2020 SUSTAINABILITY REPORT

Sustainable strategy for the future

Solaria



About this report

The release of this first sustainability report of Solaria (hereinafter, "Solaria" or "the Company") is the result of the Company's growing commitment to the environment and to society. The report consolidates the Company's efforts in recent years to add to its strategy certain criteria in relation to the environment, social concerns and good governance (ESG).

The report is also an exercise in transparency and is designed to pass on to the Company's interest groups the latest ideas in sustainability, both internally and externally.

Solaria is taking this initiative voluntarily, as it is not in compliance at this time with Act 11/2018 on Non-financial Information and Diversity.

The Company intends to go on making progress year by year in this regard, increasing the level of its disclosure and the quality of the information it releases.

In this sense and with the intention of gradually and proactively progressing in reporting the performance of non-financial parameters, Solaria has taken into account the provisions of Act 11/2018 in the preparation of this document.

In the preparation of this report, Solaria took as a reference the indicators that comprise the Global Reporting Initiative Standards, using as a basis the concerns that are of the greatest relevance for the Company and its interest groups.

The contents herein are supplemented by other documents that the Company has released, which are available on its corporate website: https://www.solariaenergia.com/

Scope of the report

The information and quantitative data of this report were recorded in 2020 and were therefore taken from group accounts as of 31 December 2020. However, in order to facilitate the comprehension of this document and the contextualization of the performance of the business, Solaria will provide a chronological record of the information as soon as it is possible, including figures and events in relation to preceding years.

Similarly, throughout this report, we have provided information based on projected data, based on analyses of the current circumstances and anticipated performance (the projections do not affect the meeting of established targets).



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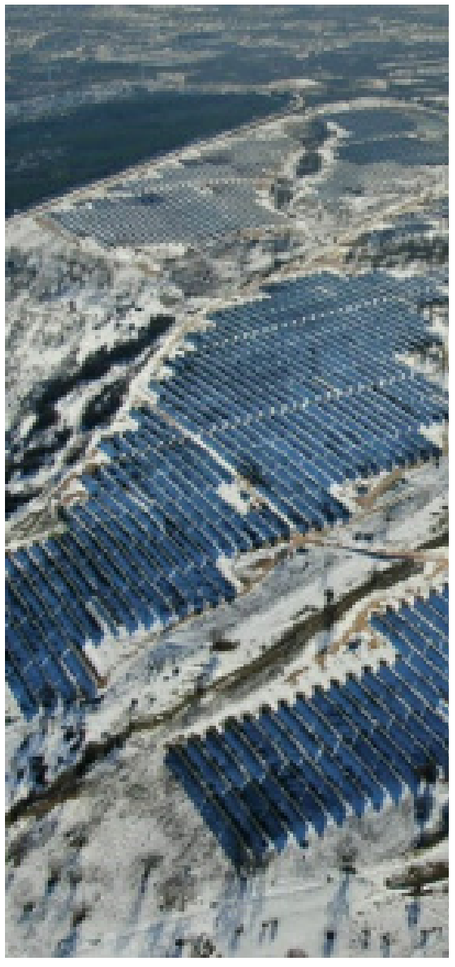
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Letter from the Chairman

... despite the hardships, 2020 was a year of surging growth and outstanding results for Solaria.



Without a doubt, 2020 will be remembered as the year that COVID-19 and healthcare crises wreaked havoc on the population, economies and financial markets worldwide.

However, despite the hardships, 2020 was a year of surging growth and outstanding results for Solaria.

We overcame many challenges, including further significant broadening of our portfolio of projects in Spain and Portugal. Despite the considerable downturn in energy consumption, we have positioned ourselves as a reference of energy supply in Spain, and we managed to enter into PPAs with top-ranking European companies with over 1.5 GW of projects with guaranteed energy prices. We have 1,030 in operation and development and we managed to reiterate our target of 2,150 MW in installed energy at the end of 2021.

The EU's announcement on 11 December 2020 of its intention of increasing the reduction of emissions from 40% to 55% in 2030 necessarily means that we will see great acceleration of renewable installations in Europe in the next decade. Solaria intends to be part of the solution, and we established more challenging targets to become the leading photovoltaic company in Europe, with 18,000 MW in 2030.

We also secured financing for our new projects at a historic cost and refinancing through our first green bond of our plants in Uruguay. The bonds were rated BBB by S&P and achieved a significant reduction of costs.

In regard to Capex, we are still one of the most efficient companies in Europe, as our projects are constructed for less than €400,000/MW. This Capex, combined with effective control of operating costs, puts our project return at over 12%.

Regarding our financial earnings, at the end of the year, total revenues stood at €64,505,000 and EBITDA at €49,063,000.

However, 2020 was a positive year for us not only in financial terms. We further deepened our commitment to sustainability, as we firmly believe that a sustainable business strategy is a winning strategy.

We also undertook initiatives in relation to non-financial matters and sustainability. We decided to release for the first time and of our own accord this sustainability report, as we believe that, at this crucial time in our development and growth, transparency of information is a essential to maintaining the confidence of our interest groups. Our goal and commitment to society and to ourselves is to continue contributing to sustainable development and the creation of value.

We are aware that we play a fundamental role in contribution to sustainable development and the fight against climate change. We generate emission-free energy and we do all we can to make that energy available to all consumers.

Nonetheless, our fight against climate change does not correspond solely to our interests as a generator of renewable energy. We have targeted reduction of our emissions of CO_2 with the intention of operating as a carbon-neutral company. In 2020, we generated 506.68 GWh of clean energy, which is the equivalent of the energy consumption of approximately 155,000 Spanish households. With this initiative, we have avoided the release into the atmosphere of 102,900 tons of CO_2, which means that we avoid the release of many more tons of CO_2 than we emit.

We also place great importance on protection of biodiversity, in view of the number of endangered species at this time. Photovoltaic-power plants are less harmful to the environment, to flora and to fauna than other renewable energies. However, we intend to take this further, and we are proposing compensatory measures to offset any potential impact caused by the construction of our solar plants, so that they may coexist in harmony with their surroundings.

We are also committed to society, to diversity and to equal-opportunity employment. We are aware that our workforce is our best resource and that our surging growth is the result of the hard work of all of our employees. Among other socially-minded initiatives, we do all we can to ensure the safety and health of our workforce, especially at this crucial moment in the current healthcare crisis. Our accident rate is very low, and we intend to reduce it to zero. In addition, we have significantly increased the presence of women among our workforce.

Our solar-power plants have a highly favorable effect on local economies. We help municipal governments, avoiding the abandonment of small towns. At this time and for at least the next 35 years, we will be creating employment during the construction stage and over the useful life of our solar plants, making economic contributions to municipal authorities through the payment of taxes, local fees and the leasing of plots of land, and contributing to local commerce.

Lastly and certainly not any less important, we are committed to the fight against corruption and bribery, compliance with the law and corporate ethics. As we shall see below, in 2020 Solaria management signed malus and clawback clauses as a means of avoiding malpractice within our Company.

We are aware that ethical conduct and sustainability go hand in hand and are essential to our business strategy in the short, medium and long terms. We believe in ethical and responsible management and we encourage all areas of our Company to assimilate a culture of ethics, inclusion and fair treatment that allows us to establish relationships with interest groups based on mutual trust. In 2020, we were awarded by several ESG rating agencies, such as MSCI, which gave us an A rating, and ISS ESG, which considered us to be the third best company in the industry and awarded us with prime status. These acknowledgements are an incentive to take our efforts even further in relation to our strategy of sustainability.

With this sustainability report, our intention is to provide more comprehensive information on the progress made by Solaria over the year, on our key figures in non-financial parameters and on the goals we establish and the commitments we assume.

D. Enrique Diaz-Tejeiro Gutiérrez

Solaria Chairman

1. We Are Leaders

Solaria Energía y Medio Ambiente

Solaria Energía y Medio Ambiente specializes in the creation and development of solar-photovoltaic technology and the generation and sale of emission-free electric energy. Since its creation in 2002 and for over 20 years of operation in the market, Solaria's activity has always been associated with our commitment to the environment through the generation of 100% green energy and the gradual implementation of criteria in relation to the environment, society and good governance in our policies and procedures, with a vision based on the long-term creation of value for shareholders and society as a whole.

Currently Solaria leads the development and generation of photovoltaic solar energy in southern Europe and has a great international potential, increasing its target to 18GW in 2030.

Strategic focus on **100% renewable and sustainable** solar-photovoltaic power

Business model

Solaria's business model has undergone transformation from the manufacturing of photovoltaic cells and panels to the development, management and operation of photovoltaic power plants.

Solaria Energía y Medioambiente

Development

- Localization of plots of land and connection points
- Management of applications and processing of permits between local authorities and landowners
- Analyses and environmental-impact statements

Engineering and construction

- Engineering of solar projects
- EPC construction: contracting, coordination and monitoring of construction

EOperation, generation and sales

- Operation and maintenance of solar plants
- Sale of 100% renewable energy

Over 15 years of history

2002 Solaria is born
Specializing in the field of solar-photovoltaic energy, specifically in the manufacturing of solar modules.

2007 Trading on the stock market
In 2007, Solaria became the first company in the solar-power industry to be admitted to trading on the Madrid stock exchange.

2007-2010 Connection of the first solar-power plants
First solar-power plants built and connected in Spain, Italy, Germany and the Czech Republic.

2014 Solaria abandons manufacturing activity
Solaria chose to close its module-manufacturing plants to focus on the generation of solar power

2017 Successful refinancing
Solaria concluded the refinancing of all its assets in Spain through the issuance of project bonds and was awarded 250 MW in Spain's renewable-energy auction.

2018
- **New strategic plan**
  The plan called for the installation of 1,300 MW in solar power up to 2021. First PPA signed.
- **Capital increase**
  Announcement of accelerated bookbuild of €96.8mn at €5.80

2019 Updating of strategic plan
In line with the projected growth of Solaria, the strategic plan was updated, calling for an increase in installed capacity in 2023 up to a total of 3,323 MW.

2020
- **Promotion of ESG**
  Solaria assimilated and bolstered ESG criteria in its strategy through a series of measures and targets.
- **Solaria sees further growth**
  Announcement of plans to install a total of 6,200 MW up to 2025.
- **Solaria on the IBEX 35**
  In October 2020, Solaria was included on Spain's stock-market index of the 35 top listed companies.

Mission, vision and values

MISSION

Solaria is dedicated to the promotion of the development of the use of sunlight as a source of renewable energy through the transformation of knowledge and experience in innovative solutions that contribute to the well-being and progress of society by promoting economic development and reducing environmental impact.

VISION

Solaria is a leading company worldwide and is perceived by its interest groups as a guarantee of quality, experience, profitability, innovation, flexibility and transparency. This is made possible by ongoing analysis and understanding of the renewable-energies industry, which allows us to provide value-added solutions that surpass our customers' expectations.

VALUES

Leadership
As an industry leader, Solaria is considered a reference for its capacity, solvency, quality, technology, sustainable growth, ideas and individuals.

Ethics
Solaria operates with transparency, with customers and shareholders that trust us, because what we do is always in line with what we say.

Innovation
We apply creativity and intelligence to our ongoing search for new integral solutions that adapt to a global context in constant flux.

Excellence
Good is never enough for Solaria, and value-added solutions must always surpass customers' expectations. Excellence is what drives our Company.

Teamwork
We are aware that each person has a unique talent, and we strive to put that diversity to use as a means of creating synergies in our day-to-day work.

Sustainability
Solaria is committed to the environment and seeks to strike a balance between the resources we use and our surroundings.

2. Sustainable vision for the future

Promoting commitment to sustainability

As a leader in the renewable-energy industry, Solaria strives to contribute to the sustainable development of society, placing particular emphasis on the fight against climate change and protection of the social context in which it operates. This covers a range of aspects, from ethical conduct to sound business practices.

In 2020, Solaria maintained its efforts to promote its strategy in matters that are reflected by its new ESG policy, which was approved by the Company's Board of Directors the same year.

The new policy begins with domestic and international benchmark recommendations and practices and is built on our approach to the environment, society and good governance. The policy defines our commitments and lines of action in these regards.

The following information shows the progress made by the Company in these commitments. It includes key figures and the initiatives taken over the year in relation to our ESG commitments.

Commitments and principles of ESG policy

Environment	Maximize the favorable impact of Solaria on the environment, contributing to sustainable development through: ■ Efficient use of resources ■ Reduction of environmental impact ■ Greater involvement of the Company as a whole ■ Leadership in the fight against climate change.
Social	Promote socially responsible conduct with the creation of safe and healthy workplace conditions based on: ■ Ethics and respect ■ Provision of reliable and quality service ■ Involvement in development of regions in which the Company is present
Good governance	Guarantee integrity and ethical conduct in all related contexts: ■ Management based on integrity and responsibility ■ Promotion by senior management and by the entire Company of an ethics-based culture based on inclusion and fair treatment, allowing us to establish relationships with interest groups based on trust.

For further information on Solaria's ESG policy, please visit:
https://www.solariaenergia.com/resources/archivosbd/pdf/politica_esg.pdf

Favorable conditions for industry amid sustainable context

It is expected that support for renewable energies in Europe will be doubled in coming years as a result of several EU initiatives to promote transition to an economy that releases fewer carbon emissions. The initiatives include the European Green Deal, which calls for €500bn in investment in green projects up to 2027, and the European Recovery Fund in the wake of the pandemic. In Spain, the PNIEC national integrated energy and climate plan calls for the implementation of renewable energies throughout the country, up to 161 GW of produced energy in 2030. Of this figure, approximately 24% corresponds to solar-photovoltaic installed capacity.



Sustainable financing

In 2020, Solaria completed the issuance of its first green bond. The agreement was reached with the U.S.-based insurer Metlife and Corporación Interamericana de Inversiones (IDB Invest) and covered the refinancing of the debt of the Company's two photovoltaic plants in Uruguay (Yarnel and Natelu, 23MW) for approximately USD29mn over 20 years, subject to compliance with covenants.

The debt of the projects was qualified as "green" and was rated BBB by Standard & Poor's.



3. Solaria in 2020

Key figures

Environment Social Business

18 GW

Target for 2030

TARGET:
reduce emissions
by **14%** in 2021

Commitment
carbon-neutral

Carbon footprint 2020

Scope 1	Scope 2	Scope 3
186 $tnCO_2$	73 $tnCO_2$	23 $tnCO_2$

460 $tnCO_2MW$
Avoided emissions per installed MW 2020

102,900 $tnCO_2$
avoided emissions from renewable generated energy 2020

Scope 3 measured in 2020,
including business travel

+42%
Total workforce

2020	2019
23% Women	21% Women
104	73
77% Men	79% Men

Average age	Average service
2020	2020
40.3 Years	**2.9** Years

+259.7%
Training hours

2020	2019
1,777 h	494 h

+341% Renewable generation

2020	2019
506.68 GWh	114.8 GWh

100%
Renewable generation

Adaptation of **corporate governance** to
ESG strategy

+56%
EBITDA

2020	2019
€49,063 mn	€31,497mn

+48%
Turnover

2020	2019
€ 64,505 mn	€43,538 mn

Commitment to environment

Fight against global warming

100% renewable business

Solaria's approach to business is based on sustainability, as observed in its activity. It is one of the values on which the Company's future growth is projected and is an essential part of its business strategy.

Solaria's undertakings are based on the Company's dedication to contributing to sustainable development and the fight against global warming, promoting the transition to a less carbon-intensive economy through the generation and sale of 100% renewable electric energy generated by solar-photovoltaic technology.

The Company generates emission-free power, and therefore releases into the atmosphere less CO_2 than it emits. Specifically, in 2020, its generation of renewable energy amounted to 506.68 GWh, which avoided the emission of 102,900 tons of CO_2. This is equal to the energy consumption of approximately 155,000 Spanish households.

In 2020, Solaria took another step forward in this regard with the approval of the Board of Directors of the Company's environmental policy. The policy deepens Solaria's commitments in relation to its business and environmental impact, it focuses on the Company's relationship with its surroundings and it addresses concerns such as efficient use of resources, protection of biodiversity and promotion of a circular economy.

The policy is applied to all of Solaria's subsidiaries and defines the following commitments and lines of action:

1. Strategy and environmental management

Develop a strategy and implement in the Company a management system to facilitate monitoring, evaluation of performance and decision-making in this sense.

2. Fight against climate change

Through the development and promotion of the use of renewable energies, specifically solar-photovoltaic, as essential elements in the decarbonization of the current business model.

3. Protection of biodiversity

Respect for ecosystems, biodiversity and cultural heritage in the natural spaces where the Company's installations are located.

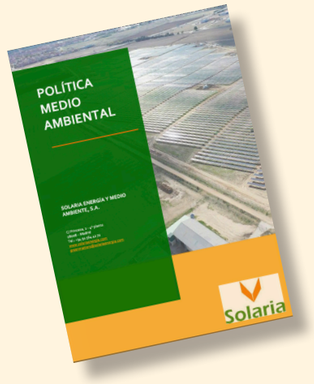
4. Responsible and efficient use of resources

In order to minimize the environmental impact of Solaria's activities and to contribute to a circular economy through the optimized use of resources.

5. Response to interest groups

To promote mutual social benefit in relation to interest groups as a means of protecting the environment and of sharing experiences and synergies.

In 2020, Solaria also put into action its internal environmental plan for 2020–24, targeting the materialization of the commitments assumed by the Company in relation to environmental concerns.



For further information on the commitments defined by Solaria's environmental policy, please visit: https://www.solariaenergia.com/resources/archivosbd/accionistas_ficheros/eac2f8ca9a69f5c0065ba2adf5e57b39.pdf

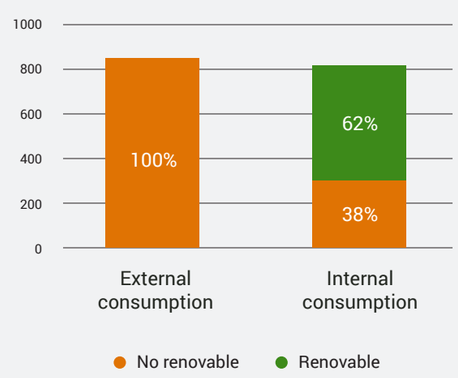
Responsible management of Solaria's footprint

In 2020, Solaria consumed 1,665.1 MWh of energy, of which 51% corresponds to external consumption chiefly associated with the use of fuel in leased vehicles.

Internally, the Company's energy consumption reflects fuel used in its own vehicles and electricity consumed in its offices, 62% of which (509.72 MWh) was generated with renewable energy.

In keeping with its commitment to efficient and responsible use of resources, Solaria put into action a series of initiatives in 2020 that will contribute to reduction of energy consumption. The initiatives include substituting electricity in all its installations in Spain for energy from renewable sources from 2021 onward, and the implementation and gradual substitution of the Company's diesel vehicles for hybrid vehicles, through the execution of Solaria's hybrid-fleet plan.

Renewable and non-renewable consumption (%)



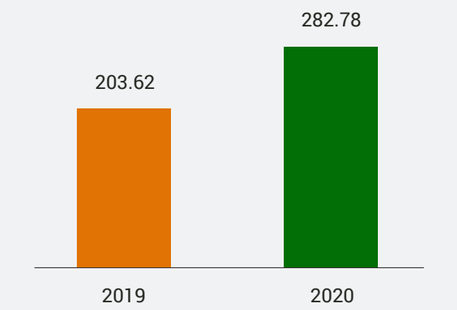
Emission of greenhouse gasses ($tnCO_2$)

Solaria has measured its carbon footprint since 2020 in order to establish initiatives and objectives that may contribute to the reduction of its emissions.

On the basis of the initial measurements taken between 2019 and 2020, Solaria has established a short-term target of reducing its emissions by 14% in 2021. At this time, the Company is also looking into tools to offset the whole of its emissions as a means of operating as a carbon-neutral company.

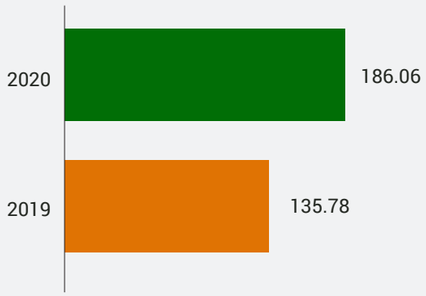
Solaria's total emissions of greenhouse gasses in 2020 amounted to 282.78 $tnCO_2$, constituting a 39% increase vs. 2019, chiefly due to an increase in activity in line with the Company's projected growth, and also owing to the first-time inclusion in the scope of the measurement of scope 3 gasses, which are emitted indirectly as a result of the Company's business travel.

Performance of greenhouse gas emissions ($tnCO_2$)

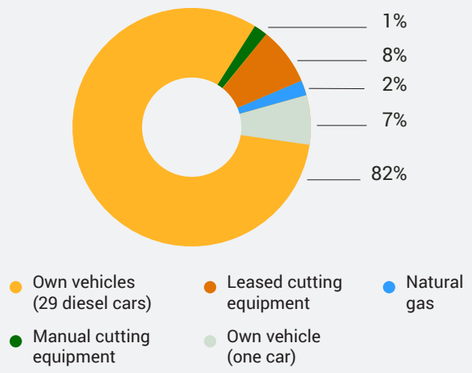


Solaria has targeted 14% reduction of emissions in 2021

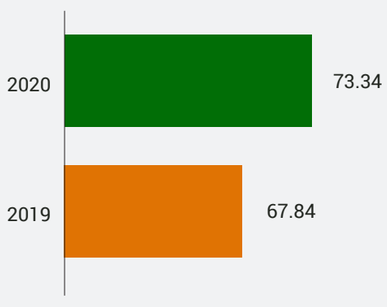
Scope 1 – Direct emissions ($tnCO_2$)



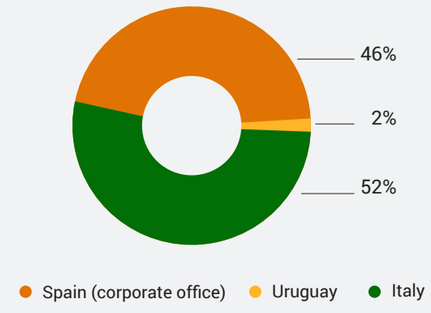
Scope 1 – Main sources of emissions (%)



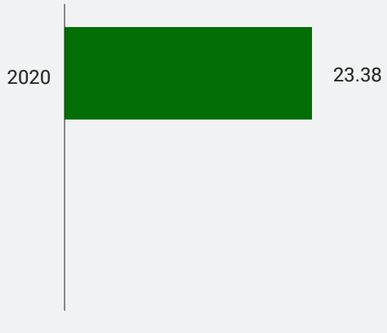
Scope 2 – Indirect emissions from consumption of electricity ($tnCO_2$)



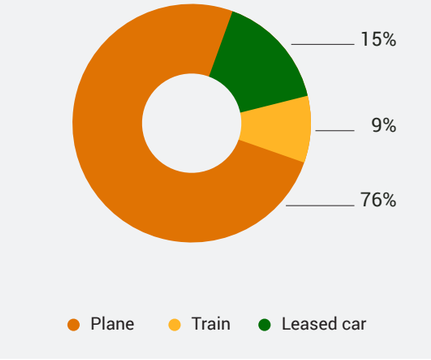
Scope 2 – Consumption of electricity by country (non-renewable) (%)



Scope 3 – Indirect emissions in chain of value ($tnCO_2$)



Scope 3 – Main sources of emissions (%)



Protection of biodiversity

Solaria strives to carry out its activity in harmony with its surroundings, and protection of biodiversity is an essential part of its approach to business. In all of its projects, it acts respectfully, avoiding construction of photovoltaic plants in environmentally protected areas or lands (nature, farming, archaeology).

In addition, before starting work on its projects, the Company always performs an environmental-impact study. It also prepares a plan in relation to the integration of the project with the environment and the landscape, establishing guidelines on restoration of and integration with the surroundings to mitigate any potentially adverse impact.

Solaria proposes offsetting measures to correct the possible impact of the construction of photovoltaic plants on their surroundings. The measures include Solaria's commitment to the plantation of greenery around one of its solar-power plants, the placement of nests and a plan for crop rotation on the land where solar-power plants are located.

It is also worth noting that, before commencing work on its projects, the Company establishes a period of public awareness, during which it informs all organizations and people that will be affected by the project and gives them an opportunity to submit objections. Furthermore, in the event that any significant environmental problems are detected, Solaria maintains numerous agreements with the owners of neighboring or nearby plots of land, in order to make use of them to avoid any significant risk.

In 2020, Solaria measured for the first time the emissions of its business travel

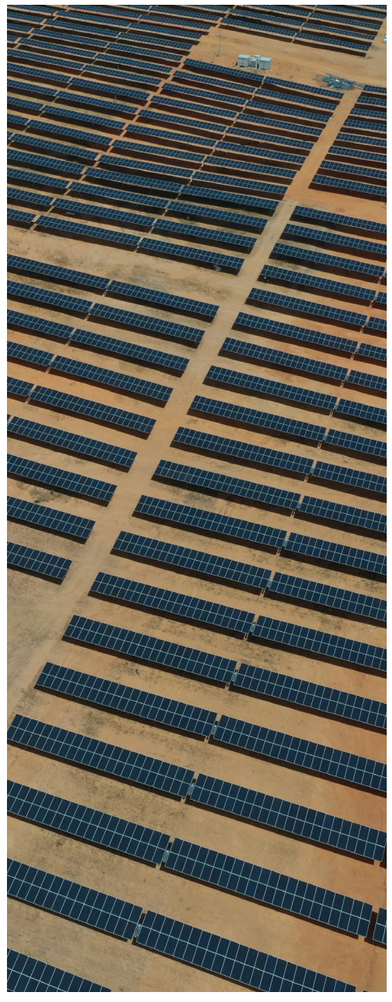


Commitment to society

Solaria's workforce

Commitment and responsibility

Solaria is committed to society and is aware that its employees are also responsible for transmitting the Company's values in their day-to-day work. Workplace dynamics are built on the following principles:



Development of human capital

Solaria's success largely depends on that of its workforce.

To this end, Human Resources has prepared individualized roadmaps for all employees.

Integrity and responsibility

The responsibility and sound business practices of Solaria's workforce are one of the main reasons that have made the Company an industry leader.

Solaria's workforce is comprised of committed and responsible individuals who are always ready to take on new challenges and are always in pursuit of excellence.

Teamwork

Solaria believes in teamwork. The keys to the Company's sound performance are coordination, a healthy sense of competitiveness and a responsible approach to getting work done, combined with outstanding workplace conditions.

Commitment

Our employees' commitment is essential to their advancement within the Company. In this sense, Solaria also becomes committed to each employee through a detailed hiring process in order to optimize relationships among the workforce.

Human Resources places particular importance on the human factor and monitors employees' development and career paths within the Company.

Workforce profile

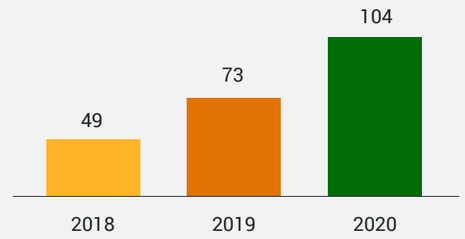
At the end of 2020, Solaria's workforce consisted of 104 employees, constituting a 42% increase vs. 2019.

At this time, most of the workers are male, in the proportion of 77% men vs. 23% women. In keeping with the Company's diversity and equality policies, Solaria targeted a proportion of 25% female employees. It is worth noting that women account for 30% of Solaria's workforce at the Company's central offices.

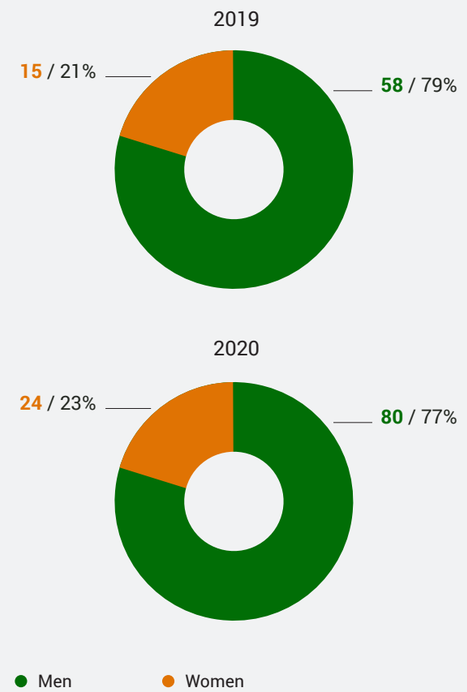
Over the course of 2020, Solaria's significant growth led to the hiring of 62 new employees, 29% of which were women.

Regarding disabilities, the Company has two disabled employees at this time.

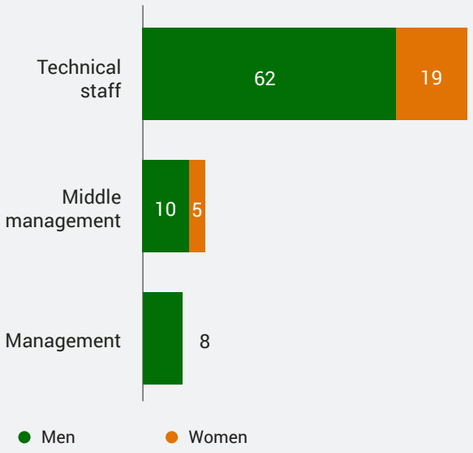
Total empleados



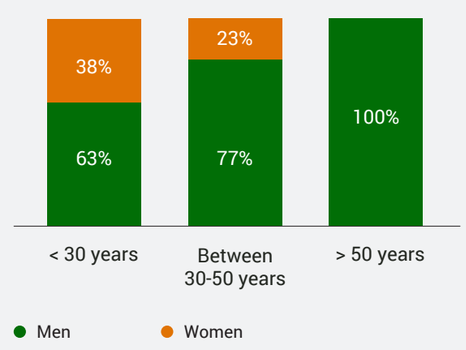
Breakdown of workforce by gender (%)



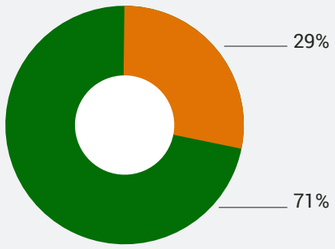
Employees by capacity and gender



Employees by gender and age group (%)



New hiring by gender (%)



New hiring by gender and age group



Turnover rate by gender and age group

	Gender	Turnover rate	Voluntary turnover rate
< 30 years	Men	20%	10%
	Women	35%	17%
Between 30 and 50 years	Men	36%	26%
	Women	50%	22%
> 50 years	Men	10%	10%
	Women	0	0



Equality, diversity and inclusion

Respect for human rights, diversity, equal-opportunity employment, equal treatment and non-discriminatory treatment are basic and inalienable human rights.

With regard to its present and prospective employees, Solaria respects all of these rights because we know that it is the only way to create a safe, open and trusting atmosphere in the workplace. To this end, the Company values people, which are its best resource.

As part of its commitment to people, Solaria's Board of Directors approved in 2020 a diversity policy, an anti-harassment policy and a hiring protocol that supplement the Company's internal diversity plan for 2020–24, which proposes measures to be taken in the following areas:

- Pre-hiring and hiring
- Professional capacity
- Training
- Career development
- Workplace conditions
- Shared responsibility for rights in relation to personal, family and professional life
- Female employees
- Prevention of sexual and gender-based harassment

Similarly, 2020 saw the creation of an equality commission, which oversees compliance with principles, commitments, internal policies and applicable legislation in relation to social concerns, protection of basic human rights and liberties and the meeting of established targets.

Base salaries by age, professional capacity and gender (euros)

Age group	Professional capacity	Gender	
		Men	Women
20-29	**Management**	-	-
	Middle management	-	-
	Technical staff	20,420	16,509
30-35	**Management**	-	-
	Middle management	59,000	49,667
	Technical staff	36,222	34,083
36-45	**Management**	107,429	-
	Middle management	55,800	50,000
	Technical staff	47,950	37,857
46-62	**Management**	100,000	-
	Middle management	67,000	65,000
	Technical staff	41,000	33,000

Employee benefits

In addition to their salaries, Solaria's employees are also given a series of fiscally advantageous benefits, including training, medical coverage or life insurance (which covers double the gross annual salary on which the Company and the employee have agreed), subsidized transport and food and day-care services for employees' children.

For further information on the equality, diversity and inclusion commitments defined by Solaria's diversity, anti-harassment, pre-hiring and hiring policies, please visit:
https://www.solariaenergia.com/es/accionistas-inversores/gobierno-corporativo/politicas-corporativas

Solaria's professionals

Solaria promotes the advancement of its employees' careers by providing a workplace atmosphere of progress, motivation and integration. To this end, the Company's training plan establishes annually training courses and resources that employees may use to carry out their duties effectively. This consists of practical training that meets the needs of the Company and those of its workforce and that covers diverse matters, including ethical conduct, compliance, environmental concerns, safety and job-safety analysis. The Company's training plan is revised annually and covers internal training. External training is provided on demand and is studied on a case-by-base basis, depending on the needs and benefits in relation to employees' functions.

In 2020, training initiatives totaled 1,770 hours, constituting a 260% increase vs. 2019. This greatly surpassed the Company's expectations, as it had targeted a 20% increase in training. The number of training hours amounts to an average of 17.35 hours per employee.

In regard to training on ethics and the ethical conduct of the Company's employees, 100% of the workforce received training on anti-corruption, and all corporate employees received further training on the code of ethics and on the use of Solaria's complaints channel.

ESG training

As part of the Company's ESG strategy, in 2020, Solaria placed particular emphasis on broadening its employees' knowledge of ESG

Over the course of 2020, Solaria provided two ESG training initiatives in order to raise employees' awareness of the new ESG policy and of the Company's commitments to the environment, to its workforce and to society.

The initiatives were designed to raise awareness of the importance of working with a focus on sustainability and mitigation of potential risk and impacts of the business and to encourage the identification of new opportunities.

The training also provided employees with information on the latest developments in relation to post-pandemic recovery and the transition to a more sustainable and inclusive context.



Health and well-being

Ensuring the safety of its employees is an essential part of Solaria's approach to business.

The Company is in compliance with current legislation on safety and health in the countries in which it operates, and it takes all necessary measures to protect its workforce. This commitment is also extended to contractors and suppliers whose activity is performed in workplaces for which Solaria is responsible.

For this reason, Solaria employs a preventive approach to job-safety analysis that is based on training initiatives that cover safety- and health-related concerns. Solaria has targeted zero accidents, starting with the implementation of a preventive culture in which all employees regardless of position are responsible for their own safety and contribute to the safety of others.

The Company has a safety and health policy that it applies to all its collaborators—whether they are employed directly or are subcontracted—and which defines the most relevant commitments and responsibilities to be assumed.

In 2020, Solaria provided 682 hours of training in four initiatives that covered matters in relation to job-safety analysis at plants and offices as well as more specific concerns such as procedures and protocols to be observed in the event of providing first aid or extinguishing fires and others in relation to metalworking in construction.

In addition, Solaria informs all of its contractors and suppliers of its safety and health policy and evaluates risk in all its contractors in this regard. Similarly, the Company randomly audits its contractors during the construction stage of its solar-power plants.

As of 31 December 2020, Solaria had registered two accidents among its own employees, none of which required sick leave. Among its contractors and suppliers, six accidents were registered, four of which resulted in employees taking sick leave, which constituted a case frequency of 2.71. No fatalities were registered during the period.



For further information on Solaria's safety and health policy, please visit:
https://www.solariaenergia.com/resources/archivosbd/accionistas_ficheros/082dfb4be70e7242ed5918256d0ff3ac.pdf

Safety measures in relation to COVID-19

Due to the healthcare crisis caused by the pandemic and in order to safeguard the health of its workforce, Solaria has taken the following measures to ensure the safety of its employees.

- Telecommuting
- At offices:
  - Daily measurement and control of temperatures of all employees
  - Social distancing at installations, in compliance with measures established by authorities, and meetings held remotely or with a reduced number of attendees when they must be held in person
  - Compulsory use of face masks provided by Solaria at installations
  - Sanitizing hand gel available for use throughout installations

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In addition, in coordination with local authorities in the autonomous communities of Castile and León, Castilla–La Mancha and Aragón, Solaria allocated resources to fight against the pandemic during its first wave, giving priority to the most vulnerable individuals:

- Solaria established collaboration agreements with the Catholic relief organization Cáritas in Castile and León to help the homeless, and further measures are being taken in relation to hygiene and improvement of the food provided, among other efforts.
- In Castilla–La Mancha, Solaria established a regional collaboration agreement with Red Cross, the funds of which have been allocated to the provision of food for the elderly and to medicine for economically challenged families. It also donated products for the disinfection of streets and 10,000 pairs of gloves for a foundation for the mentally impaired located in Puertollano.
- The Company participates actively in the autonomous community of Aragón through the provision of over 11,000 liters of liquid disinfectant and the necessary resources to supply over 3,000 face shields for those working in healthcare and law enforcement.



Bolstering of ESG among suppliers

At the end of 2020, Solaria collaborated with 2,992 suppliers to whom it paid €86.7mn for goods and services.

In order to extend its ESG commitments to its chain of supply and suppliers, in 2020 the Company prepared and approved a code of ethics for suppliers, raising awareness of the policy by including it in the collaboration agreements signed by said suppliers.

Solaria also establishes guidelines to control and manage risk associated with the activities of its suppliers.

For further information on the bolstering of ESG among the Company's suppliers as reflected in the suppliers code of ethics, please visit:
https://www.solariaenergia.com/resources/archivosbd/accionistas_ficheros/c351599b242e36fd9cd082eefb064e5e.pdf

Local communities

Solaria's business strategy is based on the creation of value. The solar-power plants it operates have a favorable effect on local economies, and the Company promotes the fight against climate change and contributes to the improvement of society.

When Solaria executes a solar project in a specific location, neighboring local communities are provided with access to Spain's ICIO tax on construction, installations and works, which may cover up to 4% of project budgets. This is a significant amount that, along with the payment of property tax (also associated with project value), constitutes an important source of funding for municipal authorities in the towns where the Company's projects are located.

During the construction stage of its photovoltaic plants, Solaria employs an average of 200 workers for six months, which provides significant stimulus of local economies and employment.

In addition, the Company's operation and maintenance staff are located at the site, which further contributes to the creation of local employment, as workers from the area are hired.



4. Corporate governance

Solaria aligns the functioning of its governing bodies with the guidelines and recommendations set forth under the code of good governance of listed companies of Spain's stock-market regulator (CNMV).

In 2020, Solaria maintained its efforts to improve and strengthen its governance model, bolstering the Company's regulatory framework, in line with its ESG strategy, and adapting its governing bodies in this sense.

In addition, in order to promote communication and transparency with its interest groups in relation to ESG, Solaria created in 2020 a new online communication channel (greenmaters@solariaenergia.com) for employees and third parties to submit queries related to the Company's approach to sustainability. Furthermore, as a listed company, Solaria complies with applicable legislation on the reporting of significant information to CNMV.

Corporate governance model

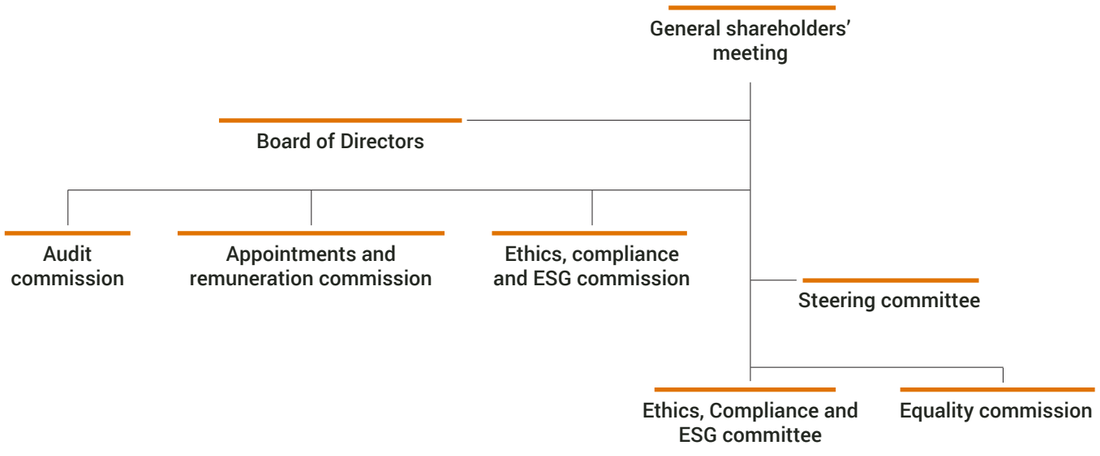
Governing bodies: composition and functions

Solaria has several different governing bodies, each of which have functions and competences that are defined in the Company's bylaws and the regulations of its Board of Directors.

New developments in 2020 include further adaptation of Solaria's governance model to the ESG strategy it has reinforced in recent years. Last year also saw the creation of an ethics, compliance and ESG commission that, by delegation of the Board of Directors, is in charge of the supervision and management of all pertinent matters and works with the assistance of the ethics, compliance and ESG committee.

As a result, the structure of Solaria's governance model is as follows:

Structure of governing bodies



General shareholders' meeting

The general shareholders' meeting is the highest-ranking governing body and represents all shareholders. It is governed by the law, the bylaws and the regulations of the general meeting, which supplements and implements the provisions of law and of the bylaws in relation to calling for, preparing for and holding shareholders' meetings as well as the exercising of rights of information, attendance, representation and voting of shareholders.

Board of Directors

Solaria's Board of Directors is comprised of six directors, two of which are independent. Its functions include approval and implementation of the Company's strategy and supervision of the meeting of established targets. In relation to ESG, the board is in charge of approval and supervision of sustainability policies and strategies.

Audit commission	Appointments and remuneration commission	Ethics, compliance and ESG commission
The Audit commission is comprised of three non-executive directors, two of which are independent. Its functions include proposing appointments of external auditors, overseeing the audit plan and verifying efficiency of internal control and accuracy of financial information.	The appointments and remuneration commission is comprised of three non-executive directors, two of which are independent. Its duties include defining the required attributes of candidates to fill empty positions on the board, establishing the targeted gender mix on the Board of Directors and determining how to meet said target.	The ethics, compliance and ESG commission is comprised of three non-executive directors, two of which are independent. It is in charge of proposing to the Board of Directors the approval of strategies and policies in relation to ethics, compliance and ESG and the periodic revision and updating of said strategies and policies. The commission also supervises systems of management and control of non-financial risk and reporting in this regard.

Steering committee

The steering committee is the highest-ranking internal body and is in charge of keeping the Company on track toward its projected future and of implementing its business strategy, leading its human resources and evaluating the meeting of established targets.

Ethics, compliance and ESG committee	Equality commission
The committee has the highest authority over the monitoring and operating compliance of matters related to ethics, compliance and ESG. It is in charge of reporting key matters to the ethics, compliance and ESG commission.	The commission is in charge of overseeing compliance with the principles, commitments, internal policies and legislation in relation to social concerns, protection of basic human rights and liberties and the meeting of established targets.

For further information on the regulations of the Board of Directors, please visit:
https://www.solariaenergia.com/resources/archivosbd/accionistas_ficheros/766358a6cf9f7e8bab4a813fe9db9567.pdf

Solaria's Board of Directors

Attributes of directors

Board of Directors	First appointment	Type of director	Commissions	Experience	Salary
D. Enrique Díaz-Tejeiro Gutiérrez	24/05/2007	Chairman of the Board (nominee)			€ 150.000
D. José Arturo Díaz-Tejeiro Larrañaga (Corporación Arditel S.L.U.)	21/12/2011	Executive			€ --[1]
D. Miguel Díaz-Tejeiro Larrañaga (Inversiones Miditel S.L.U.)	21/12/2011	Executive			€ 75.000
D. Manuel Azpilicueta Ferrer	24/05/2007	Other, external director	Chairman		€ 75.000
D. Carlos Francisco Abad Rico	28/06/2019	Independent	Chairman		€ 75.000
Dña. Elena Pisonero Ruiz	26/06/2019	Independent	Chairman woman		€ 75.000
D. Alfonso López Iglesias	15/04/2014	Non-voting secretary			€ 75.000

Audit commission | Ethics, compliance and ESG commission | Appointments and remuneration commission

Energy / Solar PV | Engineering | Finance | Legal

[1] Since June 2020.
Without receiving compensation either as CEO or as Board member representative.

In line with its new commitments assumed in relation to diversity and ESG, Solaria amended in 2020 the regulations of its Board of Directors to better reflect the Company's business strategy of ethics and sustainability and its commitment to diversity.

Compliance: ethics and integrity

Solaria's definition of integrity guides its interaction with its surroundings and ensures that the Company's conduct is at all times in compliance with regulation..

Compliance model

Corporate code of ethics	Handbook for employees, management and directors as well as third parties who collaborate with the Company. It defines the principles and commitments that must be observed in their professional relationship with Solaria.
Anti-corruption policy	The policy is designed to help employees and others associated with Solaria to understand rules on anti-corruption and anti-bribery practices so that they may make the right decisions.
ESG policy	It defines the lines of actions and initiatives to be taken to promote social well-being, respect for the environment and the generation of lasting value in the long term. The policy also provides information on the expectations of the Company's interest groups.
Environmental policy	It details the Company's commitment to the fight against climate change, efficient and responsible use of natural resources, protection of biodiversity and emission-reduction targets.
Equality and diversity policy	The policy establishes a series of targets and measures to promote diversity, equal treatment and equal opportunities for men and women in the workplace.
Safety and occupational health policy	It defines the Company's commitment to the health and well-being of its workforce through improvement of workplace conditions and integrated and appropriate management of job safety.
Anti-harassment policy	This policy defines harassment that takes place at work, is of a sexual nature or is based on gender and establishes a protocol of investigation and response in the event that such conduct is detected.
Suppliers code	It establishes the rules and main values that suppliers must observe if they wish to engage in commercial relations with the Company, and it sets forth guidelines for the control and management of risks that may arise in the purchasing of material (or any other kind of supply) or when contracting services.
Other policies	In relation to its interest groups, Solaria has a Group communication policy, a protocol of pre-hiring and hiring and a data-security policy.

In 2020, Solaria undertook the revision and definition of the policies on which its compliance and integrity are based.

In this sense, the code of corporate ethics was revised and updated to better reflect the best market practices and domestic and international benchmark standards. This allows the Company to ensure its compliance with principles of ethical conduct and elements of due diligence.

The most relevant changes to the code have to do with a reinforced approach to matters such as confidentiality, transparency of information, strengthening of due diligence in relation to ESG and supervision of counterparties in third-party relations. In addition, the changes introduced guidelines on donations, sponsorships and patronage, fiscal responsibility, protection of human rights and bolstering of environmental content.

Solaria also approved in 2020 a new anti-corruption policy that reiterates the idea of zero tolerance toward such practices, along with a series of policies that enhance the Company's rules on ethics, compliance and ESG.

To this end, Solaria also established internal bodies, regulations and tools that are necessary to implement and oversee the policies. As a result, the internal control of the effective application of policies on environment, social concerns and good governance corresponds to the ethics, compliance and ESG committee, which is also in charge of promoting, monitoring and periodically revising the alignment of challenges associated with the Company's activity and its strategy of sustainability. The ethics, compliance and ESG committee is in charge of reporting periodically or when necessary to the ethics, compliance and ESG commission or directly to the Board of Directors the occurrence of any such matters of a significant nature.

In addition, in 2020, Solaria's management became more involved with the Company's strategy of sustainability and ESG, conditioning 15% of their variable pay to the meeting of sustainability and ESG targets. Management also signed malus and clawback clauses to avoid malpractice, thus ensuring compliance with the best practices of ethical conduct and sound business practices.

Compliance channel

Solaria set up a new channel of communication (**canalcompliance@solariaenergia.com**) so that employees and third parties who collaborate with the Company (even anonymously) may submit any queries or suggestions regarding compliance or file complaints of unethical or illegal conduct.

The channel ensures the utmost confidentiality of such information as well as the lack of adverse consequences for those who use it.

It is worth noting that there were no complaints or queries from third parties in 2020. Internally, three complaints were registered in relation to practices in the workplace. The three complaints were processed pursuant to internal protocol on the use of the channel and, after being given careful consideration, were dismissed due to lack of evidence.





Central offices

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