SUSTAINABLE DEVELOPMENT GOALS



SUSTAINABILITY REPORT

JUNE 30, 2023

Solaria

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Solaria

KEY FIGURES - H1 2023

Operational data

	H1 2023	H1 2022
MW connected:	1.526	807
Generation:	1,003 GWh	641,7 GWh
Projects in operation:	58	38
Countries:	6	5
Renewable energy	100%	100%

Economic data

	H1 2023	H1 2022
Income:	€99.55 million	€75.4 million
Turnover:	€84.55 million	€68.1 million
EBITDA:	€88.95 million	€68.1 million
Net profit:	€50.07 million	€43.7 million
Elegible activities for Taxonomy:	100%	100%

Environment

	H1 2023	H1 2022
Avoided CO_2 emissions	273,783	160,425
Scope 1:	159,26	140,50
Scope 2:	0,99	1,01
Scope 3:	28,21	25,96
Intensity emissions:	0,18	0,26
Science Based Targets initiative:	Yes	No

People

	H1 2023	H1 2022
Number of employees	236	149
Total hours of training:	1.610	855
New recruitments:	114	40
Average age:	41	41
Indefinite-term Contracts:	98%	96%

Good governance

	H1 2023	H1 2022
Directors:	6	6
Female representation in Board of Directors:	33,33%	16,66%
Comissions:	3	3
Internal Committees:	4	4
Number of Board meetings:	6	3
Female representation in Top Management:	1	0

ESG Ratings and indexes

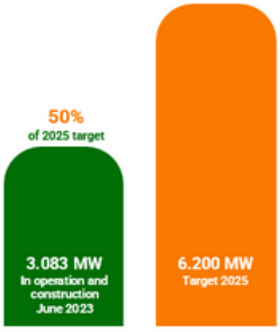
	H1 2023	H1 2022
MSCI:	AAA	A
Sustainalytics:	Low risk	Medium risk
CDP	C	D
S&P	54	48
ISS	B+	B
Bloomberg Cender Equality Index	Yes	No
S&P Creen Energy Index	Yes	Yes

ABOUT SOLARIA

Solaria Energía y Medio Ambiente, S.A. ("Solaria" or the "Company") is a leading company in the development and generation of solar photovoltaic (PV) power within the European Union, setting out to actively contribute to decarbonization and achieve a global energy model based on clean energy. The Company has made sustainability an integral part of its strategy and business management and has embraced an absolute commitment to ethics, transparency and excellence.

The Company's target is to have 6.2 GW of emission-free installed capacity by 2025 and 18 MW by 2030, in line with the UN Agenda 2030, the Sustainable Development Goals and the Ten Principles of the United Nation's Global Compact, to which it is firmly committed. This will also help reduce reliance on electricity from abroad, as it puts everything in our power to make solar energy available to everyone.

Now is a positive time for Solaria as it continues to pursue its strategic plan. The president of the upcoming UN climate change conference (COP28), to be held later this year in Dubai, recently called for a "tripling" of the world's renewable energy production capacity by 2030.



SUSTAINABLE MANAGEMENT



As a renewable energy company, Solaria is firmly committed to the sustainable development of society, focusing on the fight against climate change and the protection of the communities in which it operates, rooted in the principles of ethics and good business practices.

The Company currently has 3,083 MW of capacity in operation or under development, distributed across numerous PV plants located in Spain, Italy, Uruguay, Greece and Portugal. More precisely, installed capacity at the end of the reporting period stood at 1,526 MW.

For some time now, Solaria has been acting and relying on its five senses to make solar energy a sustainable, profitable, competitive and accessible solution for the entire population, helping to improve the environment and society, while at the same time protecting the investments of its shareholders and striving to maximize their returns.

The Company also contributes actively to the achievement of the United Nations Sustainable Development Goals (SDGs) and 2030 Agenda, focusing on the fight against climate change, respect for the environment and supporting the growth of the local communities in which we operate. Solaria is a signatory of the UN Global Compact through its Spanish network. It aims to continue aligning its strategy with the Ten Principles of the Global Compact and taking action on the path to achieving the SDGs and the 2030 Agenda.

Solaria became involved in various new initiatives in the first half of the year, with the aim of making an active contribution to sustainable development. Highlights include its membership of the Spanish Group for Green Growth and the Spanish Business and Biodiversity Initiative of Fundación Biodiversidad.
In addition, the Company has joined the Science Based Targets Initiative (founded by CDP, the United Nations Global Compact, the World Resources Institute and the World Wildlife Fund), an initiative that validates that the climate targets set by companies are based on science.

ESG RATINGS

Solaria undergoes annual assessments by various sustainability indices and rantings, which measure the Company's performance and progress towards key environmental, social and good governance issues.

- Notably, Solaria holds the highest ESG rating —AAA— according to MSCI (Morgan Stanley Capital International).
- Solaria has maintained its "Low risk" rating from Sustainalytics, its ISS QualityScore —B+—, its S&P ESG rating, and its score under the Carbon Disclosure Project (CDP).
- Last but not least, Solaria continues to feature on the Bloomberg Gender Equality Index and the S&P Global Green Energy Index.

The Company has a Sustainability Policy in place, which is the framework that establishes the general bases for action and activities to be carried out in favor of social welfare, respect for the environment and the generation of value that transcends in the long term, which has been recently updated.

The Sustainability Policy, which has recently been updated, is based on the following principles and commitments:

Environmental: Maximize Solaria's positive impact on its natural surroundings and contributing to sustainable development by:
- Combating climate change, ensuring the efficient use of resources, cutting down on the consumption of raw materials and waste recovery.
- Minimizing the environmental impact and protecting biodiversity.
- Increased engagement of the Company as a whole.
- Leadership in the fight against climate change.

Social: Promote socially responsible conduct through the creation of a safe and healthy workplace based on:
- Ethics and respect.
- Providing reliable, high-quality service.
- Becoming invested in the development of regions where the Company is present.

Good governance: Guarantee integrity and ethics across all relationships:
- Management based on integrity, responsibility and transparency.
- Mainstreaming an inclusive and equitable culture throughout the organization —starting with senior executives— that fosters trust-based relationships with stakeholders.

Solaria has embraced a series of short- and medium-term ESG commitments and targets, which were approved by the Board of Directors in 2022 and can be viewed on the corporate website: www.solariaenergia.com.

Environment	Social	Good governance
Carbon neutral by 2030. 50% reduction in emissions intensity by 2025. Renewable Energy Plan: 95% of total electricity consumption across all of Solaria's facilities to come from 100% renewable sources by 2025. Hybrid Fleet Plan: 99% of Solaria's fleet to be ELECTRIC by 2030. Offsetting of own residual emissions through certified reforestation projects.	Women to account to more than 25% of the workforce. Increase the number of women in senior management. Increase training hours by 10% compared to 2021. Conduct internal audits on occupational health and safety. Perform due diligences to verify compliance among our suppliers with social and environmental requirements.	Board of Directors: Women to account for 50% of the Board by 2030. Continuous improvement of compliance systems and corporate standards and policies.

The targets set by the Company are very close to being achieved and should ultimately be met ahead of schedule.

Notably, the Company's management team and middle management have pegged 15% of their variable remuneration to the achievement of the targets that have been set.

COMMITMENT TO THE ENVIRONMENT

Solaria's nature is based on sustainability and environmental protection, from its activity and as one of its main values. Its business model is fully aligned with the European Taxonomy, since its activity contributes significantly to the mitigation of climate change.

The energy that Solaria generates is emission-free, so the Company avoids the emission of more carbon dioxide into the atmosphere than it emits. Specifically, during the period, the generation of renewable energy was 1,002.87 GWh, 56% higher than the same period of the previous year, thus avoiding the emission of 273,783 tons of carbon dioxide into the atmosphere. The energy generated during the period could supply approximately 306,500 Spanish homes.

The protection of the environment and the fight against climate change are included both in Solaria's Code of Business Ethics and in the Sustainability Policy, and are developed through the Environmental Policy. This policy, approved in 2020, in addition to deepening the Company's commitments in relation to its business activity and environmental impact, focuses on the relationship with the environment, addressing issues such as the fight against climate change, the efficient use of resources, the protection of biodiversity and the promotion of a circular economy.

It is clear that Solaria contributes, not only to decarbonization, but also to the reduction of electricity dependence on foreign countries, to lower costs and to the fulfillment of the SDGs and other objectives of the European Union in the fight against climate change, such as the European Green Pact, supported by the National Integrated Energy and Climate Plan (PNIEC) 2021-2030.

But Solaria wants to go further and do everything in its power to fight against climate change and decarbonization. It should be noted that **the Company has reduced its unit emissions by 31% with respect to the first half of the year 2022**.
In this sense, Solaria has set itself the objective of reaching carbon neutrality in 2030 and reducing its unit emissions by 50% in 2025, with respect to 2021. These objectives have been validated by the Science Based Targets Initiative (SBTi).

In addition, the Company always acts with the utmost respect for the environment and the natural spaces in which it operates and reduces negative impacts to a minimum. Solaria's projects are never located in protected natural spaces or areas with environmental protection of any kind and do not produce any type of contamination. Likewise, Solaria carries out a large number of environmental impact studies so that the design of its solar plants respects and protects the flora and fauna of the area. It also proposes a series of compensatory measures focused on the conservation and net gain of biodiversity.

ENVIRONMENTAL FIGURES			
	H1 2023	H1 2022	Comments
CO2 emissions – Scope1 (ton CO2)	159,26	140,50	
CO2 emissions – Scope 2 (ton CO2) – Market based	0,99	1,01	
CO2 emissions – Scope 3 (ton CO2) Business trips | Water consumption	28,21	25,96	
CO2 emissions intensity (ton CO2/GWh)	0,18	0,26	-31%
Energy generation (GWh)	1.002,87	641,7	+ 56%
Avoided CO2 emissiones (ton CO2)	273.783	160.425	+ 70%
Environmental sanctions or fines	0	0	
Electrical consumption (offices and PV plants) in kWh	3.093.764	2.321.736	
of which renewable sources	97,32%	92,07%	+ 6%
Water consumption (in m3)	310	210	Increase is due to growth in employees and facilities
Electric/hybrid vehicles over Solaria's total fleet	60%	30%	+100%

COMMITMENT TO OUR PEOPLE

For Solaria, its employees are its most valued asset, and it does everything it can to keep talent within the Company, safe in the confidence that it is a winning bet.

Solaria had 236 employees at the end of the first half of 2023, 59% more than in the same period of 2022, having successfully carried out a total of 114 new hires. Solaria's team stands out for its stability, with 98% of employees on indefinite or permanent contracts.

Solaria makes every effort to attract and retain talent. To succeed, measures include paying all staff annual variable remuneration, irrespective of their job position, based on performance and feedback reviews, and offering other employee benefits with tax advantages, such as training, health insurance, life insurance, meal vouchers, travel cards or childcare.

Solaria is increasingly committed to equality and diversity, having achieved a considerable increase in the percentage of women employees in recent years. It has drawn up targets in relation to this commitment in a bid to reach gender parity.

Internally, the Company continues to promote employee training. During the first half of the year, a total of 1,610 hours were set aside for training, of which 60% —delivered to the entire workforce— were devoted to occupational health and safety. All employees also receive training on sustainability, ethics and compliance, and other corporate-related topics. Moreover, Solaria promotes operational, technical and business training, so that the whole team knows how the Company and the wider industry work.

SOCIAL FIGURES			
	H1 2023	H1 2022	Comments
Total n. of employees	236	149	+59%
Top Management	8	10	
Middle management	23	19	
Technical staff	198	119	
Internships	7	1	
Total n. of women	39	33	+19%
Top Management	1	1	
Middle management	7	6	
Technical staff	30	25	
Internships	1	1	
Total n. of men	197	116	
Top Management	7	9	
Middle management	16	13	
Technical staff	168	94	
Internships	6	0	
New hires	114	40	Due to Solaria's growth and expansion
Women	15	-	
Men	99	-	
N. of employees with disability	1	1	Inclusion measures implemented
N. of employees with permanent contract	229	144	98% of workforce
Women	38	-	
Men	191	-	
Average age of the workforce	41 años	41 años	
Average lenght of service	2,1 años	2,9 años	
Average remuneration	54.553€	56.518€	
Turnover	36,53%	19,27%	
Total n. of internal training hours	1610	855	+88%

OCCUPATIONAL HEALTH AND SAFETY

Ensuring the safety of the Company's employees is essential to carry out Solaria's business. The Company complies with current health and safety legislation in the countries in which it operates and takes all necessary measures to protect its employees and all persons involved, in one way or another, with Solaria.
Likewise, the Collective Bargaining Agreement, which applies to 100% of the labor contracts in Spain, contemplates specific measures and rules aimed at protecting the health and safety of the Company's employees and other people.

This commitment is also extended to those contractors and suppliers whose activity is carried out in workplaces where Solaria is responsible.

For this reason, Solaria addresses the issues of occupational risk prevention with a preventive approach based on the implementation of health and safety training actions, as well as audits to ensure strict compliance with all safety measures. **Solaria aims to achieve the goal of "Zero Accidents"** starting with the implementation of a Preventive Culture in which all employees, regardless of 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 subcontractors, which establishes the main commitments and responsibilities.

Solaria, during the period, has allocated a total of 966 hours of training to its direct employees related to occupational health and safety, distributed in different courses which have addressed issues related to accident prevention both in the plant and in the office, given to 100% of the staff, and other more specific ones such as procedures and ways to act when first aid or fire extinguishing is required, as well as the prevention of the activities involved in the construction of solar plants.

In addition, Solaria informs all its contractors and suppliers about its Health and Safety Policy and carries out risk assessments of all its contractors in this area. Specifically, during the year, 100% of Solaria's facilities have passed an internal audit on occupational risk prevention. Likewise, Solaria randomly audits some of its contractors during the construction of solar plants.

OCCUPATIONAL HEALTH AND SAFETY		
	H1 2023	H1 2022
Frequency rate		
Direct	6,25	0
Indirect	2,42	6,50
Accident rate		
Direct	55,56	0
Indirect	40,57	93,34
Injury rate		
Direct	0,29	0
Indirect	0,02	0,10

Among its direct employees, Solaria reported one lost-time accident, while among subcontractor personnel (a total of 2,270), it reported two such accidents.

Solaria’s rates are well below the construction sector average (frequency rate: 37.3; accident rate: 6,606; injury rate: 1.28).

COMMITMENT TO COMMUNITIES

Solaria's business strategy is underpinned by value creation. Local communities are a key stakeholder for the Company and, mainly, for the success of its projects. For this reason, it dedicates the necessary resources to ensure a good relationship and fluid and constant communication with the communities through presence in the territory, communication channels, media, social networks and participation in forums and debates.

The Company also brings considerable social and economic benefits to local communities and endeavors to have a positive impact on the community by creating jobs and undertaking social initiatives based on individual assessments of each area's needs and promoting life in rural communities.

During the development and construction stages of a PV power station, Solaria:

- Seeks land with scarce value for farming, attempting to avoid existing conflicts or any that may arise regarding the land.
- Prioritizes local sourcing (of construction personnel and suppliers) where possible, thus helping to drive the local economy and employment.
- Fosters smooth and ongoing communication with communities lying in the vicinity of its projects, and with government agencies and other stakeholders.
- Creates wealth, both directly and indirectly, in the towns or regions where its sites are located, thereby helping to promote rural life and prevent depopulation.

Solaria remains firmly committed to local communities and is involved in numerous initiatives in the areas where it is present. These include:

- Collaborations with local farmers and ranchers to ensure that their activities and interests can coexist with the power plants, in what is known as "agrovoltaics". Examples here include lavender plantations, beekeeping, and goat and sheep raising. Notably, goats and sheep are used to clear the areas around our plants, thus avoiding the pollution caused by mechanized clearing.
- The SOLARIA FORMA Plan, whereby Solaria partners up with local learning centers and schools to offer courses in renewable energies and solar power. The Company also donates material to different schools and training centers specialized in renewable energies.
- Involvement in and sponsorship of various forums, events, newspapers, cultural activities and other endeavors in the vicinity of the Company's operations.



RESPECT FOR HUMAN RIGHTS

Solaria considers the respect for and protection of human and labor rights to be essential in all its relations with stakeholders. It refuses to tolerate any form of forced or compulsory labor and guarantees the elimination of discrimination in respect of employment and occupation and the effective abolition of child labor.

Solaria is a member of the UN Global Compact and promotes compliance with the principles enshrined in the UN International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the Declaration of the International Labor Organization (ILO) and its fundamental conventions, and the European Convention on Human Rights.

In 2021, the Company approved its policy of respect for human rights, which enshrines its commitments and zero tolerance for human rights abuses. The Company has other corporate standards and policies in place that work to achieve respect for human rights. Solaria's human rights initiatives are predicated on minimizing the risks related to human rights through risk assessments, human rights assessments and compliance audits among its suppliers, engagement and awareness-raising, and the existence of reporting, whistleblowing and/or complaints channels.

Solaria insists on the same level of respect for human rights among all its stakeholders. Solaria's approach to human rights is threefold:

A. The Company has a Supplier Code of Ethics in place, which is attached to all contracts signed with suppliers and can be found on the Company's website. The code contains various guidelines and instructions to manage and control risks related to dealings with suppliers. Solaria contractually requires all suppliers to accept and adhere to the code.

B. The Company has a due diligence procedure in place and during the reporting period it performed human rights impact assessments for all suppliers that run the risk of being implicit in human rights abuses. All of these assessments presented favorable findings, meaning that Solaria did not detect any instances of human rights abuses or practices that might involve forced labor or child labor.

The due diligence process is divided into the following phases:

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

- Statement signed by the supplier's Board of Directors or Senior Management assuring compliance with all applicable legislation, national and international standards, and Solaria's own commitments to the protection of human rights, across all of its activities, including the supply chain.

- Gathering policies, internal rules and reports, notably:
  - The supplier's Code of Business Conduct and Ethics, which should expressly prohibit and display zero-tolerance toward forced or child labor and require its own suppliers to comply.
  - ISOs and other certifications.
  - Information on projects in Europe for which the supplier has delivered materials in the last three years.
  - Any other documents and/or information considered relevant.

- Traceability along the supplier's entire supply chain and list of materials and raw inputs used to manufacture the components supplied to Solaria's plants.

C. Solaria oversees contractual compliance among its suppliers by having a permanent presence in their factories, doing so either through its own staff or by engaging the services of an independent third party (certified companies). This assurance takes place during the pre-production, manufacturing and pre-shipment stages, where the assigned personnel check the status of orders, the state of the facilities and any other circumstance considered relevant, including compliance with the list of approved materials and sub-suppliers whose services the supplier relies on.

The Company did not receive any complaints about human rights abuses during the period, and did not uncover any practices that might infringe its corporate standards and policies or applicable national and international regulations.

MANAGEMENT OF THE SUPPLY CHAIN

Risk management along the supply chain and the involvement of governing bodies are becoming increasingly important concerns when it comes to a company's reputation. Solaria is aware of the need to perform due diligence in its supply chain by identifying, assessing and managing all related risks.

The first mechanism in place to mitigate risks and mainstream Solaria's ESG commitments across its supply chain and among its suppliers is the Supplier Code of Conduct, which is attached to all contracts and must be expressly accepted by suppliers. With the code, the Company sets out the guidelines for controlling and managing risks related to dealings with suppliers. All suppliers must accept and adhere to the code. Solaria also carries out environmental, social and labor and human rights assessments among its suppliers.

At the end of the reporting period, Solaria had dealings with 1,158 suppliers, to which it had paid a total of 186.861 million euros in exchange for various goods and services.

Of the total suppliers with which Solaria has dealings, there are two main groups:

- Suppliers of goods and supplies. In this group, the key suppliers are those from which Solaria purchases solar plant components, primarily modules, inverters, trackers and transformers. During the first half of 2023, there were 10 suppliers of Solaria's main components (modules, inverters, trackers and transformers).

All of Solaria's main suppliers are ranked among the Top 10 manufacturers in the market. Solaria has evaluated and verified that they have all the necessary certifications for their activity and that they comply with the technical and quality specifications required by the Company, as well as with the current legislation. In addition, Solaria analyzes its economic and solvency capacity, reputation in the market, compliance issues, environmental and social and labor issues, respect for the human rights of its employees and in its supply chain, etc. Specifically, during 2022, this evaluation has been carried out on the 10 suppliers of the main components indicated. Furthermore, as indicated in the previous section of this report, the main component suppliers are subject to an evaluation and due diligence process in terms of respect for human rights. During the period, human rights compliance assessments have been carried out on all 10 suppliers.

- Providers of services. Within this group, the most relevant suppliers for Solaria's business are contractors, meaning those companies entrusted with the construction of solar plants and substations, as well as maintenance work. It is worth noting that Solaria acts as EPC contractor, as development, engineering, procurement of supplies and materials and coordination of maintenance work are all carried out internally.

During the period, Solaria worked with 242 construction companies. All construction companies must undergo environmental, socio-occupational and financial assessments, including health and safety audits, and they all receive regular occupational risk training.



GOOD GOVERNANCE

When it comes to good governance at Solaria, the Company makes every effort to ensure that its internal regulatory system is aligned with the highest standards in terms of ethics, transparency and good governance. It is therefore fully aware of the importance of continuously improving its system of corporate rules and policies.

Solaria updated the following corporate rules and policies during the period in a bid to bring its internal regulatory system in line with current legislation and best practices on matters of good governance and sustainability:

- Bylaws.
- Regulations of the Board of Directors.
- Sustainability Policy.

Turning to the Company's governing bodies, the Company held its General Shareholders' Meeting during the period (quorum of 75.29%), as well as six meetings of the Board of Directors (with 100% attendance among its members), five meetings of the Audit Committee, four meetings of the Nominating and Compensation Committee and two meetings of the Ethics, Compliance and ESG Committee, all of them with 100% attendance.

There was also a change in the composition of Solaria's Board of Directors during the period, following María José Canel Crespo's appointment to the Board, as approved at the General Shareholders' Meeting, with 99.89% of votes cast in favor. Women accounted for 33.33% of the Board at the end of the period, on the way to achieving Solaria's target representation for female directors of 50% by 2030.

COMPLIANCE CHANNEL

Solaria runs a **COMPLIANCE CHANNEL** (canalcompliance@solariaenergia.com), which both employees and third parties can contact, anonymously if they so wish. The COMPLIANCE CHANNEL is entirely confidential. Solaria guarantees the absence of retaliation, provided the reports are submitted in good faith.

Anyone who becomes aware of, or has reason to suspect, a breach of Solaria's corporate rules or policies, internal procedures, current legislation, or any other type of non-compliance or unethical behavior, must report the matter through the COMPLIANCE CHANNEL. The COMPLIANCE CHANNEL may also be used to raise questions or make suggestions on ethics, compliance or ESG matters. Aside from this dedicated mailbox, any person wishing to contact Solaria may do so by sending a letter to Solaria's Compliance department. The Ethics, Compliance and ESG Committee deals with all complaints, disclosures and/or queries received through the COMPLIANCE CHANNEL.



ABOUT THIS REPORT

This Sustainability Report has been published as a further show of Solaria Energía y Medio Ambiente S.A.'s firm commitment to the environment, society and risk governance, thus consolidating the Company's ongoing efforts in recent years to continue making environmental, social and governance (ESG) criteria an integral part of its strategy.

This report is also an exercise in transparency so as to provide stakeholders with meaningful information on the Company's situation, activities, plans and progress in the field of sustainability, both internally and externally, seeing as though communication, clarity and truthfulness of information are core values for Solaria.

The information contained herein has not been independently verified.

This report was approved on Monday, September 18, 2023, by Solaria's Board of Directors on the recommendation of the Ethics, Compliance and ESG Committee.

Solaria's Headquarters

C/ Princesa, 2 | 3º floor | 28008 | Madrid | (+34) 915644272

greenmatters@solariaenergia.com | www.solariaenergia.com

Solaria