Solaria

Sustainability Report 2023





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01 About this Report

This Sustainability Report (hereinafter “the Sustainability Report” or “the Report”) has been drawn up using as its reference the guidelines set out in the International Integrated Reporting Framework, the Global Reporting Initiative Guide (selected GRI), the Sustainable Development Goals, the Ten Principles of the United Nations Global Compact, an initiative to which Solaria has signed up in 2021, and the Directive 2014/95/EU on non-financial and diversity information, complemented by Law 11/201, the European Taxonomy Regulations for sustainable investments, as well as the recommendations of the Task-force on Climate related Financial Disclosure (TCFD), the climate scenarios established by the Intergovernmental Panel on Climate Change and other reference standards in terms of non-financial reporting.

The publication of this Sustainability Report, for the fourth consecutive year and on a voluntary basis, is the upshot of the strong commitment of Solaria Energía y Medio Ambiente, SA (hereinafter “Solaria” or “the Company”) to the environment, society and risk governance, thereby consolidating the effort made by the Company in recent years to keep integrating environmental, social and good governance (ESG) criteria into its strategy.

This report is also an exercise in transparency that aims to convey to the Company's stakeholders information about the strategy, situation, activities, goals and progress in the field of sustainability, both internally and externally, since for Solaria the communication, clarity and truthfulness of the information are fundamental values.

In addition, the Company seeks to afford greater visibility to its management in all environmental, social and governance aspects, placing special emphasis on the control of non-financial risks, care for the environment and all the people and stakeholders who go to make up and are related with the Company, including amongst its priorities the contribution to decarbonisation, the care and protection of people, issues related with the defence of Human Rights, the prevention of practices related with bribery and corruption etc.

This publication is a voluntary exercise since Solaria does not currently comply with the requirements established for the presentation of the Non-Financial Information Statement regulated in Law 11/2018 of 28 December, nor with the reporting requirements established in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments.

Scope of the Report

The information and quantitative data in this report are limited to the year 2023 and are thus the result of their consolidation as at 31 December 2023, the year-end date, and on the entire activity of Solaria in those countries in which it operates However, and in order to facilitate the reader's understanding and contextualisation of the evolution of the business, the history of the information will be provided, when possible, including figures and facts relating to previous years.

This report refers to the Solaria group on a consolidated basis, except when expressly referring to one of the companies specifically. The perimeter of companies included can be consulted in Annex I "Companies that go to make up Solaria", of the Consolidated Annual Accounts for 2023.

Throughout the report, information of a prospective nature is also provided, based on an analysis of the current context and its expected evolution (not committing said objectives to their achievement).

Verification

This report was approved by the Board of Directors on 26 February 2024.

Verification of the Report has been carried out by Ernst & Young, whose verification report, dated 28 February, 2024, is attached as Annex III.

Those issues of interest about the content of the report can be sent to the e-mail *greenmatters@solariaenergia.com*.

02 Chairman's address

Dear business community, shareholders, employees and allies,

It is with great enthusiasm that I am writing to you in our Sustainability Report, a testament to our journey towards creating a positive impact on the world around us. Over the past year, we have navigated challenging waters and emerged with achievements that reflect our strong commitment to sustainability and our leadership in the energy transition in the European Union with the goal of achieving 18 GW of renewable energy by 2030.

This year, despite the great uncertainty that we are experiencing globally, has been a year of strong growth and excellent results for us. Currently we have 1,658 MW operating and 3,188 MW including those under construction. These data show Solaria's great progress in achieving the established goals.

Financing for the implementation of our portfolio is secured through the European Investment Bank, with whom we have signed a financing framework agreement of 1.7 billion euros, in association with Spanish banks.

There are tangible achievements in the company's expansion outside Spain. In Portugal we have more than 500 MW ensured. In Italy we already have a project portfolio of 2.8 GW, with the aim of reaching 5 GW in 2030 and in Germany there is a firm commitment.

Likewise, it is important to highlight that in terms of CAPEX, we are still one of the most efficient companies in Europe with a project return in excess of 12%.

What has been achieved so far is reflected in the income statements that we are submitting to the markets, with extraordinary quarterly growths in both EBITDA and profits. To be precise, we closed the year with turnover of 191 million euros and EBITDA of 200 million euros. We have a sound balance sheet showing a net profit of 107 million euros as at 31 December 2023, which is growing quarter by quarter.

But leadership in the energy and economic transition goes beyond the generation of renewable energy. It requires a comprehensive commitment encompassing strong policies, investment in research and development, skills development, multi-sector collaboration and education. Without these factors it will not be possible to move towards a more sustainable, resilient future. This is why we are totally committed to sustainable growth, where environmental protection, respect for society and good governance are fundamental values for us.

Renewable energies, and specifically solar photovoltaic energy, bring with them an essential triad: to decarbonise our economies, electrify our societies and increase energy efficiency. In this regard, solar photovoltaic energy is undoubtedly the cornerstone of the three great challenges that we face as a society:

- The fight against global warming
- The need to achieve energy sovereignty for all nations through national security (avoiding dependence on foreign fuels).
- The need for cheap electricity prices.

Our business is fully aligned with European plans and regulations regarding sustainability and decarbonisation, the United Nations Sustainable Development Goals and the plans to combat climate change. Sustainable development is at the heart of our strategic plan and forms part of our values.

For Solaria, it is essential to gain an overview of the risks and opportunities and to have a robust management system for them, in order to mitigate the risks and enhance the opportunities in a sector that, as has already been said and becomes evident throughout this Report, is totally favourable and has good future prospects.

On the environmental front, we are moving towards achieving carbon neutrality, demonstrating that it is possible to merge business growth with the preservation of the planet.

In the social sphere, we are proud to report that our actions transcend corporate borders. We have strengthened ties with local communities through sustainable development programmes that not only benefit our operations, but also improve the quality of life of those around us. Our employees, the soul of our company, have been the driving force behind this change, and we have implemented initiatives that promote their well-being and professional development.

At Solaria we are making major endeavours to be aligned with the market and meet the expectations of our stakeholders in the management of ESG factors. The publication of this report represents a huge effort and progress for the Company. It is the fourth consecutive year that we have drawn it up, though without having been under any obligation to do so. In fact, we are the only IBEX 35 company that is not required to submit the Non-Financial Information Statement for not complying with the requirements established by law.

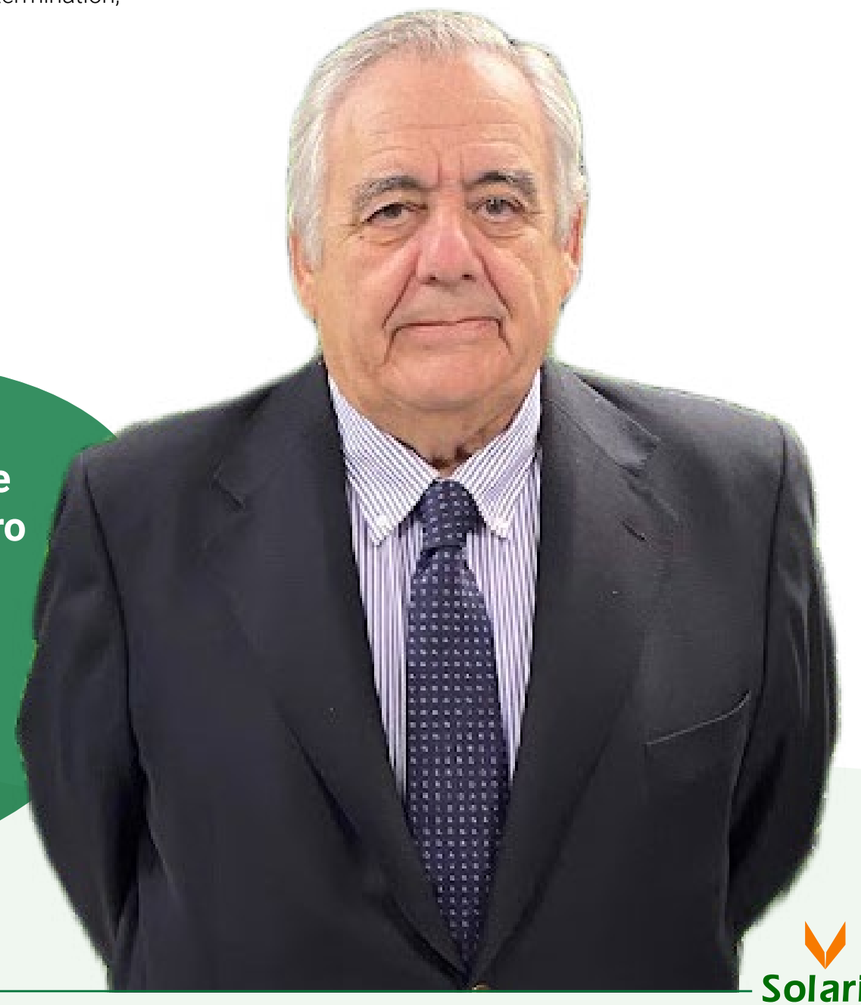
While we celebrate these successes, we also recognise the need to confront emerging challenges and constantly evolve.

In conclusion, despite the turbulent times we are going through, Solaria appears strong and its prospects are good in terms of facing the new challenges awaiting our sector. Today we can say, with complete certainty, that we are facing a future of the energy sector that will be renewable and Solaria will be key in this energy transition.

As every year, I am grateful for the dedication, effort and commitment of all the Company's employees who, together with the Board members and the trust of our counterparties, suppliers and shareholders, enable us to keep advancing day by day with excellent results.

I also want to sincerely thank all those who have contributed to our progress and join in a call for collective action. With our ambition to build a more sustainable, equitable future, every step counts, and together we are weaving the tapestry of a business legacy that goes beyond profits, embracing responsibility for generations to come.

With gratitude and determination,



Mr. Enrique Díaz-Tejeiro Gutiérrez

Chairman of Solaria



03

Solaria in 2023

Solaria en figures

Operations data

	2023	2022
MW installed:	1,658 MW	1,000 MW
Generation:	2,271 GWh	1,401 GWh
Energy from renewable sources:	100%	100%
Projects up and running:	51	45
Countries where it operates:	6	6

Economic data

	2023	2022
Income:	€230 million	€167 million
Turnover:	€191 million	€139 million
EBITDA:	€199.9 million	€147 million
Net profit:	€107.514 million	€90 million
Eligible activity for Taxonomy:	100%	100%

Environment

	2023	2022
CO_2 emissions avoided ($TnCO_2$):	566,595	363,000
Scope 1 ($TnCO_2$):	314.93	291.92
Scope 2 ($TnCO_2$):	2.06	3.69
Scope 3 ($TnCO_2$):	166.87	71.52
Carbon footprint by intensity[1] ($tnCO_2$):	0.139	0.21
Science Based Targets initiative:	Yes	Yes

People

	2023	2022
Headcount:	250	191
Total hours of training:	3,518	2,375.5
New recruitments:	176	114
Average age:	41	42
Indefinite contracts:	97%	98%

Good governance

	2023	2022
Directors:	6	6
Female representation:	33.33%	16.66%
Commissions:	3	3
Internal committees:	4	4
Number of Board meetings:	8	6
Number of women in the Management Team:	1	1

ESG Ratings and Indices

	2023	2022
MSCI:	AAA	AAA
Sustainalytics:	Low risk	Low risk
CDP	B	C
S&P	54	48
ISS	B+	B
Bloomberg Gender Equality Index	Yes	Yes
S&P Global Green Energy Index	Yes	Yes

[1] *Scope 1 and 2*



04

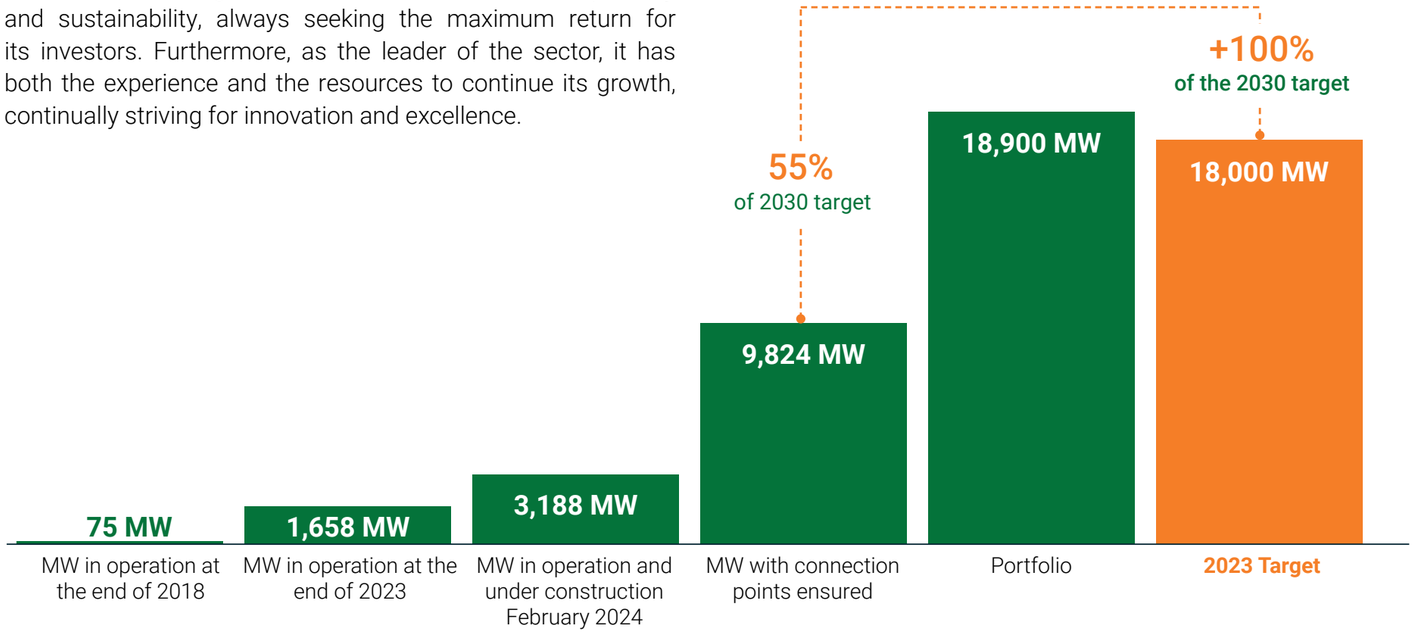
About Solaria

The time for green energy is now

Solaria is a leading company in the development and generation of solar photovoltaic energy in southern Europe, setting out to make an active contribution to decarbonisation and ensure that the global energy model is based on clean energy, including the sustainable approach in its business management and strategy.

The Company has the aim of having **18 GW of emissions-free energy installed by 2030**, in line with the 2030 Agenda, the Sustainable Development Goals and the 10 Principles of the United Nations Global Compact, to which it is fully committed. In this way, it also promotes the reduction of electrical dependence as it uses everything within its power to make solar energy accessible to the entire population.

Its business management is based on ethics, transparency and sustainability, always seeking the maximum return for its investors. Furthermore, as the leader of the sector, it has both the experience and the resources to continue its growth, continually striving for innovation and excellence.





Since its outset in 2002, and during these more than 20 years of activity, it has specialised in renewable energy and, more specifically, in the implementation and development of solar photovoltaic technology. It has participated in the entire value chain of photovoltaic activity, from the manufacture of photovoltaic cells and panels to the development and management of solar plants. In recent years it has specialised in the generation of solar energy.

It has a long track record on the Spanish stock market, to which it has belonged and on which it has been listed since 2007. In 2020, this path culminated with its admission into the Spanish selective IBEX 35

2002 — Creation of Solaria

Specialized in PV power, specifically in the manufacturing of solar panels.

2007 — Initial listing

In 2007, Solaria becomes the first PV company to be listed on the Madrid stock exchange.

2014 — Withdrawal from manufacturing activity

Solaria opts to cease its manufacturing of solar panels to focus on PV generation.

2017 — Spanish energy auction and refinancing

Solaria is awarded 250MW in a renewable-energy auction in Spain and successfully completes refinancing of all its assets in Spain through the issuance of project bonds.

2018 — New Stategic Plan

Targeted installation of 1.3 GW by end of 2021.

2018 — First PPA signed

First PPA signed with Repsol.

2020 — Capital increase

Proceeds of €96.8mn raised at €5.80/share.

2020 — Solaria on the Ibex 35 Index

In October 2020, the Company is included on the index.

2020 — Prioritization of ESG

Solaria commits to and enhances ESG criteria as part of its strategy through diverse measures and objectives.

2021 — Updating of strategic plan

In line with its projected growth abroad, the strategic plan is updated to target 18GW by 2030.

2022 — Opening of offices in Italy

2022 — 1.000 MW conected

2022 — Solaria obtains the AAA ESG clasification of the MSCI rating

2023 — Milestones for the fiscal year 2023

For more information roll over

Mission, vision and values

Mission

The Company's mission is to promote the development of the use of sunlight as a renewable energy source, through the transformation of knowledge and experience into innovative solutions that contribute to the well-being and progress of humanity, promoting, with a strategy based on sustainable economic development, a reduction in environmental impact and electricity dependence. To achieve this, it has the goal of having 18GW of solar energy up and running by 2030.

Vision

Solaria sets itself as a leading international company, fully aligned with global sustainable plans, European regulations and the highest sustainability standards, recognised by its stakeholders as a guarantee of quality, experience, profitability, innovation, flexibility and transparency through continuous analysis and an understanding of the renewable energies sector, thereby enabling it to offer value-added solutions that outstrip the expectations of its stakeholders and make solar energy available to the entire population as a clean, cheaper and inexhaustible alternative.

Values

Sustainability

Solaria is a company committed to the environment, its surroundings and society which is why it seeks to strike a balance between the resources used and the environment, always applying the motto that sustainability and profitability go hand in hand.

Leadership

Solaria, as a leading company in its sector, is a benchmark organisation, both in terms of capabilities and solvency, quality, technology, sustainable growth, ideas and people.

Ethics

Solaria is a transparent company with clients and shareholders who trust it because it always does what it says and it complies with its commitments, applying good business practice in all its actions and demanding the same behaviour both from its employees and from its other business partners.

Innovation

Creativity and intelligence are applied to the constant quest for new comprehensive solutions that adapt to a global, changing environment.

Excellence

For Solaria, the good is never enough and value-added solutions have to exceed the expectations of its customers. Excellence is the driving force behind the organisation.

Teamwork

Solaria is aware that each person has a unique talent, and that people are a company's best resource. This is why it does everything in its power to create a team culture and diversity amongst its professionals.

Business structure

We have a long-term vision to increase our project portfolio and meet the expectations of our stakeholders

Solaria's business model has evolved from the manufacture of photovoltaic cells and panels to the development, construction, management and operation of photovoltaic plants and it is currently a benchmark in the sector. Since its outset, the Company has been fully linked to photovoltaic solar energy as its only activity, wholly eligible for Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 regarding the establishment of a framework for facilitating sustainable investments (hereinafter, "European Taxonomy").

Solaria is a company with a high degree of specialisation and decades of experience that contributes its knowledge to offer innovative solutions which contribute to a low carbon economy.

Thanks to its know-how and speed of implementation and decision-making, it is a much nimbler company than the major companies when it comes to negotiating with landowners or suppliers, with local and regional administrations and looking for connection points, always seeking the maximum local acceptance of the projects. In addition, it has a highly qualified team. These factors represent a considerable competitive edge in terms of timeframes and costs.

Solaria is the parent company of several independent companies that each operate a solar plant with its own income, expenses and financial debt. Behind each vehicle company there is a solid asset, with visible and recurring income, which finances Solaria with its dividends and provides it with the necessary resources to keep on the path towards growth.

The financing of the projects is carried out through Project Finance, a type of long-term financing which sets out to promote the development of specific projects and is thus limited to the evolution of the latter. Unlike corporate financing, the Project Finance perimeter remains in the assets, and in the case of Solaria, in its photovoltaic plants, constituting debt without recourse to the parent company. In other words, it does not weigh down the Company's balance sheet, but rather it is limited to the specific project it is geared towards.

In addition, Solaria carries out the development of its projects in-house, as well as the work of an EPC supplier and the operation and maintenance of its solar plants once they have been commissioned, thus reducing the investment cost and the operating cost.

Solaria sells energy in two ways: long-term energy sales contracts with a guaranteed price (*PPA – Power Purchase Agreement*) or to market.

Additionally, Solaria is beginning to diversify its lines business for the coming years.

On the one hand, it will proceed with the development of hybrid energy storage projects with electricity generation facilities from solar PV energy within the framework of the Recovery, Transformation and Resilience Plan financed by the *European Union - Next Generation EU*.

On the other hand, it will proceed to hybridise the photovoltaic installations with other technologies, mainly wind, which will entail the installation of an additional 1,200 MW of this energy source by 2030. Within the framework of Spanish legislation, Solaria will take advantage of the location of its plants in areas endowed with great wind potential to hybridise the projects in all those locations where possible.

Goal To increase the size of our project portfolio to be the leading solar energy generator in Europe

Workforce
Our most valued resource

Development of business

- Search for land with local owners
  - Awarding of connection point
- Public exposure: dialogue with communities
  - Local administration
    - Environmental impact study
    - Submission of engineering project
- Administrative authorization + Construction permit (payment of tax)
  - Environmental impact statement
- Commissioning
  - Construction, coordination and in-house monitoring
  - Energy sales
    - Merchant
    - PPA

Project Finance

Search for suppliers + components

- EPC
- Modules
- Others

Solaria, the solar leader in the European Union

International projection and favourable growth environment

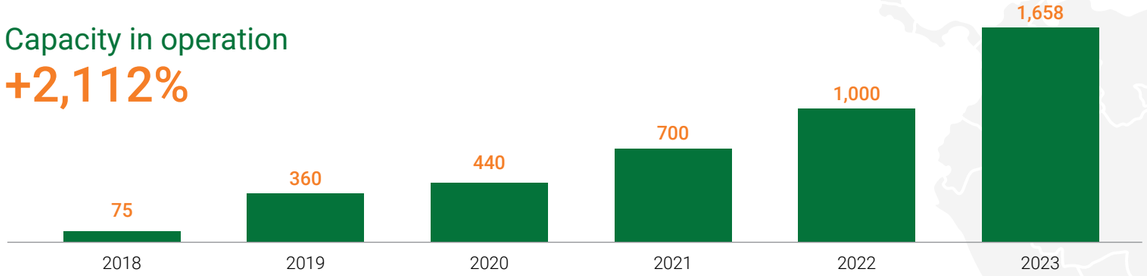
Solaria is a leading company in the development and generation of photovoltaic solar energy in the European Union, with a presence in Spain, Italy, Portugal, Germany, Greece and Uruguay.

In 2021, Solaria updated its strategic plan, setting the goal of 18 GW of installed capacity by 2030 to become one of the leading solar power generator in the European Union.

Solaria thus closed the year 2023 with 1,658 MW in operation and currently, it has a total of 3,188 GW in operation and under construction.

Capacity in operation

+2,112%



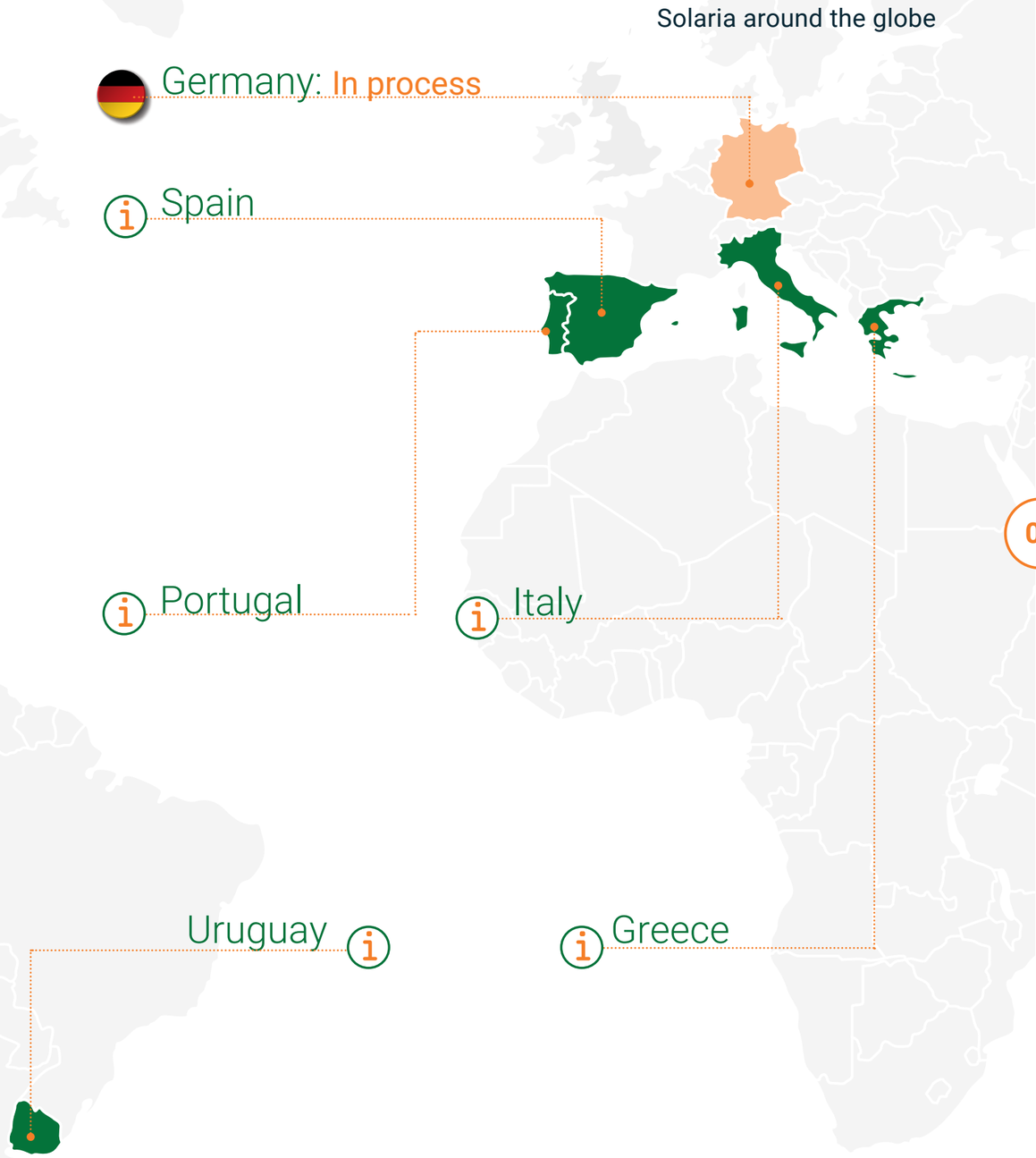
Solaria is continuing its geographic diversification and speeding up its international growth with a focus on the European Union, fully committed to the objectives of the European Union to reach 45% of renewables by 2030. As part of its growth plan in Spain, the company continues to increase the connection of new plants and to expand its projects pipeline.

The Company already has a project portfolio of 2,8 GW in Italy with the goal of reaching 5 GW by 2030. In Portugal, it has more than 500 MW ensured, a figure that reaches more than 50% of the objective that the company has set out to achieve in said country by 2030.

Likewise, Solaria has already started activities in Germany, where it has identified new opportunities for 5.6 GW. Solaria's commitment to Italy, Portugal and Germany is completely aligned with the European Union's objectives of reaching 45% renewables by 2030.

Solaria continues to focus on the diversification of its lines of business in the coming years and it will hybridise photovoltaic installations with wind technology. It currently has 3 GW of wind energy under development.

Solaria around the globe



For more information roll over



05

Materiality analysis

Materiality analysis

Carrying out a materiality analysis is essential if we are to understand the stakeholders' expectations, plan an appropriate response and assume commitments and specific goals in terms of environmental, social, economic and governance criteria.

For Solaria, the opinion of its stakeholders is essential and it always aspires to meet their expectations. This is why, and for the first time, it carried out the materiality analysis in 2021, which will be updated whenever new needs or changes arise that may affect the analysis and the factors that are considered material to the Company.

The purpose of this analysis is to define what the key issues are for Solaria's stakeholders related with the business strategy and the sustainability strategy and to focus the present Report on this basis.

Materiality is a key concept to understand the relationship of a company with the environment that surrounds it.

Methodology

The materiality analysis was carried out based on two scenarios: the external analysis and the internal analysis.

Through external (documentary analysis + questionnaires) and internal (questionnaires) analysis, the material issues have been identified which make up a list divided into 5 areas:

Economic-financial

Area

Identified key issues

1. Digital transformation, innovation and investment R&D+I
2. Sustainable financing
3. Financial and operational excellence
4. Economic durability of business

Environment

5. Management of climate risks
6. Use of water
7. Sustainable use of natural resources
8. Circular economy and end-of-life management
9. Waste management
10. Investment in environmental issues
11. Natural capital and protection of biodiversity
12. Land, light and noise pollution
13. Climate change and emissions in chain of value
14. Energy transition

Society

Supply chain

15. Responsible management of chain of value (suppliers, subcontractors, business partners, customers, etc.)
16. Health and safety of suppliers and subcontractors
17. Environmental and social impact on supply chain

Personnel

18. Health and safety of employees
19. Protection of human rights
20. Workplace environment and talent
21. Corporate culture and internal communication
22. Diversity and equality

Communities

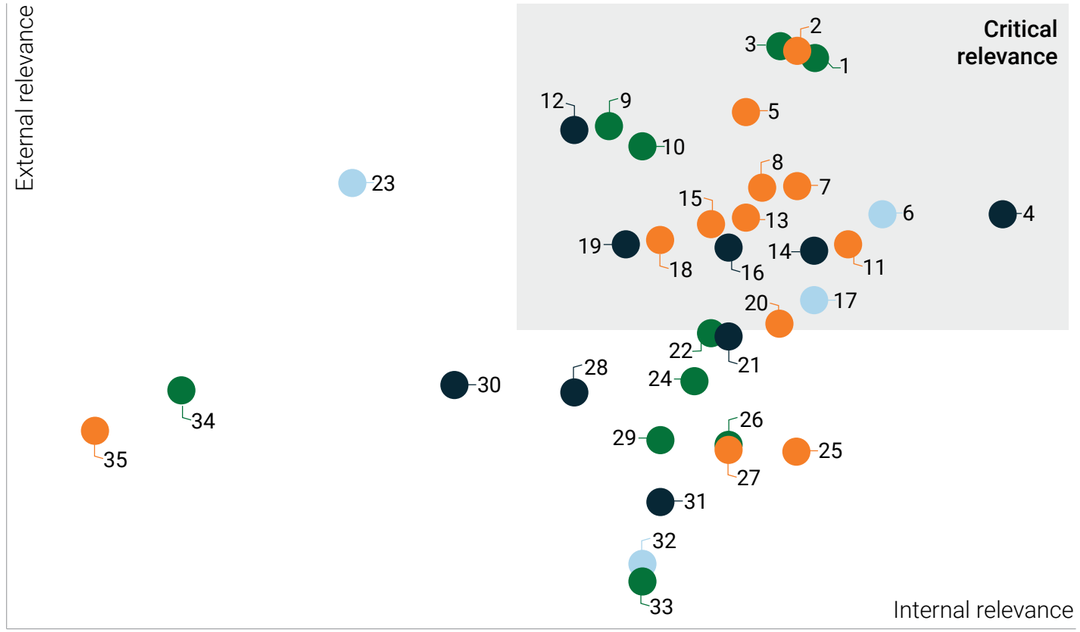
23. Impact on local community (sponsorship and association, agreements, self-consumption)
24. Respecting indigenous communities
25. Quality of external communication and reputation
26. Dialogue with local communities

Governance

27. Management of financial risk
28. Management of non-financial risk
29. Transparency and good governance
30. Ethics, anticorruption and bribery
31. Integration of ESG issues in strategy and decision-making
32. Alliances and partners (institutional, professional and scientific relations)
33. Compliance with legislation in force (compliance model)
34. System for claims of interest groups
35. Data protection (cybersecurity)

Within the universe of material topics, the materiality matrix has been prepared based on the data obtained, both in the external analysis and in the questionnaires, in which 50% of the weight has been assigned to the answers of the questionnaire which are of internal relevance for the horizontal axis and 50% for external relevance to build the vertical axis. After consolidating all the responses obtained in the questionnaires, the percentage of relevance was calculated taking into account the number of responses and their assessment (low= 1-2, moderate= 3-4, high= 5-6, very high). = 7-8, and critical=9-10).

As a result of crossing the scores obtained from the external and internal analysis, the 35 material issues are distributed in the following matrix which orders external priority on the vertical axis and internal priority on the horizontal axis.



Economic-financial · Environment · Social · Governance

Through the global matrix we obtain the 20 most relevant issues for Solaria, classified in terms of economic-operational, environment (**E**), social (**S**) and governance (**G**) for external and internal stakeholders. These are found inside the critical relevance box in the global matrix.

Issues to be analyzed		Ranking
Environment	Energy transition	1
L	Quality of external communication and reputation	2
Environment	Climate change and emissions in chain of value	3
Governance	Ethics, anticorruption and bribery	4
L	Impact on local community (sponsorships and association, agreements, self-consumption)	5
Economic-financial	Digital transformation, innovation and investment in R&D+I	6
L	Health and safety of employees	7
E	Dialogue with local communities	8
Environment	Circular economy and end-of-life management	9
Environment	Management of climate risks	10
E	Protection of human rights	11
Governance	Management of non-financial risk	12
E	Diversity and equality	13
Governance	Compliance with legislation in force (compliance model)	14
S	Responsible management of chain of value (suppliers, subcontractors, business partners, customers, etc.)	15
Governance	Integration of ESG issues in strategy and decision-making	16
Economic-financial	Financial and operational excellence	17
S	Environmental and social impact on supply chain	18
Governance	Management of financial risk	19
S	Workplace environment and talent	20

Areas

Economic-operational · Environmental · Social (L Local communities; E Employees; S Suppliers) · Governance

The 20 indicators considered the most material for Solaria are analysed throughout this Report, taking into account the strategy and commitment in relation to the indicator, the risks and opportunities and their governance, the relevant data for each indicator and the objectives. and perspectives in the time horizons defined by the Company.



06

Commitment to Sustainable Management

Driving the commitment to sustainability: the ESG policy

As a company in the field of renewable energies, Solaria is totally committed to the sustainable development of society, with special emphasis on the fight against climate change and the protection of the social environment in which it carries out its business, based on ethics and good business practice.

Solaria's business is 100% committed to sustainability since it is dedicated to the generation of solar photovoltaic energy, fully aligned with international sustainability guidelines. The Company makes a substantial contribution to the environment, to be precise, to the mitigation of climate change, as well as to society and the local communities where it operates.

Solaria has been working for a few years and making every endeavour to ensure that corporate sustainability is one of its pillars and is coordinated with its fundamental value. Thus, in 2023, the Company has continued working to reinforce its sustainability strategy which is coordinated, as a fundamental pillar, through the sustainability policy, approved in 2020 by the Board of Directors and updated in 2023, with a view to adapting the Company's commitments and obligations to the new existing and upcoming regulations, the highest standards in terms of sustainability and the best practices of the sector.

The current sustainability policy takes as its point of departure national and international reference recommendations and practices and it is structured around the environmental, social and good governance pillars, listing the commitments and principles of action that govern Solaria.

Solaria's progress regarding these commitments has been looked at throughout this report in which, in addition to the figures, the actions undertaken by the company during the year can be seen regarding ESG's commitments y goals which the Company has determined, and which comply with the expectations of the market and of the stakeholders.

ESG commitments and principles

Environment

To maximise the positive impact of Solaria on the natural environment and to contribute to sustainable development through:

1. The efficient use of resources.
2. Reducing environmental impact.
3. The protection of biodiversity and the environment
4. Increasing the degree of commitment of the Company as a whole.
5. Leadership in the fight against climate change and the reduction of emissions

Social

Promoting socially responsible behaviour in terms of well-being and social progress with the creation of a safe, healthy work environment based on:

1. Ethics and respect, transparency, equal opportunities and non-discrimination
2. The provision of a reliable, quality service, involving its entire supply chain.
3. Involvement in the development of those regions where the Company is present.

Good Governance

Guaranteeing integrity and ethics in all relationship areas:

1. Managing in line with ethics, integrity, transparency and responsibility
2. Promotion by senior management amongst the organisation as a whole of an inclusive, equitable ethical culture that allows relationships of trust to be struck up with stakeholders.
3. Establishing a robust risk management and governance model.
4. Providing profitability to shareholders through responsible business activity in the assumption of risks and sustainable in the use of resources and the practices adopted.

A favourable environment for the sector

The global crises and uncertainty of recent years have highlighted the great vulnerabilities of our economies, and in particular of the energy sector and its impact in our sector on the economy, society and well-being.

In a world eager to reduce its dependence on fossil fuels and embrace cleaner energy sources, creating an enabling environment for the solar sector has become a crucial priority. This transition to solar energy not only drives environmental sustainability, but also triggers economic and social benefits.

Energy has become one of the most important issues on the agendas of institutions and governments all around the world. And it takes up the front pages of the media on a daily basis. The European Union and its Member States, following a path that is not easy, are still seeking solutions that ensure supply, cut energy prices and speed up the energy transition as a fundamental element to overcome the crisis.

It is totally necessary to stop and reverse scientifically proven negative climate trends (devastating climate change) and eliminate dependence on pollutants and foreign fossil fuels.

The world is not on track to meet the goal of limiting temperature rise to 1.5°C, above pre-industrial levels. This was the stark conclusion of the first Global Stocktaking (GST), held at COP28, the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change.

Solaria was present at COP 28, through its institutional relations coordinator, Mr. David Redoli, with a very clear position: to forge an EU project based on renewable energy as a strategic vector **To obtain energy sovereignty and improve our competitiveness.** In this regard, Redoli presented a magnificent case led by Solaria on how to replace a technological resource based on uranium with another based on solar radiation (replacing a nuclear power plant with a solar PV plant).

The Company is pleased with the results obtained by COP28 in the United Arab Emirates, since it marks the beginning of the end of the era of fossil fuels. Unanimously, 198 countries have signed the Dubai Agreement. An agreement that recognizes the need to deeply, rapidly and sustainably reduce greenhouse gas emissions in line with the 1.5ºC trajectories. To this end, tripling renewable energies and doubling energy efficiency by 2030 is the most realistic, accessible and cost-effective way to close the energy transition gap and align with the goals of the Paris Agreement



In turn, the 2023 Global Risk Perception Survey of the World Economic Forum concludes that Climate Change continues to be the greatest risk facing the world in the next decade and so it is already the case that action must be taken to achieve global decarbonisation.

With this in mind, it is essential to promote and commit to renewable energies and, to achieve this, it has become vital to undertake an accelerated ecological transition politically and businesswise that puts renewable energies at the centre of the geopolitical tableau. In this regard, Solaria will be one of the companies at the forefront of this change in the energy model that has already begun.

It is estimated that support for the renewable energy sector in Europe will double in the coming years thanks to the different initiatives and European regulations to promote the transition to an economy less intensive in carbon emissions, including the European Green Deal which forecasts investment of five hundred billion euros in green projects by 2027. In Spain, the National Integrated Energy and Climate Plan (PINEC), currently under upward review, foresees a total installed power in the electricity sector of 161 GW by 2030, 39 GW of which will be solar photovoltaic.

According to the data published by Red Eléctrica de España[2], in 2023, renewable energies could close 2023 with a contribution to the national generation mix of more than 50% (50.8%), thus registering a historical production maximum (more than 135,000 GWh). Photovoltaics would be in fourth place in the mix with 14% and its production would exceed 37,000 GWh, almost 34% more than in the fiscal year of 2022. Thanks to the renewable contribution, this year will end as the one with the lowest CO2 equivalent emissions deriving from electricity production. The forecasts point to a figure of less than 32 million tCO2 equivalent, which would mean a decrease of over 28% compared to 2022. These data would mean that emission-free production reaches 72% of all generation.

On the other hand, according to the New Energy Outlook published by Bloomberg, the coming years until 2030 are crucial in the path towards net zero emissions, which entails adding a total of 505 GW of new wind energy, 455 GW of new solar energy and 245 GWh of new battery storage on average every year until 2030.

In attendance to the International Energy Agency, renewable sources maintained the upward trend in 2023, showing year-on-year growth of 7.0%, driven by the increase in generation from wind energy (+11.5%) and solar energy. (+15.8% year-on-year). Wind energy recorded a strong increase compared to the previous month (41.1% month-on-month), slightly above the seasonal trend, especially in OECD Europe and OECD Americas. The increase in solar energy was visible in all regions, but in OECD Asia Oceania reached its largest share in the electricity mix, contributing 11.6% to total net electricity generation.

Likewise, it is worth highlighting all the European regulations already in place and those which are to be implemented in the short-term in terms of sustainable finance and investment, namely European Taxonomy, making it increasingly necessary for the investment decision-making process to take into account environmental, social and good governance factors. This is an obvious advantage for Solaria, since the business model is eligible in terms of the European and global sustainable or green investment and financing requirements.

In summary, the creation of a favourable environment for the renewable sector and, specifically, the solar sector, goes beyond the implementation of solar panels. It requires a comprehensive commitment encompassing strong policies, investment in research and development, skills development, multi-sector collaboration and public education. By creating this conducive environment, we can move towards a more sustainable, resilient future and, as evident from the previous paragraphs, and the scenario is very positive and hopeful.

[2] *Red Eléctrica de España, a subsidiary of Red Eléctrica Corporación SA, a multinational business group of Spanish origin that operates on the international electricity market as an electricity system operator. The source of the data mentioned is an article published by Red Eléctrica on 19 December 2023.*

Our contribution to the 2030 Agenda and the SDGs

In 2015, the United Nations Global Organisation adopted the 17 Sustainable Development Goals (hereinafter, "SDGs"), within the framework of the 2030 Agenda for Sustainable Development, with a view to eliminating poverty, reducing inequalities, combating climate change and protecting the environment.

The success of the 2030 Agenda depends on the efforts and collaboration of all society.

That's why, amongst other measures and initiatives, in March 2021 Solaria adhered to the United Nations Global Compact through the Spanish Network, since it is aware of the fundamental role that the business sector plays in achieving the SDGs and the need to implement ambitious actions which allow progress at the speed and on the scale required. The Company has recently renewed its commitment to the initiative and to the Ten Principles for another year.

The Company is totally committed to the SDGs and respects them all, actively contributing, in the main, to 7 of the 17, and making sure not to harm any of the others.



Goal 5: To achieve gender equality and empower all women and girls

Solaria actively contributes to the fight for gender equality and it does not tolerate any discrimination on any grounds, be it sex, race, religion, disability etc. It makes every efforts to achieve gender parity in its workforce and eliminate the existing wage gap in the Company. As regards the measures implemented, in 2020 the Board of Directors of Solaria approved the Diversity Policy, the Anti-harassment Policy and a Selection Protocol which support the Company's Internal Diversity Plan 2020-2024 and the Equality and Diversity Commission of Solaria was created. Solaria set itself the goal of attaining a workforce which was 25% female, this being one of the main challenges it faces and it is making effort to achieve this.

It should be noted that Solaria was included on the Bloomberg Gender-Equality Index in 2022, which has 484 companies worldwide, only 23 of which are Spanish companies, making it one of the companies most committed to gender equality, inclusive culture and information transparency.

During 2023, as part of the Company's efforts in terms of diversity and equal opportunities, and as a result of the work of the Equality and Diversity Committee, the Company has reduced the total salary gap of its employees by 1%.

Goal 7: To ensure access to affordable, reliable, sustainable and modern energy for all

Solaria's business is the generation of solar photovoltaic energy, 100% clean, renewable, inexhaustible and profitable, with the aim of reaching 18 GW connected by 2030, working to make said energy accessible to the entire population. And so in 2030 Solaria's renewable energy generation could supply some 9 million Spanish homes.

Goal 8: To promote inclusive and sustainable economic growth, employment and decent work for all

Solaria's growth in recent years has been exponential, both financially, operationally and in terms of staff. In this regard, the Company has increased its workforce in the last four years by 243% and it plans to continue on the path towards growth, creating employment and sustainable economic growth.

In addition, Solaria promotes the economic growth of the local communities where it operates and the creation of local employment, since in its projects it prioritises the hiring of personnel from the area and, whenever possible, it looks for local suppliers for the purchase of goods and services.

Goal 9: To build resilient infrastructure, promote sustainable industrialisation and foster innovation

Solaria is committed to leading digitalisation in the industry through the implementation of innovative and disruptive technologies in daily activities and processes. In recent years, the Company has made different investments in technology and digitalisation, amongst others, automation, data analytics etc.

By way of example, Solaria will proceed with development of hybrid energy storage projects with solar photovoltaic energy generation facilities within the framework of the Recovery, Transformation and Resilience Plan.

Furthermore, it will proceed to hybridise some of its PV installations with wind technology, which will entail the installation of an additional 1,200 MW of this energy source by 2030.

Additionally, the Company is in a research and development process to optimise the energy management of photovoltaic energy and energy storage through artificial intelligence, innovative software and technical knowledge, applying an algorithm based on “lessons learned.”

Further examples of the Company's innovation are the application of optimised component sizing criteria or electrical calculation tools or the compatibility of the land where grazing and agriculture are included at solar plants.

Goal 13: To take urgent action to combat climate change and its impacts

For Solaria, the fight against climate change and global warming is a reality. Solaria generates emissions-free energy that contributes to decarbonisation and the achievement of net zero emission plans of the European Union. Solaria, per connected MW of solar photovoltaic energy, prevents the emission of approximately 455.91 tonnes of carbon dioxide into the atmosphere[3].

Goal 15: To sustainably manage forests, combat desertification, halt and reverse land degradation and stop biodiversity loss

Solaria is totally committed to the protection of biodiversity and the environment and seeks a way to make solar plants compatible with flora and fauna.

The Company's photovoltaic plants are designed for cultivated land that has low agrological capacity and no natural vegetation, and topsoil is always maintained. However, in the event that a project has a minimal impact on natural vegetation, Solaria establishes reforestation measures and forestry treatments for those mountains where the impact occurs or nearby mountains that need this type of action.

Goal 17: To revitalise the Global Partnership for Sustainable Development

Solaria is aware that the need for change and transition at a global level is necessary. It also understands that this change can only be possible with the participation of society as a whole. For this reason, besides signing up to the United Nations Global Compact and communicating its sustainability strategy and the positive actions it carries out, it seeks alliances to improve society and the environment, collaborating whenever possible with both public and private organisations.

In addition, ethics and good business practices are fundamental values that begin within the organisation; one of the Company's commitments is thus to be at the forefront of the best corporate governance practices.

Amongst other alliances in which Solaria works and which can be consulted throughout this Report, Solaria is a member of the Board of Trustees of the Elcano Royal Institute in order to strengthen ties and alliances with major companies on the Spanish market, as well as of the *Grupo Español para el Crecimiento Verde* (Spanish Group for Green Growth) and the I*niciativa Española Empresa y Biodiversidad de la Fundación Biodiversidad* (Spanish Business and Biodiversity Initiative of the Biodiversity Foundation).

[3] *Comparing the production of renewable energy with the Spanish electricity mix of generation without GoOs published by the CNMC.*

In addition to the contribution that Solaria's activity makes to the SDGs, the Company aligns its goals, both short-term, medium-term and long-term, with the Sustainable Development Goals and the principles of the United Nations Global Compact. In this regard, the Company has set the following challenges, inter alia:

Environment



- Carbon neutrality of direct emissions by 2030.
- 50% reduction in unitary own emissions by 2025.
- Renewable Plan: 95% of the total electricity consumption at all the Company's facilities will come from 100% renewable sources by 2025.
- Hybrid Fleet Plan: 99% of the vehicle fleet will be ELECTRIC by 2030.
- Solaria will offset its own residual emissions with certified reforestation projects

Society



- Diversity: to raise female representation above 25% by 2025.
- To increase the female representation in middle management roles by 10% by 2025.
- To increase training hours per employee by 10% by 2025 compared to 2021
- Carrying out of internal audits on occupational health and safety at all our facilities and works.
- Due Diligence in terms of social and environmental compliance with our suppliers.

Corporate governance



- Board of Directors: 50% female representation by 2030.
- Continuous improvement of compliance systems and corporate standards and policies.



External initiatives and alliances

Sustainability is an essential part of Solaria's business model. The Company makes a very positive contribution to the fight against climate change and electricity dependence thanks to the generation of clean, renewable, profitable and inexhaustible energy.

Besides its support for the SDGs and its signing up to the United Nations Global Compact, Solaria is committed to sustainable development and proper environmental and social management in the development and operation of its projects.

The Company's activities are carried out in accordance with local laws, its corporate Rules and Policies and the requirements defined by international standards, inter alia, the Equator Principles, a set of standards adopted by some financial institutions to identify, evaluate and manage the social and environmental risks deriving from projects at a financing stage or the Green Loan Principles whose purpose is to promote the development and integrity of the green loan product.

In addition, the Company seeks to apply its sustainability standards on its supply chain.

During the year, Solaria has signed up to major initiatives regarding sustainability and climate change, as well as other initiatives to expand institutional and corporate relationships, as part of its strategy and commitment to the SDG (Revitalising the World Alliance for Sustainable Development).

The following are worth highlighting:

- *Green Bond Transparency Platform.* The platform is a public tool that supports the harmonisation and standardisation of green bond reporting and provides granular, credible and comparable data for evidence-based decision-making.
- *European Climate Pact.* The European Climate Pact, as part of the Green Deal, is an initiative at European Union level that was launched in December 2020 and which invites people, communities and organisations to take part in the fight against climate change, in the ecological transition and in building a greener Europe.
- *Science Based Targets Initiative:* An initiative created by CDP, the United Nations Global Compact, the World Resources Institute and the Worldwide Fund for Nature in order for organisations to set ambitious emission reduction targets in order to achieve zero emissions.
- Participation in various external United Nations initiatives, such as the SDG Accelerator, in order to improve and increase the efforts made in matters related with the achievement of the Sustainable Development Goals.
- Membership of the Board of Trustees of the Royal Elcano Institute, a non-profit foundation, with the aim of strengthening ties and alliances with large companies on the Spanish market, in order to support the professionals who go to make up the institution, who contribute ideas that promote, with rigour and independence, aspects as fundamental as environmental sustainability, energy security and the strengthening of democracy, amongst other important issues which, today more than ever, demand global responses
- Participation in the United Nations Conference on Climate Change (COP28) held in December in the United Arab Emirates, where it highlighted the need to place renewable energies at the centre of the strategic reconstruction of the European Union and reaffirming the Company's position as leaders in the fight against climate change and decarbonisation.
- *Grupo Español para el Crecimiento Verde* (Spanish Group for Green Growth)
- *Iniciativa Española Empresa y Biodiversidad de la Fundación Biodiversidad* (Spanish Business and Biodiversity Initiative of the Biodiversity Foundation).

Additionally, the Company anticipates, for the coming years, the preparation of a Sustainable Financing Framework, in line with the *Green Bond Principles of the International Capital Market Association*. The main characteristic of sustainable financing lies in the commitment to commit the funds obtained to environmentally and socially responsible activities, contributing directly to the achievement of the 2030 Agenda, promoting the use of materials, designs, technologies and construction processes which are environmentally friendly and respectful towards people. Though Solaria has already carried out some of its financing operations as green financing.

In this regard, during 2023 the Company:

- Has a line of green guarantees with Société Générale for the sum of 31 million euros.
- It has signed green financing with the European Investment Bank, under the criteria of the Green Loan Principles, of up to €1.7 billion with Solaria for the deployment of renewable energy in Spain, Italy and Portugal. In the Bank's words, "the financing of this project is in line with the Bank's priority energy loans related with renewable energies and climate action."



Sustainability ratings

Solaria participates in and is evaluated annually by various sustainability indices and ratings which measure the performance and progress of the Company in environmental, social and good governance matters.

During 2023, Solaria has maintained its position and made considerable progress in the ESG Ratings:

MSCI

Solaria maintains the highest ESG classification under the MSCI (Morgan Stanley Capital International) rating, up from "A" to "AAA" and ranking in the Top 15 utilities worldwide.

This rating is backed up by Solaria's sound governance practices in relation to its global counterparts and by its commitments to sustainability, decarbonisation and people's well-being, positioning itself as a leading company in its sector in terms of risk management and ESG opportunities.

SUSTAINALYTICS

Solaria has maintained its "Low Risk" rating in the Rating issued by Sustainalytics, due to its risk management capacity. This Rating evaluates Solaria's exposure to ESG risks and its ability to manage and react to said risks, providing both figures.

CDP

Solaria has improved its rating in the CDP Rating (Carbon Disclosure Project), going from a "C" to a "B", owing to its high capacity for managing climate risks and its commitment to decarbonisation. CDP is a non-profit charity that manages the global disclosure system so that investors, companies, cities, states and regions can manage their environmental impact.

Corporate ESG Performance Prime RATED BY ISS ESG

Solaria has improved its rating in the ISS Corporate Rating, going from a "B" to a "B+". ISS is a leading rating agency in issuing ratings on corporate governance and responsible investment.

S&P Global Ratings

Finally, it is worth highlighting the permanence of Solaria in the CSA rating (Corporate Sustainability Assessment) of S&P, going from 48 points in 2022 to 54 points in 2023.

In addition, Solaria has remained on the Bloomberg Gender Equality Index. This index has 484 companies, representing 45 countries and regions around the world, of which only 23 are Spanish. This index is made up of the companies most committed to gender equality in the world and it measures gender equality, inclusive culture and data transparency, amongst other factors.

Additionally, Solaria has remained on the S&P Global Green Energy Index, on which there are 75 participants in total, of which only 3 participants are Spanish companies.



07

Commitment to the Environment

The nature of Solaria is based on sustainability in line with its activity and as one of the values on which the growth of the Company is coordinated.

For Solaria, a company dedicated to renewable energies since its origins in 2002, the fight against climate change and the protection of the planet is crucial. It deems it a priority to lead the transition towards low-carbon business models that reduce or mitigate the adverse effects of climate change.

This chapter provides relevant quantitative and qualitative information in relation to Solaria's environmental commitment, examining the challenges and advantages that affect the Company

A 100% renewable business which is committed to the environment

Solaria's business activities are essentially geared towards contributing to sustainable development and the fight against global warming, promoting the transition to a carbon-free economy through the generation and sale of 100% renewable electricity from solar photovoltaic technology.

The energy that Solaria generates is emissions-free, so the Company avoids the emission of much more carbon dioxide into the atmosphere than it emits. Specifically, during 2023 the generation of renewable energy was **2,271 GWh**, **62%** higher than the same period of the previous year, thus avoiding the emission of **619,983 tons** of carbon dioxide into the atmosphere. In other words, avoiding the pollution of **397,425** combustion vehicles[4].

The Company's generation in 2023 could supply the energy consumption of approximately **577,128** Spanish homes[5].

Solaria's climate change mitigation and adaptation strategy is making progress in the complete decarbonisation of its business model, supporting the global energy and economic transition, increasing, year after year, its portfolio of renewable energy generation projects. Additionally, the Company is aware that the participation of financial markets in the financing of sustainable economic activities is essential to achieve a low-carbon economy. To encourage the investment of financial markets in sustainable economic activities, in 2020 the European Union published the European Taxonomy for sustainable activities[6], which catalogues economic activities according to their alignment with sustainability. For an activity to be environmentally sustainable, it must actively contribute to one of the environmental objectives established by the United Nations; mitigation or adaptation to climate change, sustainable use of water, circular economy, prevention of pollution and protection of biodiversity, and not harm the rest, as well as applying a series of minimum safeguards in the social sphere and governance.

Solaria sets out to lead the way towards the decarbonisation of the economy through the generation of solar photovoltaic energy, making a major contribution to the mitigation of climate change.

Solaria's business model is eligible for European Taxonomy, as specified in Annex 1 of the Taxonomy Regulation, specifically, in section 4.1 thereof, electricity generation from solar photovoltaic energy.

Specifically, Solaria's business actively contributes to the plans to combat climate change, since both its income and its CAPEX and OPEX are wholly linked to the generation of solar photovoltaic energy[7].

[4] *Considering that a combustion vehicle, on average, has estimated carbon dioxide emissions of 0.130kgCO2/km travelled and it travels, on average, 12,000 km per annum.*

[5] *Considering that the average consumption of a household in Spain is 3,935 KWh, according to information available from Enerdata.*

[6] *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments.*

[7] *For further details, consult the Consolidated Annual Accounts for 2023.*

Environmental policy and its management system

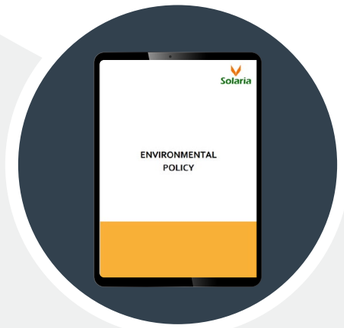
The protection of the environment and the fight against climate change are the essence of Solaria, they are included in its Business Code of Ethics and in the Sustainability Policy are developed through the Environmental Policy.

This policy, approved in 2020, as well as strengthening the Company's commitments in relation to its business activity and environmental impact, focuses on the relationship with the environment, addressing issues which are important to the Company such as the fight against climate change, the efficient use of resources, the protection of biodiversity and the promotion of a circular economy.

The policy – applicable to all the Company's subsidiaries over which Solaria exercises control – is coordinated around the following commitments and principles of action.

The environmental policy is based on an integrated management strategy, over and above mere compliance with regulations. The Board of Directors is the ultimate, maximum party responsible for its management, updating and compliance.

In this regard, in 2020 the Board of Directors appointed an Ethics, Compliance and ESG Committee which was responsible for the Company's sustainability strategy and, inter alia, issues related with climate change and environmental protection, as well as supervising the degree of compliance with the objectives set, the review and updating of the risks and the controls implemented and any other relevant issue that may arise in relation thereunto.



1 Environmental management and strategy

To develop a strategy in the Company to facilitate monitoring, performance evaluation and decision-making in this area.

2 Fight against climate change

Through the development and promotion of the use of renewable energies – specifically solar photovoltaic energy – as fundamental elements in the reduction of emissions and the decarbonisation of the current energy model.

3 Biodiversity protection

Respect for ecosystems, biodiversity and cultural heritage in the natural environments in which the Company's facilities are located.

4 Responsible, efficient use of resources

To minimise the environmental impact of the Company's activities and to contribute to the circular economy by optimising the use of resources.

5 Response to stakeholders

To promote mutual and social benefit in the relationship with stakeholders in order to protect the environment and share experiences and synergies.

Solaria's responsibility structure in terms of environmental management and climate change can be broken down as follows:

- The Board of Directors: has the highest responsibility for ESG and climate issues.
- Ethics, Compliance and ESG Committee: it is responsible for evaluating and approving policies and targets, in addition to periodically supervising the global integration of environmental and climate issues into the company's strategy. It is also responsible for proposing to the Board any measures that need to be adopted or approved in relation to ESG issues and climate related issues.
- Ethics, Compliance and ESG Committee: The Ethics, Compliance and ESG Committee is responsible for verifying the effective application of environmental and climate issues, in addition to promoting, supervising and periodically reviewing the alignment of current environmental and climate challenges with the Company's activity and strategy. This Committee periodically reports to the Ethics, Compliance and ESG Committee.
- Management Committee: the Management Committee promotes compliance with all the policies, commitments and objectives that the company has determined. Solaria has established 15% of the variable remuneration of the Management Committee linked to the achievement of the goals defined and approved by the Board of Directors, including climate and sustainable objectives, which can be consulted at the Solaria website.
- Sustainability and ESG Officer: responsible for the daily management of climate-related issues, the reporting of figures, policies, training and any other matter that is required in relation to climate and the environment and sustainability in general, relying on the cooperation of the various areas of the Company, amongst which the environment area stands out.

In addition to Solaria's evident contribution to the fight against climate change and decarbonisation, the Company puts all its endeavours into protecting the environment and biodiversity. This is why, amongst other measures, it should be noted that, for each of its projects, it carries out an environmental impact study that considers the current and foreseeable effects of the activities of Solaria on the environment, both at the construction stage and at the operating and decommissioning stage.

The impacts are analysed on a case-by-case and project-by-project basis, carrying out an analysis of the environmental risks associated with the project, the vulnerabilities and the measures to eliminate, minimise or offset the negative environmental effects that the project may generate during its construction or operation. In addition, the Company observes and complies with all applicable environmental regulations. In this regard, neither during 2023 nor during 2022 has the Company had to face any fine or environmental sanction.

Furthermore, as an additional measure, Solaria requires all outsourced companies involved in the construction of a solar plant to prepare and submit an environmental management plan and a waste management plan which Solaria evaluates, validates and supervises throughout the construction stage.



Our role in the fight against climate change

Management of risks and opportunities deriving from climate change

Solaria is aware that it is subject to various inherent risks that may prevent it from accomplishing its objectives and successfully implementing its strategies. Solaria applies the **precautionary principle**, anticipating the risks and possible negative impacts, implementing precautionary and mitigation measures and enhancing opportunities.

For Solaria, the identification, management and control of risks is the means of anticipating them in decision-making and in business strategy through a series of preventive measures.

The risk control and management process kicks off with the identification of risks and its aim is the preparation of an exhaustive list of risks based on the events that could prevent, degrade or delay the achievement of the goals, analysing their possible impact on economic figures in the short, medium and long term and the factors that could affect the achievement of Solaria's objectives and its strategy.



For Solaria, the time horizons are defined as follows:

- Short-term: Solaria analyses the short term as a two-year period.
- Medium term: up to 10 years. Solaria is focused on the year 2030, since its business plan has been drawn up until 2030.
- Long-term: The long-term horizon is mainly related with the working life of the assets.

Solaria has a risk control system that is based on the existence of a series of processes and procedures whose ultimate objective is to carry out an ex-ante preventive control of risks to avoid their occurrence.

Responsibility for managing risks and opportunities related to climate change lies with the Board of Directors, which, through the Risk Management System, promotes the identification, assessment, treatment, mitigation and control of relevant risks and opportunities.

The structure of the Solaria control environment is organised into three levels:

- General corporate rules and policies and documentation related with the organisational and corporate structure: those which establish the ethical principles and values that set the guidelines for action at a corporate level, for all members of Solaria in the performance of their professional duties.
- Rules, manuals and internal procedures that regulate operations: those which, following the general guidelines contained in the global Corporate Rules and Policies, describe the specific framework of action that must be observed in the implementation of specific tasks.
- Operating procedures and controls: this category includes those controls and procedures, both manual and automatic, whose purpose is to limit the occurrence of events, errors or irregularities that may lead to the commission of a criminal act in Solaria or non-compliance with the control criteria included in the internal standards and manuals.

The analysis of climate risks and opportunities for the photovoltaic sector is essential

Solaria promotes the adoption of ambitious global objectives for the decarbonisation of the economy, considering in its business model the management of climate change risks and opportunities, which is conveyed in accordance with the recommendations of the Financial Stability Board, through its Task Force on Climate-Related Financial Disclosures (TCFD).

It should be noted that Solaria has signed up to the TCFD, with a view to improving its risk and opportunity management model and the way in which the Company and the governing bodies deal with issues arising from the need to fight climate change.

Solaria also participates annually in the CDP questionnaire, reporting all the information related with the risks and opportunities deriving from climate change. Additionally, since 2022 the Company has been a member of the Climate Pact, an initiative of the European Commission in the fight against climate change and the route towards carbon neutrality, as its ambassador, as well as of the Spanish Group for Green Growth, whose objective is to promote public-private collaboration to jointly advance environmental challenges, contributing to the generation and dissemination of the knowledge needed for sustainable development and the creation of favourable conditions for a low-carbon economy.

Solaria, after identifying the risks and opportunities related with climate change, puts in place the necessary measures to mitigate the risks and enhance the opportunities. In this regard, the entire organisation must be aligned, including the Board of Directors and Committees, the Management Committee, internal committees and all Company personnel. For Solaria it is clear that the identification of risks and opportunities is vital since they may directly affect Solaria's financial statements: sales, balance sheet, CAPEX, cash flow or financing.

Once the risks have been identified, Solaria estimates the probability and impact that could occur if the risks materialise, both at a corporate level and in each and every one of its projects, taking into account the location and other circumstances.

Based on the established recommendations, Solaria has identified the risks and opportunities that are relevant in relation to climate change. All of them may have, if they occur, an impact on the Company's financial statements.

Risks[8]

- **Physical risks**

  Physical risks. They occur as a consequence of acute or chronic impacts of climate on, inter alia, production activities. Acute risks are those deriving from extreme weather events such as floods. In turn, chronic physical risks are those which are of a recurring nature. This could be, for example, the reduction of agricultural production due to a lack of rainfall and a simultaneous increase in temperatures or the reduction in the production of a wind farm due to the variation in wind speed. And, lest we forget, the lower availability of water. This risk category is the one perceived most in many areas due to its higher visibility owing, inter alia, to the frequent appearances in the press of this type of impacts when the risks had not been suitably minimised.

  These may affect the environment, the supply chain or its own operations and they may thus have a material impact on the financial statements.

- **Regulatory or legal risks**

  Viewed as risks due to the evolution of regulations in those countries where the Company operates. Above all, in terms of GHG, since there are more and more legal obligations to measure, publish and set ambitious goals.

- **Operational risks**

  This is taken to mean any risks deriving from the availability rate of the facilities and potential accidents with an environmental impact.

- **Reputational risks**

  This is taken to mean any risks deriving from the increase in public awareness and the raising of awareness about climate change. Reputational damage can be very damaging to the Company.

- **Technological risks**

  This is taken to mean any risks that affect the Company's systems or the possibility of seeking innovative, sustainable solutions.

- **Market risks**

  This is taken to mean any risks deriving from the evolution of energy prices on short-term markets or carbon pricing.

[8] *Solaria will carry out an exhaustive analysis of the impact of risks and opportunities in the coming years.*

Some examples of climate risk mitigation measures applied by Solaria are:

- **Geographic diversification:** When developing photovoltaic projects, diversifying the geographic location of installations can help mitigate the impact of climate variability and extreme events. By having projects in different regions, a single weather event is less likely to affect all operations simultaneously.
- As part of its growth plan, Solaria continues to expand its project portfolio and international expansion is a fundamental part of its growth strategy. On the Italian market, the Company has expanded its growth target from 3 to 5 GW by 2030 as a result of good progress and the favourable market situation.
- As for other European countries, Solaria has decided to start its activities in Germany, a market on which the Company has already developed and carried out projects in the past and where there is currently enormous growth potential due to the firm commitment that the country has made to solar energy and in April it announced a target of 215 GW by 2030. Solaria's goal in Germany is 2 GW of connected solar energy by 2030.
- **Technological diversification**
  - Hybridisation: Using the current connection points for photovoltaic plants, Solaria will enable wind development to optimise the asset base using the same connection points and evacuation infrastructure. Solaria's wind goal is 1.2 GW by 2030.
  - Energy storage technologies: Integrating energy storage technologies, such as batteries, can help mitigate the impacts of climate variability on solar energy production. By storing excess energy during periods of high solar radiation and using it during periods of low radiation, the stability of power generation can be improved and
- **Resilient design and construction:** sing resilient design and construction technologies and practices can help minimise the damage caused by extreme weather events. This includes selecting durable materials, building robust foundations, and designing mounting systems that can withstand high winds and hail.

The solar market is expected to advance increasingly, with components and materials becoming more efficient and resistant.

Some examples of innovative practices and the search for resilience and optimisation by Solaria are:

- To mitigate the risk of strong winds, due consideration has been given to continuous strong winds and strong winds in the design of the plant and depending on the location. For average wind speeds (for 10 minutes) of 12.5 m/s or wind gusts (for 3 seconds) of 21 m/s, the tracker automatically goes into "flagging position" to prevent damage.
- To mitigate the risk of forest fires, Solaria periodically clears the land, known as clearance, usually with sheep.
- Development of smart networks through the implementation of artificial intelligence and software.

- **Risk management and insurance:** Taking out suitable insurance to cover the risks associated with extreme weather events can help mitigate the financial impact of damage to the photovoltaic infrastructure. Additionally, implementing a robust risk management system helps reduce vulnerability to unforeseen weather events.
- **Climate planning and modelling:** Using climate planning and modelling tools can help anticipate and mitigate the impacts of climate change on the performance of PV projects. By considering future climate scenarios in the design and operation of facilities, proactive measures can be taken to adapt to changing climate conditions and minimise associated risks.
- **Community participation and collaboration:** Working closely with local communities helps identify and address climate risks more effectively. This may include implementing disaster preparedness measures, education about climate resilience and participation in community adaptation initiatives.

Opportunities

- ## Resource efficiency

  Solaria promotes the efficient use of resources through energy efficiency measures or the use of more efficient transport.

  The Company also generates renewable, non-polluting and affordable energy, which contributes to the efficiency of the population and to lowering the cost of the electricity mix.

  Additionally, energy storage technologies and intelligent grid management can improve the stability and reliability of solar energy. The ability to store and distribute solar energy more efficiently can facilitate its integration into existing electrical systems and increase its contribution to the general electrical grid.

- ## Products and services

  Increase in income due to alternative energy activities

  Growing concerns about climate change and the need to reduce carbon emissions are driving the adoption of solar energy as a clean, renewable source. Businesses and consumers are increasingly looking for sustainable energy options, creating market opportunities for photovoltaic project developers.

- ## Markets

  Increased pressure from lobbies to establish measures against climate change owing to the maturity of collective awareness in environmental terms, which would promote Solaria's business, owing to the fact that there would be an increase in the demand for renewable energies if there were tougher regulations on fossil fuels.

  Tax incentives, subsidies and financing programmes will also reduce costs for photovoltaic projects. Additionally, renewable energy quota policies and efficiency standards can stimulate demand for solar energy at local and national levels.

- ## Resilience

  Solaria is a major player in the participation in renewable energy programmes and adoption of energy efficiency measures Research and development continues to drive improvements in solar cell efficiency, panel durability, and energy storage system integration. These technological advances can reduce installation costs and increase the profitability of photovoltaic projects.



Analysis of climate scenarios

Additionally, Solaria performs an analysis of climate-related scenarios to support its strategy, as described below:

As for the physical scenarios, Solaria uses the IPCC (Intergovernmental Panel on Climate Change) scenarios. to assess climate-related physical risks, identifying the most relevant chronic and acute risks and evaluating potential impacts on their energy generation since physical risks require long-term analysis to identify any structural changes in their pattern or frequency/severity of occurrence.

Specifically, Solaria analyses the long-term risks from the most drastic point of view for the planet, applying the RCP 8.5 scenario (Representative Concentration Pathway 8.5), which implies a future evolution with a high level of greenhouse gas emissions, representing a significant increase in atmospheric concentrations of carbon dioxide and other greenhouse gases throughout the 21st century. This scenario is associated with considerable global warming and has important implications for physical risks in the PV sector.

- **Increse in temperatures:** Under the RCP 8.5 scenario, a significant increase in global temperatures is expected. High temperatures can reduce the efficiency of solar photovoltaic panels, as high temperatures can decrease the energy conversion efficiency of solar cells and increase the electrical resistance in photovoltaic systems.
- **Changes in solar radiation patterns:** Rising temperatures and changes in atmospheric circulation patterns can alter solar radiation patterns, which can affect the productivity of photovoltaic systems. This could result in a reduction in solar energy production in some regions and changes in the spatial distribution of the solar energy available.
- **Increase in extreme weather events:** Under the RCP 8.5 scenario, an increase in the frequency and intensity of extreme weather events, such as storms, hurricanes, heat waves and intense rainfall is expected. These extreme events can cause physical damage to photovoltaic installations, including the destruction of solar panels, mounting structures and electrical wiring.
- **Rise in sea level:** A rise in sea level associated with the RCP 8.5 scenario may increase the risk of coastal flooding and coastal erosion. This could affect PV installations located in coastal areas, especially those located on low-lying land or vulnerable to saltwater intrusion.
- **Changes in water availability:** Climate change can alter the availability and distribution of water resources, such as water for cleaning solar panels and for the production of complementary hydroelectric energy. Water scarcity could affect the operation and maintenance of photovoltaic installations, especially in regions where water is a limited resource.

In summary, under the RCP 8.5 scenario, the photovoltaic sector faces a number of physical risks, including rising temperatures, changes in solar radiation patterns, more frequent and intense extreme weather events, rises in sea level and changes in the availability of water. To mitigate these risks, adaptation and resilience measures must be implemented, such as the robust design and construction of facilities, the geographic diversification of projects, and the integration of energy storage and climate risk management technologies. An example would be hybridisation with other renewable sources (for example, hydroelectric and wind) and the entry onto new European markets. To manage acute risk, Solaria has strengthened its business continuity and crisis management capabilities, it has implemented a set of preventive measures and has defined a wide range of insurance policies which cover damage owing to contamination or pollution to the atmosphere or damage to the Company's facilities owing to meteorological phenomena, inter alia.

For transition scenarios, Solaria uses Bloomberg New Energy Finance's New Energy Outlook (BNEF NEO), which looks at the global energy sector until 2050 and focuses on the technologies that are driving change on the markets and business models throughout the sector, such as solar, wind and battery technology. BNEF NEO assesses the impact of energy transition on the demand for fossil fuels and materials. This analysis also includes a two-degree scenario based on the electrification of heating and road transport and an updated coal phase-out scenario.

The scenarios analysed by BNEF NEO are, in all cases, very positive for the achievement of Solaria's objectives, since in all of them they are committed to the growth of renewable, solar and wind energy, and ambitious plans have been established for these technologies.

Carbon footprint

Solaria, in line with its constant endeavours to be fully aligned with the integration of sustainability into its business strategy, has been measuring its internal carbon dioxide emissions since 2019[9] and part of the external ones and objectives have been set to reduce them. It should be noted that the Company has signed up to the initiative of *Science Based Targets Initiatives (SBTi)*[10]) in 2022, aligning its emissions reduction targets with this initiative.

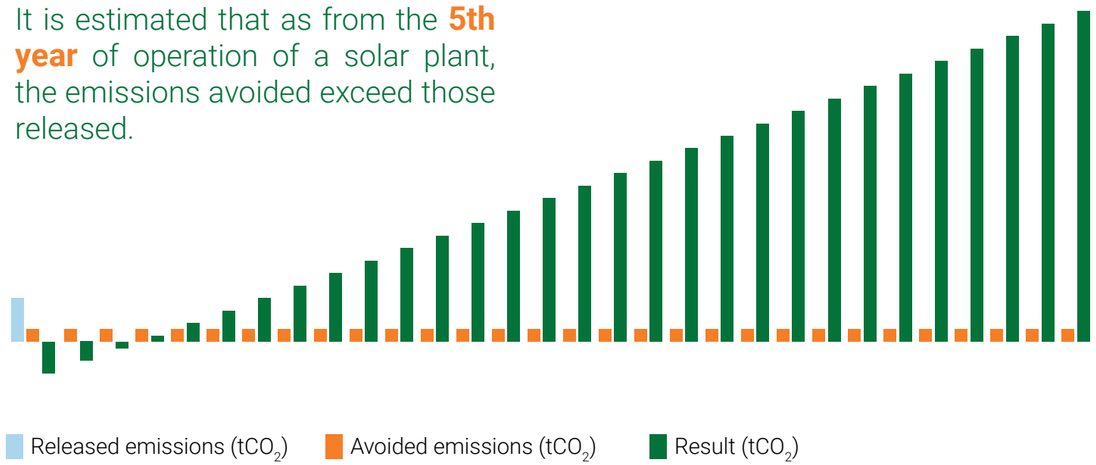
The amount of CO2 emitted during the construction of a photovoltaic plant is calculated taking into account different factors, including the size of the plant, the type of technology used in the manufacture of the solar panels and the distance to transport the materials, inter alia. Overall, the carbon footprint associated with building a PV plant is relatively low compared to generating power using fossil fuels. Solaria has estimated that CO2 emissions per kilowatt peak (kWp) of installed capacity range between 40 grammes of CO2 per kWh generated over the entire working life of the plant.

It is also important to be clear about the life cycle of a solar photovoltaic plant, which covers various stages, from initial planning to dismantling at the end of its working life:

1. **Planning and Design:** At this stage, the location is selected and a detailed analysis of the available solar resource is carried out, the facilities are designed and logistical planning is carried out.
2. **Construction:** The necessary components for a solar photovoltaic plant are manufactured and transported and the installation is carried out at the implementation site, along with the installation of the electrical infrastructure.
3. **Operation and Maintenance: The plant begins to generate electricity during this stage. Regular** maintenance is carried out to ensure optimal performance and potential technical issues are managed.
4. **Long-term Operation:** For several decades, the plant has generated electricity, contributing to the electrical grid and reducing carbon emissions. The working life of a solar photovoltaic plant is estimated at 30-35 years.
5. **Dismantling and Recycling:** At the end of the working life, the components are dismantled and safely removed, recycling all elements that can be recycled.

It is important to highlight that the energy required to manufacture the solar panels and other components, as well as the associated emissions, must be taken into account in the lifetime environmental impact assessment of the project. For Solaria, the continuous improvement of efficiency at all stages and the adoption of sustainable practices are essential to maximise the environmental benefits of photovoltaic plants which is why it works with innovative, resilient suppliers.

It is estimated that as from the **5th year** of operation of a solar plant, the emissions avoided exceed those released.



[9] *Solaria's activity does not generate other polluting gases (NOx, SOx, PM10 etc.) so their measurement is not relevant.*

[10] *An initiative created by CDP, the United Nations Global Compact, the World Resources Institute and the Worldwide Fund for Nature in order for organisations to set ambitious emission reduction targets in order to achieve zero emissions..*

Solaria's corporate carbon footprint can be broken down as follows:

Absolute domestic emissions

Scope 1

The increase in scope 1 is due to the increase in the Company's vehicle fleet due to the growth in Solaria's workforce. It should be noted that 61% of Solaria's car fleet is hybrid. However, the Company has the goal of having a 99% electric fleet by 2030, which will reduce scope 1 to practically 0.

2023: **314.93**
2022: **295.92**
2021: **254.41**

Scope 2

Market based:

2023: **2.06**
2022: **3.69**
2021:**60.58**

Location based:

2023: **1,743.58**
2022: **1,294.53**
2021: **754.05**

Absolute external emissions

Scope 3

Categories already calculated in the previous year (staff business trips, outsourcing of some maintenance services for solar plants and water consumption at corporate offices).

2023: **166.87**
2022: **71.52**
2021: **28.14**

Total own emissions
(scopes 1 & 2):

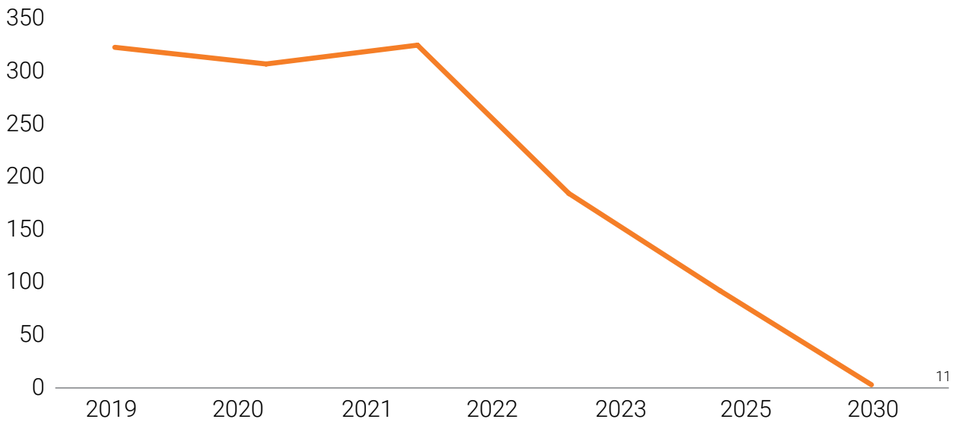
2023: **317**
2022: **299.61** ---------- 5% reduction
2021: **315**

TOTAL CARBON FOOTPRINT CALCULATED:

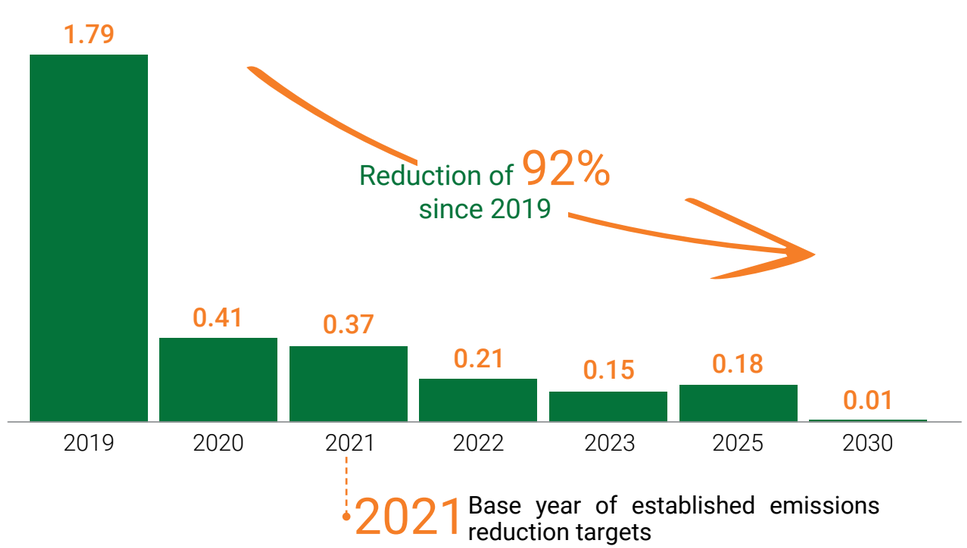
2023: **483.88**
2022: **371.13**
2021: **343.14**



Scopes 1 and 2



Direct emissions intensity (tn/GWh)[8]



It should be noted, in relation to the transportation of the main components of solar plants (as detailed on page 68 of this Report), that Solaria began working in 2022 with companies committed to climate change. In this regard, during 2023 the transport of the photovoltaic modules necessary for the construction of the new Solaria projects has been carried out with transport companies that use less polluting fuels than fossil fuels (accounting for a reduction of up to 25% in carbon dioxide emissions) and sustainability policies and public commitments to carbon neutrality are in force.

As previously indicated, the Company adhered to Science Based Targets Initiatives during 2022 and it has set ambitious climate goals focused on carbon neutrality. To be precise, the following:

- Carbon neutrality of direct emissions by 2030.
- 50% reduction in unitary own emissions by 2025 compared to 2021.
- **Renewable Plan:** 95% of the total electricity consumption at all the Company's facilities will come from 100% renewable sources by 2025.
- **Hybrid Fleet Plan:** 99% of the vehicle fleet will be ELECTRIC by 2030.
- Solaria will offset its own residual emissions with **certified reforestation projects.**

In addition to emissions reduction initiatives, and despite the fact that the Company's carbon footprint is considerably lower than the rest of the companies in the sector, Solaria annually offsets the tons of carbon dioxide emitted by acquiring carbon credits. In this regard, it should be noted that the carbon dioxide offsets carried out by Solaria are voluntary, since Solaria is not a party subject to any regulated carbon market, since it emits less carbon dioxide than that established by the reference standards. . So the offsets carried out by Solaria are voluntary in order to reassert the Company's commitment to decarbonisation.

In 2023 Solaria has joined the project called "E*vio Kuiñaje Ese Eja Cuana to mitigate climate change, Madre de Dios – Peru*", by acquiring 490 carbon credits[12] . This project, which has CCB (Climate, Communities and Biodiversity) certification, not only contributes to climate change owing to the carbon dioxide emissions that will be avoided throughout its working life, but its main purpose is also the conservation of 7,749.93 hectares of tropical rainforest belonging to the Ese Eja de Infierno Native Community. The conservation of these forests contributes to the development of various species of fauna and flora that are in danger of extinction.

The project includes benefits for the populations involved, as well as for the conservation of biodiversity.

By way of this type of action Solaria collaborates on the creation and/or protection of global CO2 sink areas, thereby contributing to a reduction in carbon dioxide emissions into the atmosphere and the fight against climate change.

The project complies with the VCS standards (*Verified Carbon Standard*) of Verra, a non-profit organisation founded in 2007 by environmental and business leaders to ensure quality on voluntary carbon markets and which currently runs the world's leading voluntary carbon markets programme, known as VCS.

[11] *Scope 1 and 2 unitary emissions from renewable energy generation.*

[12] *Each ton of carbon dioxide is equivalent to one carbon credit.*

Efficient use of resources

In line with its commitment to carry out an efficient, responsible use of resources, in 2020 Solaria implemented - and it is still working on - some initiatives that contribute to energy efficiency and the reduction of carbon dioxide emissions, in order to attain the targets set by the Company to achieve carbon neutrality, such as:

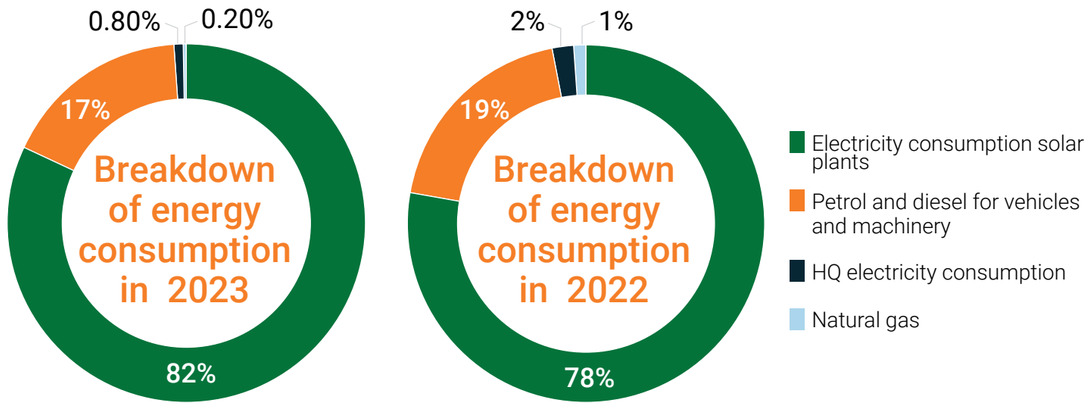
- **Renewable Plan:** 95% of the total electricity consumption at all the Company's facilities will come from 100% renewable sources by 2025.

  At present, electricity consumption from renewable sources already accounts for 97,40% of Solaria's total electricity consumption. In 2022, electricity consumption from renewable sources was 96.71%.

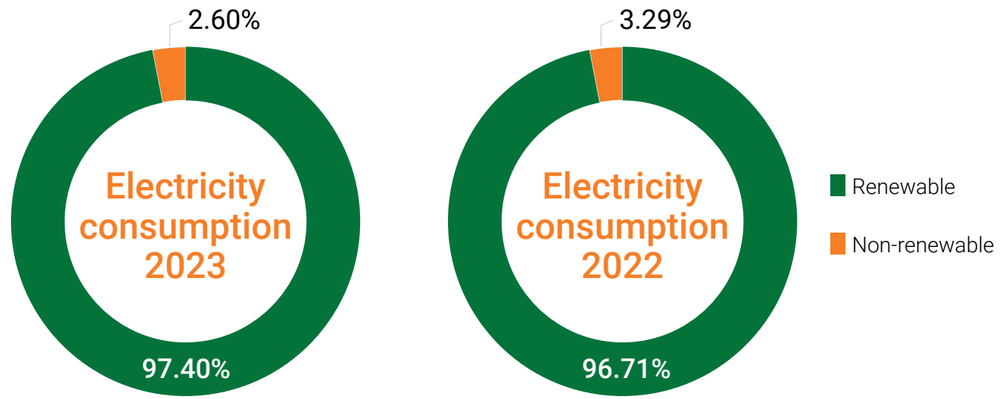
- **Hybrid Fleet Plan:** 99% of the vehicle fleet will be ELECTRIC by 2030.

  At present, 61% of Solaria's vehicle fleet is less polluting, with hybrid vehicles and 0 emissions, compared to 45% in 2022.

In 2023, Solaria had total energy consumption of 7,639.44 MWh, compared to 6,106.28 MWh in 2022, a 25% increase, owing to the high growth it is experiencing. The breakdown of energy consumption is as follows:



The consumption of electricity used at all the Company's facilities amounts to 6,384.89 MWh, of which 97.40% comes from renewable sources (all the solar plants in Spain, the solar plants in Italy, the solar plants in Portugal, the Spanish corporate office and the Italian corporate office). The new solar plants are being connected since their start-up with a renewable energy supply. In 2022, electricity consumption was 4,893.79 MWh, 96.71% of which came from renewable sources.



As far as vehicles and petrol and diesel consumption are concerned, total consumption for the year was 1,301.59 MWh. The majority of consumption, 98.07%, derives from the Company's fleet of vehicles, 61% of which are zero emissions or hybrid vehicles. The rest of the consumption under this category comes from the vehicles that the Company rents for business trips. In 2022 petrol and diesel consumption was 1,158.59 MWh. The majority of consumption, 97.91%, derived from the Company's fleet of vehicles, 45% of which are zero emissions or hybrid vehicles. As can be seen, there has been a 36% increase in non-polluting vehicles, in line with the Company's commitments and efforts to become a carbon neutral company.

Finally, Solaria's natural gas consumption, deriving from the use of heating in the corporate offices, was 47.11 Mwh in 2022 and 53.90 MWh in 2022.

Energy audit

Solaria complies with Royal Decree 56/2016 of 12 February which transposes Directive 2012/27/EU of the European Parliament and of the Council, of 25 October 2012, relating to energy efficiency, in terms of energy audits, accreditation of service providers and energy auditors and promotion of the efficiency of the energy supply.

During 2021, Solaria was subject to an energy audit by an independent auditor in order to optimise the use of its resources. The scope of the audit covered 85% of Solaria's business, specifically the centers audited were those located in Spain.

Its results were positive and the recommendations made by the auditor are in line with Solaria's emission reduction plans. To be precise, the substitution of vehicles with hybrid or electric cars and the change of all electricity consumption to electricity from renewable sources, whenever possible. Every four years Solaria will carry out a new energy audit and so the next one is set for 2025.



Consumption of raw materials

For Solaria, the consumption of raw materials is not relevant due to their low volume. Solaria's consumption in relation to water and paper has been broken down below.

Water consumption

It should be noted that Solaria's business is not a business that requires high water consumption. In fact, no type of water consumption is required either for the generation of energy or for the maintenance of the solar plants and this is why there is no water supply or installation at the solar plants.

The Company's only water consumption is the water used in the corporate offices for the daily life of Solaria employees (mainly, use of the toilets) whose supply comes from Canal de Isabel II in Madrid.

During 2023, consumption was 415 m3, down 15% on the 2022 figure which was 489 m^3.

The Company does not deem it necessary to put measures into place to reduce water consumption in light of the above as water consumption is negligible and it is not regarded as a resource required for the carrying out of the Company's activity.

Paper consumption

As regards the consumption of paper, the Company does not have high consumption besides the paper required for the daily life of the office and printing by employees. In this regard, it should be noted that during 2021 the Company set in motion the *paperless office* challenge whereby it incorporated recycled paper in all office printers and another series of measures to reduce printing to the minimum necessary through communication and awareness campaigns.

Other raw materials[13]

- Silicon: This is one of the main materials used in the manufacture of solar photovoltaic cells. A significant amount of silicon is needed to produce the solar panels needed for a photovoltaic plant.
- Aluminium: It is used in the manufacture of mounting structures and supports for solar panels. It is also used in the construction of frames and posts for plant infrastructure.
- Glazing: This is used as a protective cover on solar panels to protect photovoltaic cells. It is also used in the manufacture of mirrors for solar concentrators in concentrating solar technologies.
- Copper: This is used on electrical cables and connections inside solar panels and in the plant's electrical infrastructure.
- Steel: This is used in the construction of support structures, frames and poles for the installation of solar panels. It is also used in the construction of buildings and other structures at the plant.
- Polymers and plastics: They are used in components such as encapsulants and packaging materials. They can also be used in the construction of some parts of solar panels, such as frames

[13] *Solaria will try to report the actual amount of raw materials used in the coming years.*

Protection of the environment and biodiversity

Solaria carries out its activity in tune with the environment and the protection of biodiversity is a vital aspect. In this way, in all the projects that the Company carries out, it acts respectfully, avoiding the construction of photovoltaic plants in areas or on sites endowed with environmental protection (natural, agricultural or archaeological).

It is important to highlight that in 2022 the Board of Directors approved the Biodiversity Protection Policy, thereby boosting Solaria's commitment to these issues.

For each of the projects, Solaria always carries out an environmental impact study prior to the construction of the solar plant. This looks at the current and foreseeable effects of the Company's activities on the environment and biodiversity, both at the construction stage and at the operating stage and the decommissioning stage, as well as an environmental and landscape integration plan which sets out the guidelines to govern the environmental and landscape integration and restoration of the projects, thereby mitigating the negative effects on the landscape, integrating them into the environment.

All Environmental Impact Studies, in addition to including a complete bibliographical study of the fauna associated with or present at the locations where the facilities are planned as well as their immediate surroundings, are complemented by an in-situ fauna study lasting 12 months and in which the species present during all the main stages of the biological cycle (pre-nuptial migration, reproduction, post-nuptial migration and wintering) would be inventoried.

Once the environmental impact has been assessed, Solaria proposes measures aimed at eliminating, minimising or offsetting any potential negative environmental effects that the project may generate in its construction or operation and which remedy any potential impacts that the construction of a photovoltaic plant may have on the environment.

The maintenance of the land in the case of Solaria is very simple. The land is not affected in any way, nor are solar plants built using concrete decks or other heavy materials. It is important to note that no phytosanitary products, pesticides, biocides, rodenticides (herbicides in general) are used, engendering a major benefit since there is no contamination of the earth or aquifers (the plants are located on land where rainfed agriculture has traditionally been developed which suffered from this type of product) and no poisoning is caused to the fauna that inhabits the land. As stated above, nor is there any water consumption at the solar plants, thereby avoiding the installation of pipes.

The consequence of not using herbicides is that vegetation grows, providing shade and reducing the efficiency of the solar panels, in addition to increasing the risk of fire. To avoid grass or scrub there are two options: mechanical clearing (through the use of machines, which entail pollution and cost) or the option that Solaria is committed to: clearing with sheep, promoting extensive cattle breeding in rural areas, affording protection to livestock and peace of mind to farmers, in addition to avoiding the costs of transporting animals and feeding them, creating positive synergies in rural areas.

As well as sheep, solar plants are perfectly compatible with the fauna and flora of the territories which are inhabited by everything from bird species, installing their nests at the solar plants, to terrestrial mammals such as foxes, rabbits, wild cats, roe deer etc. Lodges for insects or bats have even been established. The Company has also signed partnership agreements with beekeepers in the areas where it is present to allocate areas of the solar plants for beekeeping. The Company is involved in the development of other agricultural projects compatible with solar plants, for example, lavender plantations. All of these initiatives that the Company is developing are included in what is commonly called “agrivoltaic technology.”



Solaria is totally geared towards assuming commitments in the areas where it is located and one of them is the promotion of the traditional uses of the territory both in agriculture and livestock, prioritising farmers and ranchers who apply these practices.

Benefits of agrovoltaics:



1. Increased productivity of the land
2. Organic farming without the use of chemicals
3. Promotion of traditional agricultural and livestock farming uses
4. Temperature balance of solar panels
5. Creation of local synergies and socio-economic development

Finally, it is worth highlighting that prior to the start of the projects, the Company puts into place a public exposure period during which all the organisations and people affected by the project are informed, giving them all the chance to put forward any claims.

Furthermore, and in the event that any significant environmental problem is detected, the Company has a large number of agreements on the land adjoining – or close to– that initially used for which, in the event of a significant risk, there would be the possibility of partially modifying the implementation using these lands to avoid any negative impacts.

Furthermore, Solaria does not cause any light pollution and it puts every measure into place to avoid any noise in its activity, including not working at night, not working during the nesting period, the setting of maximum permitted speeds, machinery control (official periodic inspections, periodic overhauls and others) etc. as regards light pollution, the plants are not illuminated at night so the Company does not cause any light pollution.

Waste

For Solaria, the circular economy and waste management are crucial for the protection of the environment and biodiversity. Due to its activity, just as it does not have a high consumption of raw materials, Solaria hardly generates any waste except at two stages of the projects: at the construction stage and at the decommissioning stage.

- **Construction of the solar plant:** it is during the construction stage of a solar plant that the most waste is generated. This waste is managed by the outsourced companies responsible for construction which prepare the environmental management plan and the waste management plan for each project, which are validated and supervised by Solaria. Throughout the construction stage of a solar plant, clean points and waste collection points are located on site, with a view to carrying out the complete management of the waste generated.

  It should be noted that Solaria's business does not generate any type of gas in addition to the carbon dioxide specified in the previous section, except in the construction phase of an electrical substation, since the medium voltage cells require sulfur hexafluoride (SF6) and the charge is made at the time of installing the referred cells in the substation.

During 2023, Solaria had 658 MW at a construction stage distributed across 4 projects, having generated the following waste:

Waste	Works waste (t)
Metals (including their alloys)	58.167
Wood	2,020.060
Plastic	284.151
Paper and cardboard	386.378
Aluminium	91.330
Iron and Steel	16.318
Polluting metal containers	0,0566
Gases in pressure vessels (SF6)	1,842

- **Operation and exploitation stage:** During the operating stage of solar plants, the waste generated is minimal, mainly when a breakdown occurs and a part must be replaced. Damaged parts are managed by waste managers who are responsible for recycling them. Another type of waste that is quite common at the exploitation stage of solar plants is clearing. In this regard, Solaria carries out most of its clearing with sheep which, in addition to not producing pollution, feed on the brush, thus avoiding the management of this type of waste.

  It should be noted that solar plants do not generate any type of polluting gas or other polluting substance at any of the stages of their life cycle, except in very extreme cases in which there is a leak of SF6 gas, used in the high voltage switchgear, in which case a recharge would have to be performed. Neither during 2023 nor in 2022 has there been any leakage of SF6 gas at any of the Company's facilities.

  At present, the Company is starting to implement its own clean points at its solar plants in order to optimise the recycling of materials during the working life of the solar plants.

- **Decommissioning:** Solar plants have a working life of about 30 years. For each project Solaria prepares a decommissioning and recycling plan for each project, which is put into operation once the working life of the plant has expired in order to restore the area where the project is located to its original state. Said plan establishes recycling and reusage measures, as well as land treatment to return it to its original state.

  Based on said decommissioning plans drawn up by Solaria, once the activity has been permanently completed, all the facilities will be removed and all the remains of material, waste or excess land will be delivered - including the perimeter enclosure, the foundation of the transformation of the solar parks and the rest of the existing plant infrastructures to authorised managers according to the nature of each waste, finally restoring the occupied land to its original state, leaving the field of action in a perfect state of cleanliness within a maximum period of one year after the end of the activity.

1. Decommissioning of project actions:

- Decommissioning of photovoltaic panels, structures, transformation centres and perimeter fencing.
- Restoration of the new internal roads and their ditches.
- Removal of underground wiring and restoration of earthworks' trenches.
- Decommissioning of the electrical substation.
- Decommissioning of the supports of the evacuation line.
- Removal of overhead wiring and restoration of the foundations of the supports.

2. Recovery of occupied land and revegetation:

- Land recovery.
- Revegetation, planting or seeding

3. Recycling of materials and waste management

Upon cessation of activity, it is expected that once the solar plant reaches the end of its working life, the solar plant sites will have suitable plant development, in other words, a sufficient herbaceous cover will have developed. In the same way, the roads must be kept in perfect condition during the operation of the park since they are considered necessary for the operating work. It is thus assumed that the road system at the time of decommissioning will have more or less appropriate conditions for the transit of the necessary machinery (cranes, trucks with trailers...) or will need slight improvements.

In light of the above, the removal and recovery of the land will include the following actions:

- Removal of fixed structures (fencing, structures, wiring, manholes, profiles, foundations etc.), avoiding the abandonment of any element to be found there.
- Reuse or recycling of the components removed, transferring them to Authorised Managers so that the latter can seek their recovery as far as possible.
- Environmental recovery or restoration of the affected surfaces after the decommissioning of the facilities.
- Installation of systems or structures that promote the rapid colonisation of fauna in the area.

The steps to be followed to adapt the land where the solar plant has been located will be the following:

- The initial decompaction must be carried out prior to the provision of the topsoil which will be carried out by mechanical means (subsoilers, grates etc.). The ground will be prepared by means of ploughing to loosen the ground, avoid the formation of trickles or gullies, as well as to eliminate any compaction crusts, leaving the soil with a good tilth.
- The volume of land necessary for the total covering of the surfaces altered by the decommissioning works will be evaluated, as well as for the restoration of those areas that housed different infrastructures.
- The existing profiles on the affected land will be conditioned and levelled in order to achieve smooth, moderate slopes, as well as rounded profiles, not sharp and not discordant with the prevailing topography in the area. These surfaces will be located around the infrastructures, as well as roadsides to be restored (individual access branches).
- The surfaces or areas of extraction of topsoils will be identified, and these must have the corresponding environmental permits. The agrological characteristics must be similar to the soils affected (same texture, colour, permeability...)
- There will also be a contribution of manure and subsequent turning with a motorised cultivator.

Environmental investments

Solaria, with the constant desire to act sustainably and knowing that protecting the environment and combating climate change are essential for the future of the planet, makes major efforts to ensure responsible management and it earmarks part of its income to the implementation of measures aimed at mitigating or eliminating any possible damages that may be caused to the environment. Solaria's CAPEX is 100% allocated to the Company's business, the generation of renewable energy and the protection of the environment and surroundings, contributing to the fight against climate change.

In addition, Solaria makes economic investments[14] related with environmental impact studies, revegetation and reforestation plans, archaeological impact, the study of environmental effects and monitoring, the study of birds in the projects, agrivoltaics and the recycling of materials, inter alia.



[14] *The real economic data for 2023 of the investments made related with the environment are not available. Solaria will try to report the economic data of environmental investments during the year in the coming years.*



08

Commitment to People

Commitment to People

Solaria is a company which is fully committed to society and, in particular, to its employees. As far as Solaria is concerned, its staff are its best resource and it has total awareness with regard to respecting human rights, diversity, equal opportunities, equal treatment and non-discrimination which, self-evidently, are inalienable and fundamental rights of people.

Solaria strives to build an inclusive culture with a work dynamic based on the following principles:

Career development

As Solaria is amid a period of surging growth, it is able to offer different kinds of opportunities for career development, allowing employees to learn about different departments and to achieve personal and professional growth.

Integrity and responsibility

The responsibility and sound practices of our employees are among the main reasons for our consolidation as a sector leader. For this reason, SOLARIA seeks committed, responsible individuals who are always willing to take on new challenges and whose ultimate goal is excellence.

Human capital

At Solaria, we are interested in different kinds of candidates. Our most valuable assets are those with technical profiles (engineers in the fields of industry, environment, renewable energies, etc.) and others such as corporate, construction and maintenance for our installations.

Teamwork

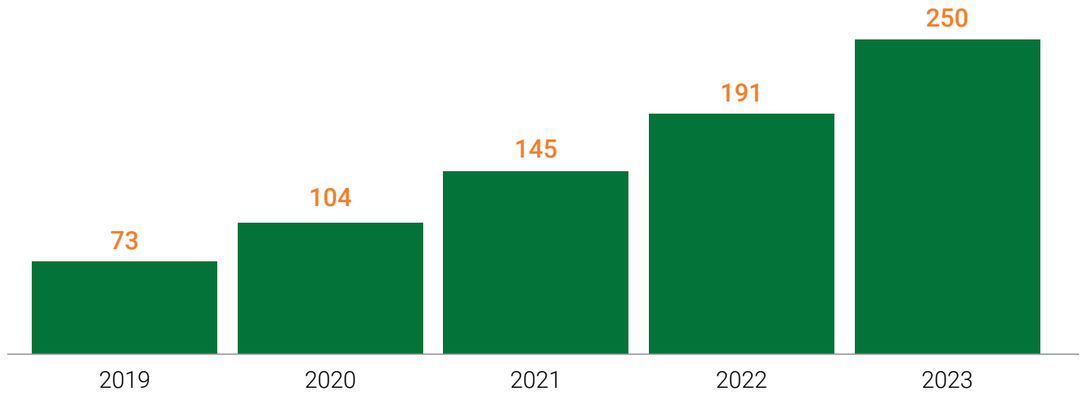
We firmly believe in teamwork. The keys to our success lie in coordination, a healthy competitive spirit and responsibility in the performance of combined tasks, along with excellent workplace conditions.

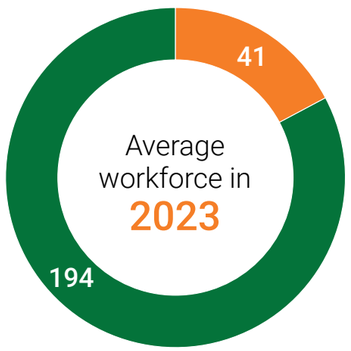
This chapter provides relevant quantitative and qualitative information in relation to Solaria's workforce, examining the challenges and opportunities that affect the Company.

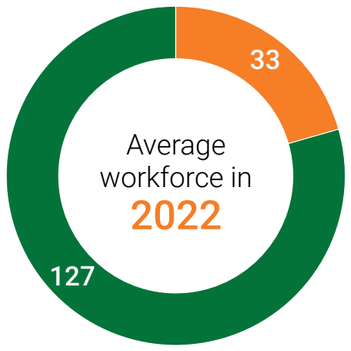
Solaria's team

At the end of 2023 Solaria's team totalled 250 employees, 31% higher than in 2022 and 243% higher than in 2019. The average headcount during the year amounts to 235 people.

Total employees



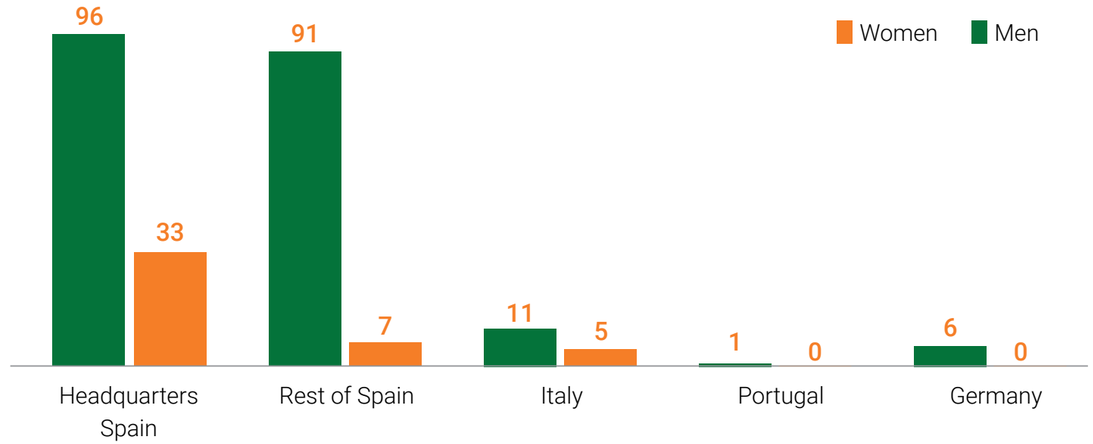




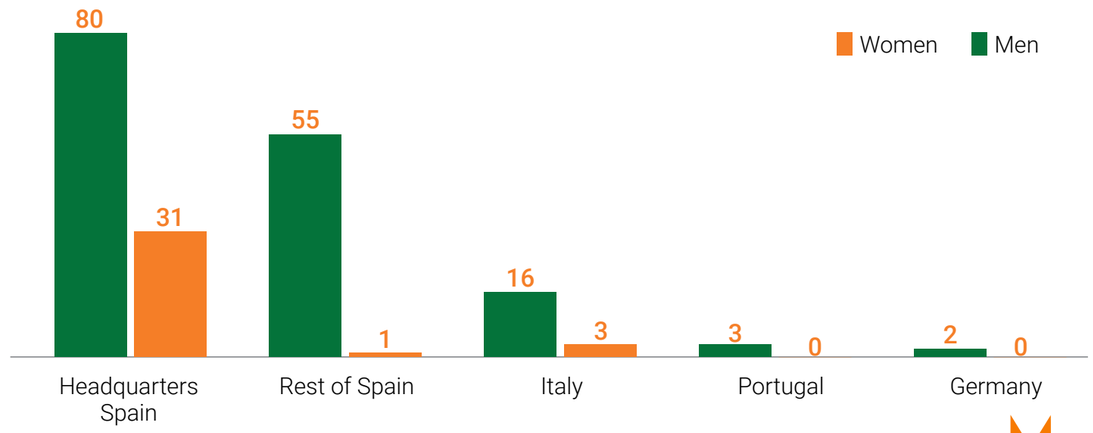
Women Men

The Solaria team is located in four areas which are strategic to the Company's activity, with Spain - where its head offices and most of its current business are located - being the location where the majority of the workforce is located, 91% . The rest of the staff is divided into teams in Italy, Portugal and Germany, as the Company is developing its international expansion. More than half the workforce is concentrated in the Solaria corporate offices in Madrid. To be precise, 52% of all employees. The Company also has offices in other locations in Spain, Italy and Germany.

Distribution of the workforce by **gender and country** at the end of **2023**

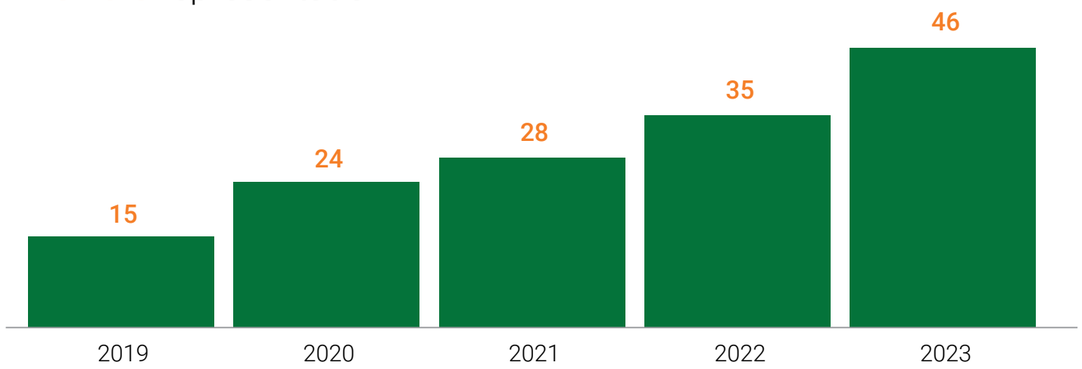


Distribution of the workforce by **gender and country** at the end of **2022**

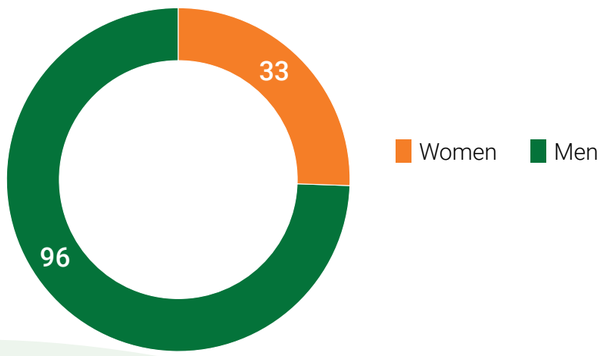


In terms of its composition, female representation at the end of 2023 has risen to 18%. Along these lines, and in accordance with the diversity and equality policies promoted by the Company since 2020, Solaria set itself the goal of reaching 25% female representation in its workforce and this is one of the main challenges to be met and it is making every endeavour to achieve it. It is worth highlighting that at the Solaria corporate offices, at year-end women accounted for 26% of the workforce.

Female representation



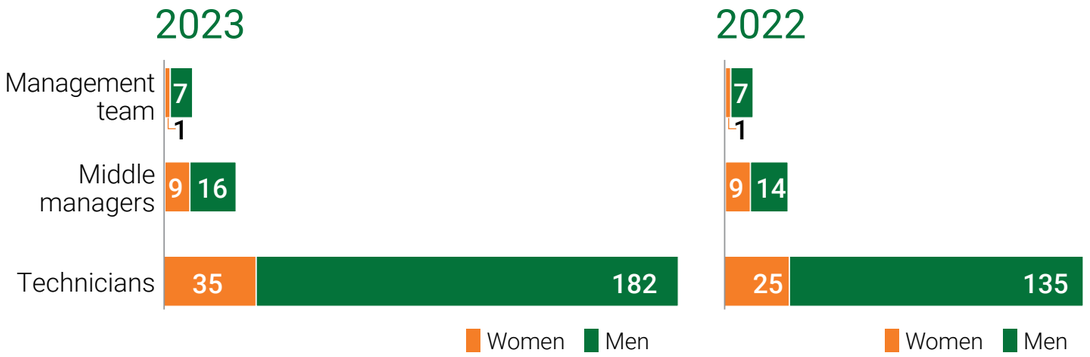
Distribution of the workforce by **gender** at Solaria's central services at the end of **2023**



The Solaria workforce is divided into three categories: Management team, middle managers and technicians. The technicians category is the one that covers the largest number of employees, including site managers, operating and maintenance staff, engineering positions, business development, finance and internships or scholarships, inter alia.

Solaria's employee profile means that the workforce is mostly young since the average age is 41 years old, making Solaria a company endowed with a flexible, dynamic culture. The average length of service of the workforce is 2.3 years. It should be noted that the average length of service of Solaria's Management Team amounts to 12.20 years, revealing great commitment and loyalty on the part of the Management Team to the Company.

Employees by **category and gender** as at year-end



Employees by **category and age** as at 31 December **2023**

Employees by professional category and age	Men	Women	Total employees
Management Team	7	1	8
<30	0	0	0
Between 30-50	7	0	7
>50	0	1	1
Middle managers	16	9	25
<30	0	0	0
Between 30-50	12	8	20
>50	4	1	5
Technicians	182	35	217
<30	30	4	34
Between 30-50	114	27	141
>50	38	4	42

Employees by **category and age** as at 31 December **2022**

Employees by professional category and age	Men	Women	Total employees
Management Team	7	1	8
<30	0	0	0
Between 30-50	7	0	7
>50	0	1	1
Middle managers	14	9	23
<30	0	1	1
Between 30-50	11	7	18
>50	3	1	4
Technicians	135	25	160
<30	17	5	22
Between 30-50	90	18	108
>50	28	2	30

Solaria is committed to providing fair working conditions, favouring permanent contracts, as well as internal promotion. At the end of 2023, 97% of the workforce has a permanent contract, in line with the data for 2022, 98% of permanent contracts, providing stability to its employees.

Employees by **type of contract a**t the end of **2023 and 2022**

2023	Full-time	Part-time	Total
Indefinite	240	1	241
Temporary	9	0	9
Total	249	1	250

2022	Full-time	Part-time	Total
Indefinite	186	1	187
Temporary	4	0	4
Total	190	1	191

Annual average of contracts by **gender** - **2023**

	Indefinite contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Men	189	0	189	5	0	5
Women	39	1	40	1	0	1
Total	228	1	229	6	0	6

Annual average of contracts by **categories** - **2023**

	Indefinite contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Management team	8	0	8	0	0	0
Middle management	26	0	26	0	0	0
Technical staff	194	1	195	6	0	6
Total	228	1	229	6	0	6

Annual average of contracts by **age ranges** - **2023**

	Indefinite contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
>50	46	0	46	0	0	0
Between 30 and 50	159	1	160	1	0	0
<30	23	0	23	5	0	5
Total	**228**	**1**	**229**	**6**	**0**	**6**

Annual average of contracts by **gender** - **2022**

	Indefinite contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Men	124	0	124	3	0	3
Women	30	0	30	3	0	3
Total	**154**	**0**	**154**	**6**	**0**	**6**

Annual average of contracts by **categories** - **2022**

	Indefinite contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Management team	8	0	8	0	0	0
Middle management	23	0	23	0	0	0
Technical staff	123	0	123	6	0	6
Total	**154**	**0**	**154**	**6**	**0**	**6**

[15] *RESOLUTION issued on 16 September 2021 by the Directorate-General of Employment of the Regional Ministry for the Economy, Finance and Employment on the registration, filing and publication of the collective bargaining agreement for the Metal Installations and Services Industry (code number 28003715011982).*

Annual average of contracts by **age ranges** - **2022**

	Indefinite contract			Temporary contract		
	Full-time	Part-time	Total	Full-time	Part-time	Total
>50	26	0	26	1	0	1
Between 30 and 50	112	0	112	0	0	0
<30	16	0	16	5	0	5
Total	**154**	**0**	**154**	**6**	**0**	**6**

As for internal promotion is concerned, 25% of the average workforce was promoted during the year. It should be noted that, of the total average number of women in the Solaria workforce during 2023, 27% of them have been promoted internally. Of the people who have received promotions, 19% have been promoted to a higher category, 46% of whom were women.

Throughout the fiscal year of 2023, and due to the Company's high growth, a total of 172 new people were hired. In addition, the Company has incorporated 8 people on scholarships during 2023, thanks to the Internship and Scholarship Programme that Solaria has up and running, through the signing of an agreement with universities, 12.5% of whom were given indefinite-term contracts with the Company after the internship period ad 75%, at the end of the period, were still at the Company doing internships. In relation to disability, the Company currently has one disabled person on its staff, with no change compared to 2022.

As far as layoffs were concerned, in 2023 there was a total of 39, all of them involving the professional category of technicians and which can be broken down as follows:

2023	Women	Men
Technicians		
<30	0	3
Between 30 and 50	1	23
>50	2	10

2022	Women	Men
Technicians		
<30	0	1
Between 30 and 50	1	9
>50	0	4

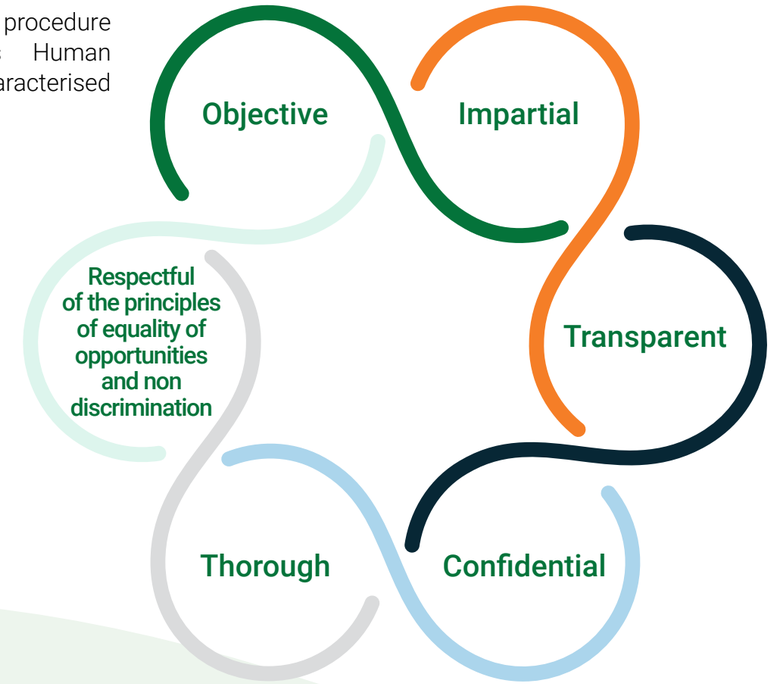
Finally, in relation to employment contracts, 100% of Solaria's workforce located in Spain is under the Madrid Collective Bargaining Agreement for the Metal Sector[15]. At the rest of the locations where the Company has people employed, the current employment legislation and the collective labour agreements or similar instruments of each country are applied, being applicable to 100% of the employees hired

Talent management

Its team is one of the mainstays of the Company and this is why it makes every effort to ensure that the workforce feels proud to belong to Solaria.

Selection processes

The selection and hiring procedure carried out by Solaria's Human Resources department is characterised by being:



Solaria assumes its commitment to diversity and this is why in its selection processes it seeks, whenever possible, to prioritise access to the least represented gender.

The basic principles of action in Solaria's selection processes are the following:

- To ensure a selection process that respects equal opportunities and direct or indirect non-discrimination on the grounds of sex, race, nationality, language, origin, personal beliefs, marital status, disability or health, or for any other reason of whatsoever type, setting great store by internal talent and guaranteeing objectivity and impartiality.
- To ensure that the selection is carried out based exclusively on criteria which involve merit and ability, including all professionals who fit the profile in terms of knowledge, aptitudes, skills and competencies required for the different jobs and guaranteeing that all candidates are treated equally throughout the process.
- To comply with current employment legislation on recruitment and selection.
- To guarantee absolute confidentiality to all applicants in accordance with the regulations for the protection of personal data.
- To promote job stability through permanent contracts as far as proves possible.

The Company understands that a diverse, equitable workforce is essential and so increasing female representation is one of its main challenges.

This is why, amongst other initiatives, Solaria measures participation and the type of profile that applies to its job offers through an external management tool, evaluating the gender of the applicants, age, experience etc. In terms of the overall calculation, the share of participation in job offers at the end of the year can be broken down as follows: 37% women and 63% men.

Training

Solaria promotes and fosters the professional development of its employees by creating an environment imbued with progress, motivation and integration. For the Company, training, information, training and awareness are essential elements in sustainable development as a company and as part of society. In this regard, the Company has set the target of increasing training hours per employee by 10% by 2025 compared to 2021.

With this in mind, during 2020 Solaria launched a new Training Plan with the aim of annually establishing the necessary training and subjects so that employees can carry out their work effectively.

In terms of the training given to Solaria's employees, priority is given to training in business sustainability, diversity and non-discrimination, workplace and sexual harassment, human rights, ethics and Compliance, anti-corruption, the fight against climate change, occupational health and safety, training courses pertaining to the company's activity and the general business progress and other more specific ones, with regard to technical matters or those required for job development which are analysed on a case-by-case basis according to requirements.

In 2023, training hours increased to a total of 3,518 hours, compared to 2,375.5 hours taught in 2022. This number of training hours represents an average of 14.97 hours received by each employee. , compared to 14.85 hours received per employee in 2022.

The training hours provided in 2023 can be broken down as follows[17]:

Professional category	Hours	%
Management team	35	1%
Middle managers	117	3.32%
Technicians	3,366	95.68%

The training hours provided in 2022 can be broken down as follows:

Professional category	Hours	%
Management team	112	4.71%
Middle managers	329	13.85%
Technicians	1934.5	81.44%

Of the hours of training given during the year, 69% pertain to training in occupational health and safety and accident prevention, which represents a total of 2,422 hours of training. 8% was external training, through courses or certifications provided at schools or study centres. The rest of the training hours, 829 hours, have been internal courses on different subjects, including training related with ethics in the Company, the way in which employees should act and the obligations and commitments in terms of anti-corruption, given to 100% of the workforce.

To be precise, all employees have received additional training related with the Code of Ethics and the way in which they must use the Company's whistleblowing channel. Likewise, 100% of the workforce has received training in corporate sustainability and inclusive culture, diversity, anti-harassment workplace protocol and decarbonisation since Solaria places special emphasis on expanding the knowledge of its employees in this area. Other internal training given has consisted of more technical or specific subjects.

With these training courses, the Company intends to raise awareness of the importance of working with a sustainable approach and the mitigation of any possible risks and impacts on the carrying out of the activity, as well as promoting the identification of new opportunities.

[16] *Taking into account the average number of employees during the year.*

Diversity and equal opportunities

Respect for human rights, diversity, equal opportunities, equal treatment and non-discrimination are inalienable and fundamental rights of people. Solaria respects all these rights of its current and potential employees, knowing that it is the only way to create a safe, open and trusting work environment, setting great store by its best resource, people.

Solaria follows a Code of Business Ethics in which equality is guaranteed and there is zero tolerance for any direct or indirect discrimination on the grounds of sex, race, nationality, language, origin, personal beliefs, marital status, disability or health, or for any other reason of whatsoever type.

As part of its commitment to people, in 2020 Solaria's Board of Directors approved, in addition to the Diversity Policy, the Anti-Harassment Policy and a Selection Protocol that support the Company's 2020-2024 Internal Diversity Plan. Solaria is currently undergoing the updating of the Internal Diversity and Equality Plan in order to adapt it to the requirements of current legislation.

In the same way, during 2020 the Equality and Diversity Committee of Solaria was set up, the body responsible for ensuring compliance with the principles, commitments, internal policies and applicable legislation in social matters, protection of the rights and fundamental freedoms of people and effective equality between men and women, as well as the achievement of the objectives set. During 2023, a meeting was held of the Equality and Diversity Committee. As regard the progress made by the Committee, worthy of special mention were Solaria's efforts to measure and reduce its salary gap, as well as internal promotions amongst its employees.

In this regard, it should be noted that Solaria has set the target of having 25% female representation in its workforce and this is one of the main challenges it faces and it is making every endeavour to achieve it, having already accomplished this at the head offices where women represent 26%.

Additionally, Solaria declares its zero tolerance for workplace harassment and takes all the measures within its reach to eradicate this type of practice through different mechanisms such as training its employees, the use of inclusive language and the sanctions which would be imposed on any employee if a workplace harassment practice was detected.

Solaria is aware of the importance of universal accessibility for people to its facilities and so it has measures in place to guarantee this, adapting its facilities so that anyone, including disabled people, can access them. By way of example, corporate offices have lifts on all floors or access ramps in areas where there are stairs.

In relation to the employment integration of those people with disabilities that Solaria has on its staff, an exhaustive evaluation and analysis of the abilities of the applicants is carried out in order to assign them the job according to their situation and so that they can successfully carry out the tasks they have been assigned.

During 2023, no discriminatory conduct or harassment of any kind was detected, nor has any complaint or grievance been received in relation to any breach of the Company's social policies. In the previous year, no discrimination or harassment behaviour was detected, nor were any complaints received in this regard.

Remuneration [17]

In terms of remuneration, Solaria sets salary levels linked to the position held in the organisation and to people's abilities, regardless of gender, race, nationality, language, origin, personal beliefs, marital status, disability or health.

To determine the average remuneration of the workforce, Solaria applies the following formula:

$$\text{Wage gap} = \frac{\text{(average male salaries – average female salaries)}}{\text{average male salaries}}$$

The average remuneration of the workforce in 2023 amounted to €56,688, broken down as follows: €58,253 for the average male remuneration and €49,555 for the average female remuneration, with a 15% wage gap. In this regard, it is important to note that, although Solaria does not distinguish between men and women according to the position held and makes every effort to eliminate the wage gap, the composition of Solaria's workforce and the average length of service broken down by gender mean that the average male remuneration is higher than the average female remuneration.

[17] *Average remunerations include the following items: fixed remuneration and variable remuneration established in the contract. Other remuneration items such as allowances, compensation, payments to long-term savings pension systems, or any other item have not been considered in the calculation.*

The average remuneration of the workforce in 2022 amounted to €56,826, broken down as follows: €58,572 for the average male remuneration and €49,045 for the average female remuneration, with a 16% variation. It is worth highlighting the reduction during the year 2023 of the total salary gap by 1%, due to the Company's efforts with regard to the diversity and equal opportunities of its workforce.

Solaria makes every effort to attract and retain talent and so all employees receive an variable annual remuneration, regardless of their job position, which is linked to the achievement of the targets set and the professional performance of the employees during the year, being determined in line with periodic performance evaluations.

In this regard, it should be noted that the management and some positions considered to be more exposed to the risks identified by Solaria have signed as an annex to the employment contract a clause related with the achievement of the Company's sustainable objectives, committing 15% of its variable remuneration, as well as clawbacks and malus clauses which penalise bad practices and unethical or illegal conducts.

Remunerations 2023

Average remuneration by professional category and gender 2023

Category	Men	Women	Totals	% variation
Management Team	€205,171	€208,000	**€205,525**	-1%
Middle managers	€122,509	€77,822	**€106,422**	36%
Technicians	€46,954	€37,759	**€45,471**	20%

Average remunerations by age and gender 2023

Ages	Men	Women	Totals	% variation
< 30 years old	€31,370	€27,500	**€30,915**	12.3%
Between 30-50 years old	€65,066	€45,951	**€61,084**	29.4%
> 50 years old	€55,882	€85,283	**€59,557**	-52.6%

Remunerations 2022

Average remuneration by professional category and gender 2022

Category	Men	Women	Totals	% variation
Management Team	€ 197,886	€ 178,100	**€ 375,986**	10%
Middle managers	€ 103,504	€ 68,889	**€ 172,393**	33%
Technicians	€ 46,686	€ 36,739	**€ 83,425**	21%

Average remunerations by age and gender 2022

Ages	Men	Women	Totals	% variation
< 30 years old	€ 31,688	€ 29,117	**€ 60,805**	8%
Between 30-50 years old	€ 65,465	€ 46,331	**€ 111,796**	29%
> 50 years old	€ 48,802	€ 95,900	**€ 144,702**	-97%

Non-wage benefits:

Besides the salary received by Solaria employees, the Company offers them a package of social benefits with tax advantages that include, in addition to training, medical insurance or life insurance, covering double the gross annual salary agreed between the company and the employee, a travel card, a restaurant card or childcare for employees' children

Care and protection of people

Guaranteeing the safety of the Company's employees is essential for carrying out Solaria's activity. The Company complies with the current health and safety legislation of those countries in which it operates and it carries out all the necessary measures to protect its employees and all the people involved, in one way or another, with Solaria. Likewise, the Collective Bargaining Agreement, which applies to 100% of employment contracts in Spain, includes specific measures and regulations aimed at protecting their own safety and health and that of other people. In the rest of the countries where Solaria operates there is the same protection of occupational health and safety.

This commitment is also extended to those contractors and suppliers whose activity is carried out at the workplaces where the responsibility lies with Solaria. This is why Solaria addresses occupational risk prevention issues with a preventive approach based on carrying out training actions on health and safety as well as audits to ensure strict compliance with all safety measures.

Solaria has the target of achieving “Zero Accidents” starting off with the implementation of a Preventive Culture in which all employees, whatever their position, are responsible for their own safety and contribute to the safety of the whole. The Company has a Health and Safety Policy that applies to all Solaria employees, both direct and outsourced, which establishes the main commitments and responsibilities of the Company. The Health and Safety Policy is signed by all Solaria employees when they join the Company.

In 2023, a total of 2,422 hours of training were provided related with occupational health and safety and the prevention of accidents distributed, compared to the 799 hours provided in 2022 with regard to these subjects, amongst various courses in which issues related with the prevention of accidents were addressed, both at the plant and in the office, provided to 100% of the workforce, as well other more specific issues such as the procedures and modus operandi when required to perform first aid or extinguish fires, as well as the prevention of those activities characteristic of the construction of solar plants.

In addition, Solaria informs all its contractors and suppliers about its Health and Safety Policy, and compliance with the latter is mandatory for them through specific acceptance, signed and in writing, and it carries out risk assessments on all its contractors in this regard. To be precise, during the year 100% of Solaria's facilities passed an internal audit on occupational risk prevention.

Furthermore Solaria carries out random audits on some of its contractors during the construction of the solar plants.

Own staff

As of 31 December of the year, Solaria has recorded a total of 4 accidents amongst its own employees, all of whom were make, with two of them having required sick leave compared to three accidents involving three men amongst its own employees, without any of them requiring sick leave, in 2022.

The comparative data for 2023 and 2022 have been provided below:

	2023		2022	
	Women	Men	Women	Men
Incidence Rate	0	869.57	0	0
Severity rate	0	4.89	0	0
Workplace accidents	0	0.15	0	0
Hours of absenteeism due to work accidents	0	4	0	0
Occupational diseases	0	504	0	0
Hours of absenteeism due to occupational diseases	0	0	0	0
Horas de absentismo por enfermedades profesionales	0	0	0	0

Outsourced staff

In relation to contractors and suppliers, the number of outsourced employees rose to 7,133 in 2023.

The data recorded in relation to outsourced employees are the following:

	2023		2022	
	Women	Men	Women	Men
Frequency rate [18]	0	2.63	0	6.24
Incidence Rate	0	42.06	0	92.74
Severity rate	0	0.02	0	0.07
Hours of absenteeism due to work accidents	0	168	0	576
Occupational diseases	0	0	0	0
Hours of absenteeism due to occupational diseases	0	0	0	0

As can be seen in the table above, the data are considerably lower than the data registered as of 31 December 2022. This can be put down to Solaria's commitment to occupational health and safety as one of its priorities, the implementation of preventive measures and the training courses provided, making everyone related with the Company aware of how to act responsibly, both with regard to themselves and with regard to others.

Corporate culture and work environment

Solaria offers its employees a flexible, open, inclusive, collaborative and dynamic culture, thanks to the young age of its workforce and its medium size, within a company in a sector whose relevance is growing, not only as a result of its positive economic evolution, but also due to the importance that renewable energy generation has for the future of the planet in the midst of the climate crisis.

This culture has been boosted thanks to the shared vision that employees and Solaria have on issues relevant to both, such as environmental protection or the general welfare of workers.

This is why Solaria has managed to generate a feeling of unity not only between the Company and its workers, but also between the latter.

The Board of Directors is the highest authority responsible for safeguarding the corporate culture and preserving ethics in the Company so that it continues to be a company to which employees feel proud to belong. The Management Committee and area managers also play a vital role in creating a sound, successful corporate culture.

During 2021, and as part of the strategy of sustainability and commitment to employees, the Company launched its TELL US ABOUT IT PLAN, whereby work environment surveys began to be carried out amongst employees, with the ultimate goal of making Solaria a company where its people feel satisfied and proud.

The first work environment survey, carried out in July 2021, had 61% participation, and the general results were very positive in terms of the feeling of belonging and ambition with regard to the project. These surveys are carried out periodically and the most notable result was the staff's feeling of belonging and ambition with regard to the project, as well as satisfaction in terms of remuneration.

[18] *Rates well below the average levels for construction (frequency rate: 49.1; incidence rate: 6,097; severity rate: 1.28).*

In terms of the way of organising work, Solaria establishes a professional schedule of forty hours a week, differentiating between office personnel and construction or plant maintenance personnel, due to the specific needs of each project and of the workpost. The professional schedule that Solaria has established respects the rest times of the staff. Specifically, the working hours of office staff are stipulated between 9:00 and 19:00, with a flexibility of entry and exit of up to one hour and during mealtimes, which can be enjoyed in a period of between one hour and two and a half hours. The schedule of the operation and maintenance staff may vary depending on the needs and production of solar energy during the winter and summer periods.

Another relevant issue for Solaria in terms of the work-life balance is that all employees can experience motherhood and fatherhood at the same time as having a successful professional career. In this regard, during 2023, four employees were entitled to parental leave, three men and one woman, which they all took. 100% of them continued in the Company after the maternity/paternity leave ended. In the previous year, six employees took parental leave, four men and two women.

In the coming years, Solaria plans to implement additional measures in relation to workplace disconnection and the work-life balance, in addition to those already existing, where respect for employees' working hours and rest periods is prioritised.

Additionally, and as part of the corporate culture, Solaria carries out team-building exercises with a view to promoting teamwork and cohesion amongst colleagues in a relaxed environment outside the workplace.



Internal communication

Within Solaria's culture, communication, both external and internal, is one of its priorities.

Employees are the main stakeholder for the Company. This is why Solaria sets out to convey a sound, unified and periodic message which guarantees the correct internalisation of the vision, mission and values and in such a way that the employees know the relevant information and milestones of the Company before the information becomes public, as well as promoting the commitment of workers to the management of the Company, in terms of information, consultation and participation.

There are different tools and formats that can help achieve this objective, both through channels internal and external to the organisation.

The main channels that Solaria makes available to its employees are detailed below, thereby guaranteeing fluid, solid communication and that messages and milestones reach the entire workforce:

- Employee portal at which, in addition to the management of different employment aspects, internal communications etc. are published.
- Visits to the Company's solar plants so that all employees learn about the operation and modus operandi of a solar plant on the ground.
- Internal newsletter.
- Corporate style and brand manual.
- Website.
- Corporate e-mails.
- Periodic meetings between the areas.

Additionally, Solaria has channels on which employees can submit their queries, concerns or suggestions. Including the Compliance Channel (*canalcompliance@solariaenergia.com*), the communications mailbox (*comunicacion@solariaenergia.com*), the human resources mailbox (*hr@solariaenergia.com*) and the specific mailbox for issues related with sustainability (*greenmatters@solariaenergia.com*).



09

Commitment to the communities

Respect for human rights

For Solaria, the respect for and protection of human and employment rights in all relationships with stakeholders is essential. It does not tolerate forced or compulsory labour in any of its forms and it guarantees the elimination of any discrimination in employment and occupation and the effective abolition of child labour.

Solaria is a signatory to the United Nations Global Compact and it promotes compliance with the principles contained in the United Nations International Bill of Human Rights, the OECD Guidelines for Multinational Enterprise, the International Labour Organisation (ILO Declaration) and its fundamental conventions, and the European Convention on Human Rights.

In 2021, the Company approved the policy of respect for human rights, which sets out its commitments and zero tolerance for practices contrary to human rights. In addition, it has other Corporate Standards and Policies in force that support and complement respect for human rights. Solaria's actions in matters of human rights are based on minimising the risks associated with human rights through risk analysis, assessments and audits of compliance with human rights by its suppliers, commitment and awareness-raising and the provision of communication, complaint and/or claim channels.



Solaria demands the same respect for human rights from all its stakeholders.

In this regard, Solaria's action consists of three main stages:

A The Company has in force the Supplier Code of Ethics, which is included in all contracts with suppliers and is published at the Company's website. In this way, Solaria sets guidelines for the control and management of risks associated with the activities of its suppliers. Solaria requires all of its suppliers to accept, adhere to and comply with the Code by way of a contract.

The Supplier Code of Ethics was updated by the Company in the last quarter of 2023, reinforcing Solaria's commitments and obligations to suppliers, amongst which it is worth highlighting issues related with the protection of human rights and zero tolerance for forced and child labour, corruption and money laundering etc.

B The Company has established a Due Diligence procedure and, during the period, it carried out evaluations of respect for human rights on all its suppliers with risks of practices contrary to human rights. All the evaluations carried out concluded favourably, with Solaria not detecting any risks of violation of human rights or practices that may include forced labour or child labour.

The due diligence procedure is divided into the following stages:

i. Search for supplier information (financial and non-financial information), location of its facilities, other companies in its business group, press and reputation and any other relevant public information, including ratings.

ii. Declaration signed by the Board of Directors or Senior Management of the supplier that guarantees compliance with all applicable legislation, national and international standards, and Solaria's commitments to the protection of human rights in all its activities, including its supply chain.

iii. Compilation of policies, internal standards, reports, of the supplier, highlighting the following:

- Supplier's Code of Business Conduct and Ethics, which specifically includes the prohibition and non-tolerance in relation to forced or child labour and requires its suppliers to comply therewith.
- Current certificates and ISOS.
- Information on European projects to which the supplier has provided materials during the last three years.
- Any other relevant document and/or information.

iv. Traceability of the entire supplier supply chain and list of materials and raw materials that are involved in the production of the components of the Solaria plants.

C Solaria ensures contractual compliance through a permanent presence at the factories of its suppliers, personally or through an independent third party (certified companies), at the pre-production stages, during the manufacturing and pre-shipping process, where the status of the orders and the status of the facilities is verified, as well as any other relevant circumstance of the supplier, including compliance with the list of materials and sub-suppliers provided by the supplier.

During the financial year of 2023, the Company did not receive any complaints owing to cases of the violation of human rights, nor has it detected that any practice was being carried out contrary to its Corporate Rules and Policies or to the international reference regulation. In 2022, no complaints were received owing to cases of human rights' violations.

For these purposes, Solaria has established a channel for the communication of any unethical or illegal action which is being detected: *canalcompliance@solariaenergia.com*.

Contribution to local development

Engagement with local communities is essential for building strong and sustainable relationships. This commitment involves listening to their needs, contributing to local development and being a responsible member of the community. It also involves a deep understanding of local dynamics, respect for cultures and investment in the well-being of the community. In this way, companies can build a solid base of local support and contribute positively to the environment in which they operate.

Solaria maintains a business strategy based on value creation. Local communities are a key interest group for the Company and, in the main, for the success of its projects. This is why it dedicates the necessary resources to ensure a good relationship and fluid, constant communication with the communities.

Local development is key to Solaria's activity. The Company provides important socio-economic benefits to local communities and it seeks a positive impact on municipalities through job creation as well as through social initiatives based on the assessment of the needs of each area, promoting local and rural development.

Before starting any project, Solaria carries out an environmental and social impact assessment in the territory in order to avoid and mitigate any negative impact and enhance the positive ones. Additionally, the Company analyses the specific needs of each territory in order to contribute to its local and sustainable development.

Local job creation:

Job creation as part of the commitment to local communities is a key practice for generating a positive impact. Businesses can contribute significantly by providing local employment opportunities, promoting inclusive hiring and offering fair working conditions. By doing so, they not only strengthen the local economy, but also raise the standard of living of residents.

Solaria prioritises the hiring of local resources, both of the staff required for construction and the purchase of supplies, whenever possible, which constitutes a major asset for the revitalisation of the economy and local employment.

To be precise, during the construction period of a photovoltaic plant[19], Solaria mobilizes an average of 300 people directly, in addition to the indirect employment that is generated in the neighbouring municipalities of the solar plant. In addition, the Company's Operation and Maintenance teams have their habitual residence in the area where the solar plant is located, thus contributing to the creation of local employment throughout the working life of the plants.

Specifically, during 2023 Solaria created 7,133 jobs besides its direct employees, through the contractor companies with which Solaria has worked in the construction of its solar plants.

Furthermore, for Solaria, training and instruction is crucial in order to be able to deploy its objectives and connect an ever-increasing amount of solar photovoltaic energy to the grid. With this in mind, besides the training of its employees, described in the previous chapter, Soria has the SOLARIA FORMA plan in force, in order to provide training and professional development programmes to improve the skills of the local workforce, which not only benefits employees individually, but it also contributes to the long-term development of the community by driving employability and sustainable economic growth.

Environmental benefits:

At an environmental level, there are also clear benefits since, in addition to the reduction in carbon dioxide emissions, the reduction of electricity dependency and the lower cost of the electricity mix, Solaria collaborates with different associations or local entities to integrate agriculture and livestock at the solar plants that coexist in harmony with the solar panels, for example, lavender plantations, beekeeping or sheep, currently responsible for clearing most of the brush from the solar plants, thereby avoiding the pollution caused by brushcutting machines. It should also be noted that the Company looks for sites with little farming capacity, thereby trying to ensure that there have been no previous conflicts on or because of said land.

Economic development:

Additionally, and from the point of view of economic development, Solaria contributes significant income to local communities due to taxes and fees. By way of example, during the development of a project, the neighbouring local communities obtain access to the so-called ICIO (Construction Tax) whose value can account for up to 4% of the project budget. This is a very significant amount which, along with the payment of Real Estate Tax and other taxes and fees, also linked to the value of the project, constitutes an important source of funds for the municipalities where the Company's projects are located. .

This wealth creation directly and indirectly in the municipalities or regions where Solaria is located significantly promotes the activation of rural life and prevents depopulation.

[19] *Taking as the reference a standard 50MW Solaria plant.*

Fluid communication and active dialogue

For Solaria, transparency with its stakeholders is essential. One of its main commitments is open, fluid and permanent communication.

Solaria wants to ensure that all stakeholders, including local communities as one of the priority stakeholders, have access to up-to-date Company information.

This is why the Company has different information and communication mechanisms which ensure the availability, immediacy, veracity and transparency of the information. In this regard, Solaria has a Communications Policy with stakeholders where you can learn more about the guidelines that govern Solaria's external communication.

Some of the Company's communication mechanisms are:

- The website, where it publishes and makes available all the relevant information and documentation such as periodic income statements, policies and procedures, commitments in terms of sustainability, contact information with the different areas of the Company etc.
- Presence on social media: LinkedIn, Twitter, Instagram and YouTube.
- Presence on mainstream, local and sectorial media.
- Events, forums and round tables, with the purpose of exchanging ideas, theories and opinions and making the Company's stakeholders aware of Solaria's strategy and milestones.
- Mailboxes open to all stakeholders *comunicacion@solariaenergia.com* and *greenmatters@solariaenergia.com*.

In addition to these means of communication that the Company makes available to its stakeholders and society in general, Solaria maintains fluid communication right from the outset of the projects through formal and informal meetings, training sessions and making the Company's different communication channels available to the communities.

The Company's aim is to establish two-way communication that is beneficial to all, in dialogue with the local community during all stages of the project, development, construction, operation and maintenance.



Social initiatives

Solaria Forma plan:

As indicated above, Solaria, as a specialist and leader in solar photovoltaic energy, is fully committed to education and training.

The Company is convinced that the energy sector is experiencing the most important time of transformation of the last century. **The energy transition being experienced and which will be experienced in the coming decades, largely due to the push for renewables, the decarbonisation of the economy and the rise of new business models, requires professionals to maintain a continuous training process** which allows them to be at the forefront of the demands of the sector. We are on the threshold of a new paradigm in the energy field.

In this regard, Solaria allocates resources to the training of its employees, as indicated in the previous chapter.

In addition, in 2021 it launched the SOLARIA FORMA PLAN which includes various training-related initiatives:

- Collaboration with schools in different locations where the Company manages solar plants, with the aim of training people in solar photovoltaic energy and the maintenance of solar plants through certified courses, promoting the ease of training and learning of people from rural Spain, as well as promoting STEM vocations amongst women since one of the aims is that, whenever possible, at least 50% of the students should be women.
- Partnership agreements with different training centres in municipalities close to the areas where the Company manages solar plants so that they carry out workshops or practical training for their students in situ at the solar plants.
- Educational training at the solar plants. During 2023, the Company carried out three internship days at its solar plants, with a total of 117 students from different vocational training courses or university master's degrees related with renewable energies.
- Donation of material to institutes or universities that teach courses or professional certificates in solar energy, so that students can train with real materials.
- Training actions for MBA and business school students, both national and international, related with more strategic, entrepreneurial and business cases. Specifically, during 2023, 38 students were trained in this area by the Company.

Other initiatives:

Other initiatives that Solaria has carried out during 2023 and which are very beneficial to the municipalities in which the Company manages projects have been collaborations with sports, cultural, health associations or sponsorships etc.

During 2023 Solaria made the following monetary donations through agreements with non-profit making entities:

- Partnership agreement with the Elcano Royal Institute Foundation for International and Strategic Studies whereby Solaria made a financial contribution of €150,000 to the Foundation for foundational purposes and became a member of its Board of Trustees.
- Partnership agreement with the Spanish Group for green growth, an association formed by more than 50 companies of various sizes and profiles in which an ambitious approach is shared when addressing environmental challenges. Solaria has made a financial contribution of €3,250, becoming a member of the latter.
- Collaboration with the Cultural and Sports Association Sanfagún de Los Barrios de Bureba (Burgos), benefitting the association of Relatives and People Affected by Ankylosing Spondylitis, for the 5th edition of the Montes Obarenes Integral March (MIMO), whose purpose is to promote sport in contact with and respect for nature, as well as enhancing the natural and environmental values of this natural space, which are not sufficiently well-known, and filling up the towns in the area with "life" and generating economic activity there. The donation amount was €1,000.
- Collaboration with FESCIGU, Guadalajara Committed Cinema Festival, a festival of short films with social themes. The monetary donation to this association was €1,000.

In 2022 Solaria made the following monetary donations through agreements with non-profit making entities:

- Partnership agreement with the bishopric of Sigüenza to carry out upkeep and restoration tasks in the parishes that go to make up the diocesan artistic and architectural heritage of the Diocese of Sigüenza-Guadalajara. The donation amount was €50,000.
- Partnership agreement with the Eusebio Sacristán Foundation Solaria has granted scholarships to 56 students from various municipalities in Burgos to participate in a bilingual English camp with various sports and training activities at the "La Roca" facilities in Palencia. This camp has had a specific module on solar photovoltaic energy so that the younger people in rural areas could learn about the renewable energy sector. The donation amount was €7,000.
- Partnership agreement with the Elcano Royal Institute Foundation for International and Strategic Studies whereby Solaria made a financial contribution of €150,000 to the Foundation for foundational purposes and became a member of its Board of Trustees.

Other examples of local initiatives and actions carried out by Solaria during 2023 in the areas where it is located are:

- Collaboration with the sports school of Pantoja City Council.
- Sponsorship of the regional festivals of Yunclillos Local Council.
- Sponsorship of the regional festivals of Usanos Local Council.
- Sponsorship of the Alcarria Fishing Club.
- Collaboration with the Spanish Business and Biodiversity Initiative of the Biodiversity Foundation.
- Partnership with the Madrid Down Foundation.

All local initiatives and sponsorships carried out by Solaria have a single purpose: to contribute to the well-being of the municipalities and territories in which the Company is present, not only through the generation of clean and cheaper energy, but also by covering any specific needs that may arise.





10

Commitment to the Supply Chain

Supply chain management model

For Solaria, creating value in an ethical, sustainable manner constitutes one of its main values which is why it promotes, encourages and expects its suppliers to act in the same ethical, sustainable and responsible manner, adopting conduct guidelines consistent with the Code of Business Ethics of Solaria.

Furthermore, Solaria is aware of the need to carry out due diligence on its supply chain and it thus identifies, evaluates and manages the risks related therewith since it understands that risk management in the supply chain and the involvement of governing bodies is increasingly relevant for the reputation of companies.

As an initial mitigation measure and with the aim of extending the ESG commitments acquired by Solaria to its supply chain and suppliers, during 2020 Solaria carried out the preparation and approval of its Supplier Code of Ethics which is included in all contracts with suppliers and published at the Company's website. In this way, Solaria sets guidelines for the control and management of risks associated with the activities of its suppliers. Solaria requires all of its suppliers to accept, adhere to and comply with the Code by way of a contract.

It is worth pointing out that the Supplier Code of Ethics was updated by the Company in the last quarter of 2023, reinforcing Solaria's commitments and obligations to suppliers, amongst which it is worth highlighting issues related with the protection of human rights and zero tolerance for forced and child labour, corruption and money laundering etc.

The objective of the Supplier Code is to establish and develop guidelines for the control and management of risks that could be generated by activities involving the procurement of materials or any other supply made to Solaria, or by the contracting of works and services, and to establish the main principles and values that Suppliers who want to establish business relationships with Solaria must adhere to. Solaria expects its Suppliers to support a corporate culture that promotes the Company's values. Likewise, Suppliers are expected to encourage their contractors, collaborators, employees, people acting on their behalf, and all those involved in their supply chain to maintain the same ethical behaviour and compliance with current legislation.

Suppliers must avoid any conduct that could harm the environment or damage Solaria's reputation, promoting the identification, prevention and mitigation of risks that may arise in these areas. Suppliers must accept and comply with the provisions established in the Supplier Code, as well as with the rest of Solaria's Corporate Rules and Policies, promoting knowledge thereof amongst their employees and people who participate in commercial relations with Solaria.

During 2023, Solaria maintained relationships with a total of 1,960 suppliers to which it has allocated a total of 329 million euros for purchases of goods and services. Of the total amount of purchases made by Solaria, 54% pertains to the purchase of goods and services from national suppliers[20].

In 2022, Solaria maintained a relationship with a total of 1,603 suppliers to whom it allocated a total of 331.469 million euros in purchases of goods and services, 50.24% of which pertained to the purchase of goods and services from national suppliers.

[20] *Domestic suppliers are understood to be those that operate with their tax domicile in Spain, where Solaria has practically 90% of its business.*

From these data we can see Solaria's commitment to creating value in local communities, prioritising, whenever possible, the purchase of goods and services from local and national suppliers.

Of the total number of suppliers with which Solaria maintains a relationship, two groups can be distinguished between:

- Suppliers of goods and supplies. In this group, the most relevant suppliers are those from whom Solaria purchases the main components of the solar plants, which are modules, inverters, trackers and transformers, accounting for approximately 75% of the CAPEX of the Company's projects.

  The number of suppliers from which Solaria has acquired the main components during 2023 (modules, inverters, trackers and transformers) has risen to 10.

  All the main suppliers of Solaria are ranked amongst the Top 10 manufacturers on the market in their respective sectors. For example, the module manufacturers from which Solaria purchases solar modules are classified as Tier One according to the classification of *Bloomberg New Energy Finance*.

  Solaria has evaluated and verified that they have valid ISO 14001 certification, an international environmental management standard. Furthermore, the Company verifies that its suppliers of main components fulfil the technical and quality specifications required by the Company, complying with current legislation, have solvency and good economic and credit capacity, reputation on the market etc. Specifically, during 2023, this evaluation was carried out on the 10 suppliers of the main components indicated.

  Likewise, as indicated on page 61 of this report, the supplies of the main components (modules, inverters, trackers and transformers) are subject to an evaluation and due diligence process in terms of respect for human rights. Specifically, during 2023 evaluations of respect for human rights were carried out on the 10 manufacturers from which Solaria purchased components.

  In 2022, the number of main component suppliers increased to 9. They all completed the supplier evaluation and verification process described in the previous paragraph.

  In addition, with regard to the transport of said main components, in 2022 Solaria started working with companies committed to climate change. In this regard, during 2023 the transport of the photovoltaic modules necessary for the construction of the new Solaria projects has been carried out with transport companies that use less polluting fuels than fossil fuels (accounting for a reduction of up to 25% in carbon dioxide emissions) and sustainability policies and public commitments to carbon neutrality are in force.

- Service providers. In this group, the most relevant suppliers for Solaria's business are the contractors, companies that are dedicated to the construction of solar plants and substations. It should be noted in this regard that Solaria performs EPC work since the development, engineering and purchase of supplies and materials are carried out internally.

  All construction companies are subject to an environmental assessment and the monitoring of compliance with the Environmental Impact Statement and corporate environmental standards.

  Thus, during 2023 there were 298 construction companies which, directly or indirectly, worked with Solaria and they have all been subject to an environmental and occupational health and safety assessment.

  In 2022, the number of contractors and subcontractors with which Solaria worked was 197. All of them were subject to an environmental and occupational health and safety assessment.

Consumers

Solaria focuses 100% of its activity on the generation of renewable energy thanks to the construction and operation of solar photovoltaic plants. In this regard, the Company is not dedicated to the distribution or commercialisation of energy to the end consumer, nor to individuals, commercial or industrial consumers, but it sells it to the market or on a PPA (Power Purchase Agreement) basis to large companies. This is why it does not deem it relevant to carry out satisfaction surveys with end consumers.

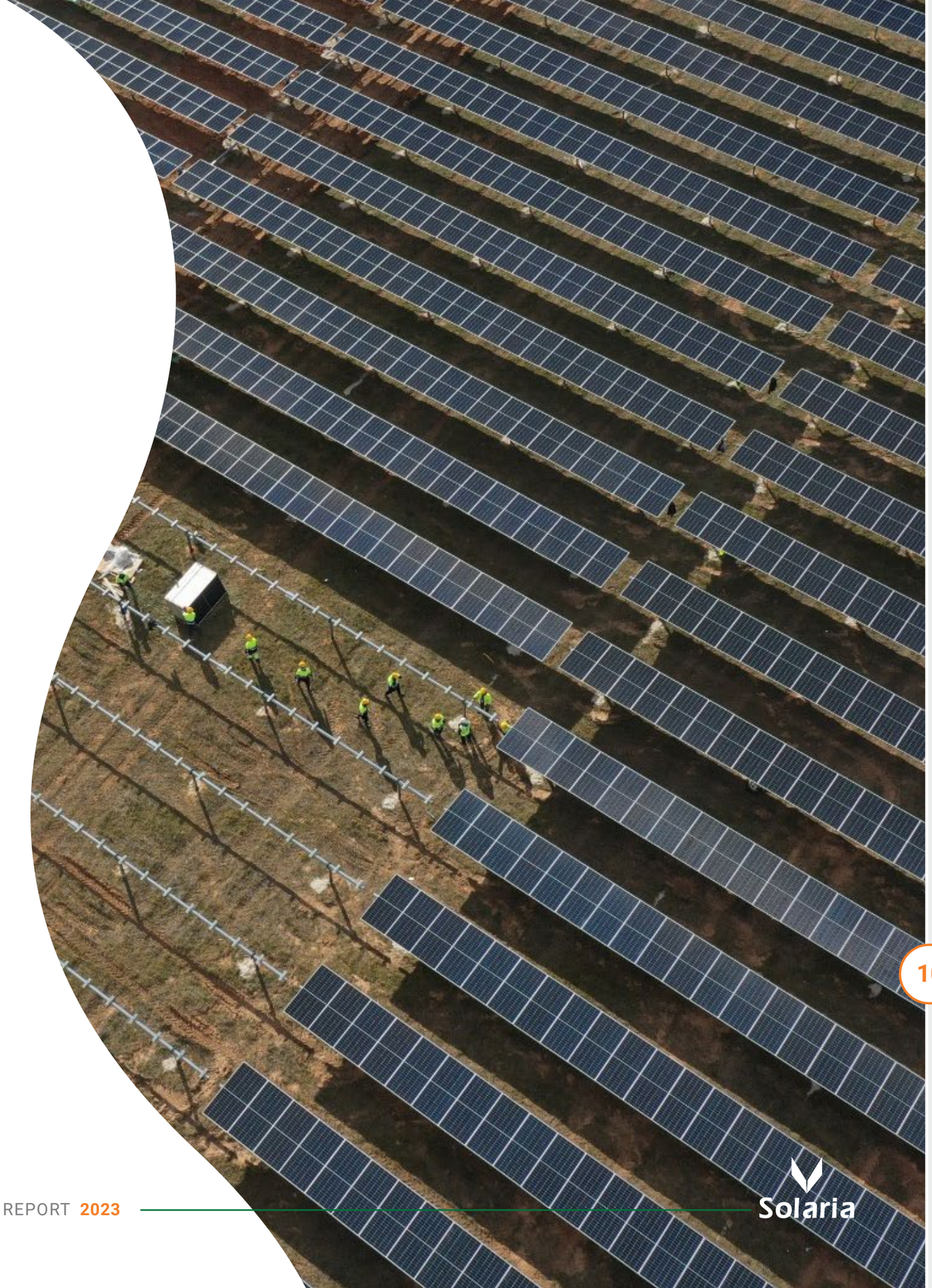
As of today, the Company has 7 PPA energy sales agreements in force. As these are long-term contracts, Solaria maintains fluid, constant communication with its counterparties. Neither during 2023 nor during the previous period have any formal complaints been received from the aforementioned counterparties.

The Company strives to ensure a quality service and complies with all its energy delivery commitments and proof of this has been that several of the counterparties have increased the energy capacity contracted with Solaria which demonstrates the degree of satisfaction of the latter with the company.

In this regard, Solaria has various communication channels in place with the Company, operational for both employees and third parties, whether or not they have a relationship with Solaria. Worthy of special mention are the following:

- Compliance Channel which can be used by both employees and third parties, including counterparties and other business partners (*canalcompliance@solariaenergia.com*). Through the compliance channel, anyone who has knowledge of or suspects a breach of Solaria's rules, corporate policies or internal procedures, legislation or any other type of breach or unethical action will be obliged to inform the company. It is also one of the Company's mechanisms for raising any doubts, queries, concerns, complaints or claims.

- In order to promote communication and transparency with its stakeholders regarding ESG matters, Solaria has established an online communication channel (*greenmaters@solariaenergia.com*) available to employees and third parties where stakeholders can make enquiries related with the Company's performance in the field of sustainability and good governance, as well as raising any doubts, queries, concerns, complaints or claims.





11

Fiscal Management

Fiscal Management

Solaria is highly committed to good governance; business ethics and integrity and it is aware of the importance that transparency and internal control activities represent in the current economic environment for market operators.

The fiscal strategy of Solaria is set out in the Company's Fiscal Policy which was updated during 2023, regulating compliance with the Company's tax obligations as well as the management and control of tax risks and it establishes the basic principles of action in this regard, ensuring respect for current national and international regulations as well as the good practices included in the reference standards, specifically, the Code of Best Tax Practices and the Group's compliance system, specifically, the Code of Business Ethics and the rest of Solaria's Corporate Rules and Policies, accessible at the Solaria website: *www.solariaenergia.com*.

Solaria is aware that appropriate tax management is essential to preserve the values and principles of the Company and the corporate interest of its shareholders and investors which is why Solaria's tax strategy is based on the following principles of action:

- Solaria undertakes to comply with current tax regulations, adopting at all times a reasonable interpretation thereof and trying to avoid, based on said interpretation, any inefficiencies and undue tax costs for Solaria.
- Solaria waives the following actions:
  - Operations or structures that solely pursue a tax advantage and do not pertain to business reasons or are not related with the location of material and personal resources, activities and business risks of the Company.
  - The structuring of operations of an artificial nature or unrelated with the Company's own activity, carried out for the sole purpose of reducing the tax burden.
  - The use of opaque structures in order to reduce its tax burden.
  - Making investments in or through non-cooperative jurisdictions for the sole purpose of reducing the tax burden.
- Operations between related parties will be carried out in accordance with Solaria's internal procedures and the applicable legislation in this regard, respecting the "arm's length principle" and, when required by current regulations, they will be approved by the Board of Directors, carrying out a prior validation of compliance with transfer pricing regulations.



Fiscal risk control and management

For Solaria, risk control and management is the means of anticipating them in decision-making and in business strategy through a series of preventive measures.

To this end, Solaria monitors the main risks to which it is exposed, thus allowing the Board of Directors to define the level of acceptable risk and manage the factors that could affect the achievement of the Company's objectives and its strategy and it implements the corrective measures and controls necessary to mitigate said risks (hereinafter, the "Risk Control and Management System").

The Risk Control and Management System covers the set of risks to which Solaria is or may be exposed, including tax risks. We take fiscal risks to mean those risks produced by the application of the tax regulations, the interpretative complexity or the modifications to the aforementioned regulations which may entail sanctions, economic or financial losses or damage to the reputation of the Company (hereinafter, the "Fiscal Risks"). ").

The control of fiscal risks is based on the existence of a series of control measures, processes and procedures of a fiscal and/or operational nature whose ultimate objective is to carry out an ex-ante preventive control of fiscal risks in order to prevent their occurrence or at least mitigate it.

The Risk Control and Management System is part of the set of internal rules and policies in order to minimise the risks to which Solaria may be subject. Its monitoring and responsibility lies with the Board of Directors through the Audit Committee.

The basic principles that govern the Fiscal Risk Control and Management System are the following:

- Solaria guarantees strict compliance with the applicable tax legislation, national and international reference standards, including the Code of Best Tax Practices, as well as the Code of Business Ethics and the other Corporate Standards and Policies of the Company, including this Policy.
- Solaria guarantees the transparency and veracity of the tax information that is made public, applying the procedures contained in the Company's Internal Control System for Financial Information (SCIIF).
- As regards people who occupy positions of responsibility in tasks of a fiscal nature and whose decisions could give rise to significant non-compliance, it is specifically required to prove the suitability of the person for the job, review that their remuneration contains clauses that encourage good praxis and penalise the assumption of risks in tax matters. Solaria also requires that any person who is part of the Group needs to provide their agreement with Solaria's Corporate Rules and Policies, including this Policy.

Bodies involved

The Risk Control and Management System applies to the Board of Directors, the Management Committee and all the staff belonging to the Solaria Group.

Fiscal Risk management is carried out at all levels of the organisation, with the Board of Directors, through the Audit Committee, being the ultimate body responsible for supervising risk management and control and for the ultimate definition of Solaria's fiscal strategy which mitigates the risks detected.

For the sake of transparency in fiscal risk management, the tax affairs department (hereinafter, the "Tax Affairs Department") must report periodically to the Management Committee which, in turn, will report to the Board of Directors, through the Audit Committee, on the following:

- Information about the taxes paid in the period.
- The most relevant tax policies and good practices followed in relation to each of the taxes.
- Information on litigation and tax inspections in progress or completed in the same year, detailing, where appropriate, the amount of the proceedings initiated and the strategy followed regarding their payment or otherwise and/or their discussion in Courts or before the Public Administration.
- New fiscal risks detected deriving from new pronouncements of the Inspection, the General Directorate of Taxes, Administrative Courts and Justice.
- Information on the smooth functioning of the Fiscal Risk Control and Management System.

Solaria has established the definition of duties and assignment of responsibilities within the Group.

- The Board of Directors is the maximum and ultimate body responsible for the implementation, management and monitoring of the Fiscal Policy, as established in article 5.2 of the Regulations of the Board of Directors. This responsibility is exercised through the Audit Committee.
- The basic responsibilities of the Audit Committee include the supervision of the risk control and management systems, including tax risks, as provided for in the Regulations of the Board of Directors, in article 13.2. thereof.
- The Management Committee is the body responsible for ensuring the application of and internal compliance with all Solaria Corporate Standards and Policies and the day-to-day management thereof. It is also responsible for reporting to the Audit Committee or the Board of Directors about any matter pertinent or relevant for the operation of the Company.
- In relation to Fiscal Policy, the Management Committee is responsible for participating in strategic decisions, as well as supervising the information and control systems and reporting to the Audit Committee, on a semi-annual basis or whenever any relevant issue arises regarding tax issues occurring during the period.
- The Internal Audit department, in collaboration with the Compliance department, will be responsible for monitoring compliance with the provisions of this document, as well as updating or modifying the Policy whenever necessary.
- The Compliance department is responsible for managing the Compliance Channel, a mailbox to which any doubts and queries should be addressed and to which any situations should be reported where it is detected that unethical or illegal activities are being committed, as well as training actions, which need to be deployed in relation to the knowledge and understanding of the Fiscal Policy and the fiscal strategy of the Solaria Group.

- The Tax Department, with the collaboration of the financial department where necessary, is responsible for the daily management of all tax matters, including compliance with applicable regulations, risk control and management and reporting duties. To be precise:
  - Submit tax returns and comply with all tax obligations in a timely manner.
  - Carry out communication and interrelations with the Tax Administrations.
  - Continuously analyse legislative, case law and doctrinal developments in tax matters and quantify the ensuing impact for Solaria.
  - Participate in relevant Forums where matters of tax and customs significance are discussed.
  - Provide support and advice to the rest of the group's departments on all matters that, directly or indirectly, may have tax significance for Solaria, requiring the involvement of the Tax Department throughout the Company's value chain. Any operation or transaction that has tax implications must be analysed by the Tax Department before being carried out.
  - Direct and manage the processing, in collaboration with the legal area, of all tax litigation procedures.
  - Adapt risk levels to the objectives set by the Board of Directors, manage fiscal risks and apply pre-established risk controls, monitoring their effectiveness.
  - Provide training support in tax matters and in relation to the fiscal control and management of tax risks to members of the organisation who carry out tasks directly or indirectly related with the tax function.

    Collaborate with the Internal Audit area and the Compliance area in control and monitoring tasks involving compliance with this Policy.
  - Report to the Management Committee which in turn will report to the Board of Directors, through the Audit Committee, on the tax consequences of operations or matters that must be submitted to the approval of the Board of Directors that constitute a relevant factor or which have a special fiscal risk. Solaria has experts in the field who analyse them and, in addition, it has tax advisors of recognised prestige who collaborate on the interpretation of tax regulations.
- All employees must know the Fiscal Policy and, within the scope thereof, apply it and not take actions contrary thereunto or hinder its application and consult any doubts or queries that may arise in relation to its application through the channels enabled for this purpose.



Risk identification

Once the basic principles of Solaria's fiscal strategy have been defined and the involvement of the different bodies of the Group has been defined, the Risk Control and Management System begins with the identification of risks which aims to prepare a list of risks, exhaustive but not limiting, based on events that could prevent, degrade or delay the achievement of the Solaria Group's objectives.

Specifically, Solaria identifies its fiscal risks and categorises them based on the impact and probability of occurrence and it will duly manage the risks identified for their mitigation.

The main risks identified by Solaria, as well as the mitigation measures that the Company applies, have been broken down below.

Risk	Risks owing to non-compliance with tax obligations in a timely manner	Risks from adopting incorrect, inappropriate non-optimised tax decisions	Risks due to lack of internal communication
Description	This risk refers to the possible non-compliance with tax obligations, due to various factors, such as accounting errors, lack of knowledge of tax laws, or even tax evasion.	This risk refers to the possibility of not carrying out efficient, optimised tax management which may lead to breaches, duplication or paying extra costs.	This risk refers to the lack of communication between the areas of the Company, carrying out operations without the advice and review of the Tax Department. which may lead to non-compliance, duplication or paying extra costs.
Mitigation measures	▪ Implement a tax management system, which contains an updated record of the Group's fiscal and tax obligations. ▪ Implement an internal control and compliance system in tax matters. ▪ Train and raise awareness of all employees on tax laws ▪ The Solaria Group is part of the census of social partners in order to improve the ease of complying with tax obligations.	▪ Carry out advance tax planning. ▪ Research into tax deductions and exemptions, as well as tax incentives and subsidies available to the company. ▪ Establishment under special tax regimes that may provide a tax benefit for the company ▪ Updated monitoring of tax developments and reforms that may affect the Company. ▪ Implement a tax management system, which contains an updated record of the Group's fiscal and tax obligations. ▪ Implement an internal control and compliance system in tax matters.	▪ Implement a tax management system, which contains an updated record of the Group's fiscal and tax obligations. ▪ Implement an internal control and compliance system in tax matters. ▪ Alert and notification mechanisms that help make this communication more fluid, avoid repetitive tasks, forget important tasks or appointments, as well as remembering to send necessary documentation. ▪ Train and raise awareness of all employees on tax laws.
	Probability: High Impact: High	Probability: High Impact: High	Probability: Medium Impact: Medium

Risk	Tax evasion	Risks of misinterpretation by the market of the tax information that Solaria makes public	Risk of loss of tax data and risk of cyber attacks
Description	Tax evasion is a crime regulated in the Criminal Code that involves not paying taxes, not declaring the attendant taxes, obtaining tax advantages in improper ways and obtaining refunds without being entitled to them.	This risk can cause a negative assessment by the market and analysts, economic agents or the Tax Administration, suffering reputational damage.	This risk can negatively impact the Company in several ways, including the loss of confidential information, the inability to file tax returns and the possibility of being audited by the tax authority.
Mitigation measures	▪ Implement a tax management system, which contains an updated record of the Group's fiscal and tax obligations. ▪ Implement an internal control and compliance system in tax matters. ▪ Train and raise awareness of all employees on tax laws. ▪ Measures included in the Anti-Fraud Plan of the Ministry of Finance and Civil Service which foresee, detect, correct and pursue fraud, correction and conflicts of interest and to avoid double financing by complying with the requirements set forth in the aforementioned article 22 of the Regulation (EU) 2021/241.	▪ Preparation of the Company's Tax Transparency Report. ▪ Review of regulatory compliance practices to avoid legal problems. ▪ Train and raise awareness of all employees on tax laws. ▪ Application of the procedures contained in the Company's Internal Control System for Financial Information (SCIIF).	▪ Implement appropriate security controls. ▪ Carry out continuous monitoring. ▪ Establish a security perimeter with several filters. ▪ Design data centres for integrated resilience. ▪ Train and raise awareness of all employees on tax laws.
Probability	Medium	Medium	Low
Impact	High	Medium	Very high

The consequences of risky practices being carried out can range from audits or inspections by the tax authorities, to sanctions of a monetary or criminal nature or both, damage to the reputation of the Solaria Group or litigation and legal proceedings, which implies economic losses and of resources.

Risk control and management

The Solaria group monitors the Fiscal Risks identified through various due diligence procedures in order to evaluate the nature and extent of Tax Risks. Due diligence is applied through *ex anteprocesses* and controls whose purpose is to detect and prevent the occurrence of risks and provide useful information for decision making.

As regards the due diligence measures that the Solaria Group applies, the following can be highlighted:

- The establishment of a structure of risk policies, guidelines and indicators, as well as the corresponding mechanisms for their approval and deployment, which review and establish the degree of risk tolerance assumed annually.
- The accreditation and assurance by the Company of the suitability of the applicants who choose to work at Solaria, taking into account the degree of responsibility of the applicant. The measures incorporated in the staff selection and recruitment processes into the Group, include, inter alia, the obligation for all employees to accept the Corporate Standards and Policies, being placed in positions with responsibility and decision-making capacity, the remuneration to be received from clauses that encourage good practice and penalising the assumption of risks in tax matters.
- The implementation of a tax management system, which includes internal control and compliance measures in tax matters.
- Training and raising awareness of all employees on tax laws
- Implementation of appropriate continuous monitoring and security controls.
- Other specific preventive measures.

Solaria's principle within its tax strategy and the Code of Business Ethics is not to make investments in or through non-cooperative jurisdictions with the tax authorities for the sole purpose of reducing the tax burden.

In this regard, the Solaria Group has nothing to declare, nor does it carry out any activity in those territories considered as tax havens[2] , in accordance with the Spanish regulations contained in Royal Decree 1080/91 of 5 July, subsequently amended by Royal Decree 116/2003 of 31 January, nor in any other territory considered a non-cooperative jurisdiction in tax matters, according to the European Union List of non-cooperative countries and territories for tax purposes, nor in any territory on the List of non-cooperative tax havens prepared by the OECD.



[21] *Those territories regarded as such by Spanish tax regulations in accordance with Royal Decree 1080 enacted on 5 July 1991 which determines the countries or territories referred to in article 2, section 3, number 4 of Act 17 enacted on 27 May 1991 regarding Urgent Tax Measures and article 62 of Act 31 enacted on 27 December 1990 regarding General State Budgets for 1991.*

Tax contribution

Solaria's activity not only generates an important direct contribution to the Administration through the payment of taxes, but also a notable contribution through the collection of taxes from third parties generated as a result of the company's activity.

In line with Solaria's commitment to fiscal management and transparency with the Company's stakeholders, the most relevant tax payments satisfied are voluntarily published. Solaria's tax contribution is mainly made in Spain.

2023

SPAIN

	Amount
Tax on Economic Activities and Tax on Real Estate	1.887 milllon €
ICIO and public domain fee	4.484 milllon €
Payments made to Social Security	3.025 milllon €
Work income withholdings	4.056 milllon €
VAT received	5.948 milllon €

Pre-tax profit	Income tax accrued	Subsidies received
124.717 million €	34,335,000€	0€

Along with the taxes on profits accrued, we include a breakdown of the taxes paid in the different countries during fiscal year 2023.

ITALY	Amount
Tax on Economic Activities and Tax on Real Estate	294,222.45 €
ICIO and public domain fee	Does not exist
Payments made to Social Security	770,075.76 €
Work income withholdings	260,711.34 €
Pre-tax profits	5.38 million €
Tax on profits	961,000 €
Subsidies received	0€
PORTUGAL AND GREECE	
Tax on Economic Activities and Tax on Real Estate	3,510 €
ICIO and public domain fee	Does not exist
Payments made to Social Security	45,395.27 €
Work income withholdings	131,826.17 €
Pre-tax profits	5.07 million €
Tax on profits	998,000 €
Subsidies received	0€
GERMANY	
Tax on Economic Activities and Tax on Real Estate	0 €
ICIO and public domain fee	Does not exist
Payments made to Social Security	46,464 €
Work income withholdings	56,108 €
Pre-tax profits	0€
Tax on profits	0€
Subsidies received	0€
URUGUAY	
Tax on Economic Activities and Tax on Real Estate	328,639.13 €
ICIO and public domain fee	Does not exist
Payments made to Social Security	0 €
Work income withholdings	0 €
Pre-tax profits	444,127 €
Tax on profits	9,503 €
Subsidies received	0€

2022[22]

SPAIN

	Importe
Tax on Economic Activities and Tax on Real Estate	1.05 million €
ICIO and public domain fee	5.7 million €
Payments made to Social Security	1.909 million €
Work income withholdings	3.028 million €
VAT received	5.039 million €

Pre-tax profit	Income tax accrued	Subsidies received
101.07 million €	11,022,000€	0€

The perimeter of companies included can be consulted in Annex I "Companies that go to make up Solaria", of the Consolidated Annual Accounts for 2023.

Finally, it should be noted that as a sign of its social commitment and commitment to equality and social cohesion, Solaria allocates 0.7% of the net tax liability of the Corporate Tax return to the Tertiary Sector, contributing to the financing of social projects.

[22] *Data corresponding to Spain*





12 Corporate Governance

In addition to strict compliance with current legislation, the values of Solaria, as a listed company, include ethics and good business practice, applying them in its day-to-day activities and in its corporate strategy.

Solaria has a governance model designed to integrate the management of risks, opportunities and material impacts into decision-making, aligning the operation of its governing bodies with the guidelines and recommendations emanating from the Code of Good Governance for Listed Companies of the National Securities Market Commission (CNMV) of Spain.

During 2023 Solaria continued to work on improving and strengthening its governance model, strengthening the Company's regulatory framework in line with the best market practices and its ESG strategy, and adapting its governing bodies for this purpose. .

Furthermore, and in order to promote communication and transparency with its stakeholders regarding ESG matters, Solaria has established an online communication channel (*greenmaters@solariaenergia.com*) available to employees and third parties where stakeholders can make enquiries related with the Company's performance in the field of sustainability and good governance.

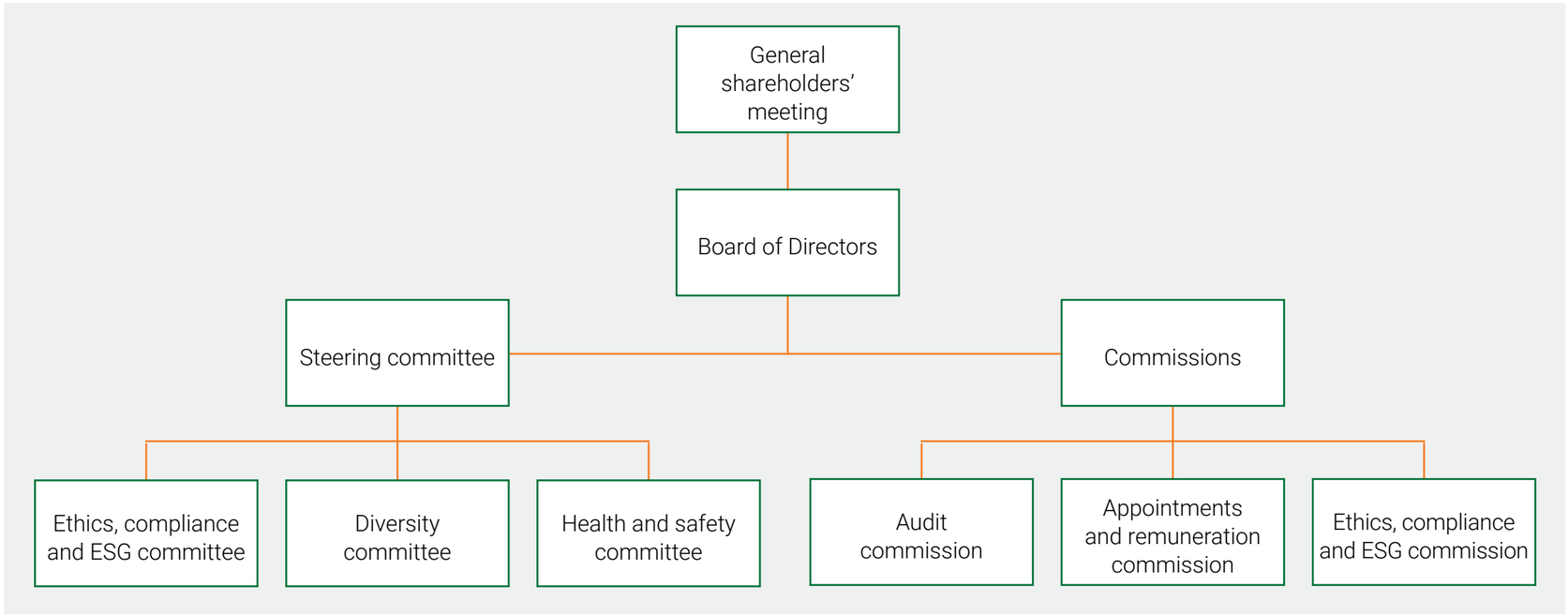
Governance model

Solaria has different governing bodies, each of them with duties and powers attributed by virtue of the provisions of the Company's Corporate Articles of Association, the Regulations of the General Meeting and the Regulations of the Board of Directors, as well as the set of Corporate Policies and Rules of Solaria, published at the Company website.

Solaria's governing bodies are involved and actively participate in the achievement of the Company's strategic objectives, the assurance of the corporate culture, the management of risks and opportunities and material ESG aspects.

It should be noted that every year the Company publishes, both at the website of the National Securities Market Commission (CNMV) and at its website, the Annual Corporate Governance Report, in compliance with the Good Corporate Governance Code of listed companies prepared by the CNMV.

The structure of the Solaria governance model is as follows:



General Shareholders' Meeting

The General Shareholders' Meeting is the highest governing body of the Company and it represents all Solaria shareholders.

The General Meeting is subject to the provisions of the Law, the Corporate Articles of Association and the General Meeting Regulations which complements and implements the legal and statutory regulations in those matters pertaining to its competences, convening, preparation, staging and implementation, as well as to the exercising of rights to information, attendance, representation and votes by shareholders.

Competences

The General Meeting has the competence to decide about any subject matters assigned to it by law and in the articles of association. Likewise, those decisions which, regardless of their legal nature, entail an essential modification of the effective activity of the Company, will be submitted to the approval or ratification of the General Shareholders' Meeting. In particular, and for purely illustrative purposes, the General Meeting is responsible for:

A. Approving the corporate management.

B. Approving, where appropriate, the annual accounts, both individual and consolidated, and deciding on the distribution of earnings.

C. The appointment and removal of directors, as well as ratifying or revoking the appointments of members of the Board of Directors carried out by co-option. The appointment liquidators and, where applicable, the accounts' auditors, as well as the exercising of any corporate liability action against any of them.

D. Determining the directors' remuneration policy under the terms established in the Corporations' Act. and setting the fixed annual amount to be distributed amongst the directors.

E. Deciding on the increase and reduction in share capital, dissolution, transformation, merger and spin-off, segregation, transfer of the Company's registered office abroad, the issuance of convertible and/or exchangeable bonds and, in general, any modification of the corporate articles of association.

F. Deciding on the acquisition, disposal or contribution to another company of essential assets, assuming the essential nature of the asset when the transaction amount exceeds twenty-five per cent of the value of the assets included on the latest approved balance sheet.

G. Deciding on the transfer to subsidiaries of essential activities carried out up until now by the company itself, even if the latter maintains full control of the former. The essential nature of the activities and operating assets will be assumed when the volume of the operation exceeds twenty-five percent of the total assets on the balance sheet.

H. Deciding on the dissolution of the Company and those transactions whose effect is equivalent to that of the liquidation of the Company.

I. Authorising the Board of Directors to increase the share capital or proceed with the issuance of convertible and/or exchangeable bonds, as well as other securities.

J. Deciding on matters submitted for deliberation and approval by the administrative body.

K. Approving these Regulations and any subsequent amendments thereof.

Annual meeting

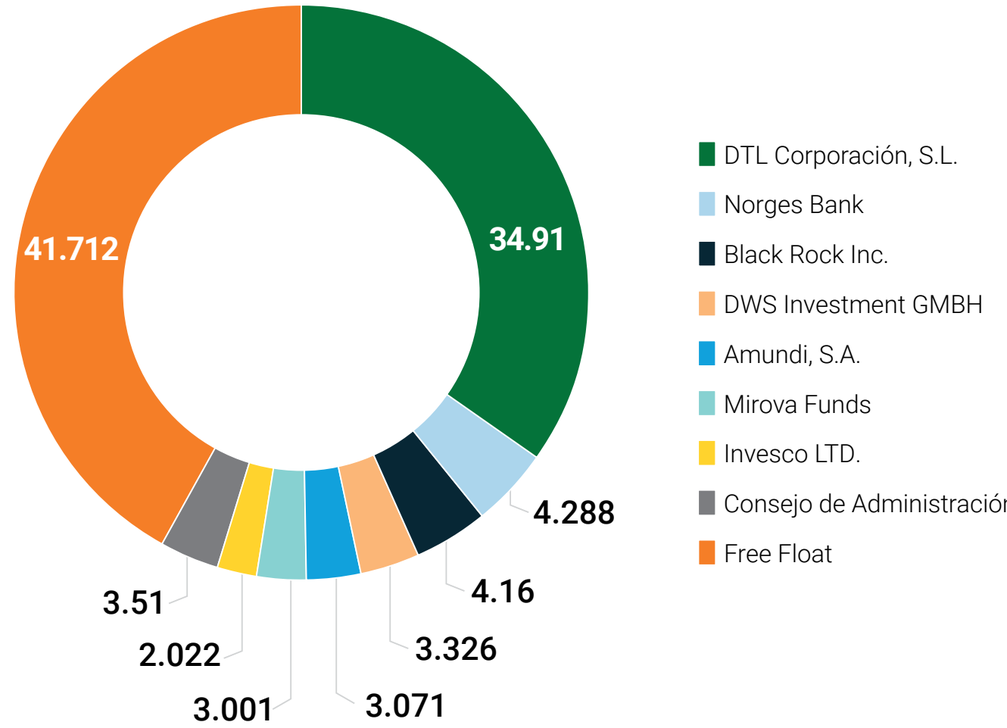
The General Shareholders' Meeting holds ordinary meetings once a year, without prejudice to any extraordinary meetings that need to be held.

In 2023, Solaria's General Shareholders' Meeting took place on 30 June with a 75.29% stake of the share capital. All the items on the agenda, shown below, were approved.

- **One** - Examination and approval, where applicable, of the individual annual accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and report) and of the individual directors' report of the Company, as well as of the consolidated annual accounts and the directors' report of the consolidated Group, pertaining to the year ending on 31 December 2022.
- **Two** - Examination and approval, where applicable, of the proposal for the distribution of the Company's profit pertaining to the year ending on 31 December 2022.
- **Three** - Examination and approval, where appropriate, of the management carried out by the Board of Directors of the Company during the financial year of 2022.

- **Four** - Board of Directors: re-election and appointment of directors. Re-election of Mr. Enrique Díaz-Tejeiro Gutiérrez, Mr. Manuel Azpilicueta Ferrer, Mr. Carlos Francisco Abad Rico, Mr. Arturo Díaz-Tejeiro Larrañaga. Appointment of Ms. María José Canel Crespo.
- **Five** - Approval, where applicable, of the remunerations' policy for Directors.
- **Six** - Establishment of the remuneration of the Company Directors for the financial year of 2023 and of the maximum total remuneration amount of the Directors.
- **Seven** - Amendment to article 39 ("Term of office") of the Company's Articles of Association.
- **Eight** - Authorisation to the Board of Directors for the interpretation, rectification, complementing, implementation and performance of the resolutions adopted by the Meeting, as well as to substitute any powers it receives from the Meeting, and the granting of powers for the notarisation of said resolutions.
- **Nine** - Annual report on Directors' remunerations.

Distribution of **Solaria's capital** at 31 December **2023**[23]



[23] *The share capital of Solaria Energía y Medioambiente, S.A. is 1,249,508.76 euros and it is made up of 124,950,876.00 shares with a nominal value of 0.01 euros each, being wholly subscribed and paid up.*

Board of Directors

The Solaria Board of Directors is the body delegated by the General Meeting for the administration and management of the Company.

Its duties include the approval of the Company's strategy and its implementation, as well as ensuring compliance with the targets set. In terms of ESG, it is responsible for approving and supervising the Company's policies and strategies in the field of sustainability.

Composition

Board of Directors	First appointment	Re-election date	Nature	Experience	Remuneration	Shareholding	Attendance at meetings.
Mr. Enrique Díaz-Tejeiro Gutiérrez	24/05/2007	30/06/2023	Proprietary Chairman		180,000 €	0.80%	100%
Mr. José Arturo Díaz-Tejeiro Larrañaga	30/06/2021	30/06/2023	Executive Director		€ 0	2.40%	100%
Mr. Manuel Azpilicueta Ferrer	24/05/2007	30/06/2023	Other External Director		110,000 €	0.06%	100%
Mr. Carlos Francisco Abad Rico	30/06/2015	30/06/2023	Independent Director		110,000 €	0.04%	100%
Ms. María Dolores Larrañaga Horna	30/06/2022	-	Proprietary Director		110,000 €	0.21%	100%
Ms. María José Canel Crespo	30/06/2023	-	Proprietary Director		110,000 €	0%	100%
Ms. María Belén Plaza Cruz	18/09/2023	-	Non-board member Secretary		-	-	100%

Solar energy Engineering Finance Legal

At the end of the period, the composition of the Board was 33.33% independent and with 33.33% female representation. In this regard, Solaria has established the goal of having 50% female representation on its Board of Directors by 2030.

It should be noted that during 2023 there was a change in the composition of the Solaria Board of Directors due to the appointment of Ms. Maria José Canel Crespo, as a new member of the Board. This appointment was approved by the General Shareholders' Meeting, with 99.89% votes in favour.

Remuneration

The average remuneration of the members of the Board of Directors has amounted, during 2023, to €82,917, broken down as follows: average male remuneration: €87,500 and average female remuneration: €73,750, compared to €68,750 average remuneration in 2022, broken down as follows: average male remuneration: €75,000 and average female remuneration: €56,250

This variation is the consequence of the modification of Solaria's director remuneration policy, approved by the General Shareholders' Meeting of Solaria on 30 June 2023, with a validity of three (3) years, in other words, 2023, 2024 and 2025. The approval of the new Remuneration Policy derives from Solaria's commitment to good governance, business ethics and transparency and the inclusion of requirements and best practices in terms of director remuneration. Under the current policy, the remunerations determined for the members of the Board of Directors were altered, rising from €75,000 to €110,000 for directors, and from €150,000 to €180,000 for the Chairman.

It should be noted that the CEO, Mr. Arturo Diaz Tejeiro Larrañaga, does not receive remuneration of any kind, neither for the position of member of the Board of Directors nor for the position of CEO.

During the financial year of 2023, the Directors received all the fixed remuneration approved at the General Shareholders' Meeting. It should be noted that the members of the Board of Directors do not receive any remuneration items other than the fixed remuneration determined in the remuneration policy of the Board of Directors and approved by the General Shareholders' Meeting. Every year the Company publishes the Director Remuneration Report which is submitted to a consultative vote at the General Shareholders' Meeting. Specifically, in 2023, the votes in favour of the 2022 remuneration report pertained to 75.29% of the total votes cast.

Re-election of positions

The members of the Board of Directors are subject to re-election of the position every year or whenever deemed necessary according to the provisions of the Corporate articles of association or the Regulations of the Board of Directors. The re-election of directors' posts is submitted to a vote at the General Shareholders' Meeting. This is an innovation brought in at the General Shareholders' Meeting in 2023, modifying the term of office from two years to one year, amending both the Corporate Articles of Association and the Regulations of the Board of Directors to this end.

Meetings of the Board of Directors

During 2023, the Solaria Board of Directors held eight meetings, all of them attended by all its members.

Other governing bodies

- **Audit committee:** It is made up of three non-executive directors, two of whom are independent. Their duties, which are defined in article 13 of the Regulations of the Board of Directors, include that of putting forward the appointment of external auditors, supervising the Company's audit plan, the effectiveness of internal control or the truthfulness of the financial information.

  During 2023, 9 meetings of the Audit Committee were held, with the participation of 100% of its members.

Mr. Carlos Francisco Abad Rico Chairman	**Ms. María Jose Canel Crespo** Member	**Mr. Enrique Díaz Tejeiro Gutiérrez** Member

- **Appointments and Remuneration Committee:** this is made up of three non-executive directors, two of whom are independent. This committee is responsible for defining the duties and skills required by candidates for board members to fill each vacancy, establishing the goal of gender representation on the board of directors and how to achieve them, inter alia. The details of the duties assigned to the Appointments and Remuneration Committee can be found in article 14 of the Regulations of the Board of Directors.

  During 2023, 5 meetings of the Appointments and Remunerations' Committee were held, with the presence of 100% of its members.

Ms. María Jose Canel Crespo Chairman	**Mr. Carlos Francisco Abad Rico** Member	**Mr. Enrique Díaz Tejeiro Gutiérrez** Member

- **Ethics, Compliance and ESG Committee:** This is made up of three non-executive directors, two of whom are independent. It is the committee responsible for proposing to the Board of Directors the approval of the Ethics, Compliance and ESG strategy and policies, as well as its periodic review and update. In addition, it supervises the non-financial risk management and control systems and their reporting. The details of the duties assigned to the Ethics, Compliance and ESG Committee can be found in article 15 of the Regulations of the Board of Directors.

  During 2023, 4 meetings of the Ethics, Compliance and ESG Committee were held, with the presence of 100% of its members.

Mr. Manuel Azpilicueta Ferrer Chairman	**Mr. Carlos Francisco Abad Rico** Member	**Ms. María Jose Canel Crespo** Member

- **Management Committee:** this is the internal body with the highest authority and its mission is to drive the Company forward into the future and develop the business strategy, to lead the team and evaluate compliance with the targets set and following up and leading the sustainability strategy of Solaria.

- **Ethics, Compliance and ESG Committee:** This is the internal body with the highest authority in terms of the monitoring and operational compliance of aspects related with ethics, Compliance and ESG. It is responsible for reporting key issues to the Ethics, Compliance and ESG Committee.

- **Equality and Diversity Committee:** This is the body responsible for ensuring compliance with the principles, commitments, internal policies and legislation on social matters and the protection of the fundamental rights and freedoms of people, as well as the achievement of the targets set. During 2023, as part of the Company's efforts in terms of diversity and equal opportunities, and as a result of the work of the Equality and Diversity Committee, the Company has reduced the total salary gap of its employees.

- **Occupational Health and Safety Committee: T**his is the body responsible for ensuring compliance with health and safety-related issues and supervising the Company's actions in terms of risk prevention.



Risk management system

For Solaria, risk management is the means of anticipating them in decision-making and in business strategy through a series of preventive measures.

"Risk" is defined as the threat that an action, omission or circumstance causes or may cause harm. The harm can occur in different ways: judicial or administrative sanctions, economic or financial losses or damage to reputation.

The Company monitors the main risks to which it is exposed as it knows the importance of risk identification and management for excellence. This approach thus avoids considering risk management solely from the perspective of its possible impact on economic figures in the short-term, but rather as a system based on the identification, analysis and management of factors that could affect the achievement of the Company's objectives and its strategy.

In 2018 Solaria approved the Company's Risk Management System which analyses both the impact and the probability of occurrence of the different risks it faces. The Risk Management System is updated whenever it is required, either by legal requirement, by a change in the Company's structure or at the request of one of the directors.

During 2022, Solaria updated the risk system and published the Risk Management Policy, approved by the Board of Directors.

The Risk Management System is part of the set of internal corporate rules and policies in order to minimise the risks to which Solaria may be subject. The Risk Management System applies to the entire Solaria workforce, the Board of Directors, Committees, the Management Committee, internal Committees and other staff belonging to the Company. The Board of Directors is the ultimate body responsible for risk management of the Company.

The risk control and management process begins with the identification of risks and it aims to draw up an exhaustive list of risks based on events that could prevent, degrade or delay the accomplishment of objectives. Solaria has carried out an identification and evaluation of the risks to which it is exposed, having detected the following risks:

- **Financial risk:** uncertainty deriving from the evolution of prices, exchange rates and interest rates which may affect the balance sheets of the company and the financing capacity on the capital markets. See Annual Accounts 2023 for more details.
- **Business risk:** Uncertainty associated with the development and achievement of the Company's objectives due to factors that hinder or delay strategic operations, which may affect the value of the Company or the financial statements.
- **Market risk:** uncertainty of the financial markets in relation to any potential adverse effects on the financial profitability of the Company, which uses derivatives to hedge against exchange rate and interest rate risk.
- **Credit risk:** taken to mean the financial solvency risk of the company's commercial portfolio. This risk is not relevant for Solaria since its clients are the CNMC or large multinationals under PPA agreements.
- **Regulatory risk:** taken to mean the potential impact on the achievement of strategic objectives brought about by the modification of the regulatory frameworks where the Company operates.
- **Tax risk:** deriving from the uncertainty as to whether the tax authorities will accept the tax treatment adopted in the tax returns filed or to be filed. See page 74 of this sustainability report for further details.
- **Operational risk:** uncertainty associated with losses resulting from a lack of adaptation or a failure in processes, staff performance, availability of operating assets or the impact of any external event.
- **Environmental risk:** associated with the possibility of environmental damage or damage to ecosystems and biodiversity, due to natural or human causes.
- **Climate change risk:** deriving from the energy transition (regulation, market, technologies...) and the physical impacts of climate change. See page 28 of this sustainability report for further details.
- **Reputational risk:** uncertainty about the perception of stakeholders regarding the Company's reputation as a result of the behaviour of the company or its employees, including those related with corruption and their influence on short, medium and long-term results.
- **Cybersecurity risk:** deriving from malicious attacks or accidental events with an operational impact, affecting data, computer networks or technology. See page 71 of this sustainability report for further details.
- **Fraud Risk**: Deriving from any intentional illegal action carried out by an employee or a third party, to achieve their own benefit or that of the company, directly or indirectly, through the incorrect use of the Company's resources or assets.

Ethics and compliance

The ethics and integrity framework defined by Solaria is the pillar on which the behaviour of the entire organisation is based with its environment and in accordance with the existing regulatory environment.

For Solaria, the compliance model goes further than strict regulatory compliance, which of course is essential. In this regard, Solaria has in force the Solaria Code of Business Ethics, which was approved by the Board of Directors on 12 February 2020, which has been drawn up as an action guide for its employees, managers and directors and the third parties who have dealings with the company, setting out the principles and commitments that they must respect and comply with during the course of their activities.

In addition, in 2018 Solaria approved its Crime Prevention Model. But the Company wishes to go further, ensuring ethical behaviour in all its operations and throughout the supply chain.

In recent years, the Company has boosted its ethics and compliance model through the publication and updating of its Corporate Standards and Policies, all of which are aimed at guaranteeing that the actions of everyone at Solaria are based on business ethics and corporate sustainability. .

Solaria has also set up the internal bodies, regulations and tools necessary for the supervision and success of the compliance model. In this way, the internal control of the effective application of environmental, social or good governance policies pertains to the Ethics, Compliance and ESG Committee, which also works to promote, monitor and periodically review the alignment of the challenges related with the sustainability strategy and the Company's activity. The Ethics, Compliance and ESG Committee is responsible for reporting periodically, or whenever necessary, to the Ethics, Compliance and ESG Committee or directly to the Board of Directors, any relevant issues that have occurred.

Likewise, during 2020, the management team decided to become even more involved in the sustainability and ESG strategy of Solaria, setting aside 15% of its variable remuneration for the achievement of the sustainability and ESG goals set by the Company. In addition, the management team signed "malus" and "clawback" clauses to avoid malpractice and thus guarantee compliance with the best ethical standards and good business practices. These clauses have been extended to other positions within the Company, under the middle managers category, who may be more exposed to risks or who may influence, in one way or another, the achievement of the goals set by Solaria

Modelo de cumplimiento

- **Corporate articles of association**

Document that embodies the set of coordinated rules that govern the corporate operation of the Company. The corporate articles of association regulate, in particular, the basic aspects of the company, the rights of partners and relationships with third parties. The corporate articles of association were amended at the General Shareholders' Meeting in 2023, in order to adapt its internal regulatory system to current legislation and best practices in terms of good governance and sustainability.

- **Code of Business Ethics and Conduct**

Action guide for employees, managers and directors, as well as third parties related with the Company and which establishes the principles and commitments that must be respected and fulfilled during the exercising of their activities.

- **Sustainable Commitments Policy**

This lays down the general bases for the action and activities to be carried out to the benefit of social well-being, respect for the environment and the generation of value that transcends in the long term, also meeting the expectations of its stakeholders. Solaria's sustainability policy was altered by the Board of Directors in 2023, in order to adapt it to legislation, good practices and progress made by Solaria in terms of sustainability.

- **Supplier Code**

This establishes the main principles and values that Suppliers who wish to establish commercial relations with the Company must adhere to, establishing the guidelines for the control and management of risks that could be generated by material procurement activities (or any other supply) as well as by the contracting of works and services. The Solaria Supplier Code was amended by the Board of Directors in 2023, in order to boost Solaria's commitments and demands with regard to its supply chain.

- **Human Rights' Policy**

This formalises Solaria's zero tolerance for any violation or practice contrary to people's human and employment rights.

- **Anti-corruption Policy**

This sets out to help employees and people associated with Solaria so that they are aware of the anti-corruption and anti-bribery regulations and can thus make the right decisions.

- **Risk Management system**

Approved in 2022. This formalises the basic principles and the general framework of action for the control and management of all kinds of risks that the Company faces.

- **Internal Control System for financial and non-financial information**

Updated in 2022. This defines the process for preparing financial information, the bodies involved and financial risk management.

- **Internal regulations for Conduct on the Securities' Market**

The purpose of Solaria's Internal Regulations for Conduct on the Securities' Market is to define the principles and framework of action that the Company and the companies in its group, its administrative bodies, employees and representatives must follow in the field of markets. of securities, in accordance with the provisions of generally accepted ethical standards and the legislation applicable in this regard.

- **Environmental Policy**

This formalises the Company's commitment to the fight against climate change, the efficient and responsible use of natural resources and the protection of biodiversity and the definition of emissions reduction targets.

- **Biodiversity protection Policy**

Approved in 2022. It formalises Solaria's commitment to the natural environment which ranges from the efficient and responsible use of natural resources, the preservation of biodiversity and the promotion of the circular economy.

- **Equality and diversity Policy**

It determines a set of objectives and measures that Solaria has established and that promote diversity and equal treatment and opportunities between women and men in the workplace.

- **Occupational health and safety Policy**

This defines the Company's commitment to the health and well-being of people through the continuous improvement of working conditions and the integrated, appropriate management of safety in activities.

- **Anti-Harassment Policy**

This policy identifies what is understood by workplace, sexual and gender-based harassment and it establishes the investigation and response protocol in the event that any conduct constituting said harassment is detected.

- **Fiscal Policy**

This policy determines Solaria's tax strategy and regulates compliance with the Company's tax obligations, as well as the management and control of tax risks. Solaria's tax policy was modified by the Board of Directors in 2023 in order to strengthen the Company's tax strategy and its commitment to transparency.

- **Director remuneration Policy**

Updated in 2023. This formalises Solaria's commitment to good governance, business ethics and transparency and the inclusion of requirements and best practices in the field of good governance and director remuneration..

- **Diversity policy on the Board of Directors**

It develops Solaria's commitments assumed in the Regulations of the Board of Directors in relation to the diversity of its composition and transparency in the director selection process.

- **Manager remuneration policy**

The purpose of this policy is to have transparent management in the remuneration system for the Company's managers.

- **Other policies**

In relation to stakeholders, Solaria has the Group's Communication Policy, the Selection and Hiring Protocol and the Information Security Policy.

Fight against corruption, bribery and money laundering

Solaria declares its zero tolerance for unlawful transactions, the fight against corruption, money laundering and the concealment of assets and it is committed to the regulations in force regarding the prevention and fight against these practices.

In this regard, Solaria's Code of Business Ethics establishes Solaria's compliance model and, specifically, the prohibition and non-tolerance of these practices. In addition, in 2020, with the aim of extending Solaria's sustainability and ethics commitments to its suppliers, the Board of Directors approved the Supplier Code, requiring its acceptance, adherence thereunto and compliance by contract for all suppliers and/or business partners with which Solaria works.

In addition to these two Codes, the Anti-Corruption Policy is worthy of special mention which details the activities not permitted for Solaria and the Company's Tax Policy, which also declares the prohibition from committing any of these practices.

Solaria has established a communication channel, COMPLIANCE CHANNEL which both employees and third parties can contact (canalcompliance@solariaenergia.com), via which anyone who has knowledge of or suspects a breach of Solaria's rules, corporate policies or internal procedures, legislation or any other type of breach or unethical action will be obliged to inform the company. Anonymous complaints will be taken into account as long as the absence of bad faith is proven.

Solaria has informed all its employees about the policy, including new staff, and it requires 100% of the suppliers with whom Solaria works to accept in writing the Solaria policies, including the rules on anti-corruption. bribery and money laundering. Additionally, Solaria carries out different training actions so that all its employees are aware of the Company's policies and established prohibitions and it can understand which practices are acceptable and which are not.

Neither during 2023 nor 2022 did the Company detect any case of corruption nor did it suspect that any could be occurring, either amongst its employees or with business partners. Nor was any claim or complaint received through the Compliance Channel.

Fight against corruption and bribery

Solaria considers the fight against corruption to be essential in business activity and declares its zero tolerance for corrupt practices and bribery. Hence, Solaria prohibits any type of bribery or the payment of illegal commissions.

The relationship with public administrations and their representatives is the responsibility of those people in the company formally authorised to this end. Solaria is a neutral organisation in its relationship with governments, public administrations, institutions and political parties, and it undertakes not to finance, directly or indirectly, political parties, nor their representatives or candidates.

Solaria transfers its commitments in relation to corruption and bribery to all its suppliers, requiring them to specifically accept the Supplier Code through contracts, as well as including ad hoc clauses in all contracts that regulate the prohibition of these practices.

Money laundering

Money laundering is taken to mean any operation carried out for the purpose of legalising, or lending the appearance of legality, to goods or assets deriving from unlawful or criminal activities.

Solaria's professionals will pay special attention to those situations in which there may be indications that an operation of this type may be taking place within Solaria's professional activity. Unless specifically authorised and with documentary support, no cash payments will be made or received.

Solaria transfers its commitments in relation to money laundering to all its suppliers, requiring them to specifically accept the Supplier Code through contracts, as well as including ad hoc clauses in all contracts that regulate the prohibition of these practices.

Compliance Channel

In addition to the communication channel with the Company's corporate sustainability area (*greenmatters@solariaenergia.com*), Solaria has a communication and complaints channel (*canalcompliance@solariaenergia.com*) which both employees and third parties that maintain a relationship with the Company can contact, even anonymously, in order to communicate any query or suggestion regarding compliance, as well as to report any unethical or illegal behaviour they may be aware of.

Use of this channel is mandatory for any Company stakeholder who detects that a breach of the law is taking place or who suspects that unethical or questionable actions of any kind are being carried out which in any way involve Solaria.

Solaria's Compliance Channel guarantees the total confidentiality of the communications received, as well as the absence of any retaliation against those informants who are acting in good faith

It should be noted in this regard that during 2023 no complaints or inquiries from third parties have been received. No complaints, communications or claims have been registered internally either.

Operation of the Compliance Channel:

The Ethics, Compliance and ESG Committee is the body responsible for processing complaints, communications and/or enquiries received through the Compliance Channel.

Solaria carries out communication and training actions so that all its employees are aware of the existence of the Channel and understand its operation. Likewise, anyone who is not a Solaria employee but who is interested in learning more about the Compliance Channel, can request specific training about its purpose and modus operandi.

The Compliance Channel considers the following general operating principles and characteristics:

- It is open to employees, suppliers and business partners.
- Anonymous communications will be taken into account as long as the absence of bad faith is proven.
- It guarantees the confidentiality of the data included in the notifications, particularly those related with the identity of the complainant and any other personal data.
- It ensures that there are no reprisals or any type of negative consequences for the complainant, as long as they act in good faith.
- The complaints received are analysed in an equivalent manner, regardless of who the complainant is.
- Decisions about how to initiate an investigation or when to dismiss notifications are adopted in a traceable (documented) and scheduled manner.
- The decision-making procedures related with the management of complaints are clearly defined, inter alia: who in the organisation will decide to investigate or dismiss each complaint, who will carry out the investigation, to which body the conclusions of the investigation will be submitted and what the procedure will be for submitting a draft resolution and corrective measures to the Ethics, Compliance and ESG Committee or to the Board of Directors.
- It guarantees compliance with the deadlines set in the applicable legislation, depending on the different reporting areas.
- The processing of personal data in accordance with the provisions of the legislation and Solaria's data protection policy. For this in mind, a Notification Management System has been established and predefined models have been designed to carry out the communications that pertain to the accused, the complainant, possible witnesses and other people who collaborate in the investigation. The decisions made must be properly documented.

At the Solaria website (www.solariaenergia.com) s) you can consult the Regulations for the operation of the Compliance Channel for further details.

Innovation and digitalisation

Solaria's nature is based on the energy transition and its business is low in carbon. Furthermore, Solaria is constantly looking for innovative, efficient and resistant alternatives to optimise its solar plants. In this way, it will generate more renewable energy, which contributes to decarbonisation.

Solaria believes that innovation is a key driver for the success of its strategic plan and long-term sustainability.

Solaria's strategy focuses on making use of technology to improve operational efficiency, increase profitability and improve the experience of its stakeholders, promoting and streamlining daily activity, improving macro and micro processes, cybersecurity, and promoting the deployment and commissioning of photovoltaic plants.

In addition, in the technology and/or digitalization of its processes the Company is seeking the achievement of its strategic plan as well as the highest levels and standards of sustainability.

Digitalisation and technology are key factors for the growth and competitiveness of Solaria, which understands that invest in technology have the ability to innovate and improve processes, products and services, allowing a better adaptation to market changes and meeting the demands of society, stakeholders etc. In addition, technology helps cut costs and increase operational efficiency, resulting in higher profitability and a better position on the market.

Solaria is committed to leading digitalisation in the industry through the implementation of innovative and disruptive technologies in daily activities and processes. In recent years, the Company has made different investments in technology and digitalisation, amongst others, automation, data analytics etc.

By way of example, Solaria will proceed with development of hybrid energy storage projects with solar photovoltaic energy generation facilities within the framework of the Recovery, Transformation and Resilience Plan.

Furthermore, it will proceed to hybridise some of its PV installations with wind technology, which will entail the installation of an additional 1,200 MW of this energy source by 2030.

Additionally, the Company is in a research and development process to optimise the energy management of photovoltaic energy and energy storage through artificial intelligence, innovative software and technical knowledge, applying an algorithm based on "lessons learned."

Other examples of the Company's innovation are the application of optimised component sizing criteria or electrical calculation tools.

These technologies have allowed and will allow an improvement in efficiency in the Company's operations, cutting costs and boosting productivity. In addition, digital platforms have been developed for procedures which has improved and resulted in a better experience for users.

Going forward, the Company will continue to invest in emerging technologies such as the Internet of Things and augmented reality to further improve its operations.

Information Security

Solaria considers that the information it handles is a resource of great importance. This is why it has the duty and commitment to protect said information, offering stakeholders - which include its employees, contributors, suppliers, clients, shareholders, investors or any other third party with which it is related - a secure environment through the application of security measures and suitable operational processes that ensure the proper functioning of the Company.

The lines of action are based on continuous planning, implementation, control, monitoring, audits and improvements and specific action plans, with a view to continuously improving operational processes to ensure business continuity, its resilience and the smooth functioning thereof.

The Information Security principles for Solaria are:

Non-disclosure

The information must be known solely by authorised persons.

Integrity

The information must be complete, accurate, valid and not subject to manipulation

Availability

The information must be accessible by authorised users at all times and its persistence guaranteed in the face of any eventuality

The information that the Company manages can be found on different supports: in printed format or on hard copy, stored electronically, transmitted by post or by electronic media, shown in projections or verbally in conversations.

Regardless of the format and support on which the information is found at the source and destination, a system needs to be established that manages its security from end to end, reducing and protecting risks from all types of threats.

Solaria regards the security of information as the safeguarding and protection of (i) the information owned by Solaria, regardless of whether it is on its own systems or those of third parties; and (ii) the information owned by third parties to be found on Solaria's systems.

For the protection of information and the deployment and the improvement of security, Solaria has a decalogue, as well as various mechanisms to carry out and confirm the actions and results of the projects and tasks related with cybersecurity. The most prominent include:

- In 2020 Solaria's Board of Directors approved the Information Security Policy which determines the commitments and measures that the Company applies in order to minimise or eliminate cybersecurity risks. The ultimate party responsible for compliance with the policy, and its updating if necessary, is the Board of Directors.
- Solaria seeks to prioritise the guaranteed continuity of the company, paying due attention and diligence in its various departments and areas, with the corresponding contingency and disaster recovery plans.
- Solaria affords great weight to cybersecurity which is defined and deployed by default for all new service projects, IT and OT infrastructures, development etc.
- Solaria continuously works on plans to improve the resilience of services and infrastructures and continually reviews technologies, services and infrastructures to detect and prevent attacks, intrusions, anomalous behaviour etc.
- Solaria establishes plans to improve the governance of new and recurring data.
- Solaria promotes training and initiatives to raise awareness and create a culture of cybersecurity amongst its employees.
- All Solaria employees have signed contractual clauses whereby they undertake to treat Solaria's information with due diligence and the utmost confidentiality.

- Solaria is committed to implementing a culture of privacy in the organisation and this requires that those parties authorised to process personal data need to be informed of the data processing and take responsibility for it, acting with the utmost confidentiality and diligence, to which end the Company keeps in force the personal data protection and privacy policy and it has designated a Personal Data Protection Officer (dpdatos@solariaenergia.com), who is responsible for ensuring compliance with current legislation in this regard, specifically Regulation (EU) 2016/679 enacted on 27 April 2016 (GDPR), and Organic Law 3 enacted on 5 December 2018 (LOPDGDD), as well as carrying out the relevant training and the corresponding risk assessments.

Placing the emphasis on information that is in digital format, as for Solaria cybersecurity is a fundamental priority. We understand that the security of the Company's systems and data is essential to maintain internal trust, as well as that of our clients, society, stakeholders etc., protecting our reputation and complying with applicable regulations and laws.

The Company's cybersecurity strategy is based on a multi-layered approach which includes preventive, detection and response measures. Some of the measures that Solaria has implemented are:

- **Risk management and assessment:** Periodic risk assessments are conducted to identify and prioritise cybersecurity risks.
- **Perimeter protection:** Network and system security measures are implemented to protect Solaria's infrastructures from external attacks, such as firewalls, intrusion detection and intrusion prevention systems and continuous monitoring.
- **Access control and authentication:** Measures are implemented to control access to systems and data such as multi-factor authentication and identity and access management.
- **Threat monitoring and detection:** Monitoring and analysis tools are used to detect and respond to security threats in real time.
- **Incident response:** There is a well-defined incident response plan that allows you to respond quickly and minimise the impact of any security incident.





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Annexes

AI Annex I Table of Contents in accordance with Law 11/2018 on Non-Financial Information and Diversity

This table links the sections of the present Sustainability Report which responds to the contents required by Law 11/2018 regarding non-financial information and diversity.

General areas

Contents	Reporting Criteria	Reference
Business model		
Description of the business model: ▪ Business environment ▪ Organization and structure ▪ Markets in which it operates ▪ Objectives and strategies ▪ Main factors and trends that may affect its future evolution.	▪ GRI 2-1 Organizational details ▪ GRI 2-2 Entities included in sustainability reporting ▪ GRI 2-6 Business, value chain, and other business relationships ▪ GRI 2-9 Governance Structure and Composition ▪ GRI 2-23 Commitments and policies	7-12
Policies and policy outcomes		
Description of the policies applied by the group, as well as the results of such policies, including relevant non-financial key performance indicators.	▪ GRI 2-23 Commitments and policies ▪ GRI 2-24 Incorporation of commitments and policies	86-87
Main risks and impacts identified		
Key risks related to these issues and related to the group's activities, including, where relevant and proportionate, its business relationships, products or services that could have an adverse effect on these areas.	▪ GRI 3-3 Management of material issues	85

Environmental areas

Contents	Reporting Criteria	Reference
Environmental management		
Current and foreseeable effects of the company's activities.	▪ GRI 3-3 Management of material issues ▪ Internal criteria	26-43
Environmental assessment or certification procedures		
Resources dedicated to environmental risk prevention		
Application of the precautionary principle		
Amount of provisions and guarantees for environmental risks		
Contamination		
Measures to prevent, reduce or remediate carbon emissions (also includes noise and light pollution)	▪ GRI 3-3 Management of material issues	34-37; 40-41
Circular economy and waste prevention and management		
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	▪ GRI 3-3 Management of material issues ▪ GRI 306-3 (2020) Waste generated	41-42
Actions to combat food waste		No material

Environmental areas (cont.)

Contents	Reporting Criteria	Reference
Sustainable use of resources		
Water consumption and water supply in accordance with local constraints	▪ GRI 303-3 Water withdrawal	37-39
Consumption of raw materials	▪ GRI 3-3 Management of material issues	
Direct and indirect energy consumption	▪ GRI 301-1 Materials used by weight or volume	
Measures taken to improve energy efficiency	▪ GRI 302-1 Energy consumption within the organization	
Use of renewable energy	▪ GRI 3-3 Management of material issues	
Climate change		
Significant elements of the greenhouse gas emissions generated.	▪ GRI 305-1 Direct GHG emissions (scope 1)	34-36
Measures taken to adapt to the consequences of climate change	▪ GRI 305-2 Indirect GHG emissions associated with energy (scope 2)	36
Voluntary reduction targets	▪ GRI 3-3 Management of material issues	36
Biodiversity protection		
Measures taken to preserve or restore biodiversity.		40-41
Impacts caused by activities or operations in protected areas.		

Social and personnel issues

Contents	Reporting Criteria	Reference
Employment		
Total number and distribution of employees by gender, age, country, and employee category.	▪ GRI 2-7 Employees	46
Total number and distribution of employment contracts.	▪ GRI 405-1 Diversity of Governance Bodies and Employees	48
Average annual number of permanent, temporary and part-time contracts by gender, age and employee category.	▪ GRI 2-7 Employees	49
Number of layoffs by gender, age, and employee category		49
Wage gap	Internal framework: the calculation was made using the following formula: (Average Sal. Men - Average Sal. Women)/Average Sal. Average Sal. Men	53
Average compensation by gender, age, and employee category.	Internal framework: Average compensation (includes total compensation for the year and fixed salary obtained during the year.	53
Average remuneration of directors by sex		83
Average remuneration of executives by gender		53
Implementation of work separation policies		56
Employees with disabilities		49
Work organization		
Organization of working time		56
Number of hours of absenteeism	Internal framework: absenteeism rate	54
Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents.		56

Social and personnel issues (cont.)

Contents	Reporting Criteria	Reference
Health and safety		
Occupational health and safety conditions	▪ GRI 403-1 Occupational Health and Safety Management System	54
Number of occupational accidents and occupational diseases by sex, frequency and severity rate by sex.	▪ GRI 403-9 Work related injuries ▪ Severity rate= No. of lost workdays x 1,000,000/no. hours worked (excluding in itinere accidents)	54
Social relations		
Organization of social dialogue	▪ GRI 3-3 Management of material issues	61
Percentage of employees covered by collective bargaining agreements by country.	▪ GRI 2-30 Collective bargaining agreements	49
Balance of collective bargaining agreements, particularly in the field of occupational health and safety.		49
Mechanisms and procedures in place to promote employee involvement in the management of the company, in terms of information, consultation and participation.	▪ GRI 2-29 Approach to Stakeholder Engagement	56
Training		
Policies implemented in the field of training	▪ GRI 404-2 Programs to enhance employee skills and transition assistance programs.	51
Total number of training hours per professional category.	▪ Internal framework	51
Universal accessibility for people with disabilities		
Universal accessibility for people with disabilities	▪ GRI 3-3 Management of material issues	52

Social and personnel issues (cont.)

Contents	Reporting Criteria	Reference
Equality		
Measures taken to promote equal treatment and opportunities between women and men.	▪ GRI 3-3 Management of material issues	52
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment.	▪ GRI 3-3 Management of material issues	
Integration and universal accessibility for people with disabilities.	▪ GRI 2-23 Commitments and policies	
Policy against all types of discrimination and, where appropriate, diversity management.	▪ GRI 3-3 Management of material issues	

Information on respect for human rights

Contents	Reporting Criteria	Reference
Implementation of human rights due diligence procedures.	▪ GRI 2-26 Mechanisms for seeking advice and raising concerns	58-59
Prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and remedy potential human rights abuses.	▪ GRI 3-3 Management of material issues	58-59
Whistle-blowing in cases of human rights abuses	▪ GRI 3-3 Management of material issues	58-59
Promotion and enforcement of the provisions of ILO core conventions related to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.	▪ GRI 2-23 Commitments and policies ▪ GRI 2-26 Mechanisms for seeking advice and raising concerns ▪ Internal fework: quantitative information on the number of complaints. ▪ GRI 3-3 Management of material issues ▪ GRI 2-23 Commitments and policies	58-59

Information related to the fight against corruption and bribery

Contents	Reporting Criteria	Reference
Measures taken to prevent corruption and bribery	▪ GRI 2-23 Commitments and policies	88
Measures taken to combat money laundering	▪ GRI 2-26 Mechanisms for seeking advice and raising concerns	88
Contributions to foundations and not-for-profit entities	▪ GRI 201-1 Direct economic value generated and distributed	62-63

Society information

Contents	Reporting Criteria	Reference
Company commitments to sustainable development		
Impact of the company's activities on employment and local development	▪ GRI 3-3 Management of material issues	59-60
Impact of the company's activities on local populations and the territory.	▪ GRI 3-3 Management of material issues	59-60
Relationships maintained with local community stakeholders and methods of dialogue with them.	▪ GRI 3-3 Management of material issues	61
Partnership or sponsorship actions	▪ GRI 3-3 Management of material issues ▪ GRI 2-28 Membership in associations ▪ Internal framework: description of partnership or sponsorship actions.	62-63
Subcontracting and suppliers		
Inclusion of social, gender equality and environmental issues in the purchasing policy.	▪ GRI 3-3 Management of material issues ▪ GRI 2-6 Businesses, value chain and other business relationships ▪ GRI 2-24 Mainstreaming Commitments and Policies	65-66
Consideration of social and environmental responsibility in relations with suppliers and subcontractors.		
Monitoring and auditing systems and results of audits.		

Society information (cont.)

Contents	Reporting Criteria	Reference
Consumers		
Consumer health and safety measures	▪ GRI 3-3 Management of material issues	67
Complaint systems	▪ GRI 2-16 Communication of critical concerns	
Complaints received and resolution of complaints	▪ Internal framework: reporting on grievances and opportunities for improvement.	
Tax information		
Profits earned country by country	▪ GRI 207-4 Country-by-country reporting	76-77
Taxes on profits paid	▪ GRI 207-4 Country-by-Country Reporting	
Government subsidies received	▪ GRI 201-4 Financial assistance received from the government	

Información sobre la sociedad (cont.)

Ámbitos	Marco de reporting	Referencia	Comentarios/ Razón de la omisión
Consumidores			
Medidas para la salud y la seguridad de los consumidores	GRI 3-3 Gestión de los temas materiales	67	
Sistemas de reclamación	GRI 2-16 Comunicación de inquietudes críticas GRI 2-25 Procesos para remediar los impactos negativos		
Quejas recibidas y resolución de las mismas	GRI 2-25 Procesos para remediar los impactos negativos Marco interno: información sobre quejas y oportunidades de mejora		
Información fiscal			
Beneficios obtenidos país por país	GRI 207-4 Presentación de informes país por país	76-77	
Impuestos sobre beneficios pagados	GRI 207-4 Presentación de informes país por país		
Subvenciones públicas recibidas	GRI 201-4 Asistencia financiera recibida del gobierno		



AII Anex II Eligibility according to the European Union Sustainable Finance Taxonomy Regulation

Eligibility according to the European Union Sustainable Finance Taxonomy Regulation		
Proportion of turnover (Net Turnover Amount – INCN) which derives from products or services related with economic activities which may be end up being regarded as environmentally sustainable in accordance with the Taxonomy regulations.	26	Delegated Act of the European Commission for the adoption of article 8 of the Taxonomy Regulation on the Transparency of companies in non-financial statements
Proportion of total fixed assets (CAPEX) related to assets associated with economic activities which may end up being regarded as environmentally sustainable according to the Taxonomy regulation.		Delegated Act of the European Commission for the adoption of article 8 of the Taxonomy Regulation on the Transparency of companies in non-financial statements
Proportion of operating expenses (OPEX) related to assets associated with economic activities which may end up being regarded as environmentally sustainable according to the Taxonomy regulation.		Delegated Act of the European Commission for the adoption of article 8 of the Taxonomy Regulation on the Transparency of companies in non-financial statements



AIII Annex III Independent verification report

Independent Practitioner's Assurance Report

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A., and subsidiaries

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

To the Management of SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.

Scope

We have been engaged by SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on "Annex I – Table of Contents in accordance with Law 11/2018 on Non-Financial Information and Diversity" (the "Subject Matter") contained in the accompanying 2023 Sustainability Report of SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries (Solaria or the Group) from the period from January 1st, 2023, to December 31st, 2023 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Solaria

In preparing the Subject Matter, SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. voluntarily applied the requirements of Law 11/2018 and the selected GRI Standards (Criteria).

Solaria's responsibilities

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.'s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Guidelines for the Review of Corporate Responsibility Reports issued by the Institute of Chartered Accountants of Spain (ICJCE), the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the terms of reference for this engagement as agreed with SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to

be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

Our firm applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the sustainability indicators contained in Annex I "Content Index in accordance with Law 11/2018 on Non-Financial Information and Diversity" and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Meetings with Solaria staff to understand the business model, policies, management approaches applied, the primary risks associated with these matters, and to gather necessary information for external review.
- Review of the content of Solaria's 2023 Sustainability Report, with the following scope:
  - Analysis of the scope, relevance, and integrity of the contents included in the Sustainability Report based on Solaria's materiality analysis, described by the Group voluntarily considering the contents required by Law 11/2018 and selected GRI Standards.
  - Analysis of the processes carried out by Solaria to collect and validate the data presented in the Sustainability Report.

  - Review of information related to the risks, policies, and management approaches applied regarding the material aspects presented in the Sustainability Report.
  - Verification, through testing, based on the selection of a sample, of the information regarding the contents included in Annex I "Content Index in accordance with Law 11/2018 on Non-Financial Information and Diversity" and its proper compilation from the data provided by Solaria's information sources.

We also performed such other procedures as we considered necessary in the circumstances.

Other matters

This report can under no circumstances be considered an audit report in accordance with prevailing audit regulations in Spain. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that need to be made to the sustainability indicators contained in Annex I "Content Index in accordance with Law 11/2018 on Non-Financial Information and Diversity" as of December 31, 2023, for it to be presented in all material respects, in accordance with the requirements of Law 11/2018 and the selected GRI Standards.

Restriction on distribution and use

This report is intended solely for the information and use of SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A., exclusively to accompany the full version of the 2023 Sustainability Report and is not intended to be and should not be used by anyone other than those specified parties without our prior written consent. We will not accept any responsibility from any third parties different to the addressees of this report.

ERNST & YOUNG, S.L.

Signature on the original in Spanish

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Elena Fernández Garcia

February 28, 2024

Solaria



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