



# Sustainability and Environmental Policy



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## I. PURPOSE AND COMMITMENT

The management body of PRAXIA ENERGY S.L., in line with the values of responsibility, integrity and care for the environment defined in its Code of Ethics, establishes this Sustainability and Environment Policy.

The purpose of this policy is to formalise the Company's commitment to sustainable development, environmental protection and the fight against climate change, integrating these principles into its business strategy, corporate culture and all its operations.

PRAXIA ENERGY recognises that responsible environmental performance is essential for long-term value creation, risk management and meeting the expectations of its stakeholders (employees, customers, suppliers, investors and society in general).

## II. REFERENCE FRAMEWORK

This policy is aligned with national and international frameworks on sustainability and the environment, including:

- The United Nations Sustainable Development Goals (SDGs), especially those related to affordable and clean energy (SDG 7), responsible consumption and production (SDG 12) and climate action (SDG 13).

Spanish environmental legislation, including Law 7/2022 of 8 April on waste and contaminated soil for a circular economy, and Law 26/2007 of 23 October on environmental liability. Various regional regulations relating to the environment, climate change and energy transition have also been taken into account in drafting this document.

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### III. SCOPE OF APPLICATION

This policy is mandatory for all PRAXIA ENERGY members, including members of the governing body, managers, and employees, regardless of their hierarchical level or geographical location.

Furthermore, PRAXIA ENERGY will encourage its value chain, including suppliers, contractors and business partners, to adopt environmental commitments and practices in line with the principles set out herein, integrating sustainability criteria into their selection and evaluation processes.

### IV. GUIDING PRINCIPLES

PRAXIA ENERGY's actions in relation to sustainability and the environment will be governed by the following principles:

- 1. Regulatory Compliance and Preventi:** Strictly comply with applicable environmental legislation in all jurisdictions where it operates, and adopt a proactive approach to pollution prevention and minimisation of environmental risks. This commitment extends to our value chain, requiring our suppliers to demonstrate regulatory compliance and adopt effective preventive measures, in line with the 'polluter pays' principle and the obligations of Law 26/2007 of 23 October on Environmental Responsibility.

**2. Fighting Climate Change and Energy Transition:** Actively contribute to climate change mitigation by reducing your carbon footprint. Promote energy efficiency in all your facilities and operations and encourage the use of renewable energy.

**3. Circular Economy and Waste Management:** Apply the waste management hierarchy, prioritising prevention, reuse, recycling and other forms of recovery over disposal, as promoted by the Waste and Contaminated Soil Act for a circular economy. The design of services and management of operations that minimise waste generation will be encouraged.

**4. Sustainable Use of Resources:** Promote efficient and responsible use of natural resources, especially water, energy, and raw materials. We will implement measures to reduce consumption in our design processes and operations, and we will collaborate with our suppliers to promote efficiency in the use of materials and reduce waste in steel manufacturing processes.

**5. Biodiversity Protection:** Identify and assess the impact of the Company's activities and the implementation of our products on ecosystems and biodiversity. We will take the necessary measures to prevent, minimise and, where appropriate, remedy significant negative impacts, promoting designs that minimise land occupation and alteration and that, where appropriate, are compatible with agricultural and livestock uses (agrovoltatics).

**6. Innovation and Continuous Improvement:** Promote innovation and the adoption of Best Available Techniques (BAT) to continuously improve the Company's environmental performance, going beyond mere legal compliance. This principle involves active technology monitoring and

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encouraging our key suppliers to implement processes and technologies that represent industry best practices in terms of efficiency and pollution control.

This commitment includes respecting the right to a healthy environment, access to natural resources, and promoting open and constructive dialogue with the communities in which we operate.

## V. IMPLEMENTATION AND MONITORING MECHANISMS

To ensure the effectiveness of this policy, PRAXIA ENERGY is committed to developing and implementing the following mechanisms, which guarantee its integration throughout the organisation and its value chain:

### 1. Environmental Sustainability Plan and Resource Allocation:

The governing body shall approve a multi-year **Environmental Sustainability Plan**, which shall translate the principles of this policy into concrete actions. This plan shall contain, at a minimum:

- **SMART Objectives:** Specific, measurable, achievable, relevant, and time-bound goals for each guiding principle.

**Performance Indicators (KPIs):** Clear metrics for monitoring progress (e.g., carbon footprint reduction),

- Percentage of waste recovered, water/energy consumption per unit produced).
- **Actions and Projects:** Detailed initiatives to achieve the objectives, including those related to eco-design and supply chain management.

- **Resource Allocation:** The provision of the human, technical and financial resources necessary for the proper implementation of the plan.

## 2. Governance Structure and Responsibilities:

A clear structure of responsibilities is established to ensure the deployment and compliance with the policy:

- **Management Body:** He is ultimately responsible for approving this policy and the Sustainability Plan, as well as ensuring the provision of the necessary resources for its implementation.
- **Compliance Officer:** With the necessary technical support in environmental matters, they will supervise the correct implementation of the policy and plan. They will report periodically to the management body on the degree of compliance, the risks identified and opportunities for improvement.
- **Department Managers:** Each manager (Engineering, Purchasing, Operations, etc.) will be responsible for implementing the actions of the Sustainability Plan that correspond to their area of competence, ensuring that their teams understand and apply the principles of this policy.

## 3. Control and Monitoring Mechanisms:

Control systems will be implemented to verify compliance and measure environmental performance:

- **Supplier Approval and Evaluation:** Sustainability criteria will be integrated into the selection and ongoing evaluation process for suppliers, especially those involved in the manufacture of key components. Evidence of regulatory compliance will be required and transparency in environmental performance will be encouraged (e.g., requesting information on carbon footprint or certified environmental management systems).
- **Periodic Audits:** Internal and/or external audits will be carried out to verify compliance with legal requirements, the commitments made in this policy and the effectiveness of the Sustainability Plan.
- **Life Cycle Analysis:** Product life cycle analysis will be promoted to identify the main environmental impacts and guide eco-design and circular economy strategies, in line with the Waste and Contaminated Soil Act for a circular economy.

#### **4. Training and Communication:**

Awareness and transparency are key to the success of this policy:

**Continuing Education:** A continuous training and awareness programme will be developed and adapted to different levels and functions.

- Of the organisation, to ensure that all employees understand their responsibilities in terms of sustainability.
- **Transparent Communication:** Environmental performance will be communicated transparently to stakeholders through a regular sustainability report. This report will detail progress against established targets and KPIs and will be publicly available.

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## 5. Continuous Improvement Process:

The policy and its implementation mechanisms will be continuously reviewed and improved:

- **Management review:** The results of monitoring, audits and performance reports will be analysed annually by the management body to assess the effectiveness of the policy and plan and to set new targets.
- **Technology and Regulatory Watch:** A monitoring system will be established to proactively identify changes in environmental legislation, as well as for the adoption of Best Available Techniques (BAT) that enable continuous improvement in the environmental performance of the company and its value chain.

## VI. PROGRESSIVE APPLICATION AND PRINCIPLE OF PROPORTIONALITY.

PRAXIA ENERGY, aware of its size and operational and financial capacity, will approach the implementation of the commitments made in this policy under the principles of gradualism and proportionality, ensuring that progress towards environmental excellence is also sustainable from an economic perspective.

**1. Gradual and Planned Approach:** The Environmental Sustainability Plan mentioned in section V will be the key tool for implementing this approach. This plan will establish a prioritisation of actions, starting with those that offer the greatest positive environmental impact with an affordable investment

effort, and planning larger investments in the medium and long term. SMART objectives will be defined in line with this progression.

## **2. Proportionality in Investment and Best Available Techniques (BAT):**

The commitment to innovation and the adoption of Best Available Techniques (BAT) shall be interpreted in line with its own definition, which considers its 'availability' under economically and technically viable conditions for the sector. PRAXIA ENERGY is committed to:

- Actively monitor BATs applicable to your activity and that of your key suppliers.
- Progressively implement technical improvements whose investment is proportionate to the company's capacity, always seeking continuous improvement beyond mere legal compliance, which truly defines proactive environmental commitment.

**3. Gradual Responsibility in the Value Chain:** The extension of the principles to the value chain will be carried out in stages:

- **Phase 1 (Dialogue and Awareness):** Initiate a communication process with strategic suppliers to share this policy and learn about their environmental performance and policies.
- **Phase 2 (Evaluation and Criteria):** Gradually introduce sustainability criteria into the evaluation and approval of new suppliers, without this becoming an insurmountable barrier to entry, but rather a factor to be assessed.

- **Phase 3 (Collaboration):** Foster partnerships with suppliers who demonstrate a similar commitment, seeking synergies and opportunities for joint improvement.

**4. Search for efficiencies and incentives:** The company will focus its initial efforts on investments that generate a double return: environmental improvement and economic return through efficiency (e.g., reducing energy consumption, minimising waste). It also undertakes to actively explore the lines of aid, subsidies or tax deductions offered by public administrations to promote environmental investments.

## VII. APPROVAL, SUPERVISION AND REVIEW.

This Sustainability and Environmental Policy is approved by PRAXIA ENERGY's Management Body and will come into force on the date of its approval.

The Management Body is ultimately responsible for promoting and ensuring compliance with the commitments made in this policy.

For its effective implementation, the Compliance Officer is designated as responsible for ongoing supervision. In the exercise of their duties, they will be responsible for:

Promote the necessary measures for the dissemination, understanding and application of this policy at all levels of the Company.

Supervise the proper implementation of the Environmental Sustainability Plan and compliance with the established objectives.

Regularly report to the Management Body on the degree of compliance with the policy, the effectiveness of the measures implemented, and any areas for improvement identified.

PRAXIA ENERGY recognises that effective environmental supervision requires specific and up-to-date knowledge. Therefore, the Company is committed to:

1. Ensure that the person occupying the position of Compliance Officer has the appropriate qualifications and training to perform their supervisory duties in this area.
2. Provide the Compliance Officer with the necessary ongoing training in environmental legislation, environmental risk management, circular economy, and other technical areas relevant to the Company's activity and its value chain.
3. Ensure that the Compliance Officer has the necessary technical support, either through internal resources or access to qualified external experts, to be able to adequately assess compliance with obligations and complex environmental risks.
4. Provide the Compliance Officer with the human, technical and organisational resources necessary for the proper performance of their supervisory and reporting responsibilities

This policy will be reviewed periodically by the governing body to ensure its continued suitability and effectiveness.