

# Solaria

Sustainability Report H1 2024




01. Introduction

02. Environmental commitment

03. Social commitment

04. Good governance

05. Appendix

# Introduction

Solaria Energía y Medio Ambiente, S.A. (hereinafter referred to as "Solaria" or "the Company") is a leading company in the development and generation of solar photovoltaic energy, with the purpose of actively contributing to the decarbonization of the economy and achieving a global energy model based on clean, renewable, affordable, secure and sovereign energy.

Its business management is based on ethics, transparency and sustainability, always seeking maximum profitability for its investors. These values, together with its solid experience in the sector, available resources and human talent, mean that Solaria is in a period of expansion and growth that positions it as a leading company in the European renewable energy sector.

In this context, the company has the objective of having 6.2 GW of emission-free energy installed by 2025 and 18 GW by 2030. To achieve these ambitious goals, Solaria has diversified its project portfolio to include hybrid, storage and data center solutions, demonstrating Solaria's ability to adapt to market demands and offer innovative energy solutions. This also favours the reduction of external electricity dependence and takes advantage of a unique opportunity to accelerate and intensify the digital transition in Spain thanks to the affordable electricity prices provided by renewable energies in the Iberian market.

In May 2024, Solaria inaugurated its Data Centers division, entering the CPD (data processing center) market and obtaining from Red Eléctrica the viability of access and connection for a total demand supply of 155 MW.

Data Centers (DPCs) and Artificial Intelligence (AI) will require large amounts of energy. For this reason, Solaria has positioned itself as a strong ally in Spain's digital transformation, firmly committed to it. In this sense, Solaria already has the capacity to provide green electricity through its own energy transport infrastructure, with the aim of facilitating the energization of digital infrastructures.

It should be noted that, as of the date of this report, Solaria has already signed an agreement with the Japanese technology company Datasection to develop an Artificial Intelligence Data Center. The agreement foresees the achievement of a supply of up to 200 MW and the use of up to 100,000 m2 of surface area at Solaria's own facilities in Puertollano, which has the so-called "clean rooms", rooms with a high level of isolation and air quality that in the past were used for the manufacture of photovoltaic cells and that in the coming months will house the racks of the Super Micro company and the latest generation microchips from NVIDIA that will be the brain of the first artificial intelligence data center in the EU.

***"Solaria will be a key player in Europe's digital and energy transition"***

*Enrique Diaz-Tejeiro, President of Solaria*

# Introduction

## Sustainable management

As a renewable energy company, Solaria is fully committed to sustainable development, with a special emphasis on combating climate change and protecting the social environment in which it operates.

These principles are reflected in its Sustainability Policy, which is configured as the framework that establishes the general basis for actions and activities to be developed in favour of social welfare, respect for the environment and the generation of value that transcends in the long term, also attending to the expectations of its stakeholders, with the conviction that sustainability and profitability go hand in hand.

This Sustainability Policy was updated and approved by Solaria's Board of Directors in September 2023. In this sense, the company's Board of Directors is the highest authority on sustainability issues, while the Ethics, Compliance and ESG Committee is responsible for evaluating and approving policies and objectives, as well as periodically supervising the global integration of environmental and climate issues in the company's strategy.

Furthermore, the company, in its commitment to sustainability, is a member of different initiatives such as the Global Compact, the Spanish Group for Green Growth and the Spanish Business and Biodiversity Initiative of the Biodiversity Foundation and participates in various ESG indices and ratings.

## ESG performance at a glance



**Installed capacity in operation:** 1.658

**Generation (GWh):** 1.224

**Operating plants:** 53



**Income (k €):** 97,849

**Turnover (k €):** 82,958

**EBITDA (k €):** 84,334

**Net profit (k €):** 41,637



**Number of employees**: 235

**Permanent contracts (%):** 100

**Women in management positions (%):** 20



**Emissions avoided (tCO2):** 109,910

**Scope 1 (tCO2):** 243

**Scope 2 (tCO2):** 2

**CO2 intensity (tCO2/GWh):** 0.22



**Number of Directors**: 6

**% of women in BoD**: 33%

**% of independent Directors:** 33%



**MSCI:** AA

**Sustainalytics:** Low risk

**CDP:** B

**S&P:** 54



# ESG Objectives

Solaria

- Improving out ESG ratings (CSA, MSCI, FTSE4Good) in 2024.
- 50% female representation on the BoD by 2026
- Continuous improvement of compliance systems and corporate policies and standards.

- Carbon neutral by 2030 (scopes 1 and 2)
- 50% reduction in unit emissions by 2025.
- 100% renewable electricity consumption across all Solaria facilities by the end of 2024.
- 99% hybrid vehicle fleet by 2030.
- Offset of remaining emissions through certified reforestation projects.

- Company's female representation above 25%.
- Increase female representation in leadership positions.
- Develop initiatives to promote social inclusion.
- Increase training hours by 20% compared to 2023.
- Conduct internal audits on occupational health and safety.
- Social and environmental due diligence on suppliers.

# Environmental commitment

Solaria's commitment to the environment is at the heart of its business model and governs the company's daily operations. Both the company's Sustainability Policy and Environmental Policy govern the principles of action in terms of environmental management, biodiversity, efficient use of resources and the fight against climate change. In this last aspect, Solaria presents itself as a fundamental player in the transition to a carbon-free economy thanks to the generation of more than 1,200 GWh in the first quarter of the year, which has meant more than 109,000 tCO2 avoided. Proof of this is the total alignment of its main renewable electricity generation activity with the European Taxonomy, which is 100% eligible.

***For every ton of CO2 emitted in our operations, we avoid the emission of +400 tons, thanks to the generation of green energy.***

In addition to Solaria's evident contribution to the fight against climate change and decarbonization, the Company makes every effort to protect the environment and biodiversity. For this reason, among other measures, it should be noted that, for each of its projects, it prepares an environmental impact study that considers the current and foreseeable effects of Solaria's activities on the environment, both for the construction phase and for the operation and decommissioning phases.

Impacts are analysed on a case-by-case and project-by-project basis, conducting an analysis of the environmental risks associated with the project, the vulnerabilities and the measures to eliminate, minimize or compensate for the negative environmental effects that the project may generate, in its construction or operation. In addition, the Company complies with all applicable environmental regulations. In this sense, neither during 2023 nor during 2022 has the Company had to face any environmental fines or sanctions.

Regarding biodiversity and thanks to the aforementioned actions, Solaria generates a positive impact on the flora and fauna of the environment through compensatory measures. In the plots where the photovoltaic installations are located, measures such as the installation of nests for local bird species, accommodations for insects or bats, and even collaborations with local beekeepers have been carried out.

Given the benefits these measures generate for local flora and fauna, Solaria is promoting agrovoltaic technology in its solar plants, thus generating not only a positive impact on climate change but also on biodiversity and local communities.

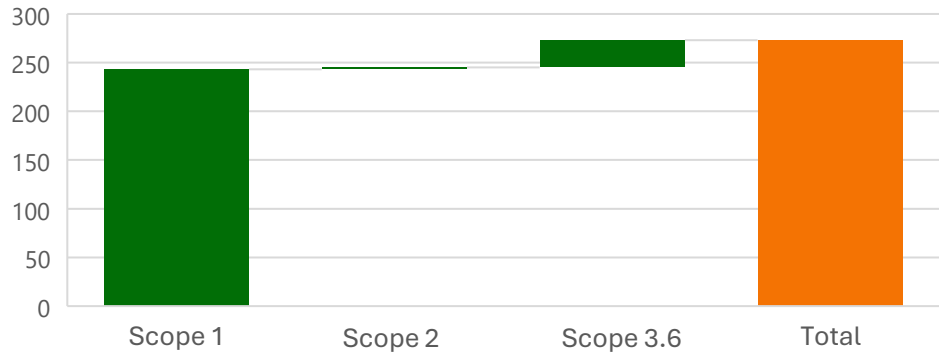


# Environmental commitment

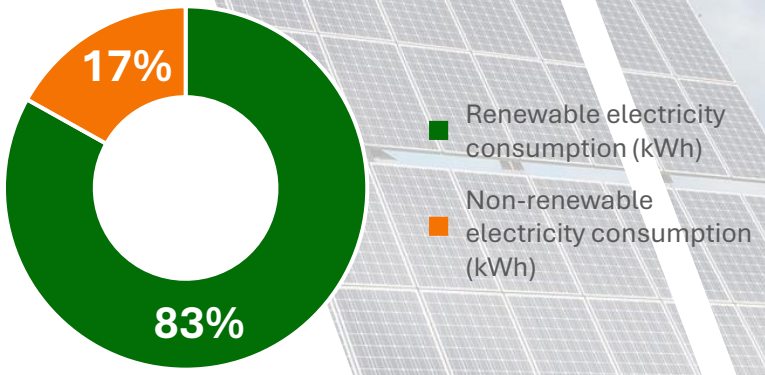
## Fighting against climate change

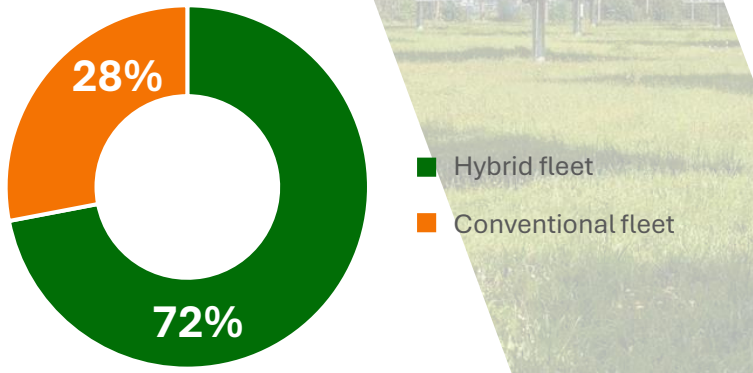
As a company dedicated to the generation of renewable energy, Solaria is not energy-intensive nor does it generate significant CO2 emissions. In this sense, the company's main consumptions derive from the use of fuel for the vehicle fleet and construction machinery and the consumption of electricity in plants and offices.

As a result of these consumptions, the following emissions were generated in the first half of the year:




To achieve the goal of being carbon neutral by 2030, the company has implemented various measures aimed at minimizing greenhouse gas emissions, such as purchasing renewable electricity, replacing gasoline and diesel vehicles with hybrid and electric vehicles, or replacing generators with solar panels.



# Social commitment

## With our employees

Solaria's success and growth are driven by the talent of its employees, the company's most valuable asset. As of the end of the first half of 2024, Solaria's team consisted of 235 employees, in line with the 236 employees the company had in the first half of 2023. Of these, 100% have a permanent contract, which evidences Solaria's commitment to quality employment.

During the year, Solaria has incorporated 45 employees into its workforce and has reduced the voluntary turnover rate by 50% compared to the same period in 2023, demonstrating not only the importance of attracting talent but also of retaining and developing it. In this context, the company has provided 1,900 hours of training in various subjects such as safety and health or cybersecurity and has enhanced the skills of certain profiles thanks to training in big data and data analytics.

Likewise, Solaria has continued to offer benefits to its employees such as health insurance, life insurance, meal vouchers, and transportation or childcare cards.

In terms of diversity, Solaria continues to work to foster a work environment where all workers have the same opportunities. In this sense, in the first half of 2024, the company has increased the presence of women in the workforce by 5% and doubled it in management positions. Likewise, the number of employees with disabilities has doubled compared to the previous year.

Finally, Solaria has continued to promote a safe work environment and create a culture of risk prevention in order to minimize any potential accidents. In this regard, the frequency and severity rates in the first half of the year were 16.68 and 0.61, respectively.

**+5%** of women in the workforce

**x2** of women in management positions

**x2** employees with disabilities

**-50%** voluntary turnover rate

# Social commitment

## With local communities

Solaria maintains a business strategy focused on value creation where local communities are a key stakeholder for the Company. Therefore, it dedicates the necessary resources to ensure a good relationship and fluid and constant communication with the communities through a presence in the territory, enabled communication channels, media, social networks, and participation in forums and debates.

In turn, Solaria generates significant socioeconomic benefits for local communities through its projects, as well as positive impacts on municipalities through job creation and economic contributions and its social initiatives based on the assessment of the needs of each area.

Thus, Solaria seeks land with low agricultural capacity, trying to ensure that there have been no previous conflicts in or because of such land, prioritizes the hiring of local resources, both the personnel necessary for construction and the purchase of supplies, favours fluid and permanent communication with the populations close to the project, with public administrations and with any stakeholder, creates wealth directly and indirectly in the municipalities or regions where it is located,

## Examples of developed programs

- ✓ **Agrivoltaic technology:** Collaborations are being studied with local farmers and ranchers to reconcile solar plants with agriculture and livestock, for example, lavender plantations, beekeeping or sheep farming, which currently already take care of clearing the plants, thus avoiding the pollution caused by brush cutters.
- ✓ **Solaria Forma:** Plan through which Solaria participates in local training centers and schools in different courses related to renewable energies and solar energy. The Company also donates material to different schools and training centers specialized in renewable energies.
- ✓ **Sponsorships:** Participation and sponsorship of different forums, events, newspapers, cultural activities, etc., in the areas where it is located.



# Social commitment

### With the supply chain and human rights

Solaria's commitment to sustainability extends beyond its own operations, encompassing its entire value chain with a focus on Human Rights. In this regard, Solaria has implemented a Human Rights due diligence system aligned with the most demanding international standards, enabling it to identify and mitigate any risks throughout its value chain. This process includes a thorough evaluation of suppliers, verification of their policies and practices, and even on-site audits.

Through these rigorous evaluation and audit processes, Solaria ensures that its supply chain complies with the highest ethical and labour standards. Furthermore, through its Supplier Code of Ethics, the company requires its business partners to comply with principles such as non-discrimination, the prohibition of child labour, and respect for freedom of association.

As a result of these efforts, the company has not received any complaints, denunciations, or claims related to Human Rights in the first half of the year.

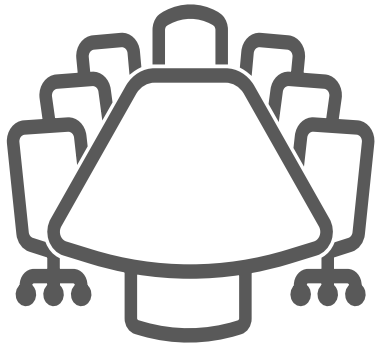
Moreover, in line with Solaria's commitment to the local communities where it operates, the company has made purchases from local suppliers, thus supporting the development of the communities through the socioeconomic growth generated by its purchases.



# Good governance

Good governance, ethics, and transparency are deeply ingrained in Solaria's DNA. This spirit is embodied within the company through its bylaws, the regulations of the Board of Directors, and corporate policies.

Currently, Solaria's Board of Directors consists of six members, two of whom are independent and two are women.



**33%** Women in the Board of Directors

**33%** Independent directors

It is worth highlighting that, due to the efficient operation of Solaria's board of directors, the most recent General Shareholders' Meeting ratified the reappointment of President Enrique Díaz-Tejeiro, CEO Arturo Díaz-Tejeiro, and the remaining board members

Regarding risk management, Solaria has launched a project to update its corporate risk map, which involves the company's main areas and will allow the identification, prioritization, and mitigation of any risk to which the company is exposed.

In terms of ethics, Solaria has different tools to ensure the alignment of these values with its operations, such as the code of ethics, the anti-corruption policy, or the supplier code of ethics. At the governance level, Solaria has an Ethics, Compliance and ESG Committee, which is responsible for evaluating and approving policies and objectives, as well as periodically supervising the global integration of environmental and climate issues into the company's strategy, among others.

Finally, the company has a fully confidential compliance channel (canalcompliance@solariaenergia.com) through which both employees and third parties can report any behaviour that goes against the company's values. Likewise, in the first half of the year, another channel was opened on the employee intranet with the same purpose as the previous one.

For any complaint received through these channels, the Ethics, Compliance and ESG Committee is the body responsible for its processing.

# Appendix

| Indicator | H1 2024 | H1 2023 |
|---|---|---|
| Scope 1 emissions (tCO2) | 243.28 | 159.26 |
| Scope 2 emissions (tCO2) | 2.03 | 0.99 |
| Scope 3 emissions (tCO2) | 28.09 | 28.21 |
| Electricity generation (GWh) | 1,226 | 1,002 |
| Emissions intensity (tCO2/GWh) | 0.22 | 0.19 |
| Emissions avoided (tCO2) | 109,910 | 119,565 |
| Environmental sanctions | 0 | 0 |
| Number of employees | 235 | 228 |
| % of permanent contracts | 100% | 100% |
| % women in the workforce | 17% | 17% |
| % of women in management positions | 20% | 13% |
| Employees with disabilities | 2 | 1 |

| Indicator | H1 2024 | H1 2023 |
|---|---|---|
| Training hours | 1,900 | 1,610 |
| Voluntary turnover rate | 9.40% | 18.74% |
| New hires | 45 | 114 |
| Frequency rate (direct/indirect)[1] | 16.68 / 0 | 6.25 / 2.42 |
| Severity rate (direct/indirect)[2] | 0.61 / 0 | 0.29 / 0.02 |
| % of women in the BoD | 33% | 33% |
| % of independent Directors | 33% | 33% |

*[1] N. of accidents with leave x 1,000,000 / total worked hours*

*[2] N. of days lost by accident with leave x 1,000 / total worked hours*




Thank you.