

H1 Sustainability Report

June 30, 2022

About this report

This report sets out the ongoing efforts of Solaria Energía y Medioambiente, SA ("Solaria" or "the Company") to further and reinforce the Company's environmental, social and corporate governance ("ESG") commitments.

Solaria has prepared this document for information and transparency purposes to disclose to its stakeholders its key performance indicators and developments in the area of sustainability in the first half of 2022, from January 1st to June 30th, 2022.

The information contained herein has not been independently verified.

This report was approved on September 19th, 2022, by Solaria's Board of Directors at the proposal of the Ethics, Compliance and ESG Commission.

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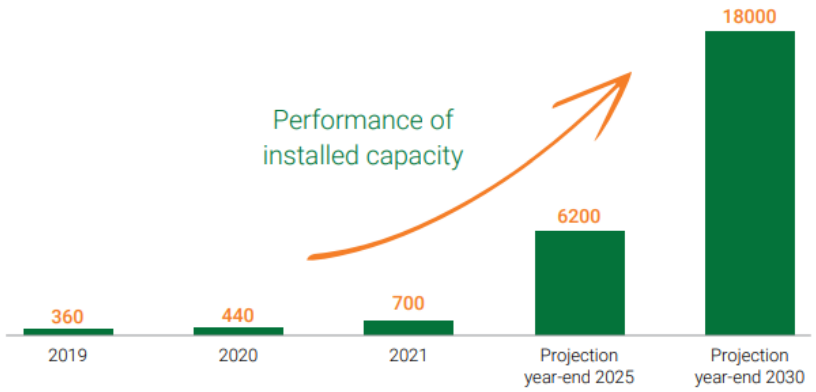


SUSTAINABLE MANAGEMENT

Solaria is a leading company in the development and generation of solar photovoltaic (PV) energy in southern Europe, with the aim of actively contributing to decarbonization and achieving a global energy model based on clean energy. The Company incorporates the sustainable approach in its strategy and business management.

The Company's target is to have installed 18 GW of emission-free energy by 2030, in line with the Agenda 2030 and the Sustainable Development Goals and 10 principles of the United Nation's Global Compact. This will also help reduce reliance on electricity from abroad, as it puts everything in our power to make solar power available to everyone.

Its approach to managing the business is predicated on ethics, transparency and sustainability, while always seeking to maximize returns for its investors. Moreover, as a leading player in the sector, it has both the expertise and resources to continue growing, constantly seeking to innovate and striving for excellence.



The Company has 2.057 MW of capacity under construction and operation, distributed among photovoltaic (PV) power stations in Spain, Italy, Uruguay, Greece and Portugal. In particular, the installed capacity at the end of the reporting period stood at 807 MW.

For some time now, Solaria has been acting and putting 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 especially on the fight against climate change, respect for the environment and the protection of the surroundings where Solaria does business, and supporting and contributing positively to the local communities and territories where it has operations.

Solaria is a signatory of the United Nations Global Compact through the Spanish network. It aims to continue aligning its strategy with the 10 Principles of the Global Compact and taking the measures articulated in the SDGs and 2030 Agenda, aware that it is vitally important for society as a whole, including companies as well as government agencies and the general population, to do all it can to change the world.

During the first half of the year, Solaria joined and became an ambassador of the European Climate Pact, an initiative of the European Commission to participate in climate action and help become carbon neutral. It also joined the Green Bond Transparency Platform. The Company is also a member of several initiatives, such as the Global Compact's SDG Ambition Accelerator.

During the period, Solaria published its updated ESG goals, which are available on the corporate website: www.solariaenergia.com.



Solaria's sustainability policy is based on the following principles and commitments:

- **Environmental:** Maximizing Solaria's positive impact on its natural surroundings and contributing to sustainable development through:
  - Efficient use of resources, reduction in the consumption of raw materials and recovery of waste.
  - Reduction of environmental impact.
  - Increased involvement of the Company as a whole.
  - Leadership in the fight against climate change.

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

- **Good governance:** Guaranteeing integrity and ethics in all areas of relationships:
  - Management based on integrity and responsibility
  - Mainstreaming an inclusive and equitable culture throughout the organization, starting with senior executives, that fosters trust-based relationships with stakeholders.

ENVIRONMENTAL COMMITMENT

Sustainability in its operations is part of Solaria's DNA and one of its core values.

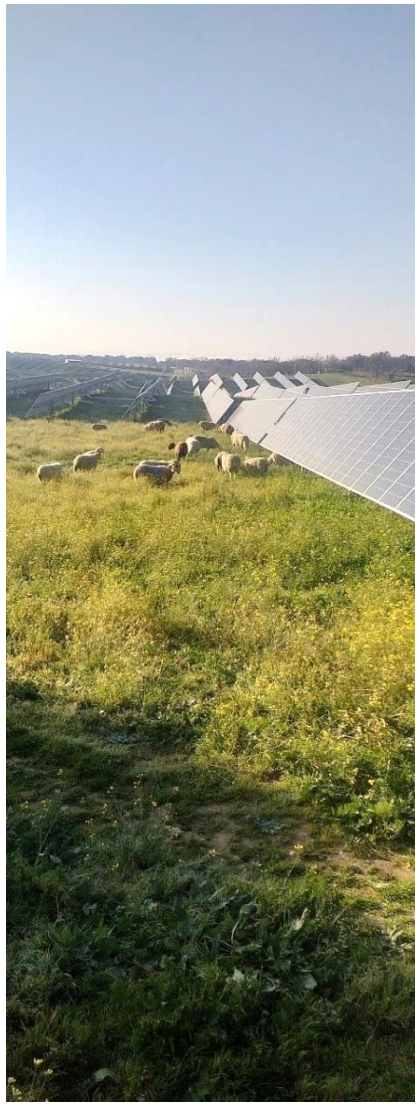
Solaria's business operations are in essence an expression of its commitment to contributing to sustainable development and the fight against global warming by fostering the transition towards a low-carbon economy through the generation and supply of 100% renewable electricity. Our business model is fulling aligned with the EU Taxonomy.

Solaria generates emission-free energy, enabling the Company to release less carbon dioxide into the atmosphere than it emits. Specifically, in the first half of 2022, the Company generated 641,7 GWh, an increase of 50% year-on-year, absorbing the emission of 160.425 tons of carbon dioxide into the atmosphere. This is equal to the energy consumption of approximately 196.100 Spanish households.

Indeed, Solaria has reduced its emissions per unit by 30% from the first half of 2021.

Protecting the environment and fighting climate change are set out in Solaria's corporate code of ethics and articulated in its environmental policy. Approved in 2020, this policy not only furthers the Company's commitments regarding its business and environmental impact, but it also places a special emphasis on its surrounding, addressing issues such as the fight against climate change, efficient use of resources, protection of biodiversity, and the promotion of a circular economy.

But Solaria wants to go even further, doing all it can to help the fight against climate change. Therefore, it has updated its decarbonization goals to make them more ambitious.



Given the nature of its activity, Solaria inherently contributes to the reduction of electricity dependence and the achievement of the SDGs, not to mention other EU objectives regarding climate change, such as the European Green Deal, backed by the 2021-2030 Integrated National Energy and Climate Plan (NECP), to reduce emissions by 2030 and become carbon-neutral by 2050.

In addition, the Company always acts with the most respect for the environment and reduces negative impacts to a minimum. The projects respect the natural environment 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 net gain of biodiversity.

KEY FIGURES FOR THE PERIOD

ENVIRONMENT

	H1 2022	H1 2021	Observations
CO2 emissions – Scope 1 (Tn CO2)	140,50	118,37	
CO_2 emissions – Scope 2 (Tn CO2) – Market based	1,01	26,29	The decrease was due to the change in electricity consumption for renewable sources
CO_2 emissions – Scope 3 (Tn CO2)	25,96	15,85	
CO_2 emissions generated (Tn CO_2)	0,26	0,37	-30%
Energy generation (GWh)	641,7	430	+ 50%
Environmental penalties	0	0	
Electricity consumption (offices and solar plants) (kWh)	2.321.736	1.284.384	
Of which: renewable	92,07%	87,44%	+ 6%
Water consumed at offices (m^3)	210	191,28	The increase was driven by the growth in headcount and installations
% electric / hybrid / ECO vehicles of Solaria's total fleet	30%	18%	



COMMITMENT TO THE TEAM

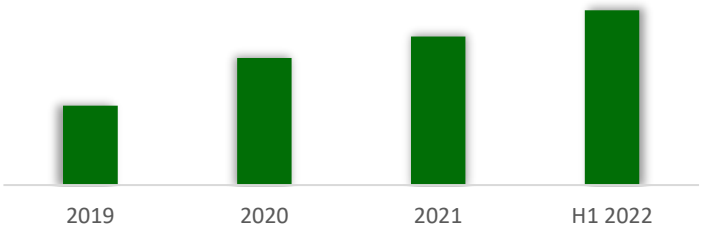
For Solaria, its employees are its best resource and it does everything in its power to keep talent in the Company, as it knows that it is a winning bet.

Solaria had 149 employees at the end of the first half of 2022, 15% more than the year-earlier figure. The Company hired 40 new employees in the period, of whom 30% were women.

Solaria's team stands out for its stability, with 97% of employees on indefinite or permanent contracts.

Solaria makes every effort to attract and retain talent. To do so, 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, raising the percentage of women employees in recent years considerably. It has drawn up targets in relation to this commitment so that it reaches an even gender balance. The table below shows the growth in the percentage of women employees:



Internally, the Company continues to promote employee training. During the first half of the year, a total of 855 hours have been allocated to training, of which 60%, given to all staff, were on occupational health and safety. All employees also receive training on sustainability, ethics and compliance, and other corporate-related topics.



KEY FIGURES FOR THE PERIOD

SOCIAL

	H1 2022	H1 2021	Observations
Total no. of employees	149	130	+15%
Management team	10	8	
Middle managers	19	19	
Technicians	120	97	
Interns/trainees	1	6	
Total no. of women	33	31	One woman joined the Management Team
Management team	1	0	
Middle managers	7	7	
Technicians	25	20	
Interns/trainees	1	4	
Total no. of men	116	99	
Management team	9	8	
Middle managers	13	12	
Technicians	94	77	
Interns/trainees	0	2	
New hires	40	36	Debido al crecimiento y expansión de Solaria
No. of employees with a disability	1	2	
No. of employees with permanent contract	144	121	97% de la plantilla
Average age of the workforce	41 años	38 años	
Average length of service	2,9 años	3,2 años	
Average remuneration	56.518€	45.057€	
Employee turnover rate	19,27%	13,56%	
Total no. of internal training hours	855	842	
Reports from the compliance channel	0	0	
Disciplinary actions	0	0	

HEALTH AND SAFETY

	H1 2022	H1 2021	Observations
Frequency rate	*6,50*	*26,25*	
Direct	0	0	
Indirect	6,50	26,25	*The decrease was the result of Solaria's efforts to achieve 0 accidents*
Accident rate	93,34	303,13	
Direct	0	0	
Indirect	93,34	303,13	
Injury rate	0,10	0,45	
Direct	0	0	
Indirect	0,10	0,45	

Ensuring employee safety is a vital part of the Company's business. Solaria complies with current health and safety legislation in the countries where it has operations and takes all the necessary steps to protect its employees. This commitment extends to contractors and suppliers whose activity takes place in workplaces overseen by Solaria. Accordingly, Solaria takes a preventive approach to job safety based on providing occupational health and safety training with the ultimate aim of achieving zero accidents.

Solaria's rates are far 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 key stakeholders for the Company and, above all, the success of its projects. Therefore, the Company earmarks the resources necessary to ensure a smooth and ongoing relationship with communities.

Local development is crucial for Solaria's activity. The Company brings considerable social and economic benefits to local communities and endeavors to have a positive impact on the towns 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, helping drive the local economy and employment.

▪ Encourages smooth and ongoing communication with towns and villages near projects, with government agencies and any other stakeholder.

▪ Creates wealth, both directly and indirectly, in the towns or regions where its sites are located, thereby helping promote rural life and prevent depopulation.

Solaria continues with its commitment to local communities and is developing different initiatives in the areas where it is present. Among them:

- Collaborations with local farmers and ranchers to make plants compatible with agriculture and livestock, known as "agrovoltaics", for example, lavender plantations, beekeeping or sheep, which are currently already in charge of clearing some of our plants, thus avoiding the pollution caused by clearing machines.

- SOLARIA FORMA Plan, through which Solaria participates in local training centers and schools in different courses related to renewable energies and solar energy. During the period, 62 students from different centers and certifications have received training given by Solaria in its solar plants. The Company has also donated material to some schools.

- Participation in and sponsorship of different forums, events, newspapers, cultural activities, etc. In the areas where it is located.



COMMITMENT TO HUMAN RIGHTS

Solaria considers the respect for and protection of human and labor rights to be essential in all its relations with stakeholders. It does not 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 United Nations Global Compact and promotes compliance with the principles enshrined in the United Nations 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. The Company has other corporate standards and policies in place that support and complement the respect for human rights.

Solaria's actions in the field of human rights are based on minimising the risks associated with human rights by carrying out risk analyses, carrying out human rights compliance assessments and audits of its suppliers, commitment and awareness-raising, and providing channels for communication, complaints and/or claims.

Solaria demands the same respect for human rights from all its stakeholders. In this regard, the Company has a due diligence procedure in place and, during the period, has carried out human rights assessments of all its suppliers with risks of practices contrary to human rights.

During the period, the Company did not receive any complaints about human rights violations, nor did it detect any practices contrary to its corporate standards and policies or to the relevant international regulations.

COMMITMENT TO SUPPLIERS

Risk management in the supply chain and the involvement of governing bodies are becoming increasingly important for companies' reputations. Solaria is aware of the need to perform due diligence in its supply chain by identifying, assessing and managing the related risks.

The first measure to mitigate risks and mainstream Solaria's ESG commitments in its supply chain and among its suppliers was the preparation and approval of its Supplier Code of Conduct in 2020, which is attached to all contracts and agreements and must be accepted expressly by suppliers. With the code, the Company sets out the guidelines for controlling and managing risks related to dealings with its suppliers. Solaria requires all its suppliers to accept and adhere to the code.

At the end of the reporting period, Solaria had relations with 476 suppliers, to which it had paid a total of 155.49 million euros for purchases of goods and services.

Solaria carries out environmental, social and labor and human rights assessments of its suppliers.

In addition, in relation to the transport of materials, Solaria has begun to work in 2022 with companies committed to climate change. In this regard, during the first half of 2022, the transport of the photovoltaic modules necessary for the construction of Solaria's new projects has been carried out with companies that use less polluting fuels than fossil fuels, which represent up to a 25% reduction in carbon dioxide emissions.

GOOD GOVERNANCE

In relation to the Company's good governance, the Company makes every effort to have an internal regulatory system aligned with the highest standards in terms of ethics, transparency and good governance, and is therefore aware of the importance that the continuous improvement of its system of corporate rules and policies entails. In this sense, during the period, among other milestones, the Director Remuneration Policy has been updated.

Meanwhile, there was a change in the composition of Solaria's Board of Directors during the reporting period following the resignation tendered by member Inversiones Miditel, SAU, and the appointment of Ms. María Dolores Larrañaga Horna in its place. This change was approved at the General Shareholders' Meeting.

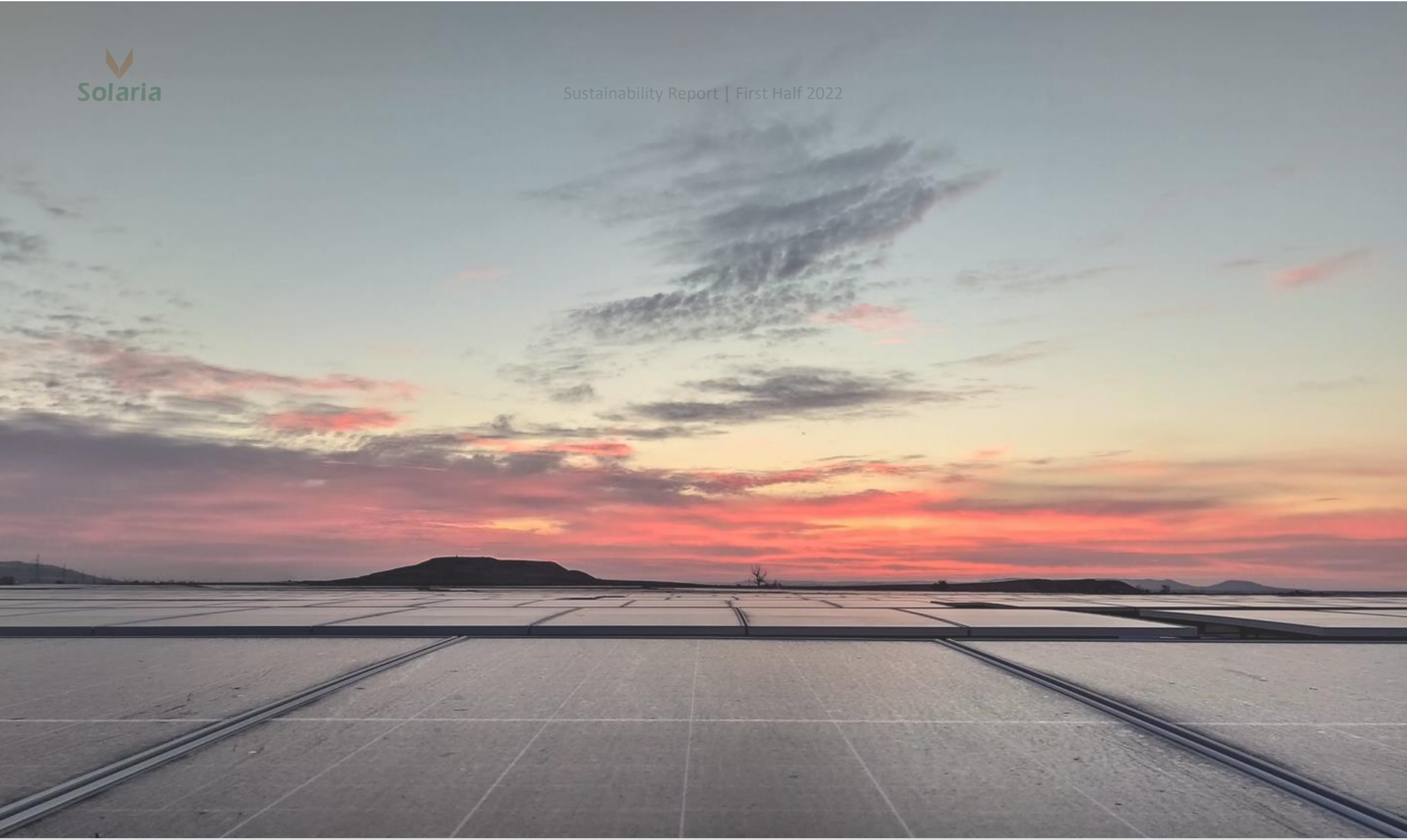


GOVERNING BODIES

General Shareholders' Meeting	Held on June 30, with 76.27% participation and all resolutions passed
Board of Directors	3 meetings during the period, with all members attending
Audit Committee	3 meetings during the period, with all members attending
Nominating and Compensation Committee	2 meetings during the period, with all members attending
Ethics, Compliance and ESG Commission	2 meeting during the period, with all members attending
Ethics, Compliance and ESG Committee	1 meeting during the period, with all members attending
Diversity Committee	1 meeting during the period, with all members attending
Health and Safety Committee	1 meeting during the period, with all members attending

Compliance Channel

To conclude, we highlight the existence of our Compliance Channel (**canalcompliance@solariaenergia.com**), which if entirely confidential and through which both employees and third parties that have relations with the Company may, anonymously if they so wish, communicate any doubts or submit any suggestions regarding compliance, and report any any unethical or illegal behavior of which they are aware. Solaria guarantees the absence of retaliation provided the reports are submitted in good faith.



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