Network will enable us to ensure that our programmes are in line with best practices, and contribute to achieving the goals of the 2030 Agenda".

Juan José Sanchez
CEO



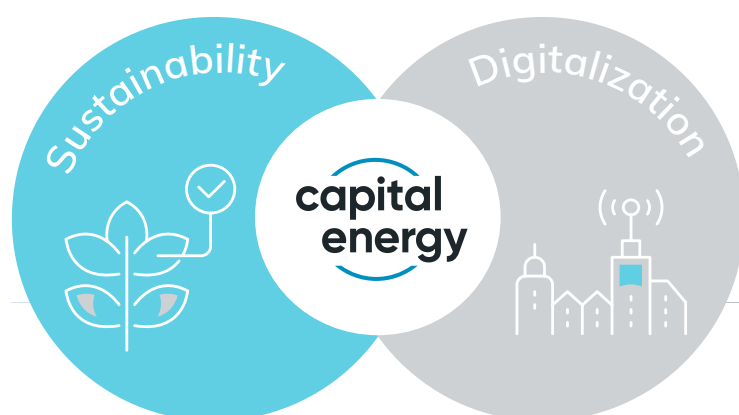
Further information at the Table of content following the Principles of the United Nations Global Compact.



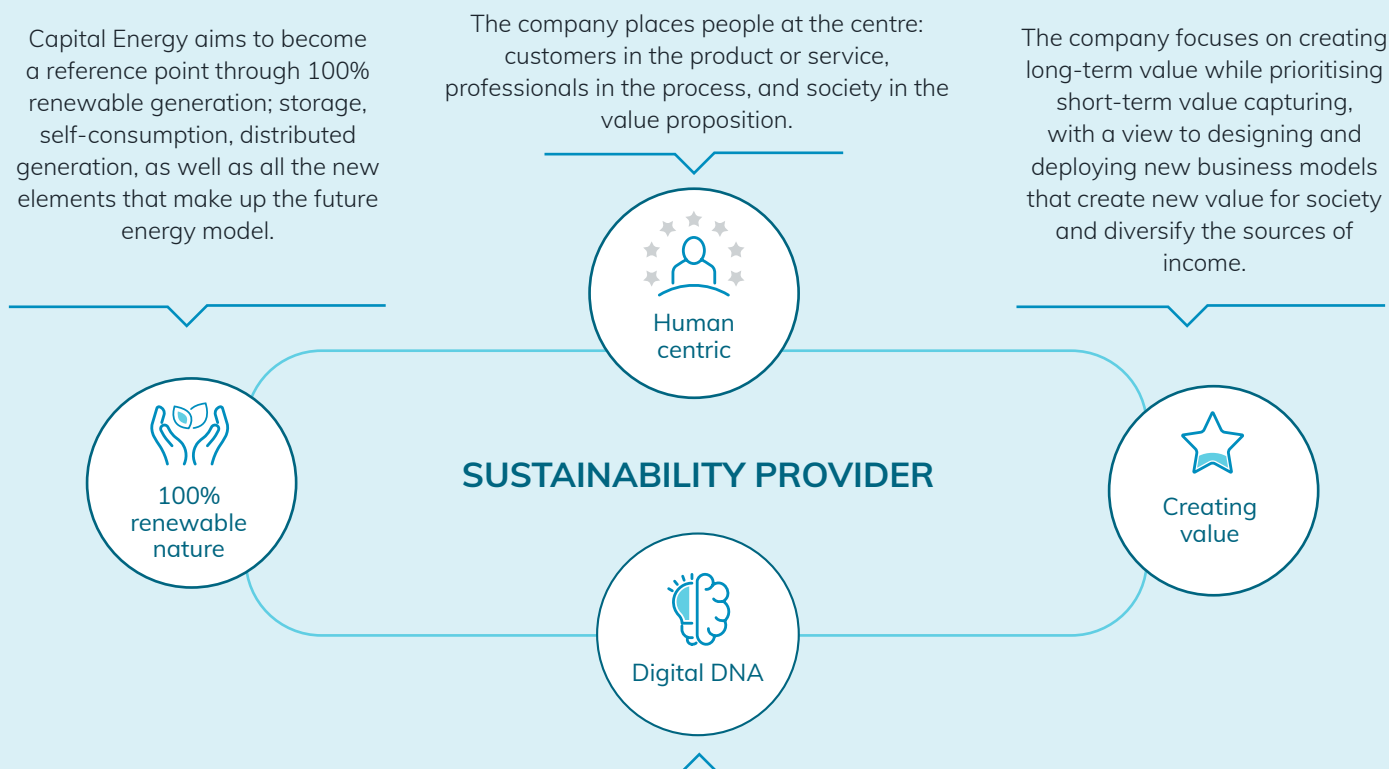
Sustainability and digitalization: two sides of the same coin

Capital Energy considers that the indivisible binomial of sustainability and digitalization is a fundamental aspect in company management and differentiates them from the rest of the market.

The company has a unique purpose and leads in both disciplines to achieve synergies at the service of creating a new energy model, with a huge innovative and digital component that maximises the creation of value, focusing on protecting the environment and on the economic and social development of the environs where it operates, in alignment with the 2030 Agenda and the Sustainable Development Goals (SDG).



Through this unique purpose, the company has its sights set on becoming a supplier of sustainability, leading in the energy transition, based on four main pillars:



The company aims to become a digitally native company that maximises value creation through, at least, four of the fundamental capabilities in this field as a source of competitive advantage

- **Strategic design and experience**, applying experience and design principles to all of our services and products, both in-house and external.
- **Advanced data and analytics**, with the vision of a data driven company as one of the backbones of a digital company, and as one of the most important purposes of the Sustainability and Digitalization Directorate.
- **Agile organisation**, considering the agile management principles and philosophy, both regarding adaptability and speed, and also placing its methodologies at the service of our operations and business model.
- **Innovation**, reinventing the way things are done, as well as the approaches and value proposals for the energy and adjoining markets.

Capital Energy thus considers that its agile, digital and innovative nature will enable it to perform its activities in a manner that respects its immediate surroundings, through active and constant collaboration with its stakeholders, with sustainability and digitalization as the backbone.

Joint management of both disciplines allows for the transparency, agility and traceability of processes, while at the same time it maximises integration and efficiency in the value chain.

Sustainability for Capital Energy

In 2020 a think tank was created with the main business areas and some of the key external stakeholders in the industry, to identify the most significant aspects for a company such as Capital Energy -currently and in the coming years- and to define the company's priorities regarding sustainability until 2025, in alignment with the external expectations and requirements and ESG best practises.

The company's 2021-2025 Sustainability Strategy aims to define the lines of action to respond to the challenge of

meeting its business objectives and to meet the expectations of its stakeholders on management of environmental, social and good governance aspects.

The lines of action aim to point Capital Energy's activities towards a positive impact on society and on the area where it operates, in alignment with the Sustainable Development Goals and 2030 Agenda, and especially with those goals and objectives where the company has the highest potential for contribution.

The seven elements comprised in the company's Sustainability Strategy have different opportunities that have materialised in actions and initiatives with specific objectives, performance indicators and responsibilities assigned for their implementation.

Elements of Capital Energy's Sustainability Strategy and their meaning

STRATEGIC PILLARS



Good governance, ethics and compliance

Adopt the most advanced good governance practises, integrating management of the ESG aspects in the governance model and generating a culture of transparency, ethics and compliance.



Human Capital and Talent Management

Hire the best professionals to face and respond to challenges, promoting a responsible management of talent and creating a dynamic, safe and healthy work environment.



Climate change and environmental excellence

Make the activities on the value chain have a positive net impact on our environment and drive solutions that respond to the climate crisis and energy transition.



Commitment with local development

Take action to become one of the driving forces for the socio-economic development of the regions where we are present, by creating shared value.

LEVERAGE



Innovation and digitalization

Ensure that innovation and digitalization lead to the efficiency, development and differentiation of Capital Energy's value proposition.



Sustainable financing

Use the "green" nature of the company to cover the investment plan through financing and debt with ESG criteria.



ESG culture and recognition

To promote and consolidate an ESG culture, aligned with the company's purpose, values and vision, and increase Capital Energy's recognition for its sustainable performance.



Further information on these think tank meetings at:
"About this report", specifically, in the materiality analysis.

Sustainable finances: purpose and progress in 2020

Sustainable financing is one of the leverage elements identified during the in-house and external think tanks. Capital Energy's objective in this area is to make use of its "green" nature to cover the investment plan through financing with ESG criteria.

A series of actions were defined to this end within the framework of its strategy, among which are alignment of the activity with the European taxonomy on sustainable finances, definition of theoretical frameworks to obtain funds with ESG criteria and roll out of an observatory of ESG analysts and requirements by providers of capital.

On this last item, the company has progressed during the year to ensure its alignment with the funding requirements. Specifically, it has worked on the assessment of two projects, following the Equator Principles and the Green Bond Principles, among these the "Buseco" wind farm, located in Asturias, with 50 MW installed capacity.



Further information on Capital Energy's sustainable goals and its progress on ESG matters on the website

Digitalization at the core

Capital Energy aims to establish itself as a digitally native company. The Directorate of Digital Strategy, Organisation and Sustainability, in collaboration with all areas of the company, has defined the Digital Strategy that will allow it to implement its business plan as a digital company, focusing on sustainability and becoming a reference point, not only in the energy sector.

By analysing best digital practises and with the view of digital experts on the digital utility of the future in the energy sector, Capital Energy has defined its vision of a digital company and the roadmap to reach its goals through seven digitalization pillars.

The company has identified four main digital capabilities to implement the Digital Strategy, rolled out through cross-sectional hubs that prepare all areas of the company: Design & Experience, Data, Agility and Innovation. These hubs will enable the Digital Strategy to be implemented as a customer centric, data driven, agile and innovative company, as the leverage to create a competitive advantage.

Four cross-sectional hubs that enable all areas of the company:

Design & Experience

Data

Agility

Innovation

Pillars of the “Capital Energy Digital Strategic Plan” and their meanings

Smart customer & stakeholders management	Creation of a human-centric company that places clients at the forefront, prioritising the experience for customers, professionals etc. as a key to the company's strategy and the creation and capture of value.
People centricity and new ways of working	Creation of a digital culture and values, employee training for digital skills and capabilities and implementation of new ways of working and collaborative models.
Smart development & construction	Consolidation of a practise to promote and build digital and collaborative infrastructures and assets, focusing on efficiency and speed in rolling out assets.
Smart asset management & digital O&M	Construction of a policy for digital and smart management and operation of assets, aimed at efficiency and integrated with the generation and management of energy.
Energy generation, storage & management	Development of a practise for energy generation, storage and management that is digital and smart and aimed at maximising company profitability.
Digital organisation & functions	Construction of an agile organisation, with digital capabilities and functions that support it.
New business models through innovation	Promotion of innovation, both through ongoing improvement and through disruptive innovation, with new business and operation models, products and services, among others.

Digitalization in the company's day-to-day activities

When defining the Digital Strategy, over 100 opportunities for digitalization were identified throughout the entire value chain, where initiatives were rolled out from the beginning to ensure value was captured over the short-term.

A digital solution was developed in the Promotion area for project management (PMA) that allows all areas participating in the projects to access a unique vision of it, streamlining management and processes, providing access to the information and tasks necessary at each stage of the project, as well as exploiting data. In-depth GIS analyses were also performed when selecting locations, taking into consideration different variables (environmental, town zoning, etc.)

A best in class sourcing & procurement tool was chosen for the construction area, that would allow for control and cost optimisation of the projects.

A collaborative and technology stack model that guarantees an integrated, smart and digital practise is being defined and rolled out for the Wind Farm Operation, Energy Management and Energy Storage areas.

The retailing focus and asset development is based on digital design principles and experience, with a customer-centric vision and applying agile philosophies and methods, that allow for market testing of the products.

To complete the digitalization and integration of the value chain, cross-sectional data capabilities were rolled out and application data use cases were identified in all areas, that allow maximising creation and capture of value in all businesses and operations.

Sustainable innovation

Capital Energy is committed to innovation in leading the energy transition, with the aim to differentiate itself as a digitally native company that boosts this change towards the future of the energy sector and a sustainable economy.

Its vision is to contribute to the transition to a future sustainable energy model through renewable

energy, energy storage, green hydrogen, an entrepreneurial ecosystem and internal innovation within the company.

It aims to make available to society both the existing technology and solutions and those that it is developing, as key tools in this social transformation.

Within Capital Energy's work in 2020 to promote energy storage and green hydrogen, it submitted six national projects and one European project linked to innovation in these fields, for a total quotation (excluding the renewable quotation) of €54.5 million.

Pillars of innovation at Capital Energy



Energy storage



Green
hydrogen



Corporate
venturing



In-house
innovation



Energy storage

Capital Energy is committed to developing projects with sustainable energy storage technologies to ensure the integration of renewable energies in the energy system, that guarantee the power supply and quality for customers.

Given the non-manageable nature of renewable energy -energy is produced when there is wind or sun-, Capital Energy aims to promote storage solutions that contribute to providing stability to the electricity network when operating and that intend to guarantee the electricity supply and quality for end users, staying with them at all times during the changes, requirements and new models in the renewable energy transition.

The company backs and promotes research projects and development of new energy storage technologies and new applications, collaborating with universities, research and technological centres and companies, with a clear focus on creating products and services associated with our core business.

The company set up in 2020 the "SICEH" project: *Storage in Capital Energy Headquarters*, which establishes a series of energy storage solutions at the various company headquarters. SICEH is a *behind-the-meter* storage project launched in 2020 at the Capital Energy headquarters with equipment from various fuel cell manufacturers, to analyse the energy storage business model at a residential and commercial level, where the control modes are being analysed at a local and aggregate level. The main milestone of the year was the installation of four fuel cells at the headquarters in Oviedo, Albacete and Madrid, which were the beginning of the project.



Boosting renewable
energy



Guaranteeing energy
supply and quality



Demand management
and flexibility



Green hydrogen

Green hydrogen is a renewable gas -greenhouse gas-free- that can be used as a raw material in industry and as fuel, among other applications, and it is a key factor in decarbonising industry, mobility and cities.

Aware of the role that hydrogen plays in the transformation of the sector and of the economy, Capital Energy supports and promotes research projects and development of the hydrogen value chain, collaborating with universities, research and technology centres and companies, as well as joining 'Hydrogen Europe', that promotes research and awareness on this issue throughout Europe.

In Spain, the company undertook in 2020 to sponsor the "Sectoral Agenda for the Hydrogen Industry" which is being drawn up by the Spanish Hydrogen Association. It is a strategic document that is aimed at promoting the industrial roll out and development of hydrogen in Spain, and is supported by the Ministry for Industry, Trade and Tourism.



Energy system
decarbonisation



Sustainable mobility



Big industry uses



Domestic and
commercial use



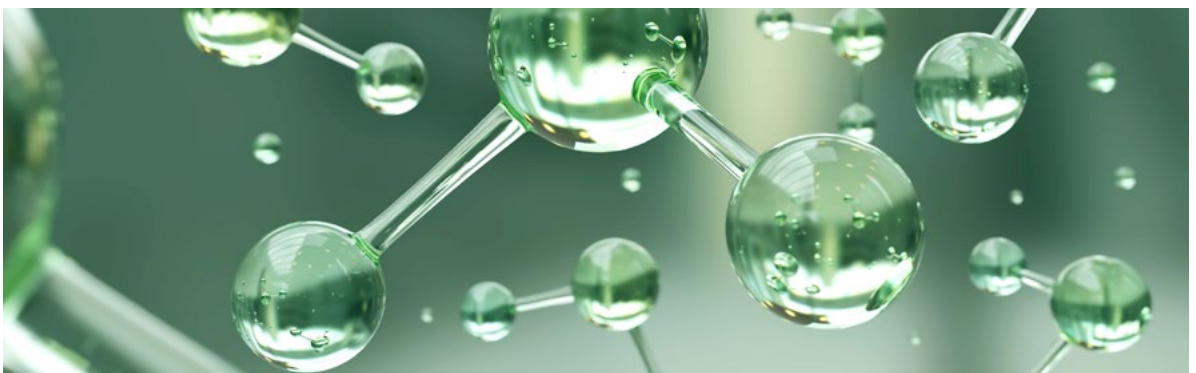
Capital Energy participates in the European "PROMETEO project: Hydrogen production by means of renewable resources in high temperature Solid Oxide Electrolysers"

The company is part of the European project "PROMETEO: Hydrogen production by means of renewable resources in high temperature Solid Oxide Electrolysers' The project will last three and a half years and will be developed by a consortium of eight companies from four European countries: Spain, Italy, Switzerland and the Netherlands.

Capital Energy's role will include the definition and assessment of the various business models, including management of renewable resources and networks and off-grid applications. It will also include the integration and validation of the solution at a location owned by the company, with its own technical staff and in collaboration with the other project partners.



Further information at:
list of associations from the report appendix





Corporate venturing

In keeping with its values and strategic goals, one of the company's objectives is to give impetus to the entrepreneurial ecosystem in the energy sector, with a focus on Spain and Portugal, identifying and investing in start-ups that will set the trend for the future in energy services and customer-oriented solutions, sustainable mobility, digital utility and optimisation of renewable energy and energy storage operations.

To this end, the company created in 2020 Capital Energy Quantum, a corporate venturing vehicle with €20,000,000 to invest between 2020 and 2024.

The purpose of Capital Energy Quantum is to create a portfolio of energytech start-ups with the potential to transform the energy sector, combining the association between start-ups -venture client-, direct investment -venture capital- and new -venture building-.

Capital Energy Quantum is a part of our strategic commitment to create a network of know-how and talent on the Spanish energy market, while, at the same time, consolidating the transformation of the Company into a customer-oriented enterprise and improving core business efficiency over the short and medium term.

The company created a committee that will act as an independent entity to supervise this vehicle, which will have power to make certain strategy-related decisions. This committee will also decide on implementing or operating the Business Plan and the approved budget in order to meet the objectives established by this initiative.

20 million Euro to
invest between 2020 and
2024



Main future projects for Capital Energy Quantum

Client-focused solutions

Digital & data-driven utility

Sustainable mobility

Smartgrids & storage

Renewable generation



Voltaware and Liight, the first two start-ups to become part of Capital Energy Quantum

The initiatives by these start-ups focus on promoting energy efficiency in homes and on sustainable behaviours within the company itself.

Voltaware has a data analysis platform based on a *machine learning* algorithm that processes information about electricity consumption, disaggregating it by appliances with a view to better comfort and safety in the home and enabling better electricity bill management. In the pilot project, 50 Capital Energy employees were selected to install the sensor and the personalised service in their home and obtain real feedback on the interest in and usefulness of the idea.

Voltaware®



Meanwhile, Liight has designed an application that, using gamification, tracks different user activities (like recycling, walking, cycling and using public transport, etc) that make it possible to compete in various challenges and earn redeemable rewards. The pilot project consists of launching a series of challenges for Capital Energy staff, with the goal to generate sustainable behaviours within the company. 1.3 tonnes of CO₂ were prevented during the year thanks to this project.



Further information
on Capital Energy
Quantum



In-house innovation

Capital Energy intends to boost experimentation with new technologies that will allow it to operate its business plan and lead the energy transition towards sustainability through artificial intelligence, virtual reality, augmented reality, *blockchain*, drones, the connected industry and mobility solutions, among many others.

To facilitate in-house innovation, the company intends to boost collaborative and innovation models, work methods and training that favour both ongoing innovation in day-to-day operations and disruptive innovation. This is one of the digitalization pillars of the "Strategic Digital Plan", cross-sectional to all the company and key for implementation of the business plan as leverage to create a competitive advantage.



Further information
on Capital Energy's
sustainable
innovation



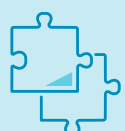
Ongoing innovation

Focused on efficiency and maintaining a leadership position in the market.



Disruptive innovation

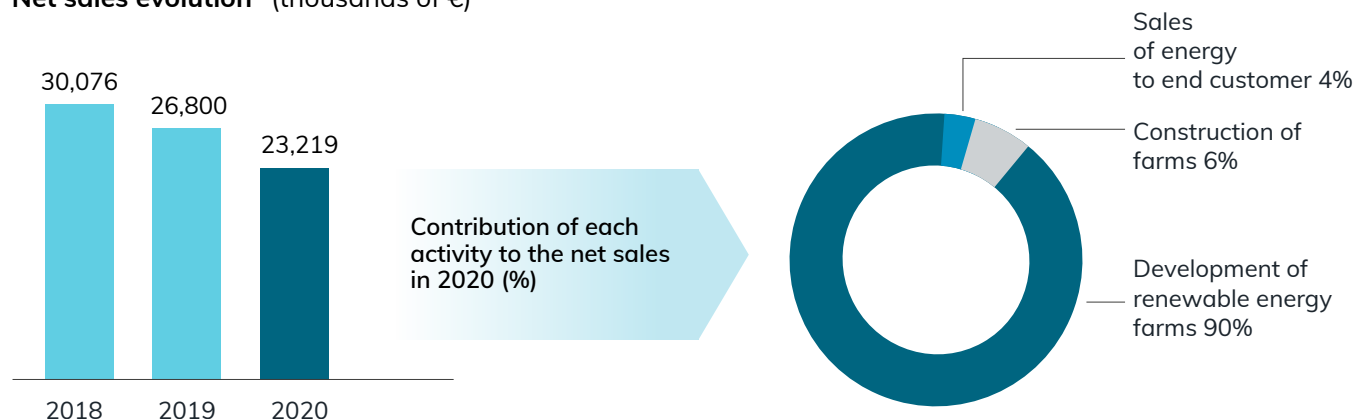
Aimed at creating new products and business models that entail a new paradigm and a source of new value for society.



Main magnitudes of the business

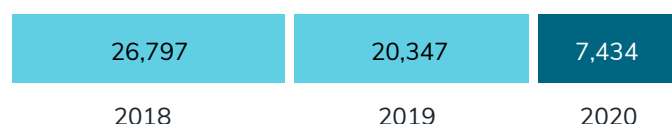
[GRI: 102-6, 102-7, 102-8, 102-9, 102-10]

Net sales evolution* (thousands of €)



* Included as sales: Net turnover amount + balance from company conveyance + Other operating income

Net profit in 2020 (thousands of €)

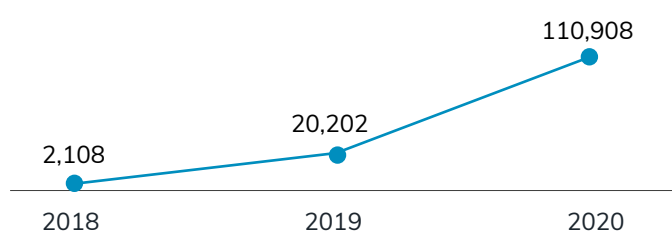


Taxes paid on profits* (thousands of €)



*Corporate taxes in accordance with the annual accounts

Total investment evolution(thousands of €)



Financial performance (in thousands of €) [GRI 201-1]

	2018	2019	2020
Direct economic value generated	30,241	26,912	24,754
Net amount of financial turnover	46	1,822	741
Other operating income	37	461	1,422
Income from assets sales	29,994	24,516	21,056
Other income	164	113	1,535
Distributed economic value	4,211	6,901	17,778
Staff expenses	1,600	1,425	7,554
Other operating expenses	1,135	4,047	7,991
Amortisation and losses from deterioration	1,476	1,429	2,217
Provisioning	-	-	16
Withheld economic value	26,030	20,011	6,976

Some key operating figures

6,720.3 MW with approved grid access

98 environmental impact assessments in 2020

3,950 MW approvals for grid access in 2020

114 approved for processing of Administrative Authorisation in 2020¹

¹ All that were applied for.

A differential portfolio of projects: wind and solar technology

One of Capital Energy's strengths lies in the diversification of its portfolio regarding geography and type of technology: since 2016 it has focused its business on Spain and Portugal with wind and solar projects.

At the end of 2020 the company had 30,367.6 MW, between wind and Solar projects -active or being developed- and planned², which is an 11% increase from the previous year.

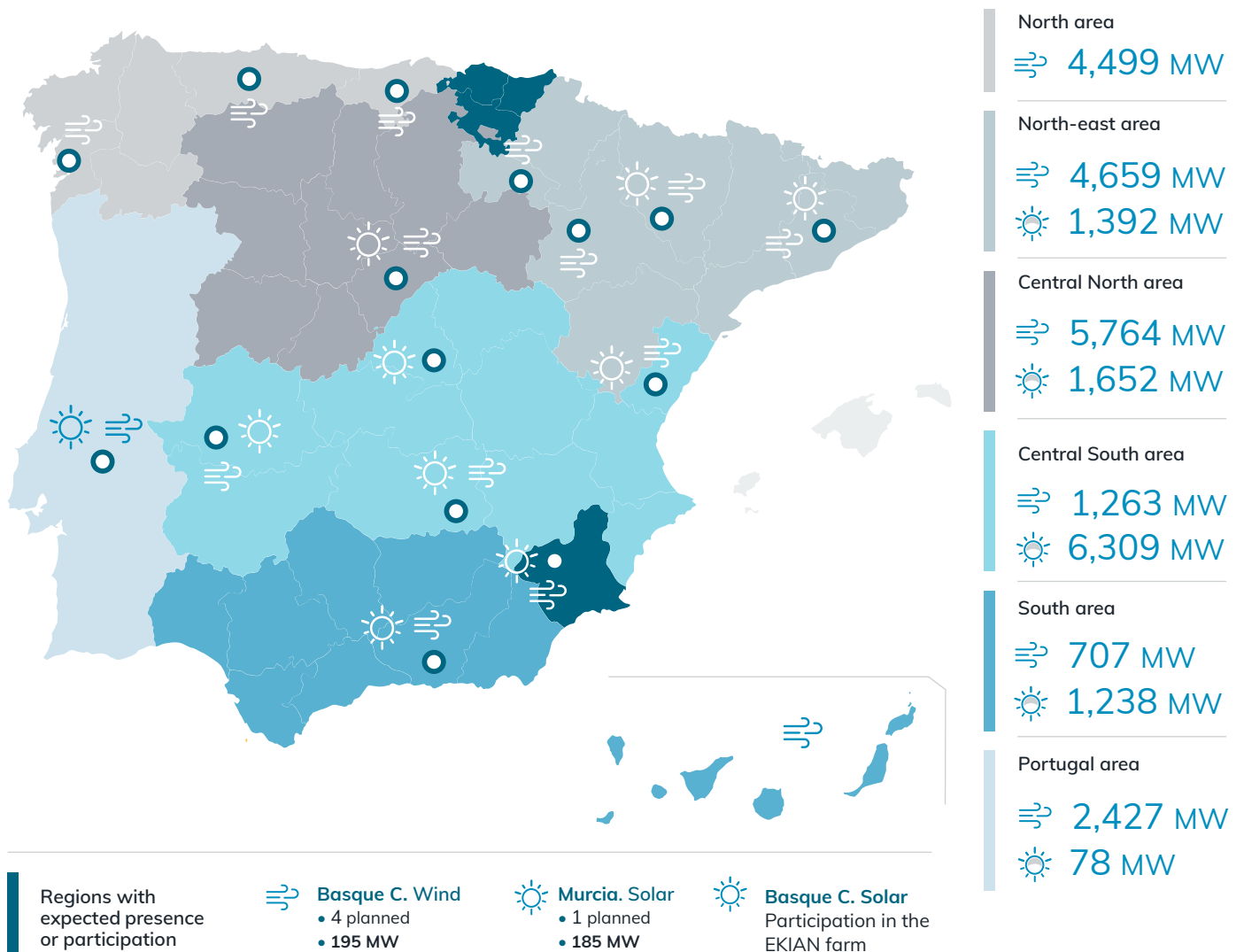
Presence in

44 Spanish provinces and

11 Portuguese districts:
initiatives are located in more than

1,000 municipalities.

Details on the projects in Spain and Portugal



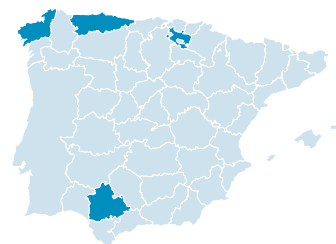
² The hybridisation projects were not taken into account, only those in the Capital Energy portfolio.



Further information at:
list of memberships and associations

Milestones of the projects portfolio in 2020

There were a series of milestones in 2020 in different places, related to the beginning of construction and operation of the company's farms:



- In January, the "Ekian" solar farm in Álava (Basque country) began operations at 90%, and progressively reached 100%. The farm has 67,000 solar panels, that will generate 40,000 MWh every year, electricity that is equivalent to the consumption of 15,000 families.



- In July, the company announced that it plans to invest more than €1 billion in developing renewable energy in Asturias. With 1,200 MW of projects ongoing in this region, Capital Energy began construction of the first of its wind farms, for 50 MW. The 10 wind turbines of the Buseco farm, which will be supplied by Siemens Gamesa, will be able to produce over 129,000 megawatts per hour (MWh) of clean energy per year, equivalent to the consumption of around 54,000 homes, and will prevent the annual emission to the atmosphere of over 51,600 tonnes of CO₂.



- In November, the Regional Department for the Economy of the Xunta de Galicia submitted the application for permission for Capital Energy's first wind farm in Galicia, to public consultation: "Banzas", in A Coruña. This installation will have an installed power of 31 MW and involves an investment of almost €40,000,000. The nine wind turbines in this wind farm will provide clean energy to 32,000 homes and will prevent the emission of 20,800 tonnes of CO₂ into the atmosphere per year. Its construction will create up to 80 jobs and will have an impact on the regional and local coffers, as well as through leasing agreements, of over €240,000.
- The Regional Department for the Economy at the Xunta (Galicia's Regional Government) announced in December that it is submitting the application for permission for its second wind farm in Galicia: "Maragouto", in A Coruña. This farm will have an installed power of 35 MW and involves an investment of almost €44,000,000. The 10 wind turbines in this facility will be capable of supplying 114,000 megawatt hours (MWh) of clean energy per year, equivalent to the consumption of more than 42,500 homes, preventing the annual emission of more than 45,600 tonnes of CO₂ into the atmosphere. It will also stimulate the creation of more than 80 jobs during its construction stage and will have an annual financial impact on regional (wind fees) and local coffers, and also through leasing agreements, of around €263,000.



- Also in December, Capital Energy began construction of its first wind farm in Andalusia: "Loma de los Pinos", in Seville. This facility will have an installed power of 39 MW and involves an investment of €36,000,000. The seven wind turbines in this wind farm will be capable of supplying clean energy to some 40,000 homes and will prevent the emission of more than 41,000 tonnes of CO₂ into the atmosphere per year. "Loma de los Pinos" will have an annual financial impact on the local coffers, and also through leasing agreements, of more than €250,000.



Further information on the
project portfolio



Further information on the local and regional
sectoral associations at:
list of memberships and associations

Business plan and future outlook

[GRI: 102-15]

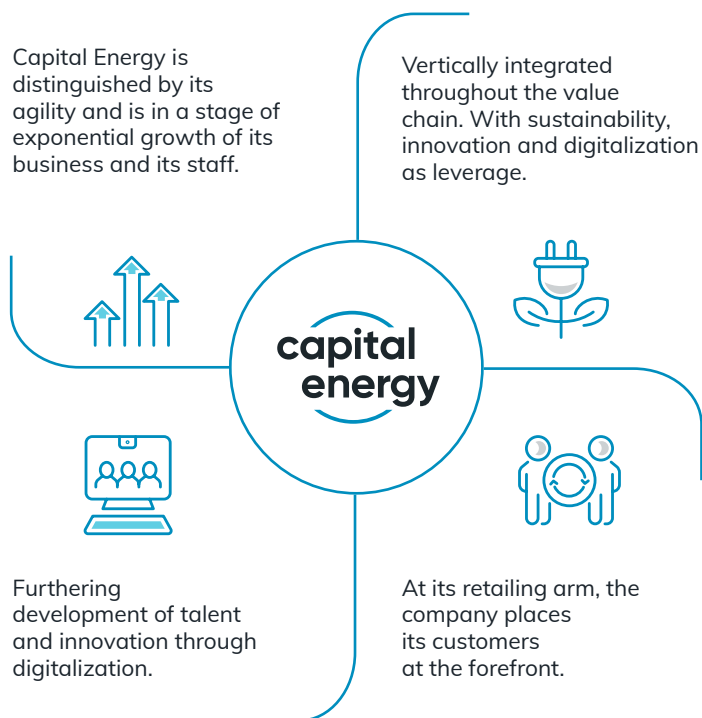
Capital Energy aims to contribute decisively to the Green and Fair Transition of the economy and society. By launching its retailing arm in October 2020, the company has become the first 100% renewable and vertically integrated energy company on the Iberian peninsula.

With this approach, the organisation will provide differential value throughout its entire value chain, focusing on the pillars of sustainability, innovation and digitalization.

The company has one of the largest project portfolios, mainly wind, but also solar, on the Iberian peninsula: with 37.9 GW of power, for which over 8.5 GW have already been granted permission*.

In order to meet its objectives, the company is relying on a human resources team that has a history of success in the industry, with whom it aims to position itself as a leader in the development and promotion of renewable energy.

Key elements to drive forward the business plan



1st renewables company

100% vertically
integrated

Portfolio under assessment
and development

37.9* GW
power

With access
permission granted for over

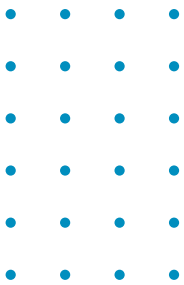
8.5* GW

Engineering projects:

36 specialised companies
under framework agreements and
48 additional companies, with
whom we worked in 2020.

*Figures as of 1 March 2021

2

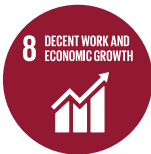


Governance and talent



Corporate governance	44
Compliance and ethical conduct	48
Human capital	54
Employee health and safety	60

Main aligned objectives:





42.8%

of **directors who are independent** and 42.8% of **women on the Board of Directors**, following good corporate governance practises

Update of the corporate policies framework and approval by the Board of Directors:



Sustainability policy

Environment policy

Health and Safety policy

Quality Assurance policy

88.3%

of Capital Energy staff who have completed their compliance training program at the closing of this report

281

employees in all of its business divisions in Spain and Portugal...

94%

of these, with permanent contract

Corporate governance

[GRI: 102-18, 102-19, 102-20, 102-22, 102-23, 102-26, 102-27, 102-30, 102-31, 102.32]

Capital Energy is committed to best practices for Good Corporate Governance, business ethics and responsibility in all of its fields of operation.

As proof of this commitment, it has a governance system that reflects the company's principles and aspires to contribute to generating confidence with its stakeholders.

This system is based on the ethical, conduct and transparency principles included in the Company's Code of Ethics and its purpose is to ensure the Company's financial quality, achieve the aims set in the Company's strategic, business and growth plans, and, therefore, ensure the sustainability of the business model in the long-term.



Company contribution to the 2030 Agenda:

Goal 16.6: "Develop effective, accountable and transparent institutions at all levels"

Goal 5.5 "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life".

The board of directors and the committees: structure, duties and responsibilities



The Board of Directors, formed in 2020, is Capital Energy's main decision-making entity and performs its duties with the advisory of the committees, when necessary.

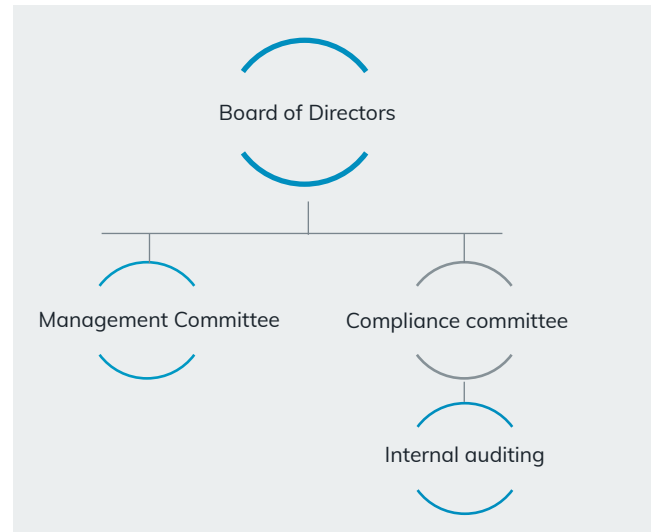
Among the matters on which it decides are: approval of budgets and the Business Plan and strategy, risk monitoring and management, appointments and wages plan.

In 2021 Capital Energy reorganised its Board of Directors to align with best practises in this field. Therefore, it currently has three independent committees that report directly to the Board of Directors, with assigned term and duties.




Capital Energy Board of Directors:

42.8% women 

42.8% independent directors

7 directors: 3 executive
3 independent
1 proprietary director

What duties does each entity perform?

ENTITY	DUTIES
 Management Committee	<ul style="list-style-type: none"> It has the power to make certain decisions on investment, project development and other business decisions. The business units report directly to the Management Committee which, in turn, reports to the Board of Directors, with the aim of ensuring suitable implementation of the Company's business plan, budget and strategy set by the Board of Directors, along with their review and regular follow-up.
 Compliance committee	<ul style="list-style-type: none"> Responsible for ensuring employee and third-party compliance with the in-house protocols and systems. Specifically, it supervises the Ethics Code and Anti-corruption Policy and their compliance by the company and its main suppliers.
 Internal audit department	<ul style="list-style-type: none"> They supervise the monitoring systems and their proper implementation through the audit plan. Among its duties are the proposal for verification plans and reporting to the Board of Directors.

Diversity and operation of the Capital Energy governing entities

The members of the Board of Directors and its committees follow the principles of transparency and independence, observing diversity and guaranteeing the professionalism and experience of its members.

Capital Energy's Board of Directors is currently comprised of a majority of non-executive members (3 of whom are independent), which means better objectivity, efficiency and transparency when exercising the powers and performing the duties entrusted to them. It also has over 40% of female

representation, thus exceeding the National Securities Market Commission (CNMV) recommendation on gender diversity for 2022. Directors are elected for a four-year period.

The Board of Director's performance will be evaluated annually. The Board of Directors decisions are made by absolute majority of its members (attending or by proxy) and the chairman has the casting vote in the event of a tie.



Skills and experience of the Board of Directors

Board of Directors



Juan Francisco Lasala



Jesús Martín Buezas



Juan José Sánchez

Date of the first appointment

18/09/2020

31/10/2019

31/10/2019

Nature and position

- Independent
- Chairman

- Executive
- Executive Vice-President

- Executive
- CEO

Committees to which they belong

- Management Committee

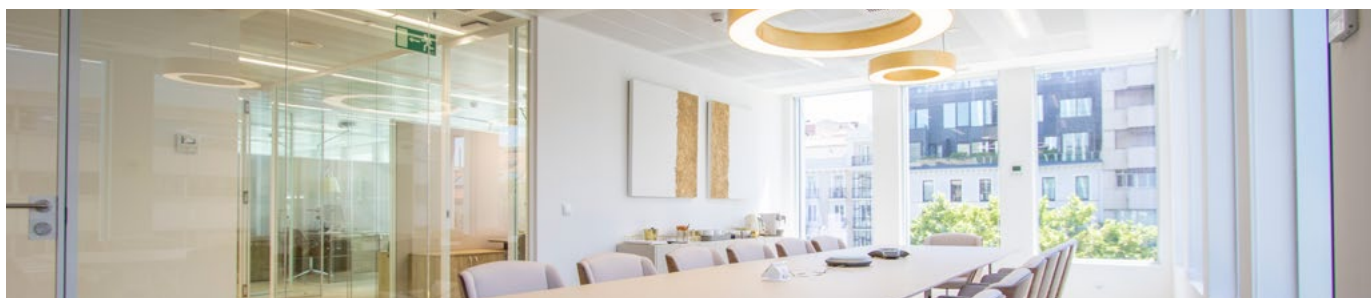
- Management Committee

Skills and experience

Energy	★ ★ ★	★ ★ ★	★ ★ ★
Financial / corporate	★ ★ ★	★ ★ ★	★ ★ ★
Risks and hazards	★ ★ ★	★ ★ ★	★ ★ ★
Digitalization and innovation	★ ★	★ ★	★ ★
Sustainability	★ ★	★ ★ ★	★ ★ ★
Ibex 35	★ ★ ★	★ ★	★ ★ ★
Public administration	★ ★ ★	★ ★ ★	★ ★ ★

Skills and experience legend:

★ ★ ★ Excellent ★ ★ Suitable ★ Appropriate

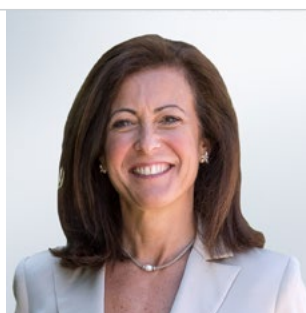


Francisco Clemente

10/12/2020*

- Executive
- General Corporate Director

- Management Committee



Rosa María Sanz

16/12/2020

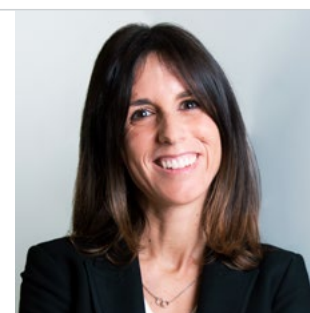
- Representing controlling shareholders



Covadonga Soto

27/05/2020

- Independent



Laura Muries

27/05/2020

- Independent



* As of the 16 April 2021, Francisco Clemente is no longer a member of the Capital Energy Board of Directors.



Further information at:
Corporate governance

Compliance and ethical conduct

[GRI: 102-16, 102-17, 102-25, 406-1]

Capital Energy's activity follows the principles of integrity, transparency, compliance and ethics. These principles are contained in its Code of Ethics and Conduct, which is complemented by a wide system of rules, corporate policies and protocols.

The company thus covers compliance, fight against corruption, environmental protection, sustainability and health and safety.

The **Code of Ethics and Conduct** defines the culture, values and action principles that must govern the behaviour of all company staff and is therefore applicable to everyone comprised in the group. The main aspects that are covered are:

- Commitment to our customers and shareholders
- Commitment to innovation and technological development
- Legal compliance
- Environmental protection
- Human capital
- Commitment to the community and its development
- Transparency and integrity in financial information

In alignment with the Code of Ethics and Conduct and, in order to extend Capital Energy's commitment to the entire value chain, a **Code of Conduct for suppliers**, has been defined, and it is deemed essential to adopt it and comply with it in order to work with the companies comprised in the Group.

To bolster the commitment to legal compliance and the fight against corruption, Capital Energy has approved an **Anti-corruption Policy** which must be complied with by all employees and which also governs relations with third parties in all scopes of business.

In 2020 the company made an effort to inform its staff on the existing policies and compliance mechanisms established at Capital Energy, with the aim to ensure that all employees are familiar with the procedures and conducts expected during the performance of their duties.

Further information at:



Company contribution to the 2030 Agenda:

Goal 16.b: The mechanisms and policies defined by Capital Energy to ensure a culture of compliance and ethical conduct contribute to the goal: 16.b "Promote and enforce non-discriminatory laws and policies for sustainable development"

The company also has a reporting channel that allows for notifications and information on possible irregularities or breaches of the controls and regulations established by the Code of Ethics and Conduct, the Anti-corruption policy, as well as the other internal policies and regulations applicable to company operations.

Employees and other stakeholders who have a contract relationship with Capital Energy (agents, clients, suppliers) and any stakeholder, may use this channel, through various media, among which are the email address: denuncias@capitalenergy.com. denuncias@capitalenergy.com

No complaints and/or communications were recorded in 2020 through this channel.

Training on compliance for all employees regarding company policies



88.3%

of Capital Energy staff who have completed their training program at the closing of this report



Corporate policies

[GRI: 102-16, 102-17, 102-25, 406-1]

The company has a corpus of corporate rules, policies and procedures that allow the company to perform its activity in accordance with current legislation, comprehensively, in order to consolidate corporate ethics following its corporate values. The following policies were recently approved by the Capital Energy Board of Directors.

Sustainability policy



Establishes the action principles to:

- Comply with the legal requirements and commitments acquired by the company on environmental, social and/or corporate governance matters.
- Establish objectives to meet the Sustainable Development Goals.
- Promotes sustainability practises through its sustainability strategy.
- Responsibly manage the risks and opportunities derived from our activity.
- Guarantee the protection of human rights.
- Promote optimal work environments for Company employees.
- Ensure that innovation and digitalization enable opportunities to be generated.
- Spread the sustainability commitment throughout the company's entire value chain.
- Establish relations with third parties from the basis of ethical, honest, upstanding and transparent conduct.
- Promote information transparency with stakeholders.

Environment policy



The main goal of this policy is to establish a framework of reference that guarantees:

- Compliance with environmental legislation applicable to the company's activities.
- Contribute to the decarbonisation of the energy sector.
- Management of positive and negative environmental impacts.
- Preservation of biodiversity
- Encourage constructive dialogue with stakeholders in order to establish long-term relations pertaining to the environment.
- Company commitment throughout the value chain.
- Establishment and regular review of environmental objectives and goals.

Health and Safety policy



The general guidelines of this policy provide a reference framework to establish the health and safety objectives:

- Provide staff with safe and healthy working conditions, considering the elimination of hazards and reduction of health and safety risks as a priority objective, thus avoiding work-related accidents and harm and damage to health.
- Strictly meet or exceed applicable legal requirements, as well as other requirements or commitments acquired by the company regarding prevention.
- Integrate the health and safety criteria at the workplace in all decisions, business processes and working methods.
- Work continuously on identifying and eliminating hazards, as well as assessing and reducing risks, applying the most suitable corrective steps.
- Encourage consultation and participation by workers and their representatives within the activity, such that proper health and safety practises are promoted, leading to a safe work environment.
- Demand that the safety regulations established by Capital Energy are met by third-party companies that perform their activities at the company's facilities, extending this commitment throughout the entire value chain.
- Foster a prevention culture by exercising visible leadership that is promoted from Senior Management and based on ongoing employee training and qualification that will ensure that the health and safety rules are observed.
- Ensure ongoing improvement in workplace health and safety management and performance.



Quality Assurance policy



It is established as a reference framework to:

- Continuously improve Group activities and their quality management systems.
- Meet all requirements applicable to the performance of the Company activities.
- Pay constant attention to the stakeholders' needs and expectations.
- Continuously assess risks and opportunities, to ensure that they are properly managed.
- Create value by identification, innovation and use of the most advanced technology, best practises and development of value alliances.

Further information at:



Capital Energy also has other corporate policies and protocols that were approved in 2020, and it is committed to implementing, communicating and regularly reviewing all of these corporate documents.

Human Rights Policy



It formalises the Company's commitment to human rights, as included in Spanish and international legislation, and also taking into account European and International Human Rights Conventions and corporate standards.

Other relevant policies and procedures



- Conflict of interest policy
- Workday flexibility and daily recording of the workday policy
- ID checks policy that regulates the risks that may enter into conflict with the Group's Compliance policy
- Policy for the use of digital systems and devices that contains risks pertaining to cybersecurity
- Whistleblowing and internal investigations channel procedure



Further information at:
Corporate governance



Further information at:
Human capital

Risk management [GRI: 102-15]

Risk management in an environment of volatility and maximum expectations pertaining to the sector provide huge possibilities for the Capital Energy Group, as flexibility and fast adaptation to change are its distinguishing features. Risk management plays a key role in this strategy, to ensure an orderly and sustainable growth.

Capital Energy's Risk Control and Management Policy is based on the generally accepted international reference frameworks COSO and ISO 31000, identifying, analysing and assessing each risk, following which it has defined its Internal Control System, defining supervision activities that enable it to reduce those risks.

In 2020 and based on its processes maps, with its sights set on the Company's Strategic Plan, Capital Energy classified its risks based on their probability of happening and impact, considering from the risks that are detailed below, to others classified as equally key, such as operational or management, regulation or reputation risks.



ESG risks



Financial risks



Cybersecurity



ESG risks

As part of its sustainability aspirations, Capital Energy is involved in a process to identify non-financial risks. To this purpose it is updating its current and potential risks map, following environmental, social and governance criteria (ESG), evaluating the double impact they may have, in-house, but also and especially socially, as proof of its commitment to balanced and sustainable growth.



ESG risk identification

Climate change and environmental risks directly affect Capital Energy's activity and they may appear due to lack of regulatory requirements and lack or absence of steps to reduce the environmental impact of the company's activity.

Social risks involve from labour risks, including those pertaining to health and safety, to failures regarding clients or an insufficient roll out of initiatives for contribution to the region.

To mitigate reputation risks, Capital Energy also monitors corporate governance risks and other relevant matters through its compliance and third-party relations systems.



Steps taken

1. En 2020, Capital Energy created a Committee for Sustainability, Health and Safety.
2. Corporate policies on Sustainability, Environment and Health and Safety, Code of Ethics and Conduct and Anti-corruption.
3. A map of risks and an internal monitoring system specific for ESG matters
4. Capital Energy's steps go beyond the employees and they extend to their ESG evaluation of suppliers, regulated by the Code of Conduct for Company suppliers.



Financial risks

In alignment with Capital Energy's commitment to its stakeholders, and to its shareholders and investors, the Company identifies the financial risks and works on developing metrics and an effective control system for managing them.



Financial risk identification

Capital Energy's Financial Directorate is responsible for establishing the design, implementation and operation of the Group's information control system.

To meet this responsibility, it will be backed by the persons in charge of each process, to monitor that the controls are being properly carried out.

The main families of risks include: interest rates, liquidity, credit and capital management.



Steps taken

1. Capital Energy is developing the Internal Control Policy on the company's financial information. Following this Policy, Capital Energy's Board of Directors is the ultimate entity responsible for implementing and maintaining a proper and effective Control System, while the Audit Committee is responsible for monitoring its effectiveness.
2. The Group has created an independent Internal Audit Department that reports to the Audit Committee and will be in charge of supervising the company information by delegation from the Audit Committee.



Cybersecurity

Aware of the risk of cyberattacks or security breaches for the company, Capital Energy has an internal policy on use of digital systems and devices.

One of the pillars of this policy is to ensure that the human factor is aware of the procedures and, therefore, employees are informed of the risks entailed by cybersecurity, and behaviour guidelines are set in place to ensure that all employees use the electronic devices and computer equipment made available to them to perform their duties in the best possible way.



Cybersecurity risk management

Capital Energy has an IT Strategic Plan, a Security Master Plan and a Digital Strategic Plan, among others.

The Security Master Plan's reference is: NIST, FIPS, ISO 27001, Royal Decree 43/2021 on security of the networks and information systems.



Steps taken

1. Implementation of a monitoring service to prevent cyberattacks
2. 360° diagnostic of Capital Energy's security
3. Introduction of Security quick wins
4. Security architecture and penetration test for the retailing arm

Capital Energy did not record any breaches of physical regulations or cybersecurity rules or regulations in 2020.

Capital Energy also has an email monitoring service, that reduces the risk of cyberattacks that could penetrate via phishing, ransomware and other types of malware.

Main indicators of the monitoring service

At the closing of 2020...



292,670

emails received



41,020

spam emails rejected



327

cyberattacks
prevented

Human capital

[GRI: 102-7, 102-8, 102-41, 401-1, 401-2]

Capital Energy firmly believes that its employees are its best assets and works to ensure their professional development and to guarantee quality working conditions in a work environment that follows corporate values at all levels of the company.

The company not only seeks the best talent for its business, it also actively aims to create a motivating and attractive work environment. This characteristic was strengthened by the pandemic situation: skills and capabilities have evolved towards a more humanist model, where empathy is one of the key features at all levels of the organisation.

The people who make up the team share a series of common attributes, dynamism, flexibility and commitment; they have the chance to participate in a corporate culture of teamwork, that encourages agile dynamics and active contribution by employees through their ideas and professional experience.

The company is currently at a growth stage and is aware of the importance of human capital in fulfilling its strategy. At Capital Energy, every professional provides value to the business model. Thanks to their capabilities, knowledge, skills and experiences, the company is able to achieve its objectives over the short-, medium- and long-term.



Company contribution to the 2030 Agenda:

By creating jobs and attracting prepared and diverse talent, Capital Energy contributes to the goals:

Goal 5.5 "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life".

Goal 8.5 "Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value".

Goal 10.3 "Ensure equal opportunity and reduce inequalities of outcome".

#dynamism #flexibility #commitment #teamwork #agile #active contribution #ideas
#professional experience #digital #sustainable #innovative #committed

Digital skills for people management

In keeping with its Digital and Sustainable vision, Capital Energy aims to encourage employee experience and to design an employee journey that will place the professional at the core of its in-house processes. With this goal in mind, it has chosen the *Human Capital Management* (HCM) solution by *Workday*, that implements this human-centric model in the management of our staff, planning and decision making.

This solution will allow the company to predict trends and behaviours that will make it easier to plan, helping professionals adapt to changes in an agile and dynamic manner.

By using *Workday*, Capital Energy joins the large group of technological companies and start-ups who choose this solution to enable an exponential growth of business and staff, rolling out new business units and achieving the necessary flexibility to operate in a dynamic and changing environment. The company considers *Workday* to be a digital facilitator that is key in the implementation of its business plan from the people management standpoint.

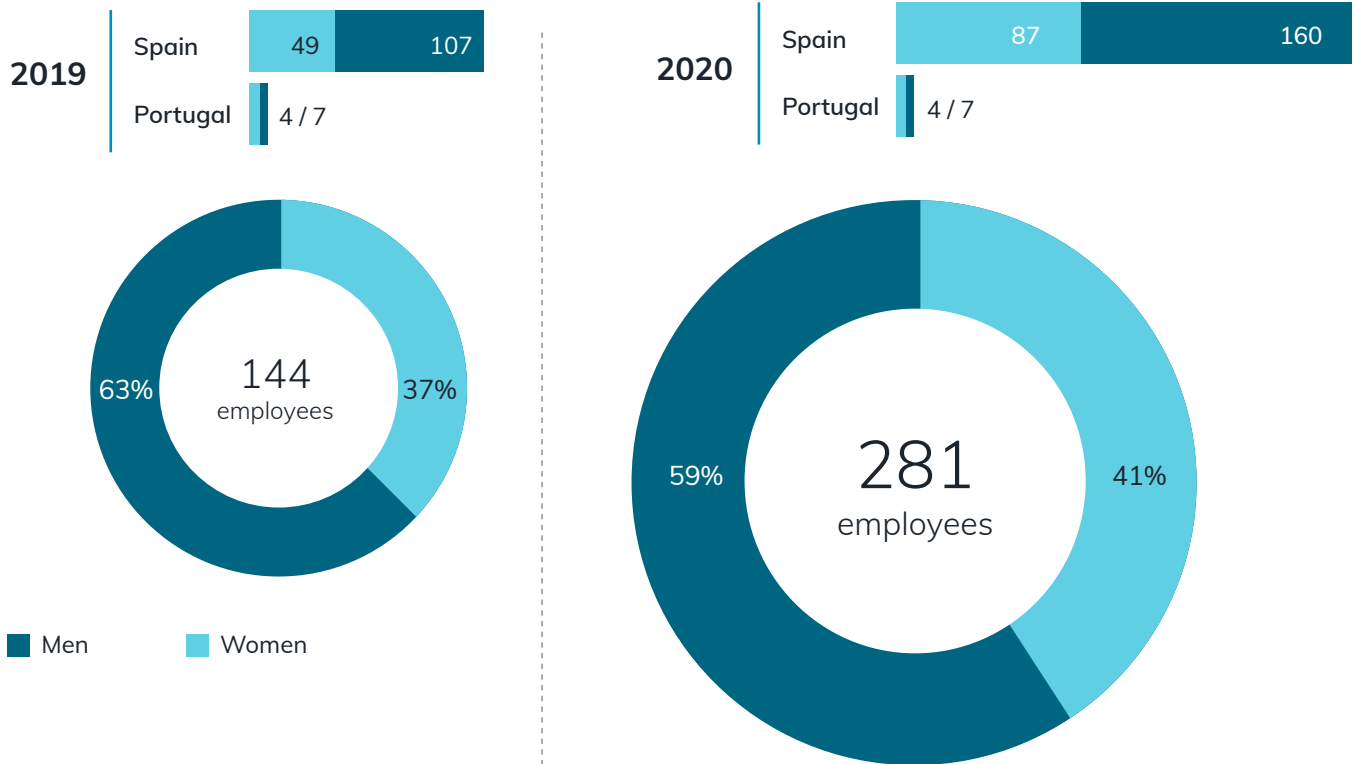
Further information at:



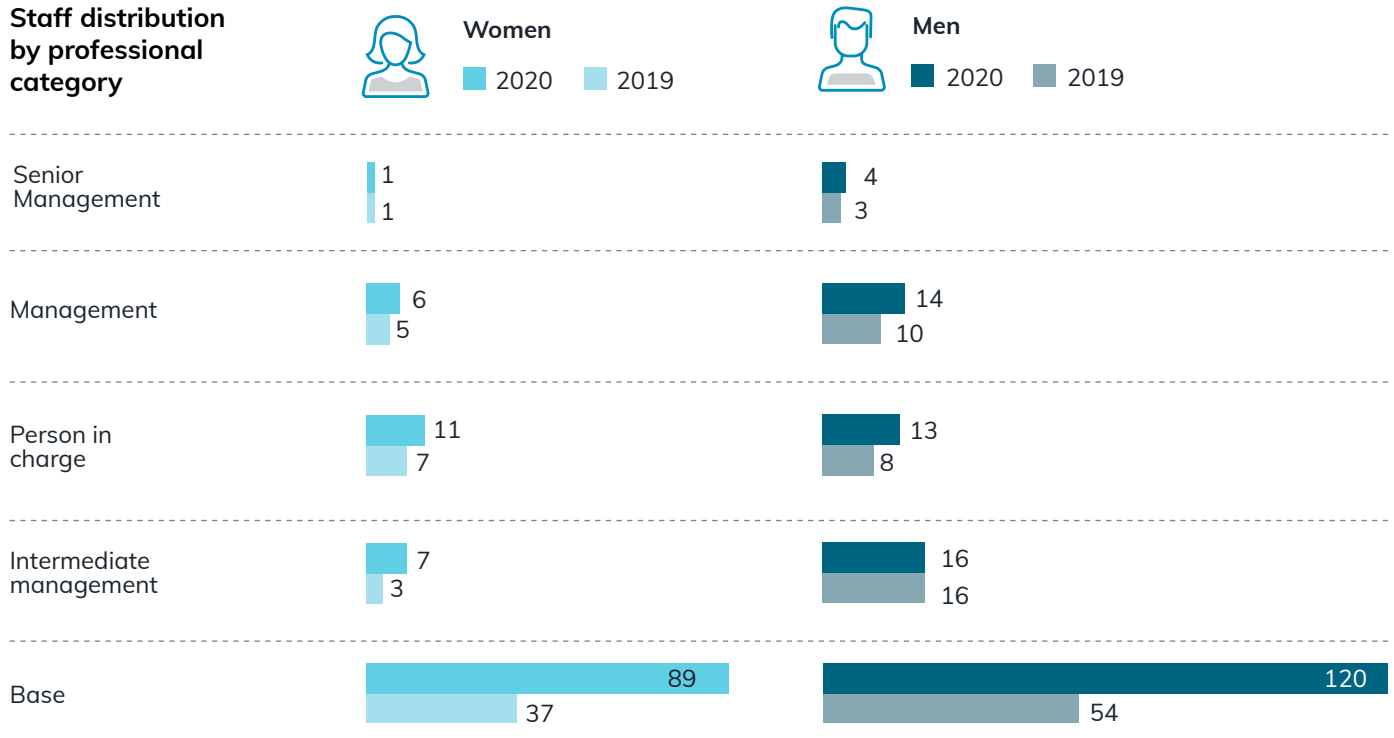
Capital Energy staff in numbers

At the closing of 2020, Capital Energy had a total of 281 professionals in all of its business divisions in Spain and Portugal, with 5 of them working part-time and the remainder full-time, and 94% of them with an indefinite contract.

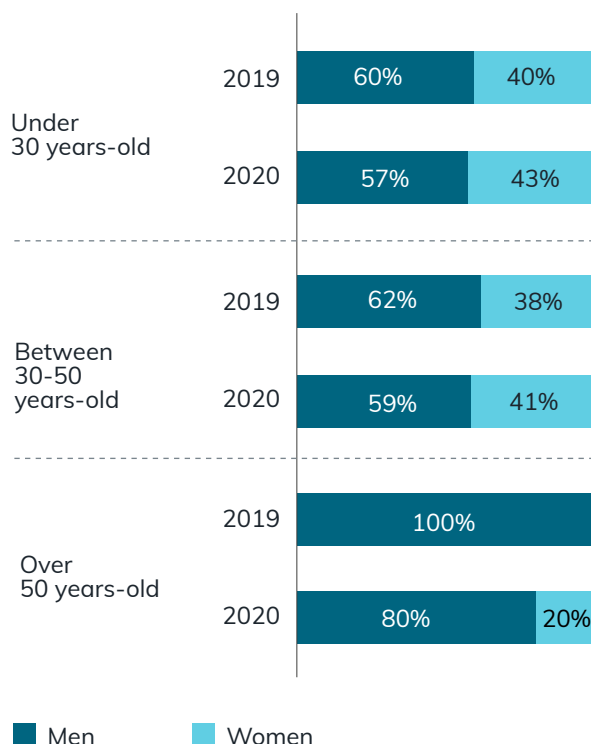
Staff distribution by gender and country



Staff distribution by professional category



Staff distribution by age range



Staff evolution during the financial year (new hires and rotation in 2020, no. and %)

	No.	% ¹
New hires	164	77.2%
Rotation ²	26	12.2%

1. Calculated taking into account the average between the staff at the closing of 2019 and the staff at the closing of 2020.

2. Refers to the number of professionals who leave the organisation for the following reasons, voluntary leaving, end of contract/internship, dismissal or trial period not successful.

As for union freedom, at the closing of the year, 100% of the employees in Spain are covered by collective bargaining agreements, whereas in Portugal this area is regulated by the "Código do Trabalho"

Diversity and inclusion

[GRI: 405-1, 405-2]

Capital Energy has a diverse staff and works to encourage diversity in all of its forms, taking into consideration age, experience, disability, LGTBI, etc.



2020 Sustainability Strategy:

Starting in 2021, the company will work on revising the current commitments and plans pertaining to equality so that they are aligned with the European Strategy for Gender Equality 2020-2025 and any possible national legal requirements.

Equal opportunities and non-discrimination

In 2020, 41% of the staff were women, which places Capital Energy above the average in its sector. Regarding women on the Board of Directors, the company has 42% of feminine representation.

Capital Energy has a "Plan for equal opportunities between men and women" the main goals of which are:

- Professional non-discrimination due to sex.
- Guarantee that the salary policy does not introduce differentiation elements due to sex.






The company also has a "Harassment Protocol", by which it commits to regulating prevention and quick resolution of claims relating to harassment, in any of its forms, with the due guarantees and taking constitutional and employment regulations into account, as well as the declarations relating to the fundamental principles and rights in the workplace. The protocol defines and details the types of moral, sexual, due to gender and other types of harassment that may be reported through the "Whistle-blower and Internal Investigations Channel Procedure"



Further information at the section on corporate Governance

Wage equality

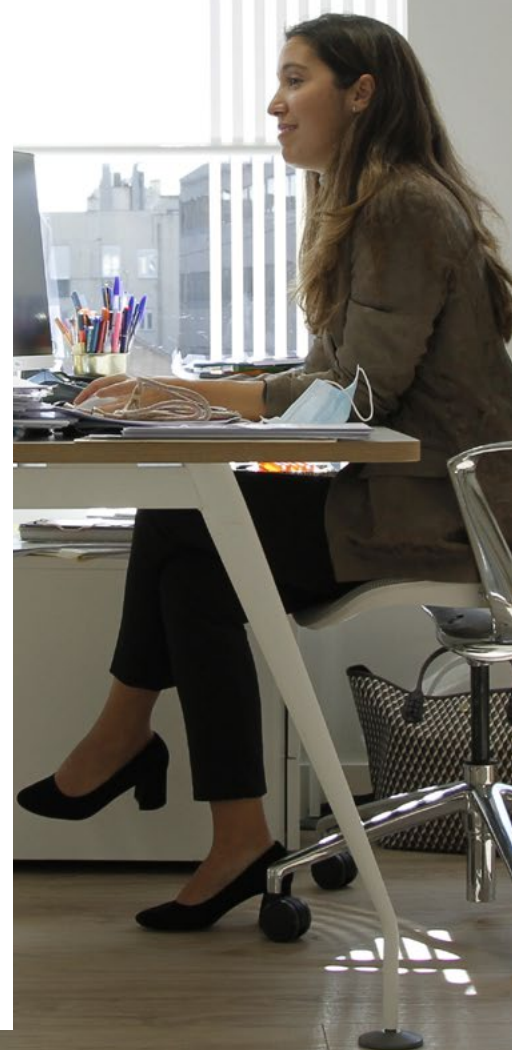
Below is the base wage ratio¹ for women compared to men, by professional category and age group:

		2019	2020
Professional category	 Senior Management	81%	76%
	 Management	94%	102%
	 Person in charge	109%	91%
	 Intermediate management	100%	98%
	 Base	100%	102%
Age groups	< 30 years-old	87%	99%
	30 -50 years-old	94%	87%
	> 50 years-old	0%	72%
TOTAL		89%	91%



2020 Sustainability Strategy: In 2021 Capital Energy began working on evaluating jobs to subsequently define a methodology to calculate the wage gap, following regulations requirements.

1. It is obtained by dividing the average compensation for men between the average compensation for women by professional category and age group.



Disability

In 2020, people with disabilities at Capital Energy were 0.00035% of the staff.

Capital Energy aims to continue increasing this percentage and, to this end, it has joined the Fundación Prodis on a project to integrate people with intellectual disabilities. This initiative came to a halt due to Covid-19, but it is expected to be reactivated in the coming months, when the circumstances are more favourable.



Recognitions pertaining to human capital in 2020



After a rigorous certification process that included a global survey of the employees, a cultural audit and an assessment of benefits, policies and best practices, the Company gained the "Great Place to work" certification that certifies that Capital Energy is a reputable organisation that can attract

and retain talent. Specifically, the results of the survey revealed the particular value that its professionals place on the working atmosphere, flexibility and work/life balance; equal treatment and equal opportunities for professional development with a stable career plan; fluent, two-way communications between management and the rest of the team; and the Company's commitment to innovation and sustainable development, amongst other matters.



Furthermore, the Revista de Actualidad Económica (Magazine for Economic Current Affairs) included Capital Energy on the ranking of the 100

best companies to work for in 2020. Factors such as remuneration, training, the talent in the Company, the working atmosphere and its employees' general rating were taken into account for the choice.

Further information at:



Training and development

[GRI: 404-1, 404-2, 404-3]

In 2020, a total of 12,983.5 hours of training were provided, which means that Capital Energy employees received, on average, 46.2 hours of training throughout the year.



2020 Sustainability Strategy: In 2021, the company began work on formalising commitments on talent development through an action strategy adapted to the current and future business requirements and that take into account employee's profile and potential, as well as designing the training catalogue -contemplating soft skills and languages- in addition to technical training.

12,983.5

training hours

46.2 h

training per employee in 2020
(average)

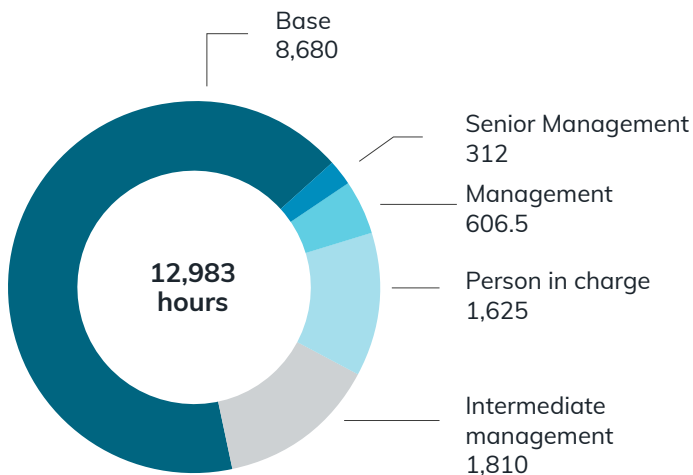
A training offer adapted to the needs of the staff and business

Capital Energy has an annual training plan adapted to its in-house policy that guarantees ongoing employee training according to their personal needs, the department where they work and the business strategy.

Along these lines, Capital Energy has a series of mandatory training courses for new hires (onboarding program) and for all employees, on the company policies (it began in 2019 and is currently ongoing). It offers five technical training programs on various key subjects for the business (AutoCad, electricity market, economic-financial, etc.).

It also has a language course program, specifically English for Spain's employees and Spanish for Portugal's employees, in different forms.

Distribution of the hours of training by professional category



All of the training courses have been adapted to online format when it was required due to the exceptional pandemic circumstances.



The company launched in 2021 '**Capital Energy Academy**', its training academy that was created with the goal to promote and provide in-house knowledge and share the Capital culture between the various areas of the company.

Performance assessment

All Capital Energy employees are regularly assessed on their performance and professional development. This guarantees the company that its professionals are prepared for their duties and that they are aware of the key points to improve their performance year after year.

The performance evaluations integrate the potential and consider the staff's activities following the company's values.

100% of the staff, at all levels, were assessed on their performance and professional development in 2020.



Sustainability Strategy 2020: Capital Energy is currently drawing up a manual that contains the entire assessment cycle and can be used by employees when performing the evaluations and to meet the dates scheduled for each stage of assessment.

In 2020

100%

of the staff, at all levels, were assessed on their performance and professional development

Job well-being and family/work balance

In keeping with the in-house policy on family/work balance, Capital Energy employees have a flexible calendar and schedule that favours family/work balance.

Therefore, they enjoy flexibility on coming in and leaving, within the framework of a workday flexibility policy and daily recording of the hours worked. Capital Energy also has a digital disconnect policy to comply with its employees' right to disconnect.

Full-time employees also have a series of benefits, such as a comprehensive and international medical insurance policy.

Health and safety for employees

[GRI: 403-1, 403-2, 403-3, 403-5, 403-6, 403-8, 403-9]

Capital Energy carries out its activities maintaining a commitment to protecting the health, safety and well-being of its employees, visitors and anyone who may be affected by its operations.

The company works to ensure proper health and safety conditions as one of the basic principles, and so it is stated in the Health and Safety Policy, revised in 2021 and recently approved by the Board of Directors. With this policy, the company meets the requirements of Law 31/1995, of 8 November.

The company is currently obtaining certification on health and safety in all of its operations, which will culminate in the certification of compliance with the standard ISO-45001.



Further information at:
the section on Compliance and ethics

486.5 training hours on health
and safety

All Capital Energy employees are covered by the health and safety management system, including those who work at the permanent and/or temporary work centres, as well as those in coworking.

It also offers employees social benefits, such as fully comprehensive, international medical insurance, and reduced cost access to a sports centre platform to help with their good health and well-being.



Further information in the section:
"Capital Energy actions pertaining to covid-19"



In 2020 Capital Energy provided a total of 486.5 hours of health and safety training, distributed in four courses, that covered occupational hazard prevention, fire extinguishing and risks associated with remote working.

To be highlighted is that in 2020 only one "in itinere" accident was recorded, but it did not cause injuries or time off of work.

The company also implemented in 2020 a series of steps and in-house action protocols for health and safety at the workplace during covid-19.



Steps and in-house action protocols for health and safety at the workplace during covid-19

Capital Energy acted quickly and effectively, establishing action plans and implementing a series of protocols from the beginning of the health crisis.

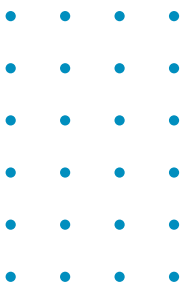
During the state of alarm:

- Production and publication of steps to prevent transmission.
- Updating of the internal systems and tools to allow remote working.
- Covid-19 containment and mitigation procedures (reduced meetings, equipment handling, signatures with digital fingerprint, reduced travelling, etc.).

Initiatives to return to the offices:

- Flexible reincorporation: flexible and gradual return to physical spaces, ensuring the physical safety of its employees.
- Design a staggered gradual return based on the specific conditions of each employee, never exceeding 50% physical occupation of the Capital Energy spaces.
 - Schedule flexibility
 - Health and hygiene measures for employees and visitors (face masks, hydroalcoholic gel and gloves)
 - Internal communications through physical and digital media on hygiene and prevention throughout the facilities.
 - Closing of communal elements such as microwaves, cafeterias, etc.

3



Accelerators for the green and fair transition

Integrated environmental management	64
Protection of biodiversity and natural capital	66
Energy and climate change	68
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Social value	72

Main aligned objectives:





The company began the certification process for its management system in accordance with the international standard

ISO 14001

on environmental protection by managing this type of risks associated with the activity



In 2020,

Capital Energy
verified its footprint

through an independent external auditor



With its presence in over

1000 municipalities,

Capital Energy expects to provide differential value along the entire value chain, promoting the creation of local jobs, talent development and innovation

€ 135,763

aimed at social investment in 2020 and participation in the "Positive Energy" initiative

Minimising the environmental impact and climate change are the most important issues for Capital Energy, following the materiality analysis performed in 2020. The company focuses its actions on seeking efficiency in the use of resources and integrating the circular economy in the life cycle of its projects, from origin to its future dismantling.

Aware of its special position as a 100% green energy company, Capital Energy also promotes renewable energy as a key element towards decarbonising the economy and develops initiatives aimed at reducing and compensating its carbon footprint.



Company contribution to the 2030 Agenda

Goal 12.2: "Achieve the sustainable management and efficient use of natural resources".

Goal 13.a: "Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change".

Goal 15.5: "Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species".

Integrated environmental management

The company has a recently approved framework of policies, both on sustainability and the environment, to develop and boost key environmental aspects.



Sustainability Strategy: Sustainability Strategy: in 2020, the company began the process for certification of its management system in accordance with the international standard ISO 14001 –on environmental protection by managing this type of risks associated with the activity– which it expects to complete in the first semester of 2021. Steps pertaining to consumption, waste management, among these establishing commitments regarding single-use plastic, and awareness-raising among employees on environmental issues, were also established within the framework of these tasks.

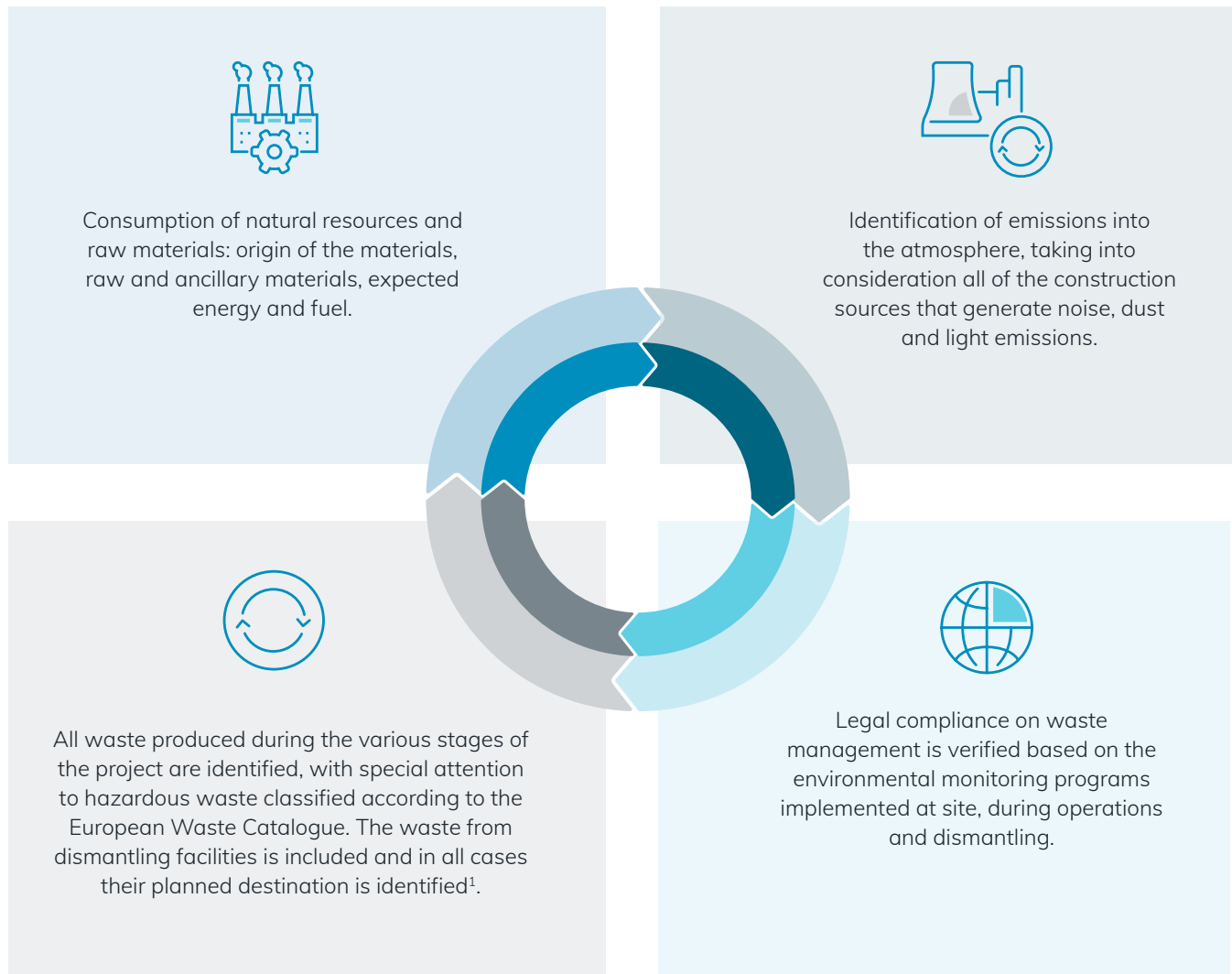
Capital Energy is in the final stages of rolling out and implementing the environmental management system, which will enable it to fully monitor its consumption of energy, water, raw materials and waste generation, as well as establish annual reduction goals, focusing on ongoing improvement.



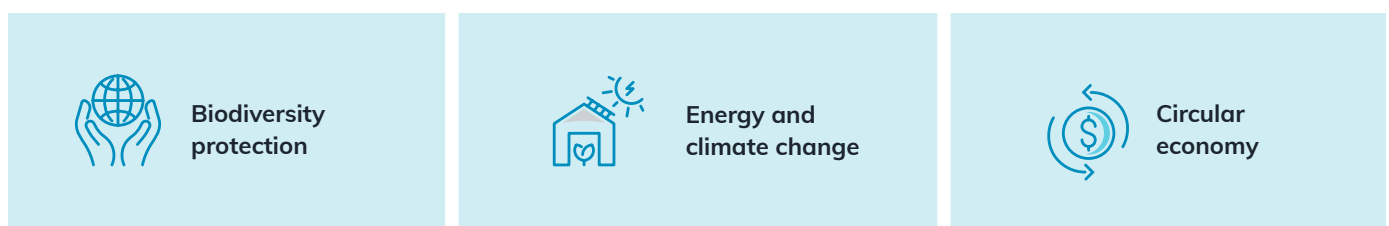
Further information at:
Compliance and ethical conduct

An approach that includes the entire life cycle of operations

Capital Energy identifies, in the environmental impact assessments and for all stages of the projects:



Given that the company is in the process of developing the in-house mechanisms, this report provides the information available on the three main blocks where the organisation has the highest impact and on which it prioritises its work:



¹ Following Law 22/2011, of 28 December on waste and contaminated ground, and other applicable regulations.

Protection of biodiversity and natural capital

[GRI: 304-2, 304-3, 304-4]

Aware of the impact of the company's projects on the natural capital, Capital Energy guarantees a suitable prevention and reduction of environmental risks and establishes efficient correction and compensation mechanisms, through in-depth environmental impact assessments that are included in all of its projects. The company's end goal is to obtain a positive net impact.

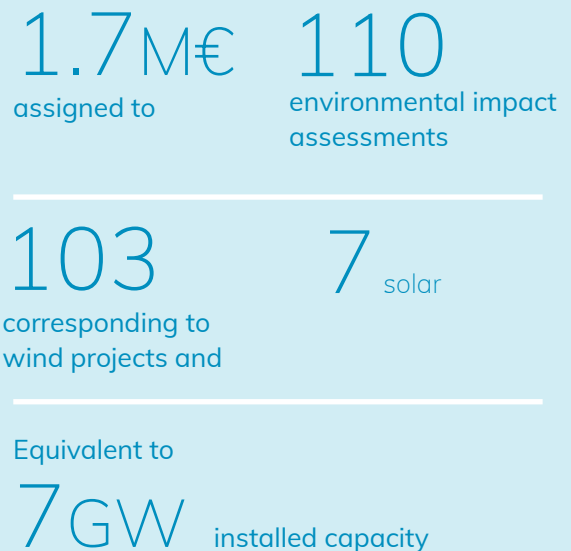
In keeping with this commitment, Capital Energy joined in 2020 the Spanish Business and Biodiversity Initiative, by signing the Biodiversity Pact.

Capital Energy pays special attention to its impact on biodiversity, considering it as priority during all stages, from development, construction and operation to the future dismantling of the facilities.

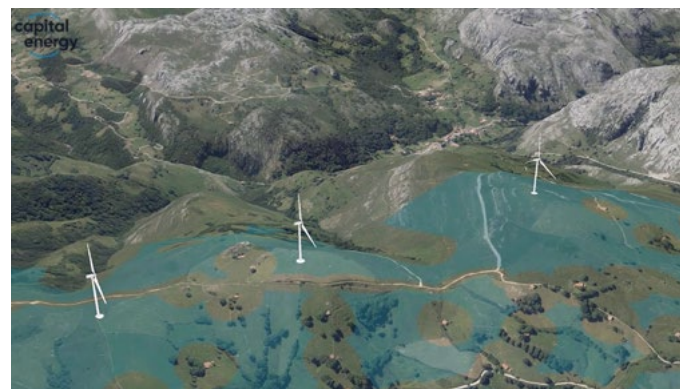
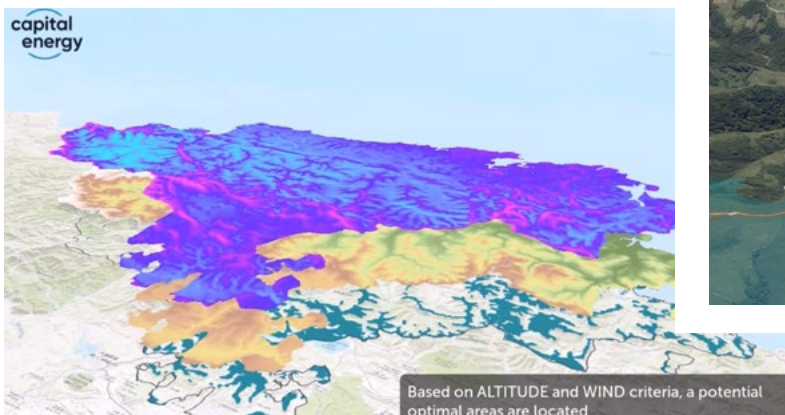
Given that many of Capital Energy's projects are currently in the administrative processing stage, the main focus is to ensure an in-depth analysis of potential liabilities. To this end, it is essential to perform a geographic information system analysis of the main environmental conditions, awarding a high specific weight to biodiversity, when choosing locations for the wind farms and solar farms.

In addition to the environmental impact assessments required by regulations, the company goes one step further and includes in all cases a series of studies on the annual cycle of birds and bats, given their vulnerability regarding the facilities and, in those cases where the projects may directly or indirectly affect the Red Natura 2000, the effects

are assessed and preventive or corrective steps are proposed or compensatory steps, when applicable. The compensatory steps will consist, whenever possible, of actions for restoration, or of the same nature and opposite effect to that of the action taken.



Data as of 1 March 2021



Some highlighted actions at Capital Natural:

Flora, vegetation and community interest habitats (HIC)



- Analysis and assessment of the potential vegetation and current vegetation: description and evaluation regarding its quality and fragility. All of the species and the affected surface area of each one are specified.
- Inventory of the vegetation affected by all of the project infrastructures.
- Community interest habitats: potential habitats (identified on maps) and actual habitats (identified in the field: inventory of habitats of interest affected by the project). Both the habitats that are within the Red Natura 2000 and those that are outside it are inventoried and evaluated.
- If the habitat is located within an area in the Red Natura 2000, an analysis is performed on whether the loss is significant for the favourable conservation of the type of habitat affected and for the global coherence of the Red Natura 2000, ensuring the achievement of the conservation goals and integrity of the areas and, where applicable, including the steps contemplated in the management plans.
- If it is deemed that there is a significant effect on a habitat to be preserved in a Red Natura 2000 area, the effects are assessed following the technical documents and methodology guides issued by the Ministry for Green Transition and Demographic Challenge.
- Protected flora and areas of botanical interest and singular trees: for each species that is identified a field study will be performed and a distribution map will be produced within the scope of the project.

Fauna



- Fauna inventory: identification of species, stating which ones are protected (regionally, nationally and community-wide), paying special attention to those classified as "in danger of extinction" and "vulnerable" in the Spanish Catalogue of Endangered Species and/or in the Regional Catalogues.
- Description and evaluation of the quality and fragility of habitats.
- Identification of the main endangered species and which may foreseeably be affected by the implementation of the projects.
- The results of the fauna assessments (e.g., birds and bats) are considered as one of the determining factors in the environmental assessment in choosing alternatives, specifying with justification the possible areas of exclusion depending on the proximity of nests or especially sensitive areas for fauna.

Special protection figures



Description and quantification of possible effects on:

- Protected natural areas.
- Red Natura 2000 and other autonomous community protection figures.
- Species protection and conservation plans.
- Figures with international protection regime.

Capital Energy has joined the Spanish Business and Biodiversity Initiative, by signing the Biodiversity Pact.

This is an initiative promoted by the Biodiversity Foundation at the Ministry for Green Transition and Demographic Challenge, the aim of which is to support integration and conservation of biodiversity in the business strategies of the various business sectors in Spain's economy, as well as to identify alternative, innovative business opportunities and projects.



Further information at:
list of memberships
and associations



Further information at:



Energy and climate change

[GRI: 302-1, 305-1*, 305-2, 305-3, 305-4, 305-5]

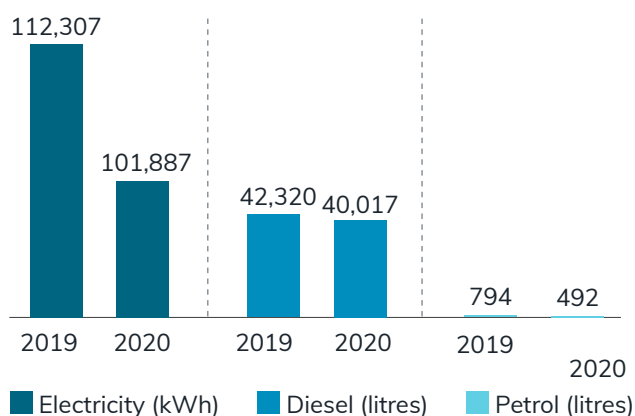
Since its design as a 100% renewable and vertically integrated company, Capital Energy has worked so that the activities of its value chain provide a response to the climate emergency and to the energy transition.

Through its activity, Capital Energy contributes to the decarbonisation of the energy sector, promoting solutions that help improve the environment.

In 2020 Capital Energy reduced its energy consumption: electricity by 50%, diesel by 5% and petrol by 38% compared to the previous year, mainly due to the lockdown required by Authorities as consequence of covid-19 during the first months of 2020.

Throughout the year the electricity in the offices was also changed over to clean energy, within the framework of Capital Energy's retailing arm, and hybrid and electrical vehicles were introduced.

Energy consumption by source

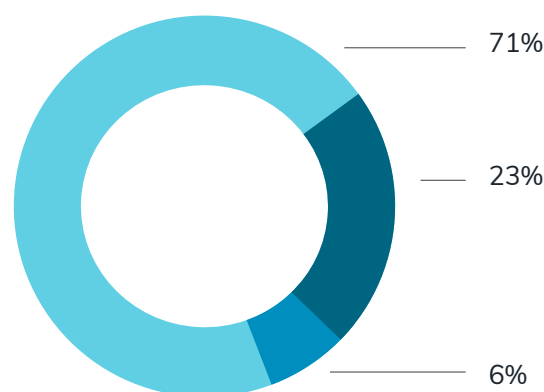


Cloud storage

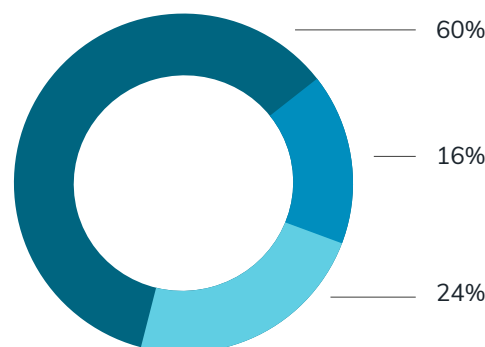
Approximately 70% of Capital Energy's information storage is housed in the cloud instead of in a data centre or DPC. Consequently, the company has a lower electricity consumption compared to conventional storage, derived from non-necessary cooling processes, thus avoiding emissions into the atmosphere, as well as providing energy efficiency.

Capital Energy emissions by scope (% regarding the total tnCO_{2e})

Emissions (tn CO₂) 2020



Emissions (tn CO₂) 2019



Scope 1 - Combustion of fossil fuels in leased vehicles and employee vehicles used for visits to sites.

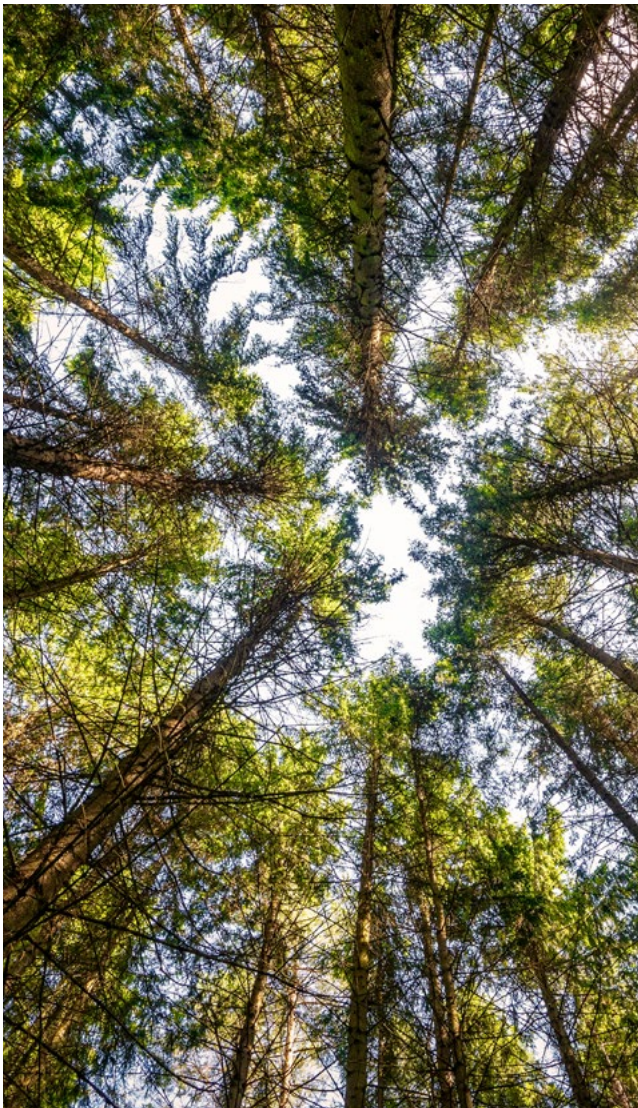
Scope 2 - Electricity consumption in the offices where Capital Energy performs its activity.

Scope 3 - Employee business trips (airplane, train, rental car, etc.)

* The emissions derived from CH₄, N₂O, HFC, PFC, SF₆, NF₃ are not included in the calculations for the 305-1 indicator.

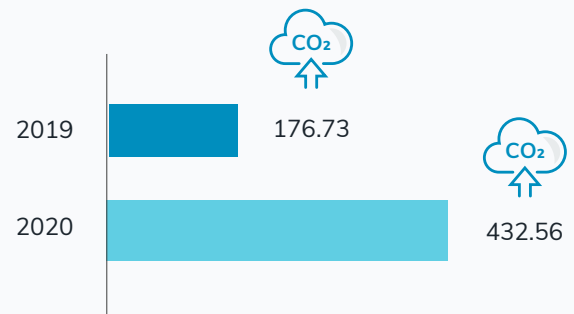
In percentages, Capital Energy significantly reduced its scope 1 and 2 emissions in 2020, due to the remote working situation caused by covid-19, which led to a reduced electricity and fuel consumption by the company. To be highlighted is the work performed by the company not only to maintain, but also to increase its activity during the pandemic.

However, the company's environmental footprint increased compared to 2019, due to the increase in scope 3 indirect emissions, which include employee business trips. The percentage increase in this category is partly related to the increase in Capital Energy's business activity in 2020, which affected the number of employees, and to the reduced contribution of scope 1 and 2 emissions to the total footprint.

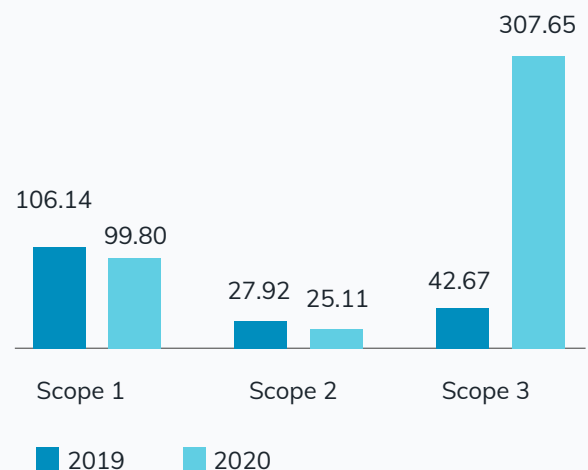


Evolution of emissions

Evolution total emissions (tnCO₂)



Evolution of emissions per scope (tnCO₂)



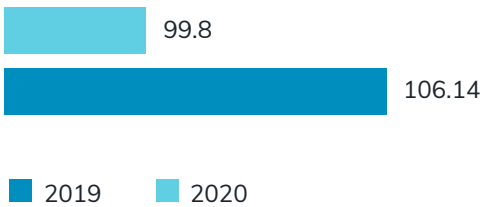
Carbon footprint

At the same time, the company has measured its carbon footprint since 2019 on the three scopes, following the 'Greenhouse Gas Protocol', the most widely used measuring standard in the world for greenhouse gas emissions (GHG). Capital Energy verified its footprint in 2020 through an independent external auditor (Bureau Veritas), establishing 2019 as its baseline year.

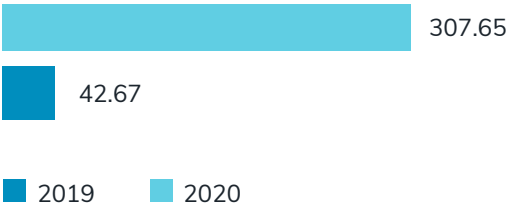


Further information:
in the Human Capital section

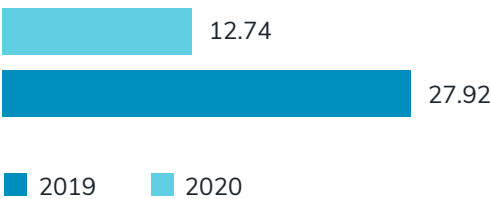
Scope 1 (Direct emissions tnCO₂)



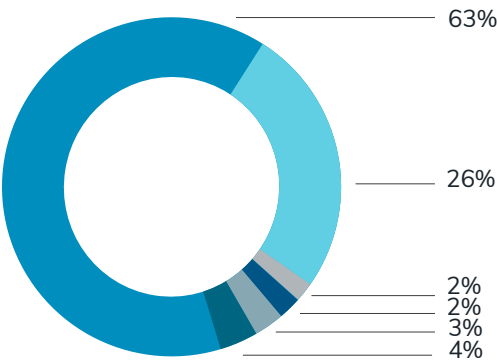
Scope 3 (Other emissions tnCO₂) –
comprises emissions related to business
trips



Scope 2 (Indirect emissions tnCO₂)



Scope 2 - Offices



Albacete Pozuelo Serrano
Vitoria A Coruña Seville





Sustainability Strategy 2020
Capital Energy is progressing on climate matters by:



Defining commitments and a climate roadmap that establish goals for reducing and compensating emissions. Capital Energy will work to record the carbon footprint and compensations with the Ministry for Green Transition and Demographic Challenge.



Seeking collaboration to promote initiatives to compensate CO₂ emissions.



Capital Energy is working on a diagnostic of its current performance regarding the pillars of the Task Force on Climate Related Disclosures (TCFD).



Based on the TCFD diagnostic, it will identify the physical and transition risks for their analysis and coverage, and it will also look into the opportunities derived from climate change.

Circular economy

In order to respond to the challenges posed by the context and anticipate the end of life of its farms, Capital Energy works on developing initiatives that will contribute to transforming the linear economy towards a circular economic model: from the beginning of the installation and choice of material to its disassembly, taking into account the production and management of waste during operations, and transferring these values to its employees and allies -suppliers and clients-.



Sustainability Strategy: Capital Energy is working on assessing the linear economy risks and encouraging circular economy by defining and implementing a circular economy strategy.



Current diagnostic and roadmap on circular matters to establish current diagnostic and roadmap on circular matters to establish specific goals and monitoring indicators to control the progress of the initiatives.



Promote circular economy in the value chain.



In 2021 and in alignment with the defined strategy and roadmap in this field, several initiatives are being assessed with suppliers to extend the useful life of wind farms and solar plants. These solutions include, among others, reuse -steel, aluminium and other metals, electronics materials- and recycling of solar panels and wind turbine blades.



Further information in the section:
Allies for change

Social value

[GRI: 201-1, 413-1]

Social value and commitment to its environs is one of the relevant issues for Capital Energy. The company considers this aspect from two points of view: relations with communities -creating trust bonds and proximity thanks to listening and dialogue- and social contribution, responding to the needs of territories and also considering their alignment with the expertise and knowledge of the business.

Relations with communities

Capital Energy's mission and purpose is to contribute to the transformation of the Iberian energy sector, reconciling the goal of decarbonisation using renewable energy and taking into account local interests where the infrastructures are sited. The company thus aspires to be one of the socio-economic driving engines in the areas where their operations are located.

With its presence in more than 1,000 municipal districts Capital Energy expects to provide differential value along the entire value chain, promoting the creation of local jobs, talent development and innovation.

Some of the progress achieved in this field in 2020 came about as a response to the needs identified in the areas. Specifically, there were two initiatives to protect the local fauna and promote energy savings in local communities.



Company contribution to the 2030 Agenda

Capital Energy's commitment to the socio-economic development of the areas where it operates, along with its social contribution and corporate volunteering, contribute to achieving these goals:

8.2 "achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors".

10.2 "empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status".

17.17 "encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships".



Sustainability strategy: Capital Energy is working on identifying the needs of local communities through active listening, in order to define the action plans best suited to the expectations and the challenges of regions.

Energy savings in communities: LED lighting

As a show of support for Infinita Energía in local communities, in September last year the 'Associação Humanitária dos Bombeiros Voluntários' de Santarém (Portugal) was assisted, by replacing the light bulbs in their head office, which was used for fire-fighter meetings, as a shelter for pilgrims and as a sports pavilion. Specifically, LED lighting was installed to improve the building's energy efficiency and therefore, its ecological footprint. This substitution is equivalent to an annual reduction of about 991 kWh, which entails an estimated 59% savings and reduced carbon emissions into the atmosphere by about 372 kg of CO₂e¹.



1. Estimations made by the company.

Member of “Cantabria Territorio Inteligente” (Cantabria Smart Territory)

In line with the company's commitment to promote the socio-economic development of all the regions where it implements its renewable energy projects, Capital Energy joined in 2021 the initiative Cantabria Territorio Rural Inteligente (Smart Villages).

The objective of this platform is to use land resources and technology to create innovative ecosystems for sustainable development that efficiently manage infrastructure and provide new services to citizens, creating jobs, boosting entrepreneurship and attracting talent to the territory.

For Capital Energy, this model perfectly exemplifies the vital union between sustainable development and digitalization, which are both pillars of its corporate strategy. The Company believes that this collaborative focus between different parties will maximise the opportunities for new operational and business models, in response to the challenges of the territory, with inspiring projects that ensure environmental, economic and social sustainability.



Further information at:



Capital Energy with the Iberian fauna

The Iberian wolf is one of the most vulnerable species when it comes to renewable energies, according to various studies. To help in this cause, the Capital Energy Group in Portugal (Infinita Energia) has sponsored Malcata, a female Iberian wolf resident in the Iberian Wolf Recovery Centre (CRLI), created and run by the Grupo Lobo (non-government environmental organisation), as a token of support and respect for preserving the species.



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Social contribution and volunteering

The company implemented several actions in 2020 on social contribution and added ordering and applying a strategic focus on its actions to its priorities for progress, to maximise the positive impact of its assigned resources.

Also noteworthy is that the **Capital Energy Foundation** is being incorporated, focusing on:

- Social action and cooperation
- Training and research
- Climate change, sustainability and institutional collaboration.

 **Sustainability strategy:** Sustainability strategy: the company is currently working on the following lines and commitments.



Definition of the social contribution strategy aligned with the business and the needs of the regions, and assess the development of programs with a long-term outlook.



Definition of a donations, patronage and sponsorships procedure that establishes basic action principles and uniform criteria throughout the entire company.



Develop alliances and collaborations with regional or local third-sector organisations (NGOs, academic institutions, civil society associations, owners' communities, etc.).



Design and development of the Capital Energy corporate volunteering program, in alignment with the social contribution strategy.



On the other hand, Covid-19 has led to a new social panorama and has increased inequality. In alignment with Capital Energy's social commitment, the company has earmarked resources, prioritising the most vulnerable groups and the most urgent needs during the health crisis. In 2020 Capital Energy donated € 135,763, distributed through various initiatives to respond to the crisis, mainly: acquisition of health and protective material, medical equipment and respirators, as well as donations to the Food Bank.



Further information at:
the section on covid-19



Innovation platform for social and economic development: Energía Positiva+

Capital Energy, along with other industry companies, is part of a pioneering initiative in Spain that looks for projects related to environmental sustainability, mobility, social impact, digitalization, telecommunication and 4.0, always from an energy and social innovation perspective. The platform received 396 proposals to contribute to mitigating the economic and social crisis caused by covid-19, and from these it chose 14 projects that have great potential. In addition, and given the quality of the proposals received, the promoters will continue to analyse several of the projects that were not selected, for possible support in the future.

An initial investment of €4 million is estimated through the Energía positiva + platform, that will also include support to develop projects, technological co-development or venture client and, in some cases, pilot projects will be jointly invested in or developed.

Further information at:



As a first step in volunteering, one of the initiatives that the company performed in 2020 was to join the solidarity and volunteering initiative "Give & Gain" organised by Forética. In this case, Capital Energy employees started a collection campaign for the Community of Madrid Food Bank, where they obtained the equivalent to 11 tonnes of food.

Additionally, as a Christmas gift, the company gave its employees a basket of natural products -honey from Aliste (Zamora)- produced by people with disabilities with the Fundación Prodis.

forética

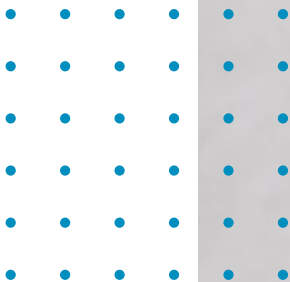
Give
& Gain



Further information at:



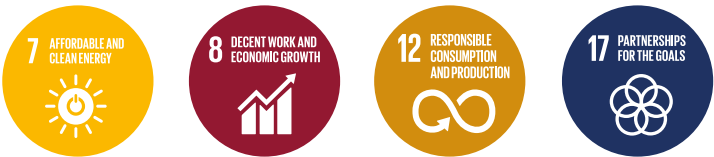
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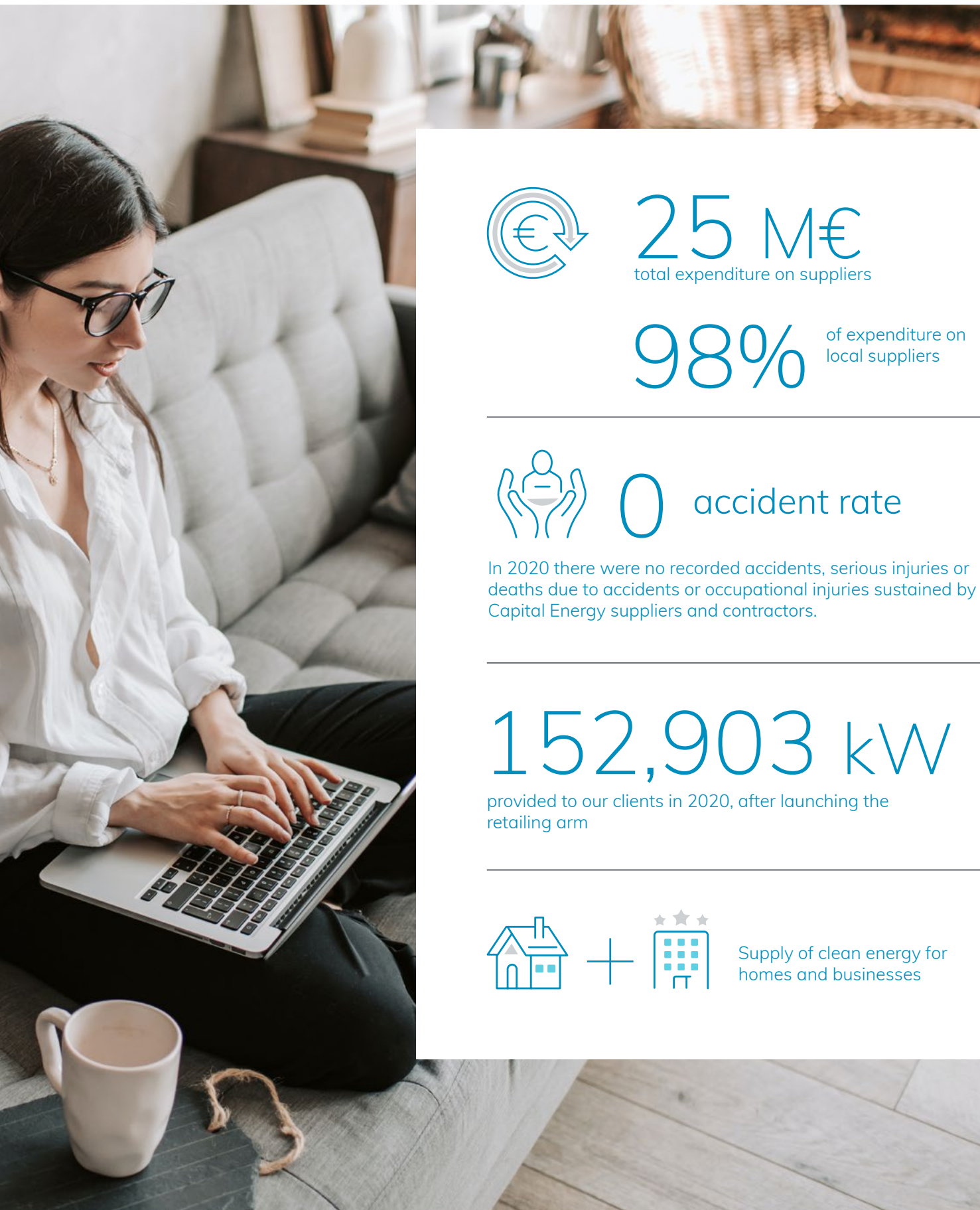


Allies for change

Supplier management	78
Supplier health and safety	81
Energy for people who change	82

Capital Energy and the 2030 Agenda: main goals





25 M€
total expenditure on suppliers

98% of expenditure on
local suppliers



0 accident rate

In 2020 there were no recorded accidents, serious injuries or deaths due to accidents or occupational injuries sustained by Capital Energy suppliers and contractors.

152,903 kW

provided to our clients in 2020, after launching the
retailing arm



Supply of clean energy for
homes and businesses

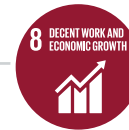
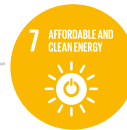
Supplier management: responsible supply chain

GRI: [102-9, 102-10, 204-1, 308-1, 414-1]

Capital Energy's supply chain in numbers

The company considers its suppliers as an essential element in their operations and in their value chain. Under this premise, the suppliers are their allies in their goal to contribute towards the transformation of the energy sector, promoting the green and fair transition.

This shows that the company is committed to promoting the local environment by formalising contracts with suppliers located in the region. Capital Energy also considers this proximity-approach as a commitment to environmental sustainability, by preventing, for example, emissions to the atmosphere caused by transportation.



Company contribution to the 2030 Agenda

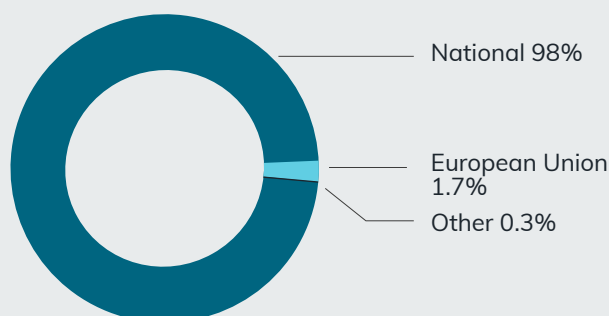
Goal 7.2: "Increase substantially the share of renewable energy in the global energy mix".

Goal 8.2: "Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors".

Goal: 17.10 "Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization."

Total expenditure on suppliers **25.01M€**

% Expenditure by geography



At the closing of 2020...



826
Suppliers



94%
Local suppliers¹

1. Capital Energy defines local suppliers as national

Wind turbines at Loma de los Pinos (Granada), an example of commitment to local procurement

Capital Energy has signed a contract with General Electric for its first Andalusian wind farm in the town of Loma de los Pinos. By acquiring these wind turbines, Capital Energy contributes to the local economy, as they will be manufactured by Spanish companies: both the blades, which will be made in Castellón by LM Wind Power, as well as the towers and other electrical and mechanical components.

This wind farm will have 39 MW of installed capacity and its construction will entail an investment of over €36,000,000.

The wind turbines in this first Capital Energy wind farm in Andalusia will arrive at the location in October and will be capable of supplying 103,000 megawatt hours (MWh) per year of

clean energy, equivalent to the consumption of around 40,000 homes in the region, and also preventing the annual emission of more than 41,000 tonnes of CO₂ into the atmosphere.

This wind farm will also create over 220 jobs and an estimated annual impact of over €250,000.

Further information at:



A responsible approach in supplier management

In 2020, Capital Energy approved the update to its Supplier Code of Conduct, that seeks to outline the minimum behaviour commitments that its suppliers must subscribe when performing their professional activity.

This Code is applicable to all of Capital Energy's main suppliers, regardless of the nature of the goods or services that they offer and whatever their nationality and place where the services are provided.

Therefore, Capital Energy's suppliers are under the obligation to be familiar with and observe the principles and commitments that the company expects from them.

Management mechanisms



Supplier Code of Conduct



General contracting conditions



Specific complaints channel



Supplier certification and evaluation system
[ongoing]



Corporate policy on responsible procurement
[ongoing]



Corporate procurement platform
[ongoing]

The main conduct guidelines contained in the document are:



1. Legal compliance and upright professional conduct



2. Fight against corruption



3. Labour conditions: respect for human rights and dignity; that promote equal rights and opportunities



4. Environmental protection



5. Protection of the corporate image and reputation



6. Confidentiality

In addition to subscribing to the Code of Conduct for company suppliers in order to contract with suppliers, Capital Energy has established General Contracting Conditions that are in alignment with the content of the Code.

To guarantee that the Code is understood and to notify of possible breaches, Capital Energy has set up a reporting channel for suppliers: denuncias.proveedores@capitalenergy.com. No consultations/complaints were recorded in 2020 through this channel.

Further information at:
the Supplier Code of Conduct



Progress on the certification and assessment of suppliers

Capital Energy is currently implementing a corporate procurement platform and defining a Corporate Policy of Responsible Purchases that integrates the processes to formally and systematically certify and record suppliers.

The company has a supplier certification and evaluation system that is currently being revised, to include a more in-depth evaluation under specific ESG criteria, that are adaptable depending on the type of supplier.

In 2020 Capital Energy performed a series of evaluations on 29 new suppliers (56% of the total of new suppliers) in accordance with the availability of quality and management certificates, as well as certifications on health, safety, the environment and sustainability. Specifically, ISO 9001, ISO-14001, ISO-18001, ISO-27001, ISO-45001 and ISO-50001.

What does each of these entail?

ISO 9001

This is the international standard for quality management systems.

ISO 14001

Allows companies to prove their commitment to protecting the environment by managing the environmental risks associated with their activity.

ISO 27001

This is an international standard that allows for the assurance, confidentiality and integrity of the data and of the information, as well as of the systems processing them.

OHSAS 18001 / ISO 45001

This is the international standard for health and safety management systems at the workplace, aimed at protecting workers and visitors from occupational accidents and illnesses.

ISO 50001

Its purpose is to maintain and improve a company's energy management system.

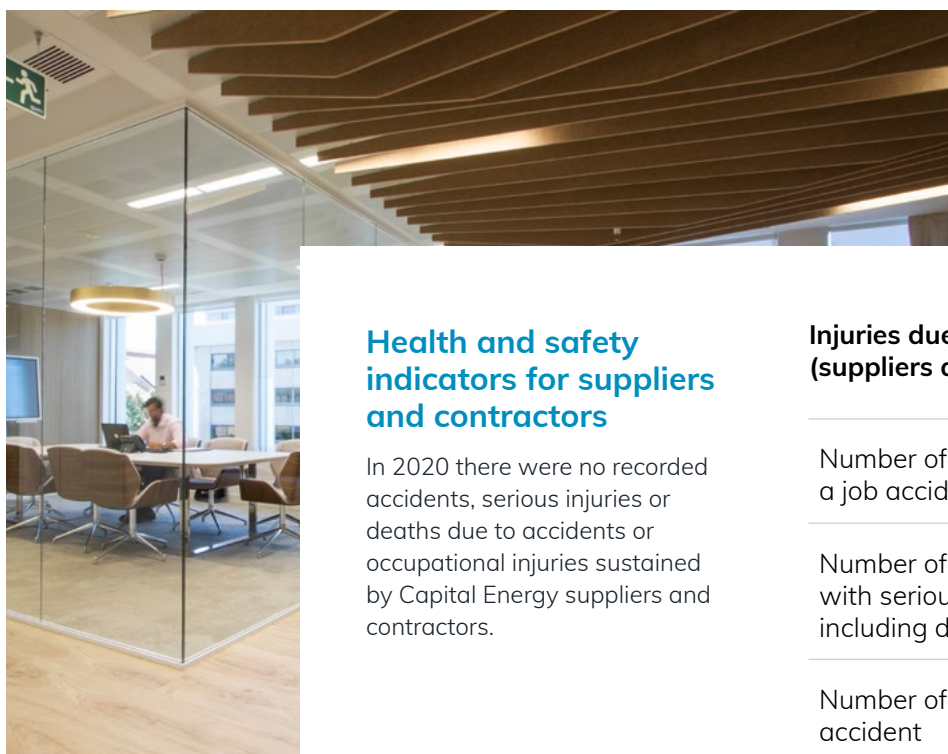
Supplier health and safety

[GRI: 403-2, 403-8, 403-9]

Capital Energy extends its health and safety commitment to all the companies that are part of its value chain through the supplier Code of Ethics and Conduct. The contracts also include specific health and safety clauses, that specify the contractor and subcontractor obligations to comply with the organisation's requirements on these issues.

All Capital Energy contractors must have a health and Safety Plan in place for their projects and they must have specific agents to supervise the working conditions and thus ensure that they are aligned with the standards established by the company. If there are any accidents or incidents, suppliers must immediately notify the Site Manager or the Health and Safety Coordinator.

Capital Energy will also request regular follow-up meetings with suppliers, as well as monthly health and safety reports, to guarantee that these conditions are met. The company also reserves the right to carry out or request health and safety audits or inspections and, in the event of any breach, the pertinent steps will be taken.



Health and safety indicators for suppliers and contractors

In 2020 there were no recorded accidents, serious injuries or deaths due to accidents or occupational injuries sustained by Capital Energy suppliers and contractors.

Injuries due to occupational accident 2020 (suppliers and contractors)

Number of deaths due to an injury from a job accident	0
Number of injuries from a job accident with serious consequences (not including deaths)	0
Number of injuries from a recordable job accident	0

Energy for people who change

The company considers that customers are, along with suppliers, their main allies for change in the green and fair energy transition. One of the main milestones for the company took place in 2020, when the energy retailing arm was launched.

This made Capital Energy the first 100% renewable, vertically integrated company that spans the entire value chain, from the business of promoting and developing to generating, storing and marketing clean electricity.

Since its start-up, Capital Energy has supplied a total of 152,903 kW of power, with total income of € 18,399.



Company contribution to the 2030 Agenda

Through its retailing arm, Capital Energy has a special impact on the goals:

7.1: "Ensure universal access to affordable, reliable and modern energy services;

7.2: "Increase substantially the share of renewable energy in the global energy mix".

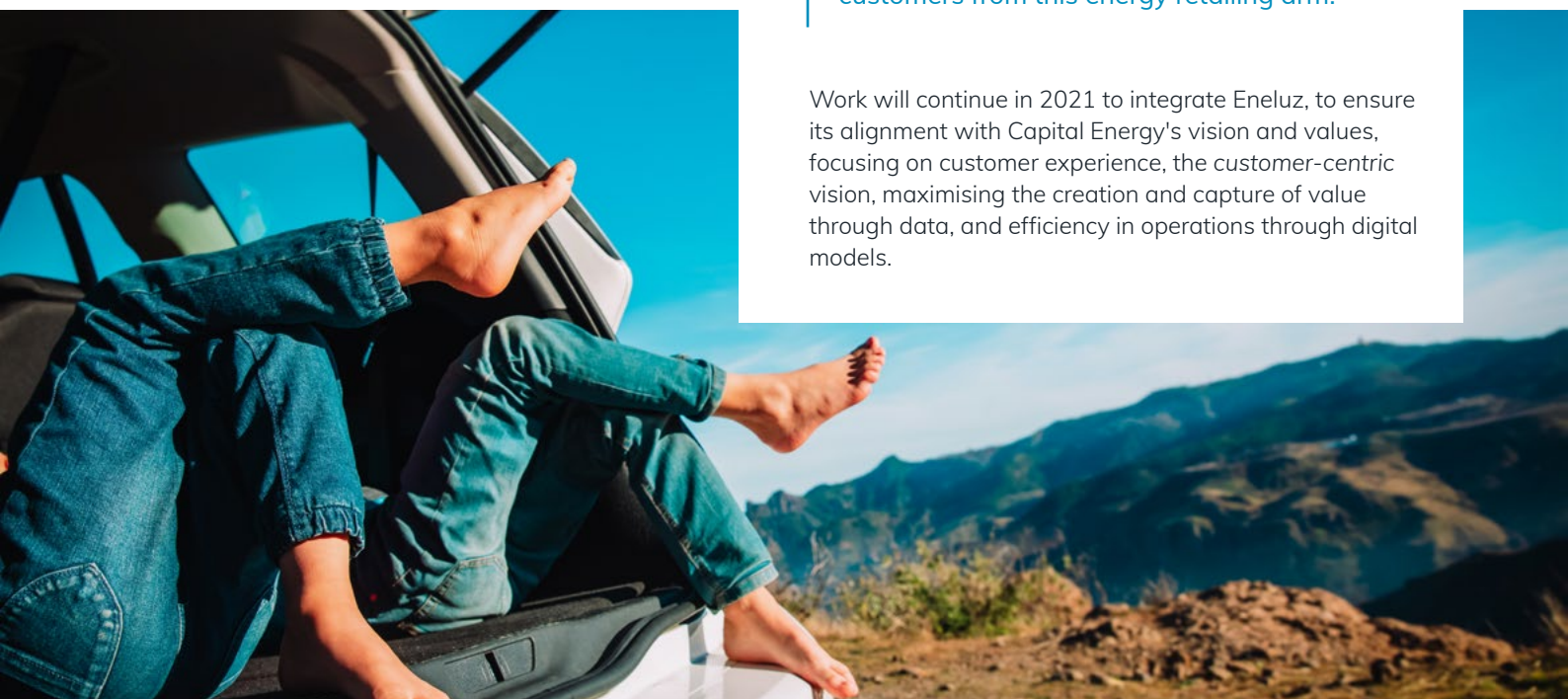
12.2: "Achieve the sustainable management and efficient use of natural resources".

Close to

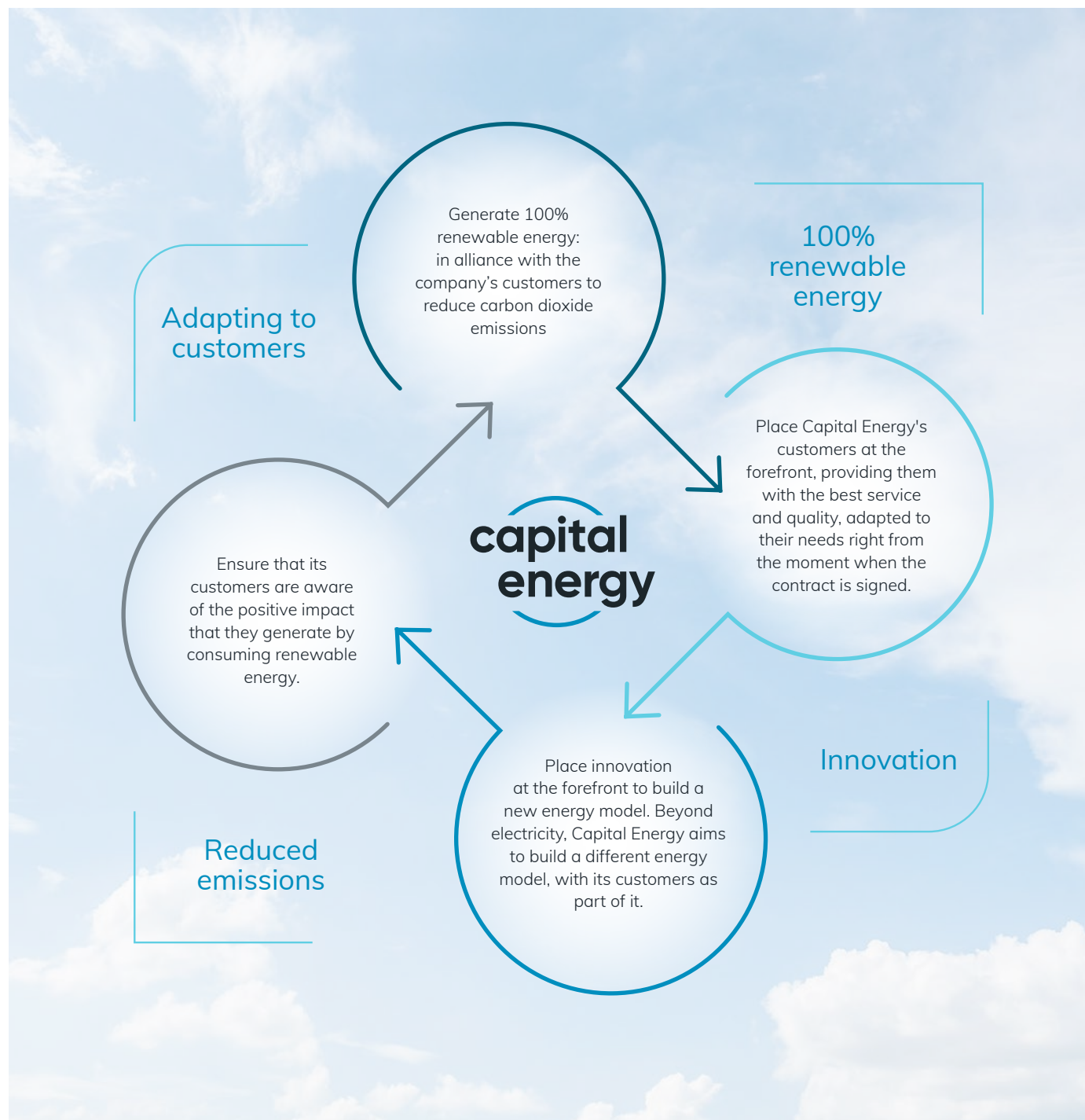
400 customers as of
31 December 2020

The purchase of the company ENELUZ 2025, S.L.U. was formalised on the 31 December 2020, with the subsequent expansion of the customer portfolio, with the approximately 30,000 customers from this energy retailing arm.

Work will continue in 2021 to integrate Eneluz, to ensure its alignment with Capital Energy's vision and values, focusing on customer experience, the customer-centric vision, maximising the creation and capture of value through data, and efficiency in operations through digital models.

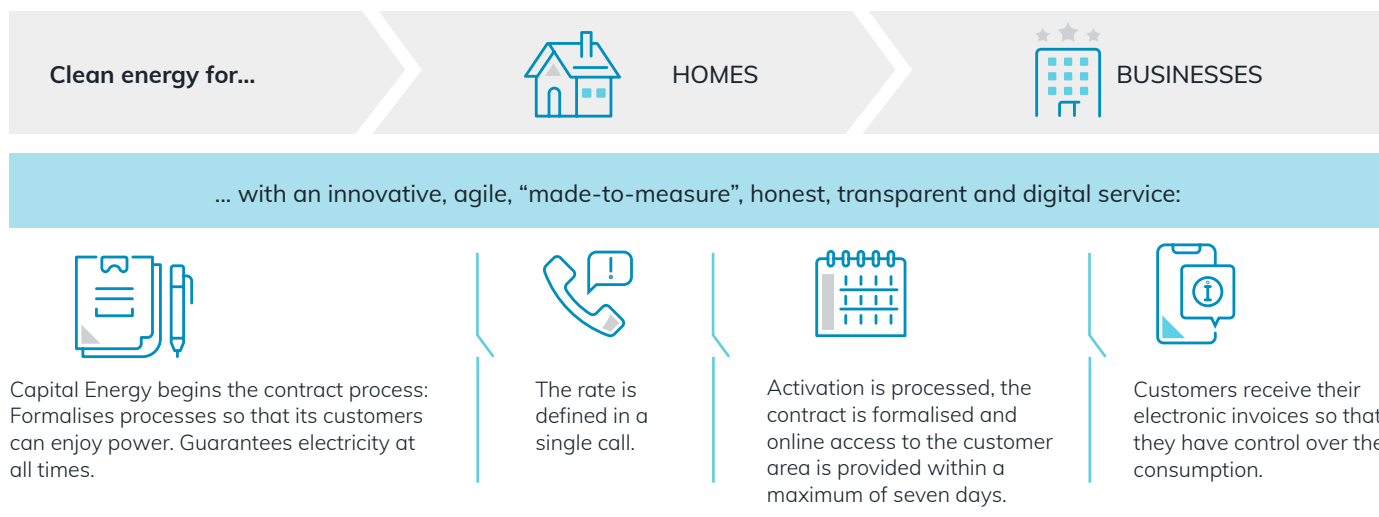


Pillars of the Capital Energy retailing arm model



Capital Energy is working towards becoming an independent supplier for wind and solar energy in Spain, offering customers 100% renewable electricity, with guarantee of origin at its wind and solar farms, that will help develop rural areas.

Innovation is a central pillar in this relationship with customers, where Capital Energy works to help its customers understand their consumption, optimise it and make the best decisions by means of a digital, simple and agile service, always adapting to the customers' needs to improve their experience, with a customer-centric vision and tailored solutions, both for homes and for businesses.



Further information

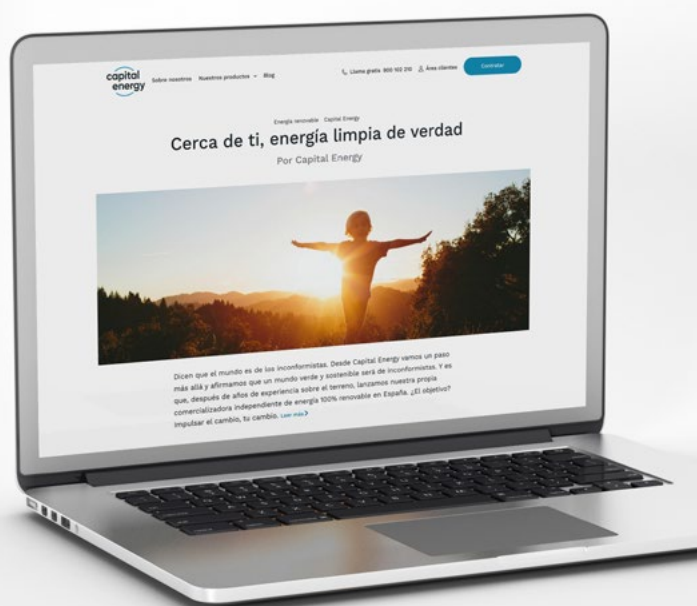


Close to you, truly clean energy

In order to be as close as possible to its customers, Capital Energy's retailing arm has created a blog that aims to create value, with information of interest for users, while at the same time working as a communication channel with customers.

The articles on this website discuss issues pertaining to innovation, to the future of renewable energies, and resolves common questions on taxes, rates, etc.

All this in an interactive, relatable and direct manner, so that customers can access this content whenever and wherever they want to.



Further information at:

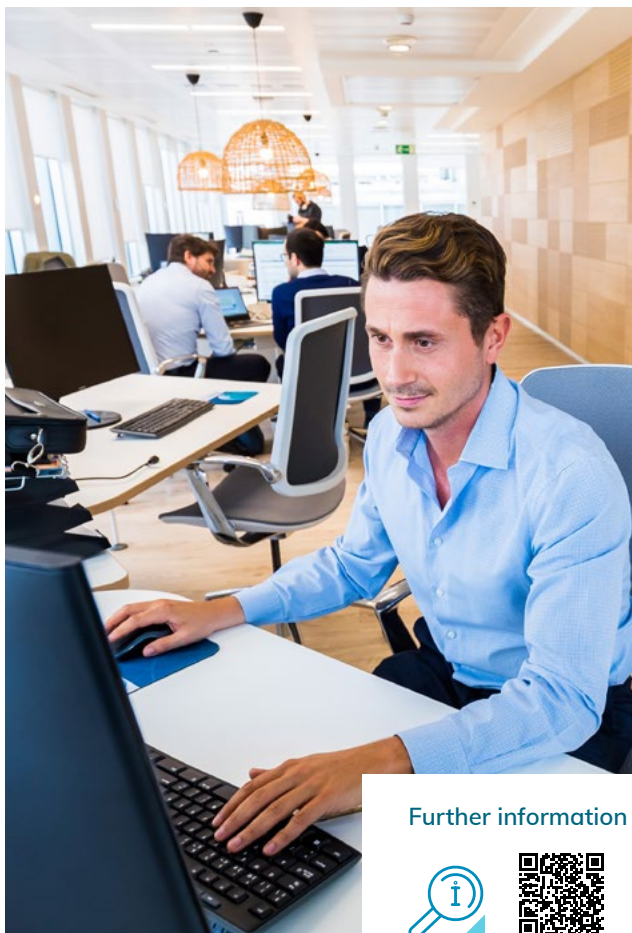


Customer satisfaction and service

To continue improving our customer experience, the setting up of the retailing arm involved defining listening mechanisms to regularly gauge customer satisfaction and to provide them with service that is based on customer-centric principles.

Capital Energy defines its customer satisfaction model on the Net Promoter Score (NPS) model, that measures the satisfaction and the endorsement capabilities of service users. Given that the retailing arm has only been operating since late October 2020, the number of surveys compiled as of 31 December 2020 was small and not statistically significant.

Additionally, after the first contact with each user, reception and answering of a call by the retailing arm team, Capital Energy launches a satisfaction and recommendation survey, asking whether the issue was resolved on the first call (*First Call Resolution*) and if they would recommend the company based on their experience on that call. This has allowed the identification of strengths and points for improvement in the customer experience.



Further information at:



Capital Energy defines its customer satisfaction model based on the Net Promoter Score (NPS) method

In keeping with its commitments and to guarantee a relatable and ongoing relationship and to resolve questions, concerns and incidents from potential customers and active customers, the Capital Energy retailing arm offers a customer service telephone system available for any citizen, through two free phone numbers.

99.5%

is the average of issues resolved immediately through this channel

Customer data and privacy [GRI 418-1]

Privacy protection and compliance with Data Protection regulations are of vast importance to the company.

Capital Energy takes the technical and organisational steps needed to ensure the security of personal data and to prevent their alteration, loss and unauthorised processing or access, taking into account the state of technology, the nature of the data and the risks to which they are exposed.

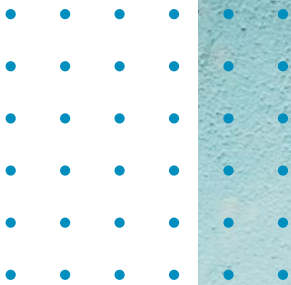
Capital Energy's privacy policy provides details on the responsibility during processing, the purposes, recipients and rights, both for website users and for active customers.

The company also provides two channels for users and customers to contact it for these issues: derechosinteresados@capitalenergy.com and derechosinteresados@capitalenergy.com y dpo@capitalenergy.com

No fundamental claims were received in 2020 pertaining to customer privacy infringements (by third parties or by regulating authorities). Neither were there any identified cases of leaks, thefts or loss of customer data.

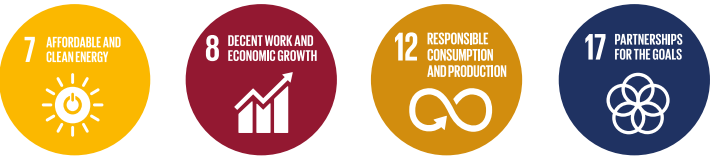
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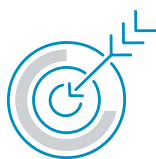
Appendix



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Letter of verification	102
List of organisations that appear in the consolidated financial statements	104

Main aligned objectives:





13

relevant ESG issues



184

consultation with in-house and
external stakeholders

Report drafted in accordance with the *Global Reporting Initiative (GRI)* in its *GRI Standards* version, essential option, the *International Integrated Reporting Council (IIRC)*, *Sustainability Accounting Standards Board (SASB)*, the *Principles of the United Nations Global Compact* and the *Sustainable Development Goals*.



Capital Energy has implemented mechanisms to listen and dialogue with its employees, customers, suppliers, public administration and regulating agencies of the local communities.

About this report

The content of this report responds to the relevant issues identified by Capital Energy in 2020 (materiality analysis) and it was drafted in accordance with the following principles and standards, with a focus on transparency and reliability, which include:

- Global Reporting Initiative (GRI) in its GRI Standards version, essential option, following the criteria and principles to define the content and quality of the information contained in the report as established in this guide.
- International Integrated Reporting Council (IIRC), in its 2021 updated version, integrating strategic focus and orientation towards the future, information connectivity, capability for response to stakeholders, materiality, concision, reliability, thoroughness, consistency and comparability.
- Sustainability Accounting Standards Board (SASB): these were taken into account from the beginning of Capital Energy's materiality assessment, with special focus on the aspects pertaining to the "Electric Utilities & Power Generators" industry.
- Principles of the United Nations Global Compact and the Sustainable Development Goals (SDG).

The information under GRI was verified following the Standard ISAE 3000 by an independent expert.

The content of this report is also complemented by the other publications and information that is made available on Capital Energy's corporate website, which may be accessed following the links embedded throughout this document.

Stakeholders

[GRI: 102-40, 102-42, 102-43, 102-44]

In 2020 Capital Energy identified its priority stakeholders with regards to their influence, interest and capability for collaboration with the company and its activity.

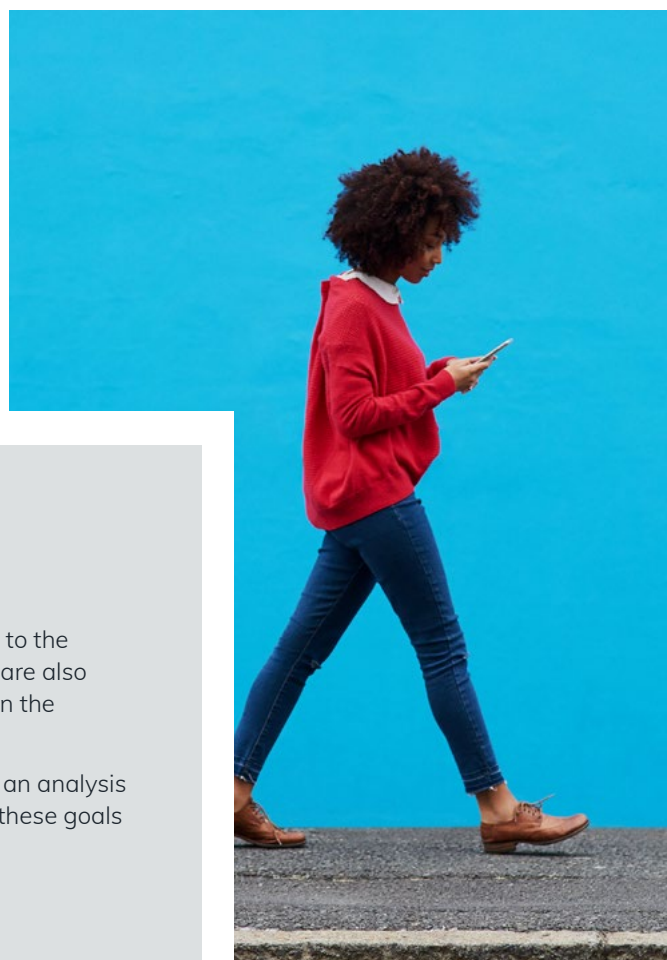
Taking these criteria into account and under the premise that identifying stakeholders is an ongoing process, the main groups for Capital Energy are its employees, customers, suppliers, the public local/regional and national administrations, the regulating authorities and local communities.

The company will continue to work on this aspect within the framework of its Sustainability Strategy.

Scope of information

The information and quantitative data in this report pertain to the year 2020. However, figures and facts from previous years are also included, with the aim of clarifying reader comprehension on the evolution of the business from its inception.

The report also provides prospective information, based on an analysis of the current context and its expected evolution (although these goals are not bound to their achievement).



Listening and dialogue mechanisms with stakeholders

[GRI: 102-43]

Communication and dialogue with stakeholders allows Capital Energy to learn their perceptions and expectations regarding the company. To this purpose it has various bi-directional channels for listening and dialogue, aimed at the needs identified within each group:

Employees



Capital Energy encourages an environment of dialogue and transparent communication among the staff at all levels. Employees receive interactive information on the company through in-house emails and the monthly in-house newsletter. For example, communications on the steps during the pandemic, data of interest on the business, events and recognitions, etc.

The company is currently working on the development and roll out of the corporate intranet, to make in-house communication more dynamic.

Customers



Capital Energy has a customer area on its retailing arm's website, to make communication with customers more agile and dynamic.

It has developed a specific app that encourages bi-directional communication.

It also offers a free contact phone number (900 102 210) and a blog that it regularly updates, with information of interest to customers.

Suppliers



Capital Energy maintains proactive relationships with its suppliers. The company is currently developing a procurement channel through which it will centralise relations and communications with them.

Public administration and regulating agencies



Capital Energy maintains a fluid and transparent communication with regulating authorities and public administration at all levels.

Within the business operations, it holds regular meetings with the regional and local administrations in the areas where the company has operations or will have in the future, in order to learn about their concerns, needs and expectations.

Work is also ongoing on a platform that will allow Capital Energy to manage notifications and communications from the administration.

Local communities



Capital Energy will identify the needs of the local communities where it operates and will listen and open dialogue to understand the needs of the regions, through consultations with the local stakeholders.

The Capital Energy website (<https://capitalenergy-group.com/>) and its retailing arm website (<https://capitalenergy.com/>) are the company's main points of information.

Capital Energy is also active on its social media:



LinkedIn
(<https://www.linkedin.com/company/capitalenergy/>)



Instagram (capital_energy)



Twitter (@_CapitalEnergy_)



Facebook (Capital Energy)



Further information at:
Capital Energy

Materiality analysis

Methodology of the analysis

[GRI: 102-46]

In 2020 a think tank was created with the main business areas and some of the key external stakeholders in the industry, to identify the most significant aspects for a company such as Capital Energy -currently and in the coming years- and to define the company's priorities regarding sustainability until 2025.

Method development

The issues were identified and prioritised based on two perspectives:

- internal, identifying the impact the issues have on achieving the company's strategic goals;
- and external, allowing Capital Energy to know the relevance of the issues depending on its stakeholders' expectations and on the context and trends that

may affect its activity, the non-financial reporting requirements and investors' requirements.

Consequently, 13 ESG-relevant (environmental, social and governance) issues were obtained: 3 environmental, 3 social and 7 governance, ethics and economic issues.

The process step-by-step:

Review of the context and reference sources

- Analysis of emerging trends and risks
- ESG risks identified by the World Economic Forum
- Press analysis and external expectations
- Law 11/2018 on non-financial information and diversity
- International reporting standards (GRI and SASB)
- ESG analyst requirements (Dow Jones Sustainability Index, MSCI and Sustainalytics)

Consultation with in-house and external stakeholders

184
consultation



23 interviews with corporate and business areas and directors

3 consultations with external stakeholders relevant to Capital Energy

158 responses to online employee questionnaire



Analysis and
prioritisation

13 relevant
subjects



Further information at:
the section on Sustainable Aspirations

List of relevant subjects

[GRI: 102-44, 102-47]

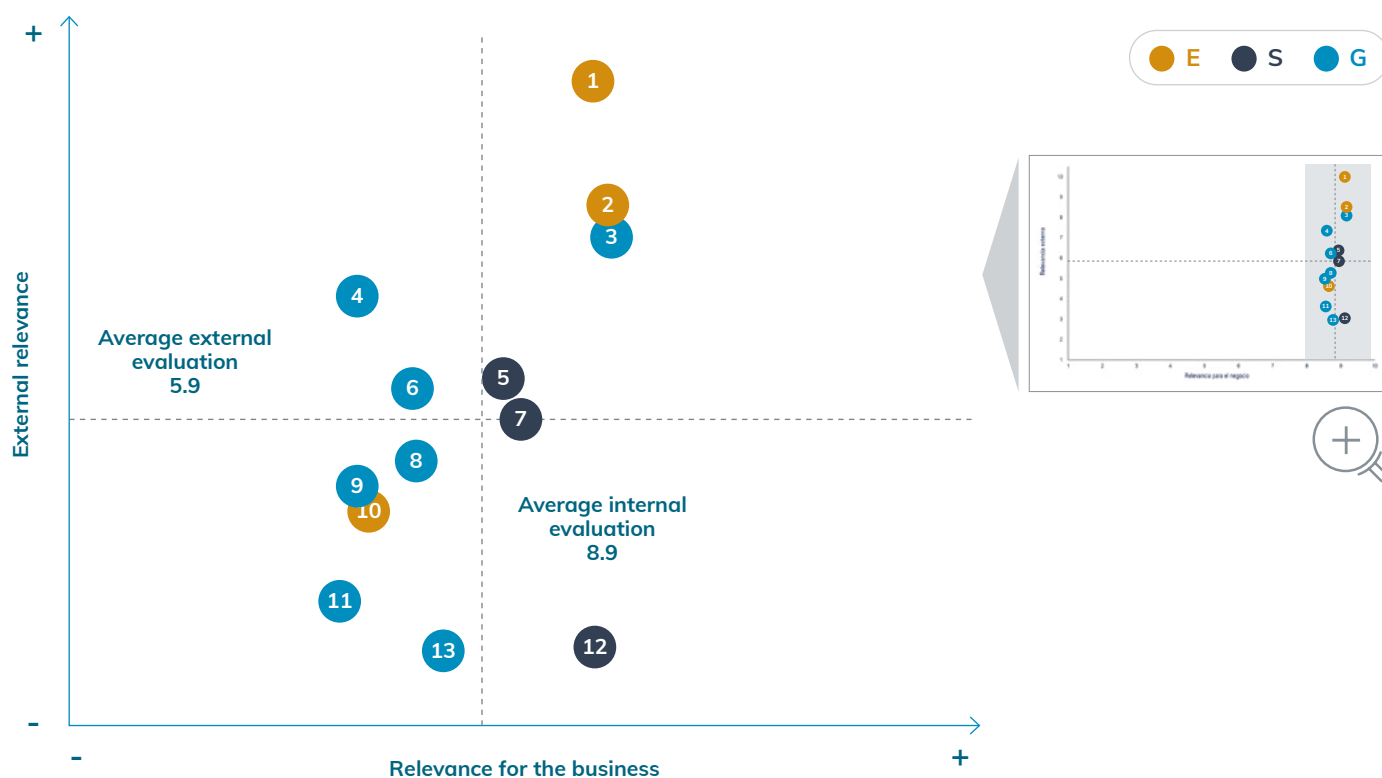
● E ● S ● G

1. Climate change	8. Good governance
2. Minimising environmental impact	9. Responsible supplier management
3. Ethical conduct and transparency in management	10. Biodiversity protection
4. Innovation and digitalization	11. Physical asset security and cybersecurity
5. Social value and commitment to the immediate surroundings	12. Health and safety
6. Sustainable financing	13. Customer guidance and excellence in service
7. Attracting and developing the best talent	

Materiality matrix

The identified material issues are located to the right of the matrix, which indicates that they are all relevant to the business (internal perspective).

The matrix was zoomed in on to better detail the relative position of the issues and more clearly view their prioritisation.



List of associations and memberships

Sustainability and ESG commitments



Platform for sharing know-how and joining the forces of its members with a view to progressing suitable environmental impact assessment and management in a coordinated, consistent manner.



This is an initiative promoted by the Ministry for Green Transition and Demographic Challenge, the main aim of which is to support integration and conservation of biodiversity in the business strategies of the various business sectors in Spain's economy, as well as to identify alternative, innovative business opportunities and projects.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

A supportive initiative that seeks to transform the world-wide corporate sector by encouraging companies to align their strategies with Ten Universal Principles, which are related to human rights, the environment, the fight against corruption and work, the SDGs.



Company contribution to the 2030 Agenda

Capital Energy's presence with sectoral associations and organisations and on innovation, sustainability and environmental protection, all relate to the following goals:

17.16: "Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries".

17.17: "Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships".



Renewable energy



Represents renewable energy producers and developers in the Canary Islands with the goal to share know-how and commit to renewable energy.



It includes close to 400 companies, representing the value chain of the various renewable technologies.



It comprises Spanish wind energy companies and associations and its main goal is to promote wind energy in Spain.



It coordinates the activity of the wind, solar photovoltaic, solar thermal-electric, Biomass and energy savings and efficiency sector companies.



A means of active participation for all sector companies in the sustainable and stable development of this type of energy in the Community.



It promotes implementation of wind energy in Galicia, as well as defending the general interests of the associated companies.



It provides support for its associates on wind, environmental, cultural, heritage and town zoning regulations.



Renewable energy



A connection point between company, R+D, government and funding, covering the entire value chain of the clean technologies sector.



Promotes collaboration and enhancement of the industry's competitive position and environment, in order to become a reference point in the development and improved competitiveness of industrial companies in Navarre.



Promotes a better understanding of the various issues pertaining to energy by the different social agents, with interests both nationally and internationally.



Contributes to starting up joint innovative initiatives aimed at availing themselves of new business opportunities and launching development and innovation projects.



A legal-economic think-tank with over 300 forums and discussions per year allows our members to be familiar with the issues that arise in the legal-corporate area in Spain, Europe and other continents.



It associates the sector for photovoltaic solar energy in Spain and it has members from practically the entire industry: producers, installers, engineers, manufacturers of raw material, modules and components, distributors and consultants.



Energy storage



A trade association dedicated to energy storage, that works to achieve a more resistant, efficient, sustainable and affordable electricity grid, that will enable energy to be stored.



EASE backs the roll out of energy storage to support a fair transition towards a resistant, climate-neutral and safe energy system.



It seeks to bring together the main Spanish organisations, companies, universities and technological centres that work in the energy storage field in its widest sense, which includes electrochemical (batteries and fuel cells), chemical, thermal, mechanical and magnetic storage.



Its object is to accelerate the establishment of a European battery industry that is competitive worldwide, boosting research and innovation activity pertaining to fuel cells following the Strategic Energy Technology (SET) Plan and the Strategic Transport Research and Innovation Agenda.

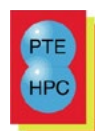
Green hydrogen



Boosts, promotes and drives the technological and industrial development of hydrogen technologies in Spain, and aims for its positive impact to go back to the Spanish society and economy.



Organises, manages and implements all type of actions pertaining to hydrogen as an energy vehicle, with the aim to generate, store and transport hydrogen to be used in fuel cells, transport applications or distributed energy generation.



It seeks to facilitate and accelerate the development and use in Spain of systems based on fuel cells and hydrogen, in their various technologies, to be applied in the transportation, stationary and portable sectors.



It represents the European industry, Spanish associations and research centres for development and promotion of green hydrogen.

Table of content following the Principles of the United Nations Global Compact

The company covers the 10 Principles throughout this document, integrated with the other elements of its responsible management.

Principles	Report section
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights, within their scope of influence.	Governance and talent and Allies for change
2. Businesses should make sure that they are not complicit in human rights abuses.	Governance and talent and Allies for change
Labour regulations	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Governance and talent
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	Governance and talent
5. Businesses should uphold the effective abolition of child labour.	Governance and talent
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Governance and talent
Environment	
7. Businesses should support a precautionary approach to environmental challenges.	Governance and talent and Transition accelerators
8. Businesses should undertake initiatives to promote greater environmental responsibility.	Governance and talent and Transition accelerators
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Governance and talent and Transition accelerators
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	Governance and talent



Further information on the:
company's progress



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

GRI¹ table of content

GRI Code	Indicator description	Reference / Response	Verification
GRI 101: Basic elements			
GRI 102: General Content			
Company profile			
102-1	Company name	Capital Energy Holco, SLU	Yes
102-2	Activities, products and services brands	26, 27	Yes
102-3	Head office location	Marqués de Villamagna street, 3, 5th floor. 28001 Madrid	Yes
102-4	Operations location	Spain and Portugal	Yes
102-5	Ownership nature and business type	Sole Proprietor Limited Liability Company	Yes
102-6	Markets served	39	Yes
102-7	Company size	38, 39	Yes
102-8	Information on employees and other workers	55	Yes
102-9	Supply chain	78	Yes
102-10	Significant changes in the company and its supply chain	38, 79, 80	Yes
102-11	Precaution principle or focus	51, 52, 53	Yes
102-12	External initiatives	92-96	Yes
102-13	Membership with associations	92-96	Yes
Strategy			
102-14	Declaration by senior executives responsible for decision-making	4-9	Yes
102-15	Main impacts, risks and opportunities	51, 52, 53	Yes
Ethics and integrity			
102-16	Values, principles, standards and rules of conduct	12, 13	Yes
102-17	Mechanisms for consultancy and ethical concerns	48-51	Yes
Governance			
102-18	Leadership structure	44, 45	Yes
102-19	Delegation of authority	45, 46, 47	Yes
102-20	Executive responsibility on economic, environmental and social issues.	45, 46, 47	Yes
102-22	Composition of the maximum governing entity and its committees	46, 47	Yes
102-23	Chairman of the maximum governing entity	46, 47	Yes
102-24	Nomination and selection of the maximum governing entity	45	Yes
102-25	Conflict of interests	48	Yes
102-26	Duties of the maximum governing entity in the selection of purposes, values and strategy	44	Yes
102-27	Collective knowledge of the maximum governing entity	46, 47	Yes

¹ All of the GRI indicators used refer to the 2016 version, except for the health and safety indicators (2018 version) in order to cover the most updated version of the GRI standards in each case.

GRI Code	Indicator description	Reference / Response	Verification
102-28	Evaluation of the maximum governing entity's performance	45	Yes
102-29	Identification and management of economic, environmental and social impacts	45, 90, 91	Yes
102-30	Efficiency of the risk management processes	44, 45	Yes
102-31	Evaluation of economic, environmental and social issues	45	Yes
102-32	Duties of the maximum governing entity in the drafting of sustainability reports	45	Yes
Stakeholder participation			
102-40	List of stakeholders	88, 89	Yes
102-41	Collective bargaining agreements	54	Yes
102-42	Stakeholders identification and selection	88, 89	Yes
102-43	Approaches for stakeholder participation	89	Yes
102-44	Key aspects and concerns	89	Yes
102-45	Organisations that appear in the consolidated financial statements	See appendix to this report	Yes
Produces reports			
102-46	Report definition and content	88	Yes
102-47	List of material issues	91	Yes
102-48	Information re-expression	Does not apply	Yes
102-49	Changes to the report	Does not apply	Yes
102-50	Reporting period	1 January 2020 - 31 December 2020	Yes
102-51	Date of the most recent report	2019	Yes
102-52	Report cycle	Yearly	Yes
102-53	Point of contact for questions and concerns on the report	https://www.capitalenergy-group.com/contacta	Yes
102-54	Option of conformity with the GRI Standards	Essential GRI	Yes
102-55	Table of GRI content	97	Yes
102-56	External verification	102	Yes
Material issues			
Climate change			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	64	Yes
103-2	The management approach and its components	64, 65	Yes
103-3	Evaluation of the management approach	64, 65	Yes
GRI 302: Energy			
302-1	Energy consumption within the organisation	68	Yes
GRI 305: Emissions			
305-1	Direct emissions of GHG (scope 1)	68, 69, 70	Yes
305-2	Indirect emissions of GHG when generating energy (scope 2)	68, 69, 70	Yes
305-3	Other indirect emissions of GHG (scope 3)	68, 69, 70	Yes

GRI Code	Indicator description	Reference / Response	Verification
305-4	Intensity of the GHG emissions	69	Yes
305-5	Reduction of the GHG emissions	69	Yes
Minimising environmental impact			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	71	Yes
103-2	The management approach and its components	71	Yes
103-3	Evaluation of the management approach	62	Yes
Conduct and transparency in management			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	48, 49, 50	Yes
103-2	The management approach and its components	48, 49, 50	Yes
103-3	Evaluation of the management approach	48, 49, 50	Yes
Innovation and digitalization			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	34-37	Yes
103-2	The management approach and its components	34-37	Yes
103-3	Evaluation of the management approach	34-37	Yes
Social value and commitment to the immediate surroundings			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	72	Yes
103-2	The management approach and its components	72	Yes
103-3	Evaluation of the management approach	72	Yes
GRI 201: Financial performance			
201-1	Direct economic value generated and distributed	38, 72-75	Yes
GRI 413: Local communities			
413-1	Operations with participation by the local community, impact assessments and development programs	72-75	Yes
Sustainable financing			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	32	Yes
103-2	The management approach and its components	32	Yes
103-3	Evaluation of the management approach	32	Yes
Attracting and developing the best talent			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	54	Yes
103-2	The management approach and its components	54	Yes
103-3	Evaluation of the management approach	54	Yes
GRI 401: Employment			
401-1	New employee hiring and staff rotation	55	Yes
401-2	Benefits for full-time employees that are not given to the part-time or temporary employees	59	Yes

GRI Code	Indicator description	Reference / Response	Verification
GRI 404: Training and teaching			
404-1	Average number of training hours per year per employee	58	Yes
404-2	Programs to improve employee skills and programs to assist in the transition	58, 59	Yes
404-3	Percentage of employees who are regularly assessed on their performance and professional development.	59	Yes
GRI 405: Diversity and equal opportunities			
405-1	Diversity in governing entities and employees	45, 55	Yes
405-2	Ratio of the base salary and compensation for women compared to men	57	Yes
GRI 406: No discrimination			
406-1	Discrimination cases and corrective actions taken	56	Yes
Good governance			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	44	Yes
103-2	The management approach and its components	44	Yes
103-3	Evaluation of the management approach	44	Yes
Efficient management of the value chain			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	78	Yes
103-2	The management approach and its components	79	Yes
103-3	Evaluation of the management approach	79	Yes
GRI 201: Financial performance			
201-1	Direct economic value generated and distributed	78	Yes
GRI 204: Acquisition practises			
204-1	Proportion of expenditure on local suppliers	78	Yes
GRI 308: Supplier environmental assessment			
308-1	New suppliers who have passed selection filters for environmental criteria	80	Yes
GRI 414: Supplier social assessment			
414-1	New suppliers who have passed selection filters for social criteria	80	Yes
Biodiversity protection			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	66	Yes
103-2	The management approach and its components	66	Yes
103-3	Evaluation of the management approach	66	Yes

GRI Code	Indicator description	Reference / Response	Verification
GRI 304: Biodiversity			
304-2	Significant impact of the activities, products and services on biodiversity	66, 67	Yes
304-3	Protected or restored habitats	66, 67	
304-4	Species listed on the UINC Red List and on national conservation lists whose habitats are in areas affected by operations	67	Yes
Physical asset security and cybersecurity			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	52, 53	Yes
103-2	The management approach and its components	52, 53	Yes
103-3	Evaluation of the management approach	52, 53	Yes
Health and safety			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	60, 61	Yes
103-2	The management approach and its components	60, 61	Yes
103-3	Evaluation of the management approach	60, 61	Yes
GRI 403: Workplace health and safety			
403-1	Health and safety management system at the workplace	60	Yes
403-2	Danger identification, risk evaluation and accident investigation	60	Yes
403-3	Health services at the workplace	60	Yes
403-5	Employee training on health and safety at the workplace	60	Yes
403-6	Promoting workers' health	60, 61	Yes
403-8	Workers covered by a health and safety management system at the workplace	60	Yes
403-9	Injuries due to occupational accident	60	Yes
Customer guidance and excellence in service			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	82	Yes
103-2	The management approach and its components	82	Yes
103-3	Evaluation of the management approach	82	Yes
GRI 418: Customer privacy			
418-1	Fundamental claims regarding customer privacy infringement and loss of customer data	85	Yes
Proximity and communication with stakeholders			
GRI 103: Management approach			
103-1	Explanation of the material issue and its coverage	88, 89	Yes
103-2	The management approach and its components	88, 89	Yes
103-3	Evaluation of the management approach	88, 89	Yes

Letter of verification



*Free translation from the original in Spanish.
In the event of a discrepancy, the Spanish language version prevails*

Independent limited assurance report on the corporate social responsibility indicators

To the Board of Directors of Compañía Capital Energy, S.L.,

We have carried out our work to provide limited assurance on the Corporate Social Responsibility indicators contained in Appendix "GRI content index" of the 2020 Integrated Report (hereinafter "CSR Indicators") of Compañía Capital Energy, S.L. and its subsidiaries (hereinafter "Capital Energy") for the year ended 31 December 2020, prepared in accordance with the content proposed in the GRI Standards of the Global Reporting Initiative (GRI) (hereinafter GRI Standards).

Responsibility of the Directors

The Directors of Capital Energy are responsible for the preparation, content and presentation of the Integrated Report in accordance with the Core option of the GRI Standards. Management's responsibility includes establishing, implementing and maintaining the internal control required to ensure that the CSR indicators are free from any material misstatement due to fraud or error.

The Directors of Capital Energy are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the CSR indicators, is obtained.

Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and the evidence obtained. Our limited assurance engagement was done in accordance with the International Standard on Assurance Engagements 3000 (Reviewed) "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

The scope of a limited assurance engagement is substantially less extensive than the scope of a reasonable assurance engagement and thus, less security is provided.

The procedures that we have carried out are based on our professional judgment and have included consultations, observation of processes, document inspection, analytical procedures and random sampling tests. The general procedures employed are described below:

- Meetings with Capital Energy personnel from various departments who have been involved in the preparation of the 2020 Integrated Report.
- Analysis of the procedures used for obtaining and validating the data presented in the CSR indicators.
- Analysis of the Capital Energy CSR indicators adaptation to the requirements established by the GRI Standards for the preparation of sustainability reports.

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Inscrita en el R.O.A.C. con el número 50242 - C.F. B-79 031296



- Verification, through random sampling tests revisions, internal control tests and substantive tests on the information used to determine Capital Energy CSR indicators. We have also verified whether they have been appropriately compiled from the data provided by Capital Energy sources of information.
- Obtainment of a management representation letter from the Company.

Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, nothing has come to our attention that causes us to believe that Capital Energy CSR indicators, for the financial year ending 31st December 2020, contain significant errors or have not been prepared, in all of their significant matters, in accordance with the GRI Standards.

Use and Distribution

Our report is only issued to the Directors of Capital Energy, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Capital Energy Management.

PricewaterhouseCoopers Auditores S.L.

Tamer Davut

May 18, 2021

List of organisations that appear in the consolidated financial statements

- Aliseda Fotovoltaico, S.L.
- Alvite Energy, S.L.U.
- Amaranta Energy, S.L.U.
- Anguita Fotovoltaico, S.L.
- Araiz Energy, S.L.U.
- Asturwind, S.L.
- Atenea Energy, S.L.U.
- Azemur Energy, S.L.U.
- Banzas Wind Energy, S.L.U.
- Barcella Energy, S.L.U.
- Bustafrades Energy, S.L.U.
- Bustatur Energy, S.L.U.
- Canales Norte Energy, S.L.U.
- Canales Sur Energy, S.L.U.
- Capital Energy Andalucía, S.L.U.
- Capital Energy Centro Norte, S.L.U.
- Capital Energy Comercializadora, S.L.U.
- Capital Energy Engineering, S.L.U.
- Capital Energy Eólica Marina, S.A.
- Capital Energy Esukal Projects, S.L.U.
- Capital Energy Euskal Holding, S.L.U.
- Capital Energy Holco, S.L.U.
- Capital Millenium Termosolar Holding, S.L.U.
- Cerecol Energy, S.L.U.
- Cerevil Energy, S.L.U.
- Cilda Energy, S.L.U.
- Colibrí Energy, S.L.U.
- Cruzados Energy, S.L.U.
- Doña Urraca Energy, S.L.U.
- El Acebo Energy, S.L.U.
- El Bosque Fotovoltaico, S.L.U.
- El Castillar Energy, S.L.U.
- El Empecinado Two Energy, S.L.U.
- Empecinado I Energy, S.L.U.
- Eneluz 2025, S.L.
- Evacuación Colectora Pesoz, A.I.E.
- ilabres Energy, S.L.U.
- Formosa Energy, S.L.U.
- FV Casas de la Madrona, S.L.U.
- FV Lirio Energy, S.L.U.
- Garma Blanca Energy, S.L.U.
- Green Capital Development 100, S.L.U.
- Green Capital Development 101, S.L.U.
- Green Capital Development 102, S.L.U.
- Green Capital Development 103, S.L.U.
- Green Capital Development 104, S.L.U.
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- Green Capital Development 113, S.L.U.
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- Green Capital Development III, S.L.U.
- Green Capital Development IV, S.L.U.
- Green Capital Development IX, S.L.U.
- Green Capital Development L, S.L.U.
- Green Capital Development V, S.L.U.
- Green Capital Development VI, S.L.U.
- Green Capital Development VII, S.L.U.
- Green Capital Development VIII, S.L.U.
- Green Capital Development X, S.L.U.
- Green Capital Development XI, S.L.U.
- Green Capital Development XII, S.L.U.
- Green Capital Development XIII, S.L.U.
- Green Capital Development XIV, S.L.U.
- Green Capital Development XIX, S.L.U.
- Green Capital Development XL, S.L.U.
- Green Capital Development XLI, S.L.U.
- Green Capital Development XLII, S.L.U.
- Green Capital Development XLIII, S.L.U.
- Green Capital Development XLIV, S.L.U.
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- Green Capital Development XXXVII, S.L.U.
- Green Capital Development XXXVIII, S.L.U.
- Green Capital Power, S.L.U.
- Infinita, S.A.
- Joluga Energy, S.L.U.
- La Encantada Energy, S.L.U.
- La Espina Energy, S.L.U.
- La Herrada Energy, S.L.U.
- Green Capital Development 114, S.L.U.
- Green Capital Development 115, S.L.U.
- Green Capital Development 116, S.L.U.
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- Green Capital Development 168, S.L.U.
- Green Capital Development 169, S.L.U.
- La Rasa Energy, S.L.U.
- Las Estacas Fotovoltaica, S.L.
- Los Corrales Energy, S.L.U.
- Maragouto Energy, S.L.U.
- Neralda Energy, S.L.U.
- Olea Energy, S.L.U.
- Ornedo Energy, S.L.U.
- Orquídea Energy, S.L.U.
- Wind Farm 7 Fanegas, S.L.U.
- Wind Farm Abrente, S.L.U.
- Wind Farm Alsa, S.L.U.
- Wind Farm Bolina, Unipessoal Lda.
- Wind Farm Brandal, Unipessoal Lda.
- Wind Farm Brañadesella, S.L.U.
- Wind Farm Biota, S.L.U.
- Wind Farm Buseco, S.L.U.
- Wind Farm Cabezuelas, S.L.U.
- Wind Farm Carlinga II, Unipessoal Lda.
- Wind Farm Carlinga, Unipessoal Lda.
- Wind Farm Cassiopea, S.L.
- Wind Farm Corredriño, Unipessoal Lda.
- Wind Farm Cotío, S.L.U.
- Wind Farm Couto, Unipessoal Lda.
- Wind Farm Cristobal, S.L.U.
- Wind Farm El Barroso, S.L.
- Wind Farm Escorpio, S.A.
- Wind Farm Gasalla, S.L.U.
- Wind Farm Hazapierna, S.L.U.
- Wind Farm Henestrosas, S.L.U.
- Wind Farm Legre, S.L.U.
- Wind Farm Leo, S.L.
- Wind Farm Loma de los Pinos, S.L.
- Wind Farm Monte Inxeiro, S.L.U.
- Wind Farm Morosos, S.L.U.
- Wind Farm Pedrecha, S.L.U.
- Wind Farm Pinarejo I y II, S.L.
- Wind Farm Pousadoiro, S.L.U.
- Wind Farm Praderas Altas, S.L.U.
- Wind Farm Puerta Calera II, S.L.U.
- Wind Farm Puerto Calera I, S.L.U.
- Wind Farm Sierra de Eirua, S.A.
- Wind Farm Solpor, S.L.U.
- Wind Farm Torrecilla, S.L.U.
- Wind Farm Turia, S.L.U.
- Wind Farm Vacaloura, S.L.U.
- Wind Farm Vigia, Unipessoal Lda.
- Wind Farm Zondavento, Unipessoal Lda.
- Plauri Energy, S.L.U.
- Promalfar Logistia, S.L.U.
- Promoción y Gestión Cáncer, S.L.
- Ribota Energy, S.L.U.
- Sabatera Energy, S.L.U.
- Sierra de Tabar Energy, S.L.U.
- Templarios Energy, S.L.U.
- Troitomil Energy, S.L.U.
- Turkana Energy, S.L.U.
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- Green Capital Development 94, S.L.U.
- Green Capital Development 95, S.L.U.
- Green Capital Development 96, S.L.U.
- Turubello Energy, S.L.U.
- Valderrete Energy, S.L.U.
- Walia Energy, S.L.U.

