

Solaria

H1 Sustainability report

June 30, 2021

A greener world

OBJETIVOS DE DESARROLLO SOSTENIBLE

About this report

This publication shows the constant effort of Solaria Energía y Medioambiente, SA (hereinafter "Solaria" or "the Company") to advance and promote its commitment to the environment, society and good governance of the Company.

This document has been prepared by Solaria for information and transparency purposes, in order to inform the Company's stakeholders of the main figures and developments in the field of sustainability during the first half of the year 2021, that is, from January 1, 2021 to June 30, 2021.

The information contained in this document has not been verified by any independent third party.

This report was submitted by the Ethics, Compliance and ESG Committee to the Board of Directors of Solaria, who approved it at their September 27, 2021 meeting.

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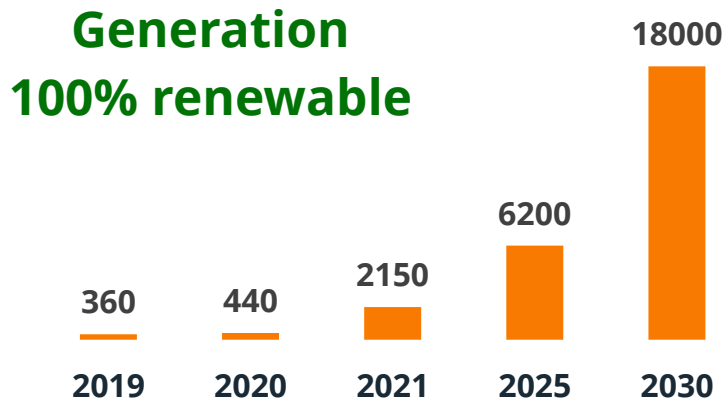
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SOLARIA'S SUSTAINABLE COMMITMENT

Solaria is a developer and generator of photovoltaic energy, 100% renewable and emission-free, with a current capacity of 1,958 MW in development, construction and operation, distributed in photovoltaic plants in Spain, Italy, Uruguay, Greece and Portugal and with a pipeline of 14,2 GW of potentially developable projects. Specifically, at the end of the period, the Company's operating capacity amounted to 825 MW.

At Solaria, we are strongly committed to the reality that surrounds us and the global desire for change to contribute to the sustainable development of society, to the fight against climate change and to a more circular economy. For us, sustainability is one of the essential pillars of a solid business strategy.



We put our five senses to make solar energy a sustainable and more profitable solution, competitive and accessible to the entire population, in such a way as to reduce electricity dependence, contributing to the improvement of the environment and society, taking care of our shareholders' investments and seeking to maximize their profitability.

In addition, we actively contribute to the Sustainable Development Goals (SDGs) of the United Nations and the 2030 Agenda, with special emphasis on the fight against climate change, the respect for the environment and the protection of the areas where we operate, making a positive contribution to local communities, based on ethics and good business practices.

During the first half of the year, we joined the United Nations Global Compact, through the Spanish Network, with the aim of continuing to align our strategy with the Ten Principles of the Compact and adopt the measures set out in the SDGs and the 2030 Agenda, as we know that it is vitally important that all society, both companies, public administrations and citizens, make every effort to change the world.

Additionally, we are members of several United Nations initiatives such as *Target Gender Equality* or *Climate Ambition Accelerator*.

During the period we have published our 2021 ESG targets on our corporate website: www.solariaenergia.com. As a noteworthy fact, some of the targets have already been met.



ESG targets 2021

Sustainability is embedded in our DNA. We know that sustainable development is not a sprint but a long-distance race, and we cannot relax. Our plan is to have a solar power generation capacity of 18 GW by 2030, thereby avoiding the emission of approximately 8,000,000 tons of carbon dioxide into the atmosphere annually, contributing significantly to the fight against climate change, helping to reduce electricity dependence and lowering the cost of the electricity mix.

Our Sustainability Policy is based on the following principles and commitments:

- **Environmental commitment:** Maximize Solaria's positive impact on the natural environment and contribute to sustainable development through:
  - Efficient use of resources, reduction in the consumption of raw materials and waste recovery.
  - Reduction of environmental impact.
  - Increasing the level of involvement of the Company as a whole.
  - Leadership in the fight against climate change.

- **Social commitment:** Promote socially responsible behavior with the creation of a safe and healthy work environment based on:
  - Ethics and respect
  - The provision of a reliable and quality service.
  - Involvement in the development of the regions in which the Company is present.

- **Governance:** Ensuring integrity and ethics in all areas of relations with the company.:
  - Managing with integrity and responsibility
  - Promoting from top management to the entire organization an inclusive and equitable ethical culture that allows establishing trusting relationships with stakeholders.

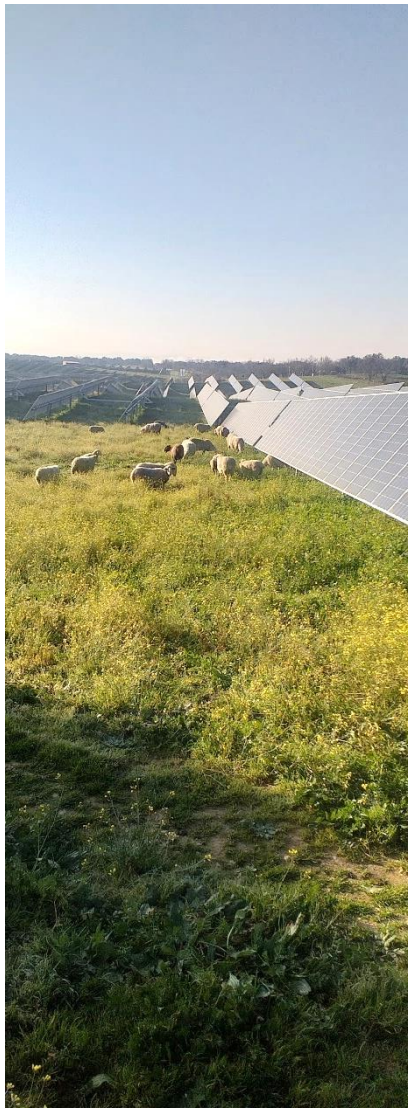
ENVIRONMENTAL COMMITMENT

The energy we generate is 100% renewable and clean, thus avoiding the emission of more carbon dioxide into the atmosphere than we emit. Specifically, during the period, the generation of renewable energy was 430 GWh, 120% above the generation of the same period of the previous year, thus avoiding the emission of 107,000 tons of carbon dioxide into the atmosphere. This is equivalent to the energy consumption of approximately 131,000 Spanish households.

But we want to go further and contribute in everything we can to fight against climate change. Therefore, during the period, the number of hybrid cars in Solaria's vehicle fleet has increased by 20%, as part of the Hybrid Fleet Plan for the reduction of CO2 emissions, and electricity has been replaced by renewable energy in 100% of the Company's Spanish facilities, being in process the replacement of electricity to renewable energy in the Italian facilities. In addition, renewable energy consumption has been managed at the new plants in Portugal. At the end of the period, 87.44% of our electricity consumption came from renewable sources.

As a result, unit emissions per generation have decreased by 45% compared to the first half of 2020, meeting the established emissions reduction target by 14% by the end of 2021. In addition to the efforts, we are making to reduce our emissions, we have offset the tons emitted during the period by joining a forest plantation project in Uruguay called "'Guanaré' Forest Plantations on degraded grasslands under extensive grazing" which, in addition to the environmental benefit, provides social value due to the creation of employment in the area and contributes to the SDGs.

Solaria has met its emissions reduction target before the deadline



El Baldío 1 solar plant

It is clear that in Solaria, through our activity, we contribute to the reduction of electricity dependence 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, to reduce emissions in 2030 and achieve carbon neutrality in 2050.

In addition to contributing to decarbonization, we always act with respect for the environment and reduce negative impacts to a minimum. Our projects respect the natural environment and do not produce any type of pollution. We also carry out many environmental impact studies so that the design of our plants respects and protects the flora and fauna of the area. We also propose compensatory measures, such as the creation of ponds for amphibians and drinking water for other animals, "hotels" for insects or bats, free-grazing sheep, among others.

MAIN FIGURES FOR THE PERIOD

	H1 2021	H1 2020	Comments
CO2 emissions – Scope 1 (tn CO2)	118,37	87,59	
CO2 emissions – Scope 2 (tn CO2)	26,29	38,53	32% reduction for renewable energy in Spain
CO2 emissions – Scope 3 (tn CO2)	15,85	7,02	As a novelty, we include cab and VTC trips, as well as outsourcing of some OM services.
CO2 emissions per generation (tn CO2)	0,37	0,68	-45%
Power generation (GWh)	430	195,8	+ 120%
Installed capacity (MW)	825	360	+ 129%
Environmental sanctions	0	0	
Electricity consumption (offices and solar plants) in kWh	1.284.384	950.652	
Of which renewable	87,44%	83,22%	
Water consumption in offices (in m3)	191,28	58,11	Increase is due to growth of employees and facilities



COMMITMENT WITH OUR TEAM

Our employees are our best resource, and we do everything in our power to keep talent in the Company, as we know it is a winning bet.

At the end of the first half of 2021, the team were formed by 130 employees, 69% more than in the same period of the previous year. Thirty-six new hires were made, 31% of whom were women.

The stability of Solaria's team is remarkable, given that 93% of the workforce has a permanent contract. In addition, the turnover rate with respect to the same period of the previous year has decreased by 55%.

At Solaria we make every effort to attract and retain talent and, therefore, among other measures, all our employees receive an annual variable remuneration, regardless of their job position, and have social benefits with tax advantages such as training, medical insurance, life insurance, restaurant tickets, transport card or childcare.

Solaria maintains its growing commitment to equality and diversity of opportunities, having grown in female representation by 72% compared to the same period in 2020, which represents 23.85% of women over the total workforce (in the corporate offices female representation is above 32%).

In addition, we have met one of the objectives set for this year of increasing female representation in the middle management category by 20%, having gone from 5 women at the end of 2020 to 7 women at the end of the period.

More information on Solaria's social commitments can be found on its website: https://www.solariaenergia.com/en/csr-parks-photovoltaic/social-commitments

Internally, we continue promoting the training of our employees. During the first half of the year, we have allocated a total of 842 hours of training, part of them, given to 100% of the workforce, have been trainings on occupational health and safety, sustainability, ethics, and compliance, in addition to other specific trainings.

As part of our sustainable strategy and commitment to our employees, we have launched in the first half of the year 2021 the TELL US ABOUT IT PLAN, by which we will conduct an annual work climate and engagement survey to all our employees, thus meeting the target set this year of increasing engagement surveys and with the goal of making Solaria a company where our people feel satisfied and proud.

In July of this year, we launched our first survey to the 100% of our workforce.



Mendo Marco solar plant (Portugal)

MAIN FIGURES FOR THE PERIOD

	H1 2021	H1 2020	Comments
Total no. of employees	130	77	+ 69%
Top management	8		
Middle management	19		
Technical	97		
Internship	6	0	Implementation of the Internship Program
Total no. Of women	31	18	+ 72%
Top management	0		
Middle management	7		
Technical	20		
Internship	4	0	
Total no. Of men	99	59	+ 68%
Top management	8		
Middle management	12		
Technical	77		
Internship	2	0	
No. of disabled persons	2	2	
No. of people with permanent contracts	121	75	
Average age of the workforce	38 years	41 years	
Average length of service	3,2 years	3,4 years	

	H1 2021	H1 2020	Comments
Remuneration average	45.057€	49.648€	
Turnover	13,56%	30,26%	-55,19%
Voluntary turnover	10,17%	15,74%	
Total no. of training hours	842	700	+ 20,29%
Communications received in the Compliance Channel	0	0	
Disciplinary actions	0	2	
HEALTH AND SAFETY*			
Frequency rate	26,25	10,75	
Direct	0	0	
Indirect	26,25	10,75	
Incidence Rate	303,13	175,75	
Direct	0	0	
Indirect	303,13	175,75	
Severity rate	0,45	0,01	
Direct	0	0	
Indirect	0,45	0,01	

*Rates below average construction levels (frequency rate: 37.3; incidence rate: 6,606; severity rate: 1.28).

COMMITMENT TO COMMUNITIES

Respect and protection of human and labor rights in our relations with stakeholders is fundamental.

During the period we have approved the policy of respect for human rights, which is complemented by other corporate standards and policies. We have also carried out the human rights risk assessment and joined the United Nations Global Compact, through the Spanish Network, expressing and reinforcing our firm commitment to the Ten Universally Accepted Principles in the areas of human rights, labor standards, environment and anti-corruption, as well as to the adoption of measures in support of SDGs and the 2030 Agenda.



El Baldío 1 solar plant

Our human rights performance is based on minimizing the risks associated with human rights, through:

- Commitment and awareness.
- Analysis of risks associated with human rights, based on the probability of occurrence of a harm or violation, distinguishing between low risk, if the probability is remote, medium risk, if there is a probability of occurrence or high risk, if it is detected that there is a high probability of occurrence.
- Enabling communication, complaint and/or claim channels.

In addition, we are managing the collaboration with different associations or local entities to integrate in our solar plants agriculture and livestock that coexist in harmony with the solar panels, for example, lavender plantations, beekeeping or sheep cattle, which currently is already in charge of clearing some of our plants, thus avoiding the pollution caused by the clearing machines.

In addition, we favor the creation of employment and promote rural life due to the need for labor that arises in each of our projects, both in the construction of the plants and in their maintenance and operation.

In addition, Solaria has launched the SOLARIA FORMA plan, a training initiative through which training centers will be implemented in locations where our projects are located. The first of these, still in its initial phase, is located in the province of Guadalajara, where our Cifuentes-Trillo 626MW project is located.

GOOD GOVERNANCE

In relation to the Company's good governance, new policies have been approved, such as the tax policy, the human rights policy, the management compensation policy, which includes malus clauses and clawbacks, as well as the conditioning of 15% of variable compensation to the achievement of the Company's sustainable objectives, the diversity policy in the Board of Directors, etc., as well as new internal procedures.

In addition, at Solaria we know that risk and opportunity management is fundamental for a good business strategy. For this reason, we are in the process of updating our risk map, including environmental risks, risks of human rights violations, etc.



Solaria´s Board of Directors.

GOVERNANCE	
General shareholders' meeting	Held on June 30 with a 70.80% participation and all agreements approved
Board of Directors	5 meetings during the period with attendance of 100% of the members
Audit Commission	5 meetings during the period with attendance of 100% of the members
Appointments and compensation Commission	3 meetings during the period with attendance of 100% of the members
Ethics, Compliance and ESG Commission	1 meeting during the period with attendance of 100% of the members
Ethics, Compliance and ESG Committee	1 meeting during the period with attendance of 100% of the members
Diversity Committee	1 meeting during the period with attendance of 100% of the members
Health and safety Committee	1 meeting during the period with attendance of 100% of the members

Compliance Channel

Finally, we would like to highlight the existence of our Compliance Channel (**canalcompliance@solariaenergia.com**), completely confidential, to which both employees and third parties that maintain a relationship with the Company can address, even anonymously, to communicate any doubt or suggestion regarding compliance, as well as to report unethical or illegal behavior of which they are aware. Solaria guarantees the absence of retaliation, when acting in good faith.



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