



SUSTAINABILITY REPORT 2021



Solaria

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1 About this Report



This report on sustainability (hereinafter, the Sustainability Report or the Report) was prepared on the basis of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the guidelines set forth in the International Integrated Reporting Framework, the Global Reporting Initiative Guide (selected GRI), the UN's Sustainable Development Goals (SDGs) and the Ten Principles of its Global Compact (undersigned by Solaria) and in accordance with Directive 2014/95/EU of the European Parliament and of the Council as regards disclosure of non-financial and diversity information, supplemented by Law 11/2018.

This is the second consecutive year in which we have released the Report of our own accord. The initiative is the result of the deep commitment of Solaria (hereinafter, Solaria or the Company) to the environment and to society and is the culmination of our efforts in recent years to continue addressing economic, social and governance-related issues (ESG) through our strategy.

This Report is also an exercise in transparency that is meant to pass on to Solaria's interest groups information on its situation, activities, plans and progress made in regard to sustainability inside and outside the Company. Communication, clarity and accuracy of information are among Solaria's core values.

In addition, Solaria strives to achieve greater visibility of its management of all ESG-related matters and places particular emphasis on the control of non-financial risk, care for the environment and of all individuals and interest groups that comprise and maintain relationships with the Company. To this end, Solaria's priorities include its contribution to decarbonization, respectful treatment and protection of individuals, matters related to the defense of human rights, the prevention of practices related to corruption and bribery, etc.

The release of this Report is undertaken voluntarily by Solaria, as the Company's activity does not fall within the conditions that require the preparation of a non-financial information statement, as established under Law 11/2018 of 28 December.

Scope of the Report

The information and the quantitative data contained herein refer to 2021 and, as such, they are the result of the consolidation of Solaria's accounts on 31 December 2021 (closing date) and reflect the whole of the Company's activity in all countries in which it is present. However, in order to facilitate the interpretation of the Report and the contextualization of the performance of the business, the information is presented in historical context to the greatest possible extent and includes figures and facts in relation to preceding years.

Similarly, the Report provides forward-looking information based on analyses of current circumstances and foreseen performance. This information should not be interpreted as being crucial to the meeting of Solaria's objectives.

Revision and approval

This Report has been verified by Ernst & Young and was approved by Solaria's Board of Directors on 23 February 2022.

All enquiries regarding the contents of this Report may be submitted by email to greenmatters@solariaenergia.com.

2 Interview with Chairman



Enrique Díaz-Tejeiro Gutiérrez

Chairman of Solaria

1 The need to decarbonize the world and the economy is now a matter of fact. How does Solaria contribute to the fight against climate change?

Humanity has reached a turning point in which we are facing immense problems and challenges such as global warming and waste management. We must radically change the ways that we are treating the planet and creating and using the energy and resources that feed our industries, cities, homes and the world in which we live.

For Solaria, the need for change is evident. Our objective and our commitment to the planet and to ourselves is to direct all our efforts toward making the world a better place and securing a more sustainable and healthier future for humanity. Our strategy is to achieve an energy transition that is fair, environmentally integrated and profitable for all.

The COP26 Climate Change Summit was held in November 2021 and targeted confirmation of the need to limit global warming to less than 1.5 degrees Celsius and to eliminate the use of carbon-based energy sources as a means of increasing the use of renewable sources of energy.

As individuals and as suppliers of renewable energy, we fully endorse the conclusions and plans of action proposed by COP26. Solaria plays a fundamental role in sustainable development and the fight against climate change. We generate emission-free energy and we do all we can to make this energy available to everyone.

2 How important is solar energy at this time?

Solar photovoltaic energy is and will continue to be the best form of renewable energy.

First and foremost, because it is an efficient alternative to mitigate the effects of climate change, as it generates no pollution and is free of emissions. Secondly, it favors access to a source of energy that is cleaner, more profitable and inexhaustible for all consumers. For every onstream MW, we can supply the energy consumption of approximately 550 Spanish households.

In addition, PV energy is not only renewable but is the cheapest form of generation of electricity at this time. Adding our plants' energy to the grid reduces the price of the electricity mix, as it reduces the amount of energy obtained through more expensive and contaminating sources such as gas. The more PV power is added to the mix, the lower the cost for consumers.

3 Solaria's activity is now focused on sustainability, but does the Company's corporate strategy also reflect a commitment to sustainability?

Our commitments are not limited to climate change and the sustainability of our business of generating renewable energy. We put all our efforts into the contribution of additional value and green undertakings that enhance society through the day-to-day handling of our business and our company.

One such example is our first-time measurement of CO₂ emissions in 2019. We worked hard to reduce the emissions over the following years with the goal of becoming a carbon-neutral company. In this sense, it is worth noting that Solaria prevents the release of far more emissions than those it actually releases (chiefly from the use of corporate offices).

Furthermore, we promote the coexistence of flora and fauna in harmony with our power plants. For example, we use grazing sheep on our premises rather than machinery, which saves money and reduces contamination.

At Solaria, we are all making great efforts to align our goals to market standards and to meet the expectations of our interest groups insofar as management of ESG issues. The release of this Report is one such effort and constitutes a significant step forward in this regard. This is the second consecutive year that we have released the report, an initiative that we have undertaken voluntarily. In fact, we are the only constituent of the IBEX35 index that is not required to submit a sustainability report or a non-financial information statement, because our activity does not fall within the conditions set forth by law for which such documents are required.

We intend to continue in this direction and to ensure that sustainability remains among the core elements of our corporate strategy.

4 2021 was the year of “new normality.” How has Solaria dealt with the new global challenges we are facing?

We are facing many very different kinds of challenges: economic, environmental, social, etc. They have materialized and are problems that must be solved.

In 2021, the greatest challenges or difficulties we had to deal with in a context of considerable uncertainty were the persistence of COVID-19, supply-chain disruption, regulatory changes that are affecting all electric utilities and inflation. However, the challenge or obstacle that has had the greatest bearing on Solaria is the congestion of local administrations and the resulting delays occurring throughout the sector in licensing for the construction of PV power stations.

Another global problem worth mentioning is the higher cost of electricity brought on by the higher cost of fossil fuels (cost of gas and of CO₂ emissions). This benefits Solaria by putting it at an advantage and because it provides incentive to continue putting all our efforts into growth and further generation of local renewable energy that reduces dependence on foreign energy sources and makes it possible to reduce the cost of the electricity mix.

5 What were the most relevant events that took place in 2021?

For Solaria, 2021 was a year of strong growth and outstanding earnings. We registered upturns in EBITDA and profit from every quarter to the next and recorded at the end of the year €95mn in sales and €93mn in EBITDA. Adding to this, we kept costs under strict control, and we are proud to be among the most competitive companies in our sector.

The challenges we are now facing are of great importance. Nonetheless, our achievements to date and our pipeline allow us to view coming years with optimism.

Another important achievement is the growth of our market cap. On 1 January 2017, our market cap stood at €76mn and, by the end of 2021, it had grown to over €2.0bn. In other words, our market cap registered an increase of 2,600% during the period.

Other challenges that we overcame in 2021 include the growth of our pipeline in Spain and Portugal; our positioning as the leading supplier of energy in Spain, with 1.6 GW in projects and guaranteed energy prices; over 2,000 MW onstream and under construction; and we were able to reiterate our target of 18 GW in 2030, making us the top-ranked generator of solar power in southern Europe.

In addition, we have secured project financing at a record low cost.

Regarding Capex, we remain among the most efficient companies in Europe, as we complete project construction for less than €400,000/MW. As a result of this Capex and our effective control of operating costs, our project ROI stands at over 12%.

However, 2021 was a positive year for Solaria not only in financial terms. Over the year, our commitment to sustainability deepened, as we firmly believe that a sustainable corporate strategy is a safe bet and that sustainability and profitability go hand in hand. In this sense, in March 2021, we became a signatory of the UN Global Compact, as our strategy is aligned with its objectives, and we renewed for another year our commitment to the initiative and its ten principles.

6 What do you expect to see in coming years?

Sustainable development is the cornerstone of our strategic plan and among our most essential values. Our business is in perfect alignment with the UN's Sustainable Development Goals, regulation in Europe and plans for fighting climate change.

In 2020, the EU announced its 2030 target of reducing greenhouse gasses by at least 55% vs. 1990, which has significantly accelerated the installation of renewable-energy facilities in Europe in the last decade. Solaria is proud to be part of the solution, and we have upwardly revised our objectives with the intention of becoming the leading PV supplier in southern Europe, with 18 GW in 2030. Our pipeline is contributing greatly to the meeting of this objective.

In recent years, solar power has become increasingly competitive as a result of reductions in the costs of its development, construction, financing and operation. In countries such as Spain, where land and sunlight are abundant, solar power is the clear solution to the energy problem. We are set to become the leading generator and exporter of cheap and clean energy to the rest of Europe, thus reducing dependence on other sources of energy and reducing the cost of electricity.

7 Is there anything else worth mentioning?

I would like to thank Solaria's employees for their dedication and effort. We can only feel proud of what we have achieved by working together.

I would also like to thank the Board of Directors and the Secretary to the Board for their assistance, their contributions and their commitment to Solaria.

Lastly, I must also thank our shareholders and interest groups for their confidence in our leadership and for remaining with our Company.

3 | ABOUT SOLARIA



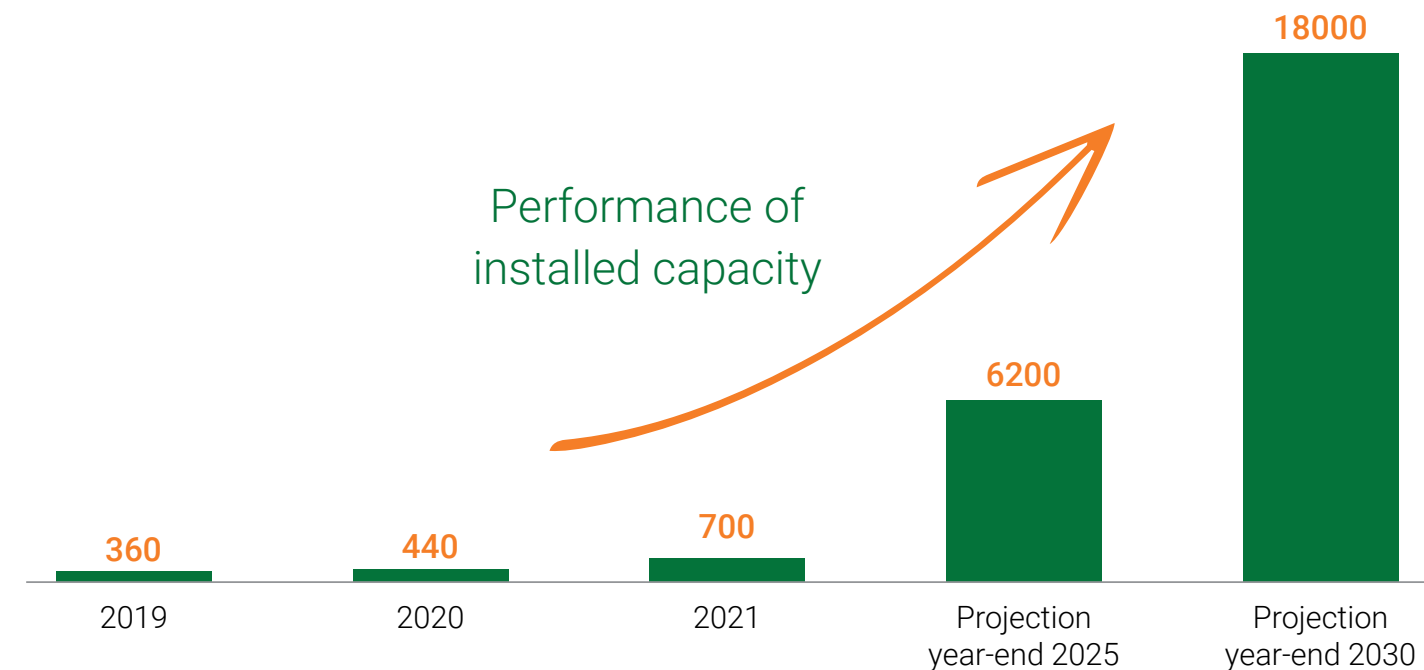
The time for green energy is now

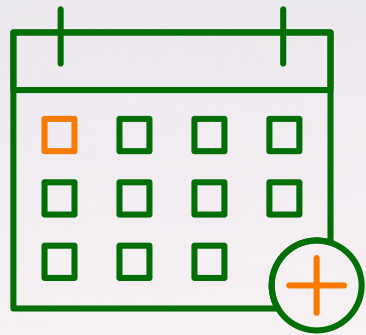


Solaria is a leading developer and generator of solar photovoltaic (PV) power in southern Europe. With the long-term objective of a global energy model based on green energies, it contributes actively to decarbonization and puts sustainability at the center of its corporate strategy and management.

The Company has targeted the installation of 18 GW of emission-free green energy by 2030, in line with the 2030 Agenda, SDGs and the Ten Principles of the UN Global Compact, to which it remains fully committed. This approach also fosters reduced dependence on electricity, as the Company does all it can to make solar power available to all.

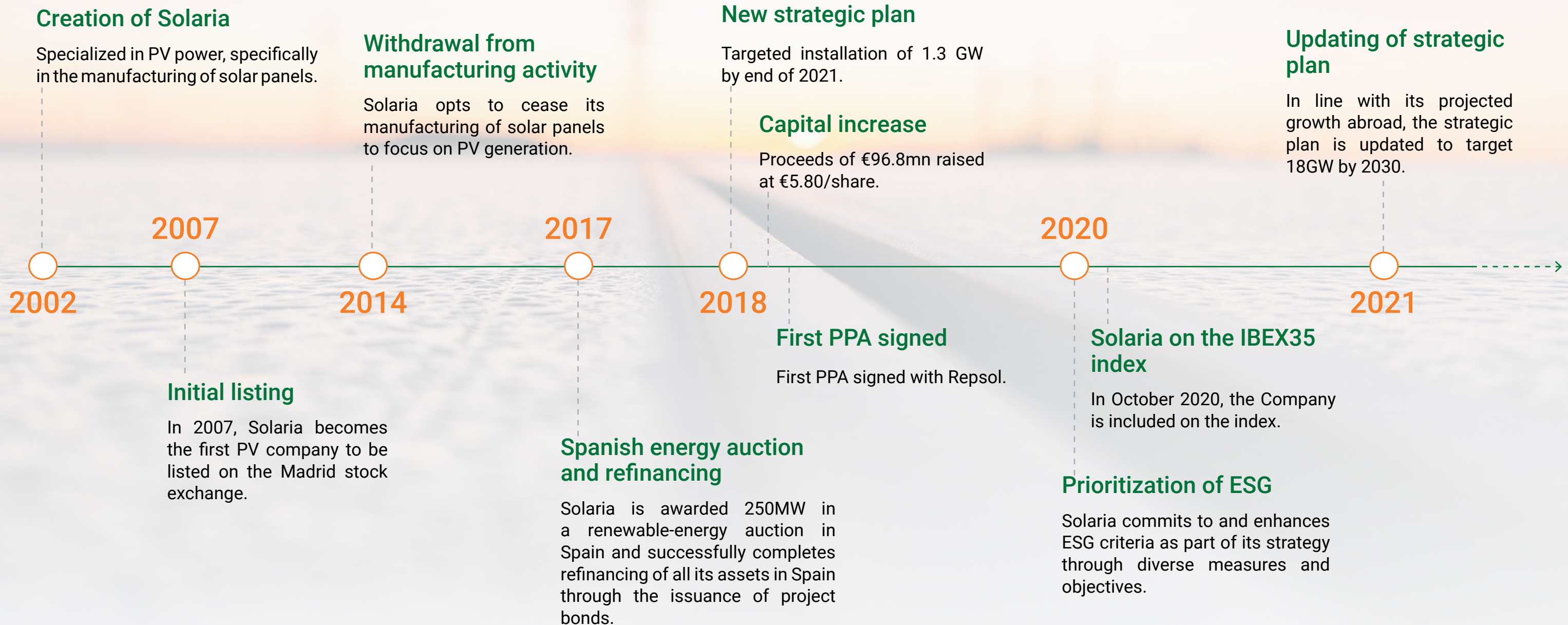
Solaria's corporate management is based on ethics, transparency and sustainability, and its strategy seeks maximum return for its investors at all times. In addition to being the sector leader, the Company has the necessary experience and resources to continue registering growth in its ongoing search for innovation and excellence





Since its creation in 2002, Solaria has been dedicated to renewable sources of energy and, specifically, to the implantation and development of PV power. It has been involved throughout the chain of value in the PV sector, from the manufacturing of solar cells and panels to the development and management of solar power stations. In recent years, the Company has specialized in the generation of solar power.

Solaria has a long history in the Spanish stock market, being a listed company since 2007. In 2020, the Company culminated this path with its inclusion on the IBEX35 index.



Mission, vision and values

Mission

Solaria is dedicated to the promotion of development of the harnessing of sunlight as a source of renewable energy through the transformation of knowledge and experience into innovative solutions that contribute to the well-being and progress of humanity. Combining this approach with its strategy based on sustainable economic development, it promotes reduction of environmental impact and of electricity dependence. To this end, Solaria has announced a target of 18GW of solar power onstream by 2030.

Vision

Solaria has become a leading player worldwide that is fully committed to global sustainable projects, regulation in Europe and the highest standards of sustainability. As such, it is held by its interest groups as a guarantee of quality, experience, profitability, innovation, flexibility and transparency, in view of its tireless analysis and deep understanding of the renewable-energy sector. The Company provides value-added solutions that exceed the expectations of its interest groups, and it strives to make solar power available to all as a clean, inexpensive and inexhaustible energy alternative.

Values



Sustainability

As part of Solaria's commitment to the environment and to society, the Company makes every effort to achieve balance between the resources it uses and its surroundings. Sustainability and profitability go hand in hand.



Leadership

As the sector leader, Solaria is considered a reference among companies for its abilities, solvency, quality, technology, sustainable growth, ideas and individuals.



Ethics

Solaria is a transparent company that is trusted by its customers and shareholders because it fulfills its commitments. We do what we say we will do.



Innovation

Creativity and intelligence are applied to the ongoing search for new integral solutions that are adapted to fit a changing worldwide context.



Excellence

Good is never enough for Solaria, and value-added solutions must surpass its customers' expectations. Excellence is the driving force throughout the Company.



Teamwork

Solaria is aware that each individual has a unique talent and that it is paramount that we are able to harness diversity to create synergies in our day-to-day work.

Business structure

Our long-term vision allows us to broaden our pipeline and meet the expectations of our interest groups

The Company's business model has undergone significant change, from the manufacturing of solar cells and panels to the development, construction, management and operation of PV power stations. At present, Solaria is among the leading names in the PV sector. Since its creation, its sole field of activity has been PV energy, as defined under 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 investment (hereinafter EU Taxonomy Regulation).

Solaria is a highly specialized company with decades of experience and know-how that it uses to offer innovative solutions that contribute to a low-carbon economy.

One of its greatest strengths is that its lengthy experience and size make it much more agile than large companies when negotiating with land owners, suppliers and local and regional administrations and when seeking connection points. In these undertakings, Solaria always seeks to the greatest possible extent the acceptance of its projects by local communities. The Company also benefits from its highly qualified workforce. **These factors give it a considerable competitive edge insofar as time and costs.**

Solaria is the parent company of several independent SPVs, each of which operates a solar power station with its own revenues, expenses and financial debt. Each SPV is built on a solid asset with visible, recurring revenues that provide the parent with dividends and the necessary resources to continue registering growth.

Financing is obtained through project-finance arrangements that provide funds over the long term and are designed to promote the development of specific projects and are therefore linked to the performance of said projects. Unlike corporate finance, the scope of project-financing is limited to the asset, and, in the case of Solaria, to its PV power stations, and is recorded as non-recourse debt. In other words, it does not burden Solaria's accounts, as it is limited to the underlying project.

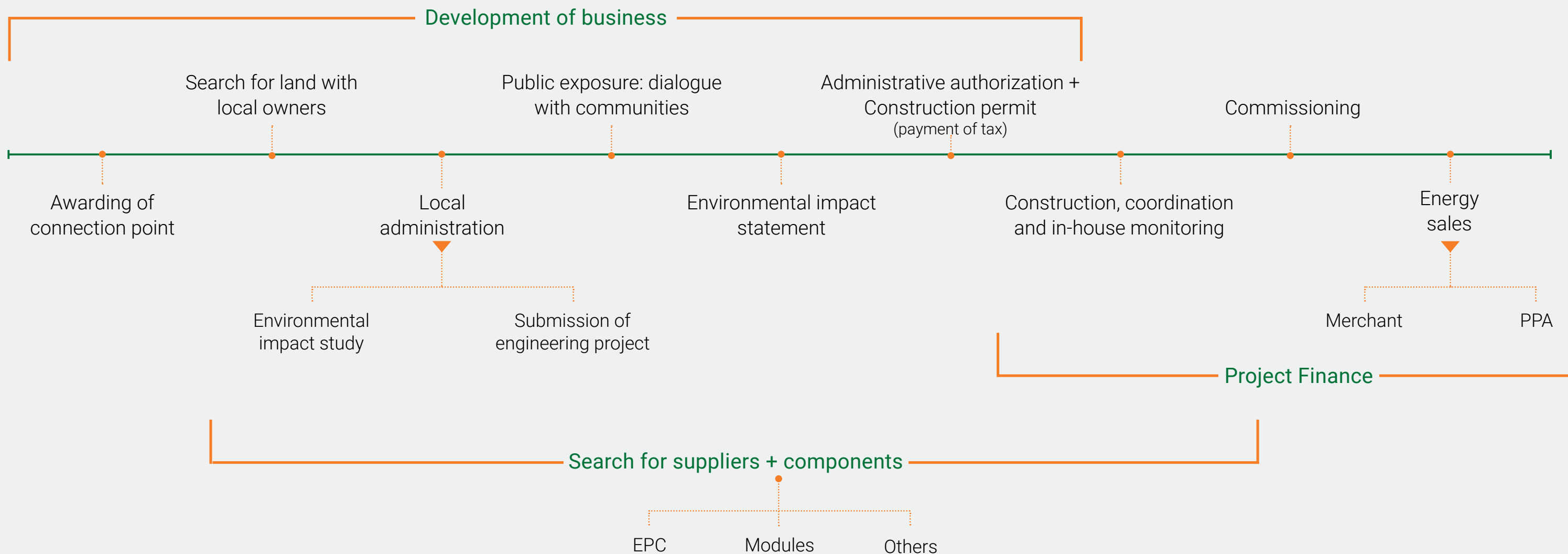
In addition, the development of Solaria's projects and the operation and maintenance of the power stations after start-up are handled in-house, which reduces the costs of investment and operation.



Keys of business model

- Solaria's workforce, its best resource
- Efficiency in the cost structure. CAPEX below industry average.
- Optimizing the cost of project financing
- Debt with recourse reduced to a minimum
- 1.6 GW of energy secured through PPAs

Workforce Our most valued resource



Objective Increasing the size of our pipeline to become **the leading generator of PV power in Europe.**

Solaria around the globe

International projection and favorable context of growth

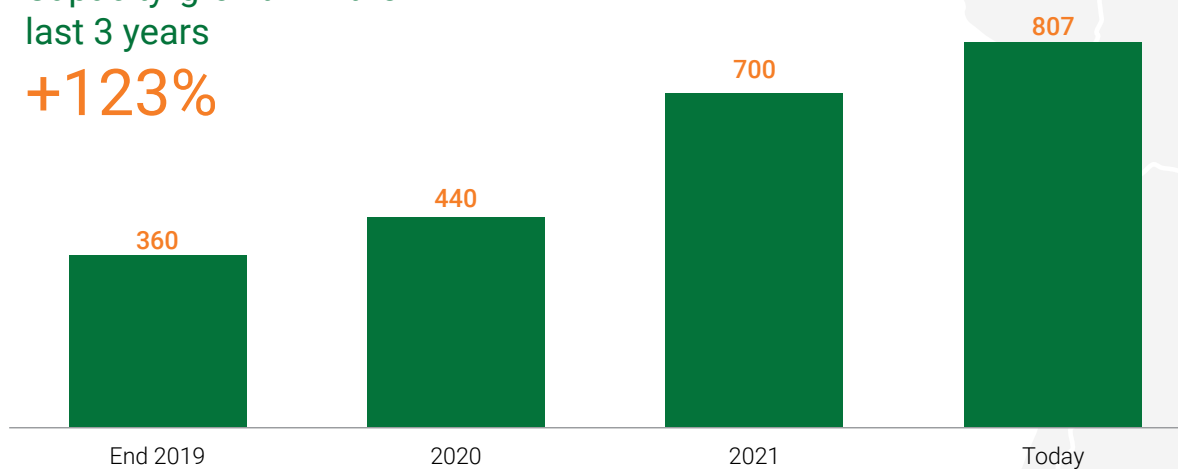
Solaria is among the top-ranked companies in the development and generation of PV power in southern Europe. The Company is present in Spain, Italy, Portugal, Uruguay and Greece.

In 2021, Solaria targeted 18 GW in installed capacity by 2030 as part of its plan to become the leading generator of solar power on the Iberian Peninsula and to apply this strategy of growth subsequently in its expansion throughout Europe.

807,3MW in operation | **1250MW** under construction

Presence in **5 countries**

Capacity growth in the last 3 years
+123%



Solaria around the globe

Spain

Portugal

Italy

Greece

Uruguay

For more information roll over

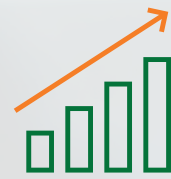


4 | SOLARIA IN 2021



Key figures

Operational data



- Installed MW: **700 MW**
- Generation of GWh: **862,53 GWh**
- Projects operating: **38**
- Countries of operation: **5**

Economic data



- Net sales: **€95mn**
- EBITDA: **€93mn**
- Net profit: **€48mn**
- Sales from sustainable activities: **100%**
- **CAPEX 100% aligned** with **sustainability**

Workforce



- Employees: **145**
- Increase % workforce: **40%**
- Training hours per employee: **18.45**
- Average age: **41 años**
- Permanent employment contract: **96%**
- **Increase** in **social initiatives** and **actions with local communities**

Good governance



- Directors: **6**
- Commissions: **3**
- Internal committees: **4**

Environment



- CO₂ avoided: **216,000 tn CO₂**
- Carbon footprint:
 - Scope **1**: **254.41**
 - Scope **2**: **60.58**
 - Scope **3**: **28.14**
- Carbon intensity: **0.39 tn CO₂ / GWh**

Offsetting of tons of CO₂ released



- Through **various reforestation projects**

5 | MATERIALITY ASSESSMENT



Materiality assessment

Materiality assessments are indispensable for understanding the expectations of interest groups, planning a suitable response and assuming commitments in environmental, social, economic and governance-related matters.

Solaria values highly the opinions of its interest groups and strives to meet their expectations. To this end, it has performed a materiality assessment for the first time in its history. The assessment is meant to define what Solaria's interest groups consider to be key issues in relation to the Company's business and its sustainability strategies and to focus this Report in that regard.

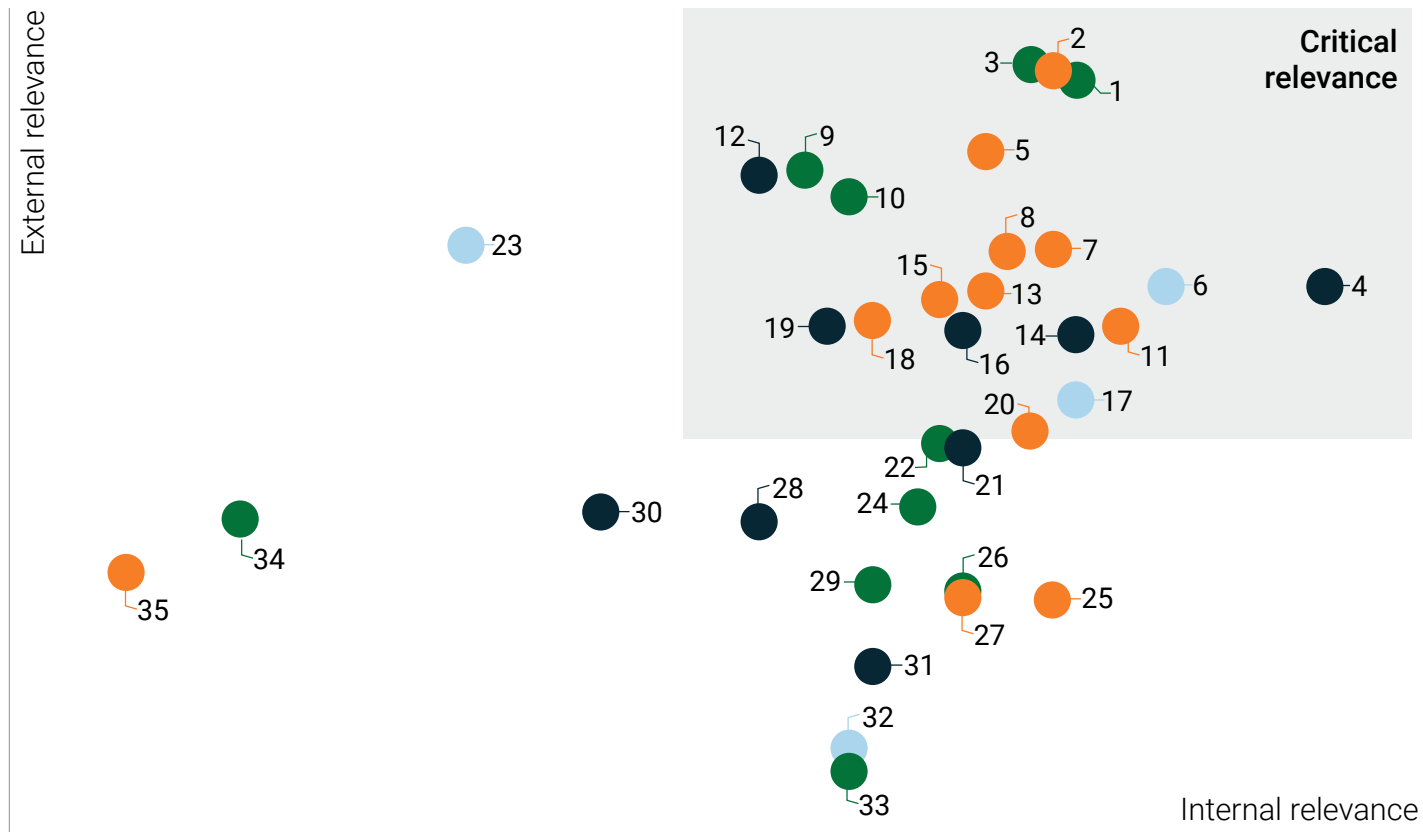
The assessment was performed on two scenarios: external analysis and internal analysis.

Through the external (documental analysis + questionnaires) and internal analyses (questionnaires), the Company has identified key issues, which form a list divided into five areas:

Economic-financial	Environment	Society	Personnel	Communities	Governance
<p><i>Area</i></p> <p><i>Identified key issues</i></p> <ol style="list-style-type: none"> Digital transformation, innovation and investment R&D+I Sustainable financing Financial and operational excellence Economic durability of business 	<ol style="list-style-type: none"> Management of climate risks Use of water Sustainable use of natural resources Circular economy and end-of-life management Waste management Investment in environmental issues Natural capital and protection of biodiversity Land, light and noise pollution Climate change and emissions in chain of value Energy transition 	<p><i>Supply chain</i></p> <ol style="list-style-type: none"> Responsible management of chain of value (suppliers, subcontractors, business partners, customers, etc.) Health and safety of suppliers and subcontractors Environmental and social impact on supply chain 	<ol style="list-style-type: none"> Health and safety of employees Protection of human rights Workplace environment and talent Corporate culture and internal communication Diversity and equality 	<ol style="list-style-type: none"> Impact on local community (sponsorship and association, agreements, self-consumption) Respecting indigenous communities Quality of external communication and reputation Dialogue with local communities 	<ol style="list-style-type: none"> Management of financial risk Management of non-financial risk Transparency and good governance Ethics, anticorruption and bribery Integration of ESG issues in strategy and decision-making Alliances and partners (institutional, professional and scientific relations) Compliance with legislation in force (compliance model) System for claims of interest groups Data protection (cybersecurity)

In the category of material issues, a materiality matrix was prepared, using the obtained data, in both external analysis and questionnaires, in which a weighting of 50% was assigned to the questionnaire responses of internal relevance for the horizontal axis and a weighting of 50% was assigned to the external analysis to construct the vertical axis. After consolidating all the questionnaire responses, the degree (percentage) of relevance was calculated on the basis of the number of responses and their valuations (low=1-2, moderate=3-4, high=5-6, very high=7-8 and critical=9-10).

By contrasting the scores obtained from the external and internal analyses, a breakdown of 35 key issues was obtained, as seen in the following matrix which arranges external priority along the vertical axis and internal priority along the horizontal axis.



- Economic-financial
- Environment
- Social
- Governance

The global matrix classifies the 20 most relevant issues for Solaria as economic-operational, environmental (E), social (S) and governance-related (G) in relation to the Company's internal and external interest groups. The classifications are seen inside the chart of critical relevance in the global matrix.

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

Areas

● Economic-operational
 ● Environmental
 ● Social

L Local communities
 E Employees
 S Suppliers

● Governance

6

COMMITMENT TO
SUSTAINABLE MANAGEMENT



Promoting commitment to sustainability: ESG policy

As a company that is dedicated to renewable energies, **Solaria is wholly committed to the sustainable development of society**. In this sense, it places particular emphasis on the fight against climate change and protection of the surroundings in which its business takes place, basing its actions on ethics and sound business practices.

Solaria's business is 100% sustainable, as it is dedicated to the generation of PV energy and is fully aligned with EU Taxonomy Regulation and international sustainability guidelines. The Company contributes significantly to the environment, specifically to the mitigation of climate change, and also contributes to society and the local communities where it operates.

For years, Solaria has endeavored to make corporate sustainability one of its core concepts. In 2021, the Company continued with its efforts to promote a strategy of sustainability that it deploys as a core concept through its sustainability policy, which was approved by its Board of Directors in 2020.

The Company's current sustainability policy is based on domestic and international recommendations and benchmark practices. It is structured to correspond to environmental, social and governance-related issues, and it defines Solaria's commitments and principles of action.

The progress made by Solaria in these commitments is detailed throughout this Report in the form of key figures and a description of the actions taken by the Company in 2021 in relation to its ESG commitments.

ESG commitments and principles



Environment

Maximize Solaria's positive impact on its natural surroundings and contribute to sustainable development through:

1. Efficient use of resources
2. Reduction of environmental impact
3. Increased involvement of the Company as a whole
4. Leadership in the fight against climate change and reduction of emissions



Society

Promote socially responsible conduct through the creation of a safe and healthy workplace environment based on:

1. Ethics and respect.
2. Providing reliable, high-quality service, involving the whole of its supply chain
3. Involvement in the development of regions where the Company is present.



Good governance

Guarantee integrity and ethics in all areas of relations:

1. Management based on integrity and responsibility
2. Senior executives encourage the rest of the Company to promote an inclusive, equitable and ethical culture for the purpose of establishing trust-based relationships with interest groups.

Favorable context for sector

The COVID-19 pandemic has brought on a period of hardship and uncertainty that has gravely affected the worldwide population. In this context, Solaria continues to work every day to achieve the sustainable development of society and to register growth as a company.

Despite the turmoil seen in the economy and in financial markets, 2021 was a highly positive year for Solaria with bright prospects for the future.

It is thought that support of the renewable-energy sector in Europe will double in coming years as a result of diverse initiatives and European regulation that are to promote a transition to an economy that is less intensive in carbon emissions. Some of these undertakings are the European Green Deal and its estimated investment of €500bn in green projects up to 2027, the Next Generation EU fund in the wake of the pandemic and other programs. In Spain, the PNIEC national integrated energy and climate plan (PNIEC) calls for a considerable increase in the installation of renewable-energy facilities throughout the country up to 2030, of which around 24% is to be PV energy.

Also worth mentioning is the Glasgow Climate Pact, which is an agreement reached at the COP26 summit held in November 2021 that sets forth lines of political action that have been accepted by all countries. The pact's initiatives include accelerated reduction of the use of coal and elimination of inefficient fossil-fuel subsidies as a means of helping to ensure a fair energy transition.

It is expected that renewable energies will continue to register robust growth. The growth is to be fuelled by increased demand for energy, decarbonization, reduction of costs and a favorable political context, as the countries are laying groundwork for the fulfilment of net-zero-emission commitments.

Data released by Red Eléctrica de España¹ show that production of renewable energies in Spain grew 9.9% in 2021 vs. 2020 and that PV production registered a 37.7% increase vs. the preceding year, amounting to approximately 2,300 new MW.

In addition, the Bloomberg publication New Energy Outlook 2021 suggests that the years leading up to 2030 will be crucial to the achievement of net zero emissions. This implies the global addition of 505 GW of new wind power, 455 GW of new PV power and 245 GWh of new battery storage on average each year up to 2030.

It should also be mentioned that it is increasingly necessary to consider environmental, social and governance-related issues in investment-related decision-making processes, due to existing and future EU regulation in the short term regarding finances and sustainable investment, specifically the EU Taxonomy Regulation. This is clearly an advantage for Solaria, as its business model is significantly in line with sustainable and/or green investment and financing requirements.



¹ Red Eléctrica de España, a business unit of Red Eléctrica Corporación S.A., a Spain-based multinational enterprise that operates the country's national power transmission system. The source of the information is an article published by Red Eléctrica on 15 December 2021.

Our contribution to 2030 Agenda and SDGs

In 2015, the United Nations adopted 17 Sustainable Development Goals (hereinafter, SDGs) as part of the 2030 Agenda for Sustainable Development for the purpose of eliminating poverty, reducing inequalities, fighting climate change and protecting the environment.

The success of the 2030 Agenda will depend on the effort and collaboration of every member of society.

To this end, Solaria signed in March 2021 the UN Global Compact through the Spanish network, among other measures and initiatives, as it is aware of the importance of the corporate sector as regards the meeting of the SDGs and of the need to take effective action in order to make sufficient progress toward the meeting of the SDGs. The Company recently renewed for another year its commitment to the initiative and to the UN's Ten Principles.

Solaria is wholly aligned with the SDGs and observes all of them. The greater part of its commitment and active contribution is to seven of the seventeen goals, and it takes steps to ensure that it does not hamper the meeting of the other goals.



Goal 5: Achieve gender equality and empower all women and girls

Solaria actively contributes to the fight for gender equality and maintains a zero-tolerance policy toward any type of discrimination, whether it is based on gender, religion, disability, etc. The Company is wholly dedicated to the achievement of gender equality in its workforce and to the elimination of the pay gap existing among its employees. The measures it has taken include the approval by its Board of Directors in 2020 of a diversity policy, an anti-harassment policy and a hiring protocol (all of which back the Company's internal diversity plan for 2020–24), as well as the creation of an equality and diversity commission. Solaria has targeted an increase of women in its workforce to the proportion of 25% of the whole. This is among the greatest challenges it is facing, and the Company is directing all its efforts toward the meeting of the target.

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

Solaria is dedicated to the generation of PV power as a 100% green, renewable and inexhaustible energy source. Having targeted 18 GW onstream by 2030, the Company endeavors to make this energy available to all. In this way, Solaria's renewable-energy generation could supply some nine million Spanish households in 2030.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The Company has registered exponential growth in recent years in economic and operational terms and in its workforce. In this sense, Solaria's workforce has grown by 196% in the last three years, and management expect to achieve further growth, in addition to the creation of jobs and sustainable economic growth. Looking beyond this, Solaria favors the economic growth of the communities in which it operates and the local creation of employment, as its projects prioritize the hiring of workers from the area and, whenever possible, it seeks local suppliers and providers for its goods and services.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

As part of Solaria's commitment to its surroundings, the engineering of the Company's projects seeks alternatives that provide the most resilient, innovative and sustainable solutions in relation to the surroundings.

Some examples:

- Solaria uses double-bus and double-circuit lines to maintain supply, even in the event of loss of a complete circuit, and the installation of banks of single-phase main transformers that allow quick reestablishment of the system to continue releasing energy in the event of unexpected incidents or system breakdown.
- Plots of land are kept compatible with the grazing of livestock and farming.
- The Company seeks components that result in the least possible pollution and that are in harmony with their surroundings.

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

Solaria believes that the fight against climate change and global warming is a factual reality. The Company generates emission-free energy that contributes to decarbonization and the success of net-zero-emission initiatives. Calculation per onstream MW of PV power shows that Solaria avoids the release of approximately 462 tons of CO₂ into the atmosphere.

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

In line with Solaria's commitment to the protection of biodiversity and of its surroundings, the Company searches for ways to make its power stations compatible with the existence of flora and fauna.

Solaria's power stations are designed for construction on plots of land that are unsuitable for farming and have sparse undergrowth. However, in the event that a project implies minimal impact on vegetation, the Company establishes reforestation measures and treatments for lands that may be affected or nearby lands that require such actions.




In addition, in 2021, Solaria took part in the project "Guanaré Forest Plantations on Degraded Grasslands under Extensive Grazing" in Uruguay. The project benefits the environment as well as society through the creation of employment in the region and its contribution to the meeting of SDGs. Also, at the end of the year, the Company backed another project in which nine acres of pines and other trees were planted in the province of Burgos in Spain.

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Solaria is aware of the need for global change and transition and believes that such change can only come about if every member of society does their part. For this reason, the Company's actions are not limited to its undersigning of the UN Global Compact, the disclosure of its sustainability strategy and its positive actions in this regard, as it also seeks alliances to improve society and the environment, collaborating to the greatest possible extent with public and private organizations.

Furthermore, as ethics and sound business practices are key values that must begin within any organization, one of the Company's commitments is to keep up to date on the best practices of corporate governance.

In addition to Solaria's contribution to the meeting of SDGs through its activity, the Company aligns its short- and long-term objectives with SDGs. In this sense, it has set targets in the following areas, among others:

<h3>Environment</h3> 	<h3>Society</h3> 	<h3>Corporate governance</h3> 
<ul style="list-style-type: none"> Targeted 14% reduction of emissions by year-end 2021 to reach carbon neutrality. Energy-efficiency initiatives: <ul style="list-style-type: none"> Renewable-energy plan: After having replaced electricity with renewable energy throughout its installations in Spain, Solaria intends to do the same at its installations in Italy and Portugal. Hybrid-fleet plan: Gradual substitution of diesel vehicles with hybrid plug-in vehicles. Offsetting of its own emissions. 	<ul style="list-style-type: none"> Diversity: Women must comprise over 25% of the workforce. Augment internal promotion and presence of women in middle management. Increase surveying of employees regarding workplace climate and employee satisfaction. Perform internal audits on health and safety at all installations and construction sites. Creation of a new health and safety committee. Exercise due diligence in relation to compliance with social and environmental requirements to be met by our suppliers. 	<ul style="list-style-type: none"> Ongoing improvement of compliance systems, rules and corporate policies. Updating of risk map and crime-prevention model.



External initiatives and alliances

Sustainability is an essential part of Solaria's business model. The Company contributes greatly to the fight against climate change and electricity dependence through its generation of clean, renewable, profitable and inexhaustible energy.

Beyond its support of SDGs and its signing of the UN Global Compact, Solaria is committed to sustainable development and proper management of environmental and social issues in the development and operation of its projects.

The Company's activities take place in observance of local legislation, its own corporate rules and policies and requirements established under international agreements such as the Equator Principles, which are a series of standards adopted by certain financial institutions to identify, evaluate and manage social and environmental risks deriving from projects at the financing stage. In addition, the Company attempts to apply its sustainability standards to its supply chain.

In 2021, Solaria took part in diverse external UN initiatives such as Target Gender Equality and Climate Ambition Accelerator in order to improve and increase efforts made in relation to management of social and environmental issues.

Solaria is also working on 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 is the commitment to associate the funds obtained in environmentally and socially responsible activities, contributing directly to the fulfilment of the 2030 Agenda, which promotes the use of materials, designs, technologies and construction processes that pose no harm for the environment or for people.

In this sense, the Company took the following actions in 2021:

- It signed a green guarantee facility with Société Générale totaling €31 mn.
- With the European Investment Bank (EIB), it entered into a green cofinancing facility through a project-finance arrangement involving the construction of 252MW of PV energy. EIB stated that the financing of the project was in line with its priority energy loans in relation to renewable energies and climate action.

Sustainability ratings

Solaria's participation is assessed annually on the basis of several sustainability indices and ratings that measure its performance and progress in relation to environmental, social and governance-related issues.

The Company obtained in 2021 a considerably higher score in its ESG rating as calculated by Sustainalytics, a global independent provider of ESG ratings and corporate-governance research for investors. The rating evaluates Solaria's exposure to ESG risks and its capacity of management and reaction to said risks.

In addition, in 2021, the S&P Global Green Energy Index reviewed Solaria and subsequently announced that the Company would remain on the index, considering its inclusion of ESG criteria. The index is comprised of 75 constituents, of which only three are Spanish companies.

Lastly, it must also be mentioned that Solaria retains its A and B ratings from MSCI and ISS, respectively, which are also among the main analysts of ESG data. The Company was also given an ESG rating for the first time by S&P and a score by CDP, the latter being considered the most important assessor of corporate efforts to fight against climate change.



7 | COMMITMENT TO ENVIRONMENT



Solaria's business is built on **sustainability**, as seen in its activity and as one of the values on which its future growth depends.

The Company has been dedicated to renewable energies since its creation in 2002, and the fight against climate change and the protection of our planet are among its priorities.

This part of the Report provides relevant quantitative and qualitative data in relation to Solaria's commitment to the environment and examines how it is affected by its challenges and advantages.

Business 100% renewable and committed to environment

Solaria's business activities may be summarized as the Company's vocation of contributing to sustainable development and the fight against global warming by fostering a transition toward a less carbon-intensive economy through the generation and supply of 100% renewable electric energy via PV technology.

The Company's business model is wholly aligned with the requirements of EU Taxonomy Regulation, which classifies economic activities that are considered to be environmentally sustainable. In order for an activity to be considered environmentally sustainable, it must contribute actively to one of the UN's environmental goals (mitigation of or adaptation to climate change, sustainable use of water, circular economy, prevention of pollution and protection of biodiversity) and not hamper the meeting of the other goals. Specifically, Solaria's business makes an active contribution by mitigating climate change. The Company's revenues, Capex and Opex are completely linked to the generation of PV power².

As Solaria generates emission-free energy, the Company prevents the release into the atmosphere of more CO₂ than it produces. Specifically, its renewable-energy generation totaled 862.53 GWh in 2021, up 70% from the same period a year earlier, thus avoiding the release of 216,000 tons of CO₂ into the atmosphere. This amounts to the energy consumption of approximately 263,600 Spanish households.

Solaria's corporate code of ethics covers environmental protection and the fight against climate change, matters that are dealt with through the Company's environmental policy. Approved in 2020, the policy deepens Solaria's commitment insofar as its business and environmental impact, placing particular emphasis on the Company's relationship with its surroundings and addressing issues such as the fight against climate change, efficient use of resources, protection of biodiversity and the promotion of a circular economy.

The policy is applied to all the Company's subsidiaries and is based on the following commitments and principles of action.

100%
Alignment of **CAPEX**
with EU Taxonomy

100%
Alignment of **SALES**
with EU Taxonomy

² More detailed information available in Solaria's 2021 annual consolidated financial statements.



1
Environmental strategy and management
 Development of a strategy and implementation of a management system within the Company to facilitate monitoring, performance evaluation and decision-making in this regard.

2
Fight against climate change
 Through the development and promotion of the use of renewable energies, specifically PV, as key elements to reduce emissions and achieve decarbonization of the energy model in use at this time.

3
Protection of biodiversity
 Respect of ecosystems, biodiversity and cultural heritage in the natural surroundings of the Company's installations.

4
Responsible and efficient use of resources
 In order to minimize the environmental impact of the Company's activities and to contribute to a circular economy by optimizing the use of resources.

5
Response to interest groups
 To promote mutual and social benefit in relation to interest groups as a means of protecting the environment and sharing experiences and synergies.

Solaria's environmental policy is based on a strategy of integrated management that goes far beyond compliance with regulation. The Company's Board of Directors is ultimately responsible for its management, updating and compliance.

In this sense, the board created in 2020 an ethics, compliance and ESG commission to oversee the deployment of the Company's sustainability strategy as well as matters related to climate change and protection of the environment. The commission also supervises the degree of compliance with established objectives, revision and updating of the risks and established controls and all other relevant matters in this regard.

At the internal level, the steering committee and the ethics, compliance and ESG committee are in charge of supervising and reporting to the commission all issues that have to do with the sustainability strategy and with matters related to climate change and the environment. To this end, they count on the collaboration of all the Company's departments, especially in the area of environmental issues.

In addition to Solaria's demonstrated contribution to the fight against climate change and decarbonization, the Company makes every effort to protect its surroundings and biodiversity. In this sense, the measures it has taken include the preparation of environmental-impact studies for all of its projects in order to gauge the current and foreseeable effects of its activities on the environment at the construction stage and during operation and decommissioning.

The impacts are studied case by case and project by project, analyzing the environmental risks associated with the projects, vulnerabilities and taking measures to eliminate, minimize or offset any adverse environmental impacts that may result from the project during its construction and operation. In addition, the Company complies with all applicable environmental legislation. In this regard, Solaria was not issued any environmental fines or penalties in 2021.

Furthermore, Solaria takes the extra step of requiring all the subcontractors that take part in the construction of a solar power station to submit environmental-management and waste-management plans, which it evaluates, approves and supervises throughout the construction stage.

Solaria applies the **precautionary principle** to its projects by identifying risk and potentially adverse impacts ahead of time, taking precautionary measures and mitigating their effects.

Our role in the fight against climate change

Management of risks and opportunities

Solaria fosters the adoption of far-reaching global objectives for the decarbonization of the economy by addressing in its business model the management of climate-change risks and opportunities. This awareness is expressed in accordance with the recommendations of the Financial Stability Board through its Task Force on Climate-related Financial Disclosures (TCFD).

Solaria has chosen to be among the companies surveyed by the TCFD for the purpose of improving its model of management of risks and opportunities and the way in which the Company and its governing bodies handle issues that arise in relation to the need to fight against climate change.

To this end, once the Company has identified the risks and opportunities it is facing in relation to climate change, it takes all necessary measures to mitigate the risks and enhance the opportunities. In this sense, the entire organization must be involved, including the Board and its commissions, the steering committee, the internal committees and all of the Company's employees. For Solaria, identification of risks and opportunities is clearly essential, as they have a direct bearing on its financial statements: sales, balance sheet, Capex, cash-flows and financing.

Taking into account the established recommendations, Solaria has identified the risks and opportunities that it considers to be relevant in relation to climate change. Each one could affect the Company's financial statements if it were to materialize.



Risks



Physical risks

Defined as risks resulting from climate change, they may result in adverse financial impact for Solaria. Examples include extreme weather such as tornadoes, hurricanes and floods and events such as gradual increase of temperatures, sea level or rainfall. They may affect the Company's surroundings, suppliers and operations, and therefore may directly affect its financial statements.

Regulatory risks

Defined as risks arising from changing regulation in the markets in which Solaria is present. This is particularly relevant in relation to greenhouse gasses, as legislation is becoming increasingly strict insofar as requirements to measure, disclose and set far-reaching objectives.

Operating risks

Defined as risks deriving from the availability of the installations and from potential accidents with environmental impact.

Reputational risks

Defined as risks resulting from increased awareness of climate change. Reputational damage may be highly detrimental to the Company.

Technological risks

Defined as risks that affect the Company's systems or its ability to seek innovative and sustainable solutions.

Market risks

Defined as risks deriving from the short-term performance of market prices of energy or coal prices.

Opportunities



Efficiency of resources

For example, using transportation that is more efficient and, in the medium/long term, is less costly.

Source of energy

Increased demand for renewable energies in the event of more restrictive regulation insofar as fossil fuels.

Products and services

Increased revenues deriving from alternative-energy activities.

Markets

Increased pressure from interest groups to establish measures to fight climate change, due to the maturity of collective awareness in environmental terms, which would favor Solaria.

Resilience

Participation in renewable-energy programs and the taking of energy-efficiency measures.



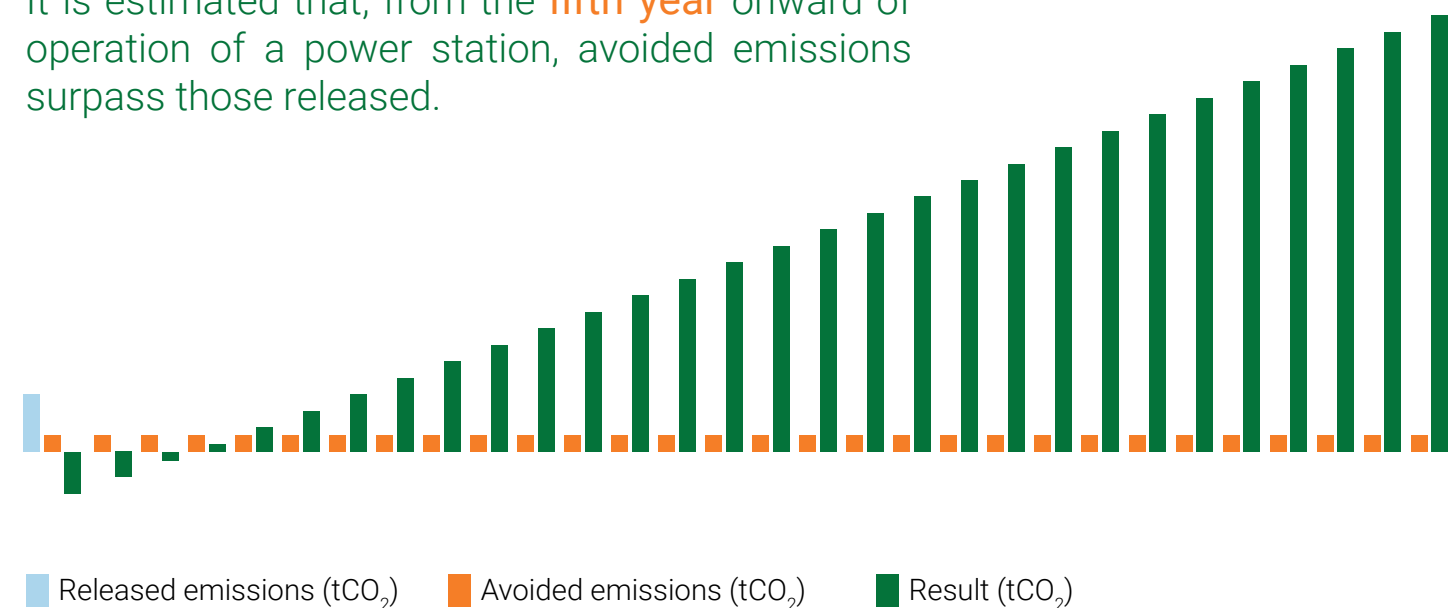


Carbon footprint

Solaria works continuously to align itself with the integration of sustainability in its corporate strategy. Accordingly, since 2019, it has measured its internal CO₂ emissions³ and some of its external CO₂ emissions and has set targets for their reduction. It is worth noting that the Company intends to align its emission-reduction targets with Science Based Targets Initiatives⁴ in 2022.

Although the Company has not yet measured in detail scope 3 CO₂ emissions in its purchasing of materials, transportation, construction, etc., it records estimates of the released emissions at the construction stage and throughout the useful lives of the power stations that it develops, as well as the emissions it avoids through the generation of PV energy. As an example of this, the following chart shows an approximate breakdown of the emissions released and those avoided over the useful life of a power station.

It is estimated that, from the **fifth year** onward of operation of a power station, avoided emissions surpass those released.



³ Measurement not relevant as Solaria's activity generates no contaminating gasses (NO_x, SO_x, PM10, etc.).

⁴ Initiative created by CDP, the UN Global Compact, World Resources Institute and World Wide Fund for Nature in order for organizations to establish far-reaching emission-reduction objectives for the purpose of achieving zero emissions.

Solaria's carbon footprint:

Internal emissions

Scope 1



Solaria's direct emissions

254.41 tn CO₂
186.06 tn CO₂ in 2020

Scope 2



Emissions from purchasing of electric consumption

Calculation based on market-considering consumption of renewable energy:

60.58 tn CO₂

73.34 tn CO₂ in 2020

Calculation based on localization method in which country's emission factor is considered rather than origin of energy (first-time calculation):

754.05 tn CO₂

External emissions

Scope 3



Indirect emissions (upstream)

For a second consecutive year, Solaria has calculated its indirect emissions from its employees' business travel, the subcontracting of certain power-station maintenance services and consumption of water.

28.14 tn CO₂

23.38 tn CO₂ in 2020

Total internal emissions

(scopes 1 + 2):

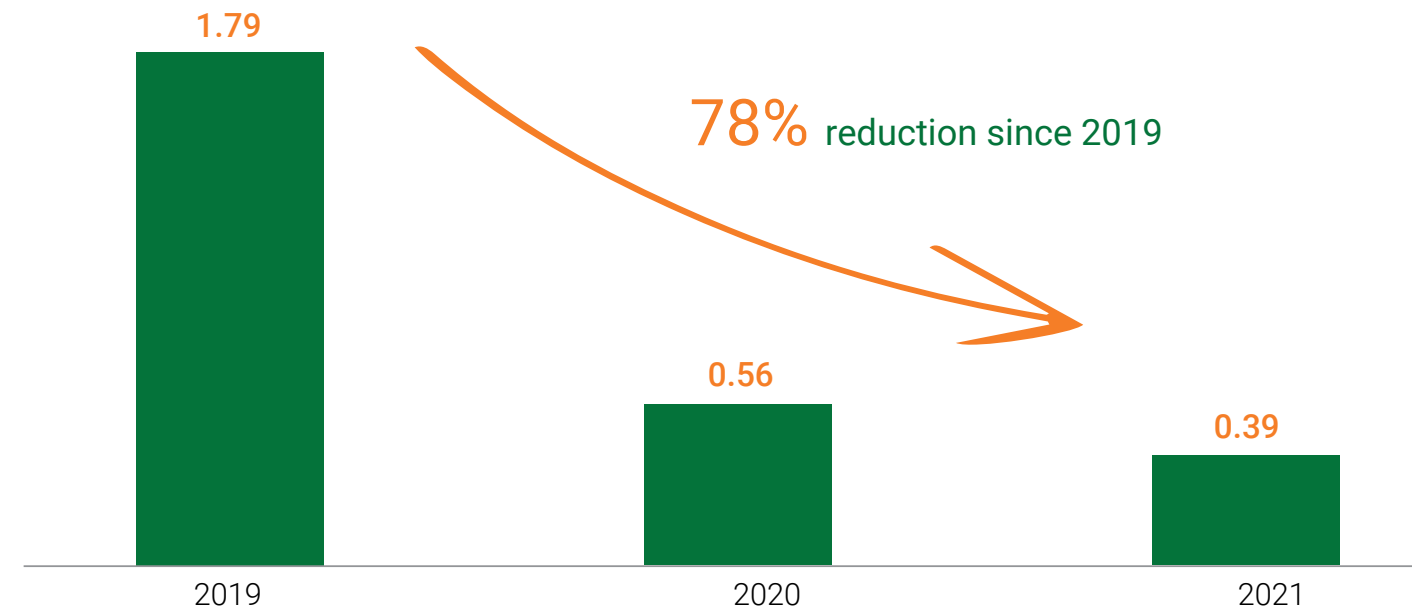
- 2021: **315 tn CO₂**
- 2020: **259.4 tn CO₂**

Total external emissions

(scope 3):

- 2021: **28.14 tn CO₂**
- 2020: **23.38 tn CO₂**

Intensity of emissions from generation of PV energy (tn/GWh)



Lastly, it is worth noting that Solaria has set emission-reduction targets for the short/medium term that focus on energy efficiency, as described in the following section of this Report. Nonetheless, the Company intends to adopt Science Based Targets Initiatives in 2022, at which time new reduction targets will be set for the short, medium and long terms.

In addition to its initiatives to reduce emissions, Solaria has offset the tons of CO₂ released in 2021 through its participation in two projects:

- Forestation program in Uruguay (Guanaré Forest Plantations on Degraded Grasslands Under Extensive Grazing) that benefits the environment and contributes social value through the creation of employment in the area and by helping to meet SDGs.
- Planting of nine acres of pines and other trees in Villafranca Montes de Oca, in Spain.

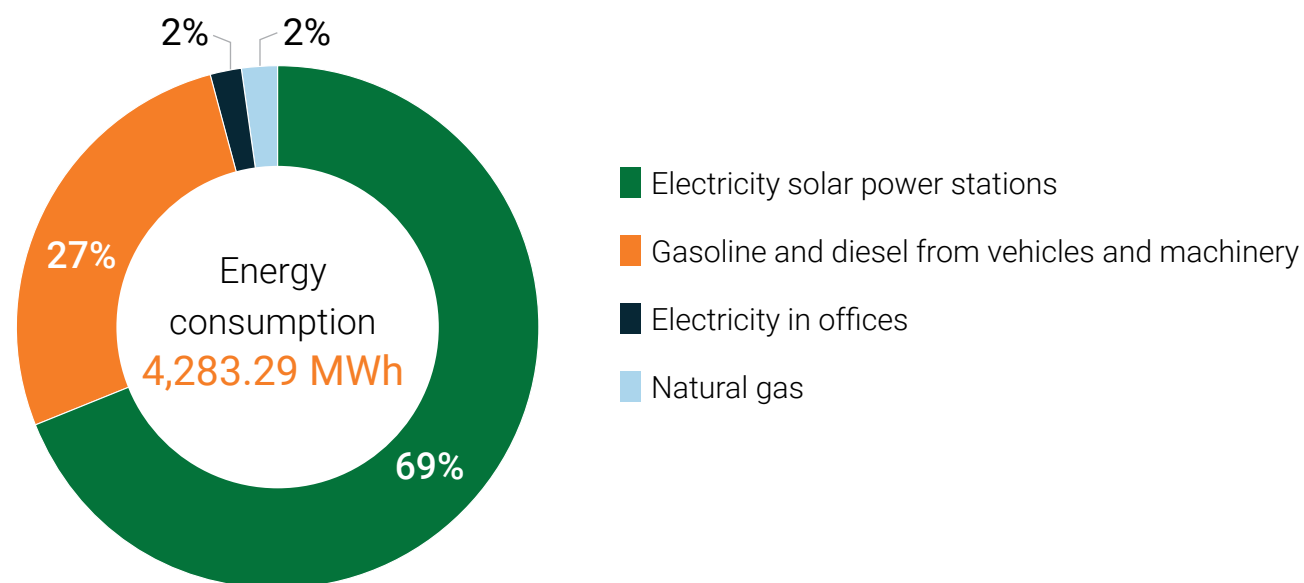
The Company also collaborates in the creation and/or protection of carbon sinks, thus contributing to the reduction of emissions of CO₂ into the atmosphere..

Efficient use of resources

In line with its commitment to use resources efficiently and responsibly, Solaria undertook in 2020 (continuing into 2021) certain initiatives that contribute to energy efficiency and the reduction of CO₂ emissions, such as the following:

- **"Renewable-energies plan"**: replacement of electricity in all installations in Spain with consumption of energy from renewable sources from 1 January 2021 onward and, in installations in Italy, from 1 January 2022 onward. Also, since 2021, all new plants are commissioned with renewable-energy consumption.
- **"Hybrid-fleet plan"**: implementation and gradual substitution of the Company's diesel vehicles with hybrid and/or electric vehicles.

In 2021, Solaria's energy consumption totaled 4,283.29 MWh. The chart below shows an approximate breakdown of the consumption:



Consumption of electricity used in all the Company's installations amounted to 3,068 MWh, 90% of which came from renewable sources (all power stations in Spain and the corporate headquarters in Spain). Since 1 January 2022 onward, electric consumption has been replaced with renewable energy at all installations in Italy. The new power stations are connected to supplies of renewable energy as they are being commissioned.

Regarding gasoline and diesel vehicles, consumption totaled 1,215 MWh. Of this amount, 99% corresponded to the Company's fleet of vehicles, 13% of which are hybrid vehicles. The remaining 1% corresponds to vehicles that the Company rents for business travel and the use of machinery to maintain the power stations.

Energy audit

In 2021, Solaria hired an independent auditor for an energy audit of its accounts in order to optimize its use of resources.

The results were positive, and the auditor's recommendations were in line with Solaria's emission-reduction plans. Specifically, this involves the substitution of vehicles with hybrid or electric vehicles and the replacement of all electric consumption with electricity from renewable sources, wherever possible.

Consumption of raw materials

Solaria's consumption of raw materials is negligible, as it works with a small amount of the same.

▪ Consumption of water

Solaria's business does not require the consumption of large amounts of water. In fact, its power stations have no water supply. The only water consumed by the Company takes place in its corporate offices and corresponds to typical daily needs. This amounted to 440m³ in 2021.

▪ Consumption of paper

The Company does not consume much paper other than that required by day-to-day office work and printing. In this sense, in 2021, Solaria undertook a paperless-office challenge in which it implemented the use of recycled paper in all office printers, in addition to its undertaking of other measures to reduce all printing to a bare minimum through awareness campaigns and internal communication.



Protection of our surroundings and biodiversity

Solaria conducts its business in harmony with its surroundings, with particular emphasis on protection of biodiversity. In this way, all the Company's projects are carried out in ways that are respectful of nature, avoiding the construction of power stations in areas or on lands that are protected (natural, agricultural or archeological protection).

Furthermore, Solaria always conducts environmental-impact studies before commencing work on any of its projects. The studies consider the current and foreseeable effects of the Company's activities on the environment at the construction stage and during operation and decommissioning. Solaria also follows a plan to integrate its installations with their surroundings, establishing guidelines for the restoration and integration of the projects' surroundings to mitigate any harmful impact on affected areas.

After evaluating the environmental impact, Solaria proposes measures to eliminate, minimize or offset adverse environmental impacts that may arise from its projects during construction or operation as a means of correcting any potential impact that may be caused by the construction of the power stations.

Power stations are perfectly compatible with flora and fauna such as species of birds and mammals such as foxes, rabbits, wildcats, Roe deer, etc. Shelters for insects and bats have even been installed. The Company also enters into collaboration agreements with local beekeepers to set aside parts of its sites for beekeeping.

Before starting work on its projects, Solaria establishes a period of public awareness during which it informs all organizations and individuals that may be affected by the projects, thus giving them the opportunity to submit any objections. Furthermore, in the event that a significant environmental problem is detected, the Company maintains abundant agreements involving adjacent or nearby land so that, in the event of sufficient risk, it may partially modify the site, using the alternative plots of lands to prevent adverse impact.

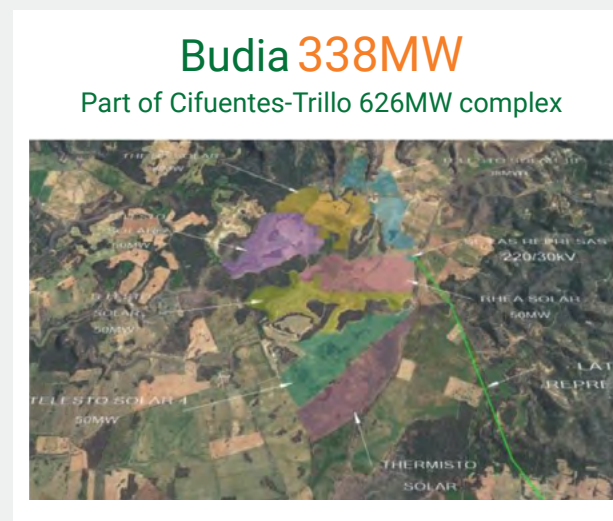
In addition, Solaria makes every effort to avoid noise pollution, such as not working at night or during nesting periods, establishment of speed limits, control of machinery (technical inspections, periodic revision, etc.) The Company's power stations do not cause light pollution, as they do not use lighting at night.

Case study

Flora-protection measures



- Reforestation of the area of vegetation removed
- Respecting large trees, especially oaks and bushes in the area
- Construction of a perimeter firebreak
- Waste-management and material-recycling plan



Fauna-protection measures



- Protecting power lines and fencing from collisions
- 210 nests for small medium birds
- 10 cairns for rabbits and small mammals
- Protection of wetlands in the area and creation of two new ponds for amphibians
- Monitoring and protection of eagles in the area



Waste

Solaria believes that a circular economy and waste management are essential to the protection of the environment and of biodiversity. Just as Solaria’s activity does not require it to consume great amounts of raw materials, the Company generates very little waste, except during construction and decommissioning.

- **Construction of power station:** The greater part of waste is generated at the construction stage of a power station. The waste is handled by the subcontracted companies in charge of construction. They prepare for each project separate plans for environmental and waste management that are approved and supervised by the Company.

Solaria has calculated the following estimates of its waste per MW generated at the construction stage:

Type of waste	Site waste per MW (t)
Concrete	0.08
Bricks, tiles and ceramic materials	0.02
Metals (including alloys)	0.10
Wood	0.10
Glass	0.0031
Plastic	0.012
Paper and cardboard	0.025

- **Decommissioning:** A typical power station has a useful life of some 30 years. For each of its projects, Solaria prepares a plan for decommissioning and recycling that it implements upon completion of the useful life in order to restore the plant’s surroundings to their original conditions. Said plan establishes measures for recycling and reuse and procedures to leave the land as it was originally.

Also, in the event of need during the operation stage to proceed to decommissioning or recycling of materials due to a breakdown or other reasons, Solaria has collaborators to take such actions, ensuring proper management of waste.

Investment

Solaria strives to conduct its business in a sustainable manner, as it is aware that protection of the environment and the fight against climate change are essential to the future of the planet. In this sense, it goes to great lengths to ensure that its management acts responsibly, and it puts part of its revenues toward the implementation of measures designed to mitigate or eliminate its potentially harmful impact on the environment. The whole of the Company’s Capex is put toward its business of constructing power stations that generate renewable energy, thus contributing to the fight against climate change.

Solaria also invests in environmental-impact studies, reforestation and revegetation plans, archeological-impact assessment, environmental studies and monitoring and assessment of avifauna affected by projects, among other initiatives.



8 | COMMITMENT TO PEOPLE



Our principles:

Solaria is deeply committed to society and, in particular to its employees. The Company believes that its workforce is its best resource and, by extension, that respect for human rights, diversity, equal opportunity, equal treatment and non-discrimination are unalienable, basic rights of all individuals. Solaria makes every effort to develop an inclusive culture in which workplace dynamics are 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

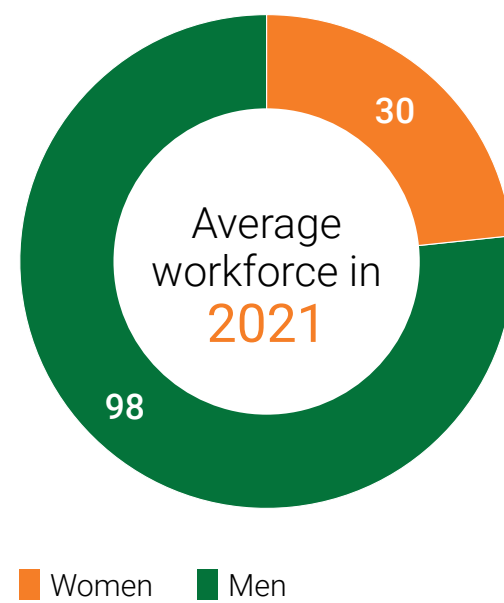
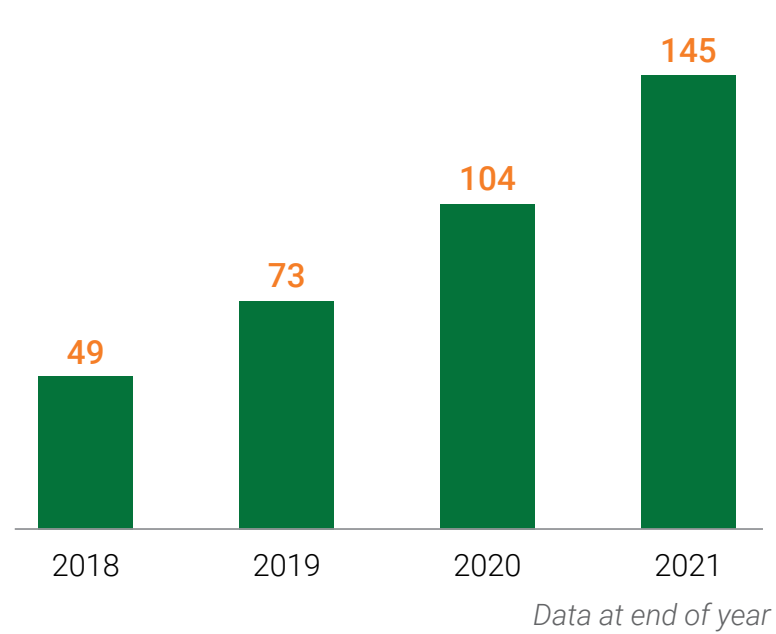
We firmly believe in teamwork. The keys to our success lie in coordination, a healthy competitive spirit and responsibility in the performance of combined tasks, along with excellent workplace conditions.

The following section of this Report provides relevant quantitative and qualitative data in relation to Solaria's workforce and examines how the Company is affected by its challenges and advantages.

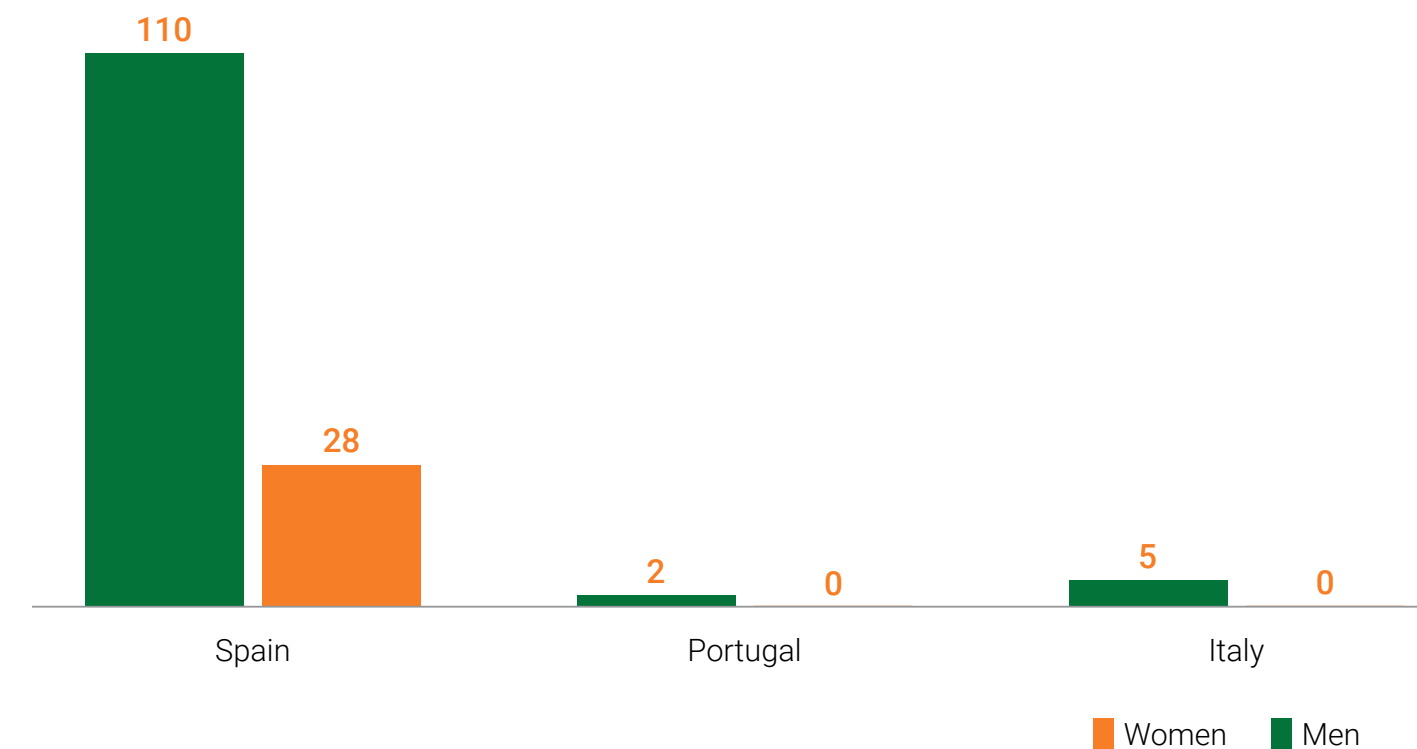
Solaria's workforce

At end of 2021, Solaria's workforce totaled 145 employees, constituting a 40% upturn vs. 2020 and a 196% increase vs. 2018. The average number of employees over the year amounted to 128 individuals.

Total employees

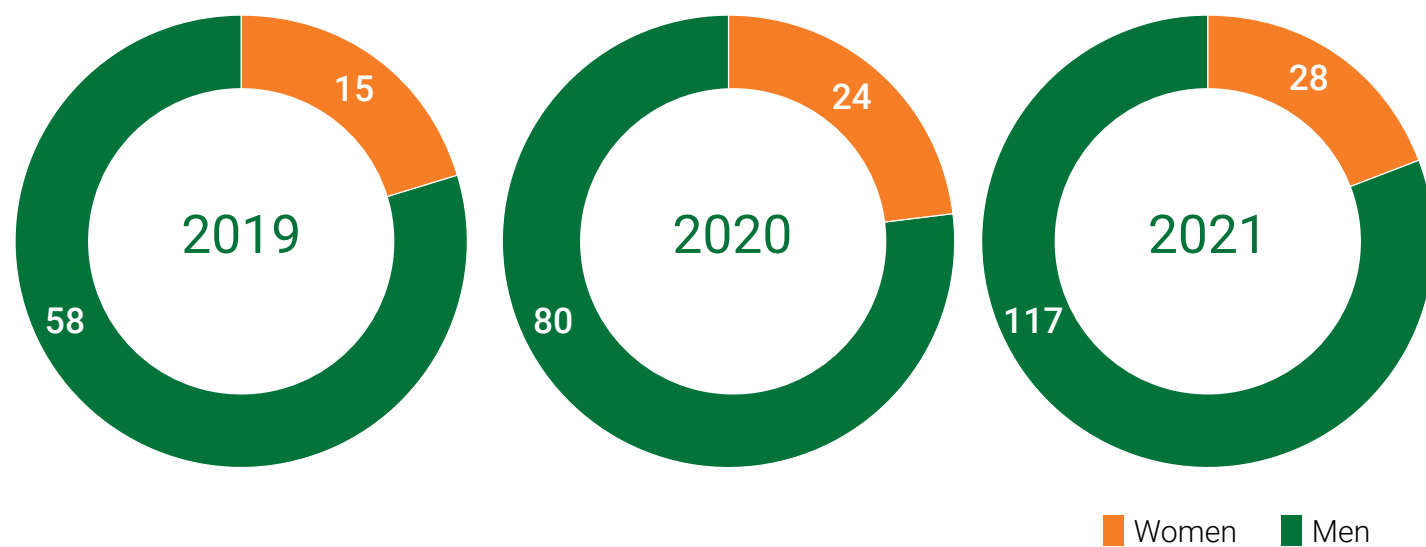


Breakdown of workforce by gender and country at end of 2021



Women accounted for 23.44% of the workforce on average in 2021. In keeping with the policies on diversity and equality promoted by Solaria in 2020, the Company targeted a proportion of 25% of women in the workforce. This is one of Solaria's biggest challenges, and it is making every effort to make it a reality. It is worth noting women account for 27% of employees at the corporate offices.

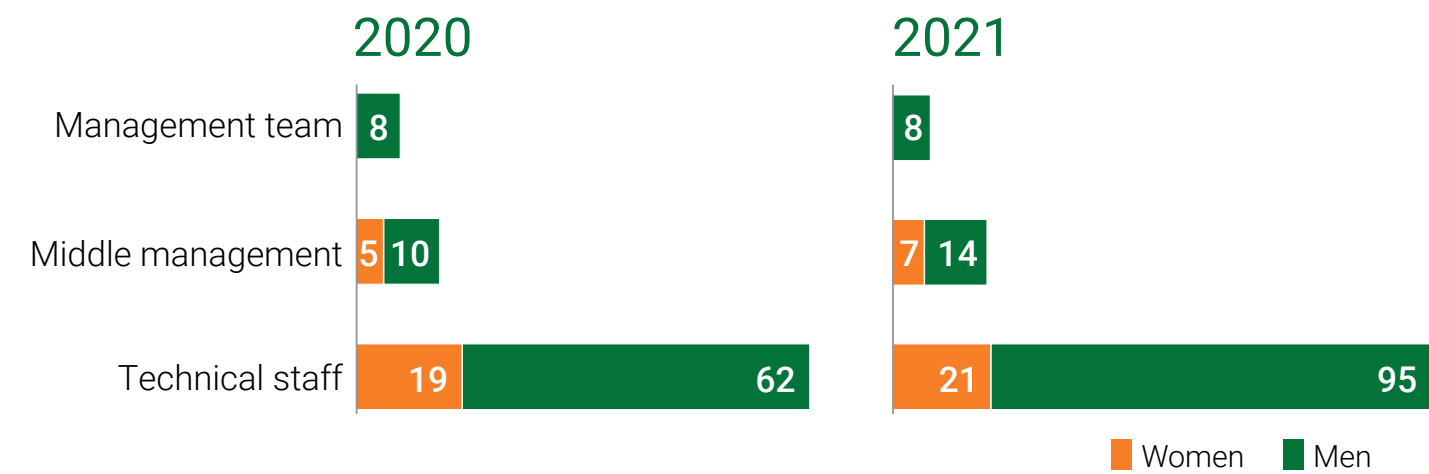
Breakdown of workforce by **gender** at end of year



Solaria's workforce is comprised of three categories: management team, middle management and technical staff. The latter category has the greatest number of employees and includes site managers, operating and maintenance staff, engineering positions, business development, finances, interns, etc.

Most of the employees are relatively young. The average age is 41, which gives Solaria's workforce a profile of agility and vitality. The average length of service is 2.8 years.

Employees by **category and gender** as of 31 December 2021



Employees by **category and age** as of 31 December 2021

2021		Men	Women	Total employees
Employees by category and age				
Management team				
<30		0	0	0
Between 30 and 50		8	0	8
>50		0	0	0
Middle management				
<30		0	1	1
Between 30 and 50		12	6	18
>50		2	0	2
Technical staff				
<30		15	9	24
Between 30 and 50		62	12	74
>50		18	0	18

Solaria ensures that its working conditions are fair, predominantly using permanent employment contracts and internal promotion. At the end of the year, 96% of the workforce had permanent employment contracts.

Employees by type of contract at end of year

	Full time	Part time	Total
Permanent	138	1	139
Temporary	6	0	6
Total	144	1	145

Annual average of contracts by gender

	Permanent employment					Temporary employment				
	Full time		Part time		Total	Full time		Part time		Total
	Men	Women	Men	Women	121	Men	Women	Men	Women	7
Management team										
<30	0	0	0	0	0	0	0	0	0	0
30-50	8	0	0	0	8	0	0	0	0	0
>50	0	0	0	0	0	0	0	0	0	0
Middle management										
<30	0	1	0	0	1	0	0	0	0	0
30-50	11	6	0	0	17	0	0	0	0	0
>50	1	0	0	0	1	0	0	0	0	0
Technical staff										
<30	9	5	0	1	15	3	4	0	0	7
30-50	54	14	0	0	68	0	0	0	0	0
>50	11	0	0	0	11	0	0	0	0	0

Regarding internal promotion, 20% of the average workforce was promoted over the course of the year. Of the promoted employees, 27% moved to a higher category. Regarding middle management, the number of women increased from five at the end of 2020 to seven at the end of 2021, which met the corresponding objectives that the Company had established.

Over the course of 2021, due to its surging growth, Solaria hired 82 new employees, 22% of which were women, in line with the Company's diversity and equality plans. In addition, 12 employees were hired as interns in 2021—as a result of a program dedicated to such hiring and through agreements with universities—, of which half were hired by the Company upon completion of the internship. Regarding disabilities, Solaria has one disabled employee at this time.

Employee turnover in the year stood at 28%, down by 21% from the preceding year. Of the employees who left the Company, 19% did so voluntarily, which was 16% fewer than in 2020.

		Employee turn-over	Voluntary departures
		< 30	Women
	Men	31%	25%
Between 30 and 50	Women	44%	33%
	Men	17%	11%
> 50	Women	0%	0%
	Men	57%	36%

Nine employees in the category of technical staff were dismissed in 2021, broken down as eight men and one woman. Six were between 30 and 50 years of age, consisting of five men and a woman; two were men over 50 and one was a man under 30.

Lastly, regarding employment contracts, the whole of Solaria's workforce in Spain is protected by the collective bargaining agreement of an association of metalworkers in Madrid (*Convenio Colectivo del Metal de Madrid*)⁵. Currently applicable labor legislation is applied to the workforce outside of Spain, as there is no collective bargaining agreement there.

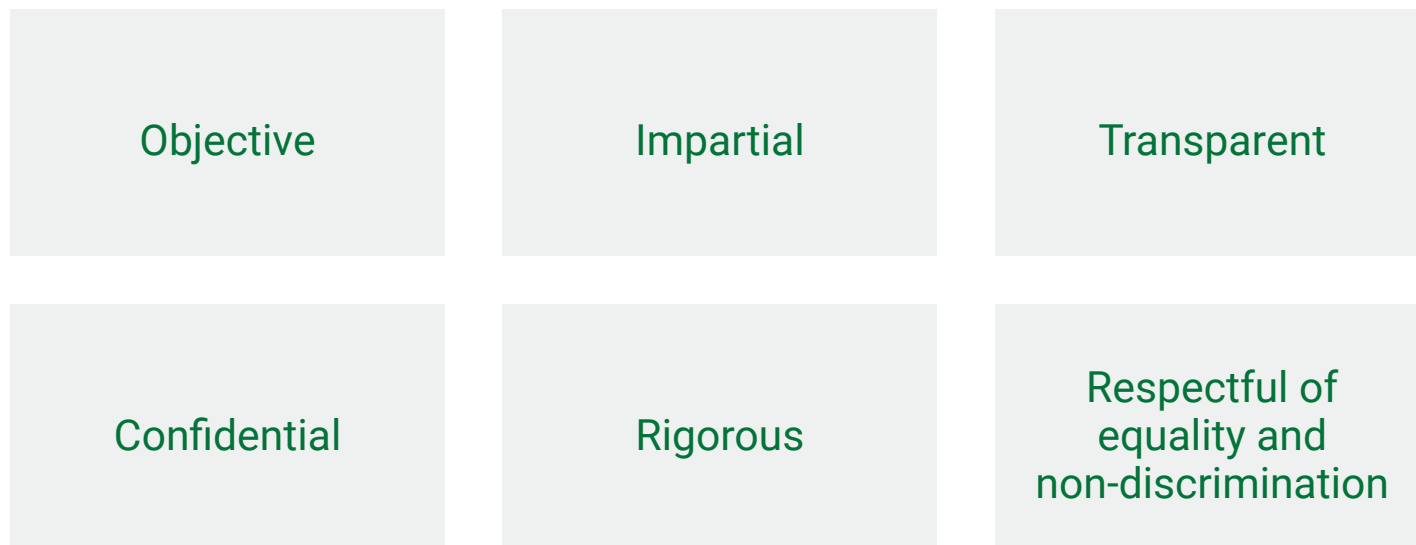
⁵ RESOLUTION of 16 September 2021 of the Directorate General for Employment of the Department of Economy, Finance and Employment on the recording, submission and publication of the collective-bargaining agreement of the sector of industry, services and installations of metalworkers (code number 28003715011982).

Talent management

Solaria's workforce is its most valuable asset. The Company is well aware of this and does all it can to make its employees proud to work for Solaria.

Hiring processes

The Human Resources department is in charge of interviewing candidates and hiring new employees. The process can be described as:



Solaria's commitment to diversity is reflected by its hiring processes. Whenever possible, the Company attempts to prioritize the hiring of the underrepresented gender.

The following are the main principles of action in Solaria's hiring processes:

- Ensure that the hiring process is based on equal opportunity and does not discriminate directly or indirectly in relation to gender, race, nationality, language, background, personal beliefs, marital status, disability, health or for any other reason; evaluate internal talent and guarantee objective and impartial assessment.
- Ensure that candidates are hired solely on the basis of merit and capacity in processes that consider all professionals with knowledge, competence and skill profiles that are sought for the position, and ensure that all candidates are treated equally throughout the hiring process.
- Comply with the provisions of current labor legislation regarding interviewing and hiring.
- Ensure that the candidates' information is treated with absolute confidentiality, pursuant to laws on protection of personal data.
- Foster job stability through permanent employment contracts, whenever possible.

Solaria uses an externally managed tool to gauge the participation and type of profile it seeks in its job offers. In global terms, participation in its job offers by gender at the end of the year stood at 30% women and 70% men.

The Company believes that a diverse and equitable workforce is essential and has set its sights on increasing the number of its female employees.

Training

Solaria promotes and encourages career development by providing its employees with an environment that is characterized by progress, motivation and integration. **The Company believes that training, information, education and awareness are of utmost importance in its sustainable development as a company and as part of society.**

To this end, Solaria implemented in 2020 a new training plan to establish annually the training initiatives and subject matters that employees will need to know in order to carry out their duties effectively.

Among the training initiatives provided to Solaria's employees, priority is given to the subject matters of corporate sustainability, diversity, non-discrimination and non-harassment, human rights, ethics and compliance, anticorruption, the fight against climate change and health and safety at the workplace, as well as training in relation to the Company's activity and other more specific subjects that are analyzed on the basis of their need.

Training hours in 2021 totaled 2,362 hours, constituting a 33% increase vs. the preceding year and an average of 18.45 hours per employee ⁶. Over the course of the year, Solaria recorded the total training hours of its employees, making no distinction among job categories because the training hours are spread evenly across the categories.

In regard to training on ethics in the Company and the desired conduct of employees, the whole of the workforce received anticorruption training in 2021. In addition, all corporate employees received further training on the Company's code of ethics and the procedures for filing complaints internally. Similarly, the whole of the workforce received training on corporate sustainability and inclusive culture, as Solaria places particular emphasis on the broadening of its employees' knowledge of the matter. With these initiatives, Solaria intends to raise awareness of the importance of working with a focus on sustainability and mitigation of potential risks and impacts deriving from the Company's activity, as well as to encourage the identification of new opportunities. The training initiatives also covered trends observed in post-pandemic recovery and the transition toward a more sustainable and inclusive context.



⁶ Taking into account the average number of employees in the year.

Diversity and equal-opportunity employment

Observance of human rights, diversity, equal opportunity, equal treatment and non-discrimination are unalienable, basic rights of all individuals. Solaria respects all of these rights of its current and potential new employees, and the Company believes that the only way to create a safe and open workplace environment based on trust is to value its best resource: its workforce.

Solaria's corporate code of ethics guarantees equal treatment for all and establishes a zero-tolerance policy regarding direct or indirect discrimination on the basis of gender, race, nationality, language, background, personal beliefs, marital status, disability or health or any other reason.

As part of its commitment to individuals, the Board of Directors approved in 2020 policies on diversity and non-harassment and a hiring protocol that supplements the Company's internal plan on diversity for 2020–24.

In this regard, Solaria also created in 2020 a commission for equality and diversity. The commission was put in charge of ensuring compliance with the principles, commitments, internal policies and applicable legislation that address social issues and protection of the basic rights of individuals, as well as the meeting of established objectives.

It is worth noting that Solaria's corporate offices are equipped to provide access to the disabled.

In 2021, there were no reported cases of discriminatory conduct or harassment of any type, nor were any complaints filed in relation to non-compliance with the Company's social policies.

Remuneration⁷

Solaria establishes pay levels corresponding to the positions in the Company and the abilities of its employees regardless of gender, race, nationality, language, background, personal beliefs, marital status, disability or health. The average remuneration of the workforce amounted to €56,915.

Solaria makes every effort to attract and retain talent, and all employees receive annual performance-related pay, regardless of their positions in the Company.

In this sense, it is worth noting that the employment contracts of management and certain positions that are considered to be more exposed include clauses that link remuneration to the meeting of the Company's sustainability objectives, in addition to malus and clawback clauses.

Average remuneration by category and gender

Category	Men	Women	% change
Management team	€154,488	-	100%
Middle management	€87,554	€55,271	36.87%
Technical staff	€47,844	€37,225	22%

Average remuneration by age and gender

Ages	Men	Women	% change
<30	€30,284	€30,850	-1.87%
Between 30 and 50	€65,766	€46,722	28.96%
>50	€54,680	-	100%

Benefits:

In addition to salaries and training, Solaria provides its employees with a series of fiscally advantageous benefits, including medical coverage, life insurance that covers twice the amount of the annual gross pay defined in the employment contract, commuter passes, meal allowances and childcare.

⁷ Interns not factored into calculation of average remuneration and pay gap.

Health and safety of our employees

Ensuring the health and safety of Solaria's employees is a vital part of the Company's business. Solaria complies with current legislation on health and safety in the countries in which it operates, and it takes all necessary steps to protect its workforce. In this regard, the collective-bargaining agreement that is applied to all the Company's employees in Spain establishes specific measures and rules to protect the health and safety of all parties involved.

This commitment is also extended to contractors and suppliers whose activity takes place in workplaces for which Solaria is liable. For this reason, **Solaria takes a preventive approach to job safety by providing training initiatives on health and safety.**

Solaria endeavors to meet a zero-accidents objective, starting with the implementation of a preventive culture in which all employees regardless of position are to be held responsible for their own safety and are to contribute to the safety of others. The Company's policy on health and safety defines its main commitments and responsibilities in this regard, and it is applied to all its workers, whether directly employed or subcontracted.

In 2021, employees received a total of 902 hours of training on health and safety in the workplace. The training was provided through a series of courses that addressed matters such as job safety at power stations and offices—which were provided to the whole of the workforce—and other, more specific issues such as first aid, fire, metalworking-related safety procedures at the construction stage and COVID-19.

In addition, Solaria informs all its contractors and suppliers of its policy on health and safety and performs periodic evaluations of the pertinent risk of all its contractors. In 2021, all of the Company's installations successfully completed an internal audit regarding job safety.

Lastly, it must be observed that Solaria randomly audits its contractors at the construction stage of its power stations.

Employees

As of 31 December 2021, Solaria had recorded a total of three accidents involving its own employees. The accidents were suffered by one woman and two men, none of which were unable to continue working as a result of the accident.

Case frequency	0
Incident rate	0
Severity rate	0
Work hours missed due to job-related accidents	0
Work hours missed due to occupational disease	0

Subcontracted workers

Regarding contractors and suppliers, the number of employees subcontracted by Solaria during 2021 averaged 500 full-time employees per month.

Case frequency ⁸	24,85
Incident rate	314,88
Severity rate	0,52
Work hours missed due to job-related accidents	3.168
Work hours missed due to occupational disease	0

⁸ The figures are much lower than average levels in construction (case frequency 37.3, incident rate: 6,606, severity rate 1.28).

Health-related measures in response to COVID-19:

In response to the pandemic, Solaria has taken action to protect the health of its workforce. The following measures ensure that its employees are able to work in safe conditions:

- Daily reading of all employees' temperatures.
- Distancing at all installations, in compliance with the measures taken by authorities, video conferencing for meetings and, when remote attendance is not an option, maximum possible reduction of the number of attendees.
- Obligatory use of facemasks (provided by Solaria) at installations.
- Sanitizing gel available to all employees throughout the installations.
- Confinement and remote working when necessary.



Corporate culture and workplace environment

As a result of the average age of the workforce and the Company's size, Solaria's employees benefit from a culture that is agile, open, inclusive, collaborative and dynamic. The renewable-energy sector is gaining in relevance, due to its favorable economic performance and because of the importance of energy generation as regards the future of the planet and climate change.

This culture is enhanced by the vision shared by Solaria and its employees of important issues that affect both, such as protection of the environment and the health and well-being of the workforce.

In this sense, Solaria has managed to transmit a spirit of unity between the Company and its employees and among the employees themselves.

The Board of Directors is ultimately responsible for safeguarding Solaria's corporate culture and upholding its ethical approach, thus ensuring that the Company's employees will continue to be proud to work for Solaria.

As part of Solaria's strategy of sustainability and its commitment to its workforce, the Company launched in 2021 its CUÉNTANOSLO initiative, in which all its employees are surveyed annually in relation to their perception of their workplace environments. The initiative meets the Company's objective of making greater use of satisfaction surveys and serves the purpose of making Solaria a source of pride and satisfaction for its employees.

The first survey on workplace environment took place in July and involved 61% of the workforce. The majority of the opinions were highly positive insofar as a sense of belonging and project-related ambition.

Regarding the organization of duties, Solaria takes into account the specific needs of each project and schedules different working hours for its office personnel and its employees in construction and maintenance. The hours are established in harmony with the employees' time away from work. In addition, Solaria exercises flexibility in regard to lunchtime arrivals and departures in order to contribute to the harmonization of its employees' careers and free time.

Another example of Solaria's respect for harmonization of careers and free time is that all its employees are able to benefit from the compatibility of parenthood and successful career development. Accordingly, in 2021, five employees qualified for parental leave, which was taken by one female and four male employees.

Solaria intends to implement in coming years additional measures in relation to the right to disconnect.

Internal communication

Internal and external communication are priorities within Solaria's corporate culture. The Company considers its workforce to be its most relevant interest group, and, to this end, its communications are solid, unified and periodical in order to ensure correct assimilation of the expressed vision, mission and values.

Several tools and formats are of help in meeting this objective through the organization's internal and external channels.

The following are some examples of the actions taken by Solaria in this regard in 2021:

- New website for employees in which they may manage a series of work-related issues, access internal communication, etc.
- Tours of Solaria's power stations so that all employees may gain first-hand knowledge of their operations and functioning.
- Internal newsletter.
- Corporate brand manual.
- New webpage.

9 | COMMITMENT TO COMMUNITIES



Observance of human rights

For Solaria, the respect and protection of human and labor rights in all relations with stakeholders is fundamental. It does not tolerate forced or compulsory labor in any form and guarantees the elimination of discrimination in 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 contained 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 has approved the policy of respect for human rights. In addition, Solaria carries out evaluations and has other Corporate Standards and Policies in place that support and complement the respect for human rights.

Solaria's 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 the occurrence of damage or violation. A distinction is made among low risk (remote probability), medium risk (likely to occur) and high risk (very likely to occur).
- Establishment of channels for communication, reporting of irregularities and/or complaints.

In 2020, Solaria extended to its suppliers its commitment to ESG issues, including observance of human rights, by approving a code of ethics for suppliers, who, along with the Company's business partners, are required to sign an agreement to indicate their conformity and acceptance.

Similarly, the Company has performed in situ evaluations and inspections of some of its main suppliers and has used affidavit application forms as a means of ensuring compliance with all international rules and standards on human rights.

In 2021, the Company received no complaints of violation of human rights nor did it detect any activity that is prohibited by its corporate rules and policies or under international benchmark regulation.



Contribution to local development

Solaria is guided by a corporate strategy that is based on the creation of value. Local communities are an interest group of great importance to the Company and, chiefly, to the success of its projects. For this reason, Solaria makes use of the required resources to ensure a good relationship and fluid, ongoing communication with the communities.

Local development is essential to Solaria's activity. The Company brings important socioeconomic benefits to local communities and tries to affect them favorably with its activity through the creation of employment and social initiatives based on the evaluation of the needs existing in each area, thus promoting life in rural communities.

Before commencing work on any project, Solaria performs an evaluation of the environmental and social impact in order to prevent and mitigate any adverse consequences and to enhance the positive effects.

Specifically, at the construction stage of a power station⁹, Solaria puts into action an average of 300 people, stimulating the economy and the employment of the immediate area. In addition, Solaria's operation and maintenance personnel set up their bases of operation at the site, which also contributes to the creation of local employment, as hiring people from the area is prioritized.

In environmental terms, the benefits are also considerable. In addition to the reductions of emissions of CO₂, of electricity dependence and of the cost of the electric mix, Solaria collaborates with local associations and institutions to integrate in the power stations agricultural and livestock farming that may exist in harmony with the solar panels. Examples of this are lavender plantations, beekeeping activities and shepherding, the latter being used at this time for grazing as a means of clearing areas around some power stations, thus avoiding the pollution that would be produced by clearing machines.

In terms of economic development, Solaria contributes significantly to local communities in the form of taxes and fees. For example, in the development of a project, adjacent local communities obtain access to the ICIO construction tax, which may have a value of up to 4% of the project budget. The generated income is significant, and, along with the payment of property tax and other taxes and fees that are also calculated on the basis of the value of the project, the result is an important source of funds for the towns and villages where the Company's projects are located.

At the development and construction stages of a power plant, Solaria does the following:

- It seeks land of scarce value for farming, attempting to avoid existing conflicts or those that might come about over the land.
- It prioritizes the contracting of local resources (personnel for construction and suppliers) whenever possible, which contributes significantly to the stimulation of the economy and employment of the immediate area.
- It fosters fluid and ongoing communication with towns and villages near the project, with public administrations and all interest groups.
- It generates wealth directly and indirectly in the towns or regions of its sites, which favors the stimulation of rural life and helps to prevent abandonment.

⁹ Based on a standard 50MW power station of Solaria.

Fluid communication and active dialogue

Solaria believes that transparency with its interest groups is essential. Open, fluid and ongoing communication is among its most important commitments.

The Company ensures that its updated information is available to all interest groups, among which local communities are given high priority.

To this end, Solaria discloses information and channels its communication through different means that ensure the availability, immediacy, accuracy and transparency of the information. In this regard, it maintains a communication policy with its stakeholders that provides them with detailed information on the guidelines that it follows in its external communication.

The Company's means of communication include:

- Web page on which Solaria releases and archives all relevant information and documents such as its reported earnings, policies and procedures, commitments in relation to sustainability, contact information by department, etc.
- Presence on social networks: LinkedIn, Twitter, Instagram and YouTube.
- Presence in mass-market, local and sectoral media.
- Events, forums and round tables.

In addition to these publications, Solaria maintains fluid communication, starting at the early stages of its projects, through formal and informal meetings and training sessions and by making its channels of communication available to communities.

The Company's objective is to establish bilateral communication that is beneficial for all parties involved. To this end, it engages in dialogue with the local community at all stages of its projects: development, construction, operation and maintenance.



Social initiatives

Solaria Forma

As a specialized company leading the PV sector, Solaria launched several training initiatives in 2021 as part of its plan SOLARIA FORMA:

- Collaboration with schools in several locations where the Company manages power stations. Through certified courses, this initiative provides training on PV energy and maintenance of power stations for inhabitants of rural areas. It also provides STEM (science, technology, engineering and mathematics) education for women, as one of its objectives is that at least half of the trainees are women.
- Collaboration agreements with training centers in towns near the power stations managed by the Company so that trainees can learn about power stations in situ.



Other initiatives

Solaria undertook other initiatives in 2021, such as its collaboration with associations and its sponsorship of events in the areas of sports, culture, healthcare, etc. that significantly benefit the towns in which the Company managed projects. The Company made no cash donations in 2021.

Some examples:

- Sponsorship of 2021 Festival de Cine de Guadalajara film festival.
- Sponsorship of Pantoja soccer team in Toledo.
- Collaboration with Red Cross blood-donation center. In 2021, Solaria organized a blood-donation campaign at its corporate offices in Madrid. The donations of its employees saved 78 lives.
- Collaboration agreement with the Red Cross employment foundation to provide jobs for disadvantaged persons in the province of Guadalajara.
- Collaboration with Down Madrid, a foundation that provides assistance in relation to Down syndrome.

As part of its strategy for 2022, Solaria plans to undertake more social initiatives in local areas and throughout Spain for the purposes of favoring communities, raising awareness of the advantages of PV energy and promoting Solaria's vision of sustainability.

10 | COMMITMENT TO SUPPLY CHAIN



Supply-chain management model

Risk management in the supply chain and the involvement of governing bodies are matters of increasing relevance for the reputations of companies. Solaria is aware of the need for due diligence in its supply chain to identify, evaluate and manage associated risks.

The first such measure taken by the Company was its preparation and approval in 2020 of a code of ethics that its suppliers are required to accept by signing an agreement to indicate their conformity and comprehension. This measure was designed to extend the Company's ESG commitments to its supply chain and its suppliers by establishing guidelines for the control and management of associated risks.

At the end of 2021, Solaria collaborated with 1,506 suppliers and providers, paying €195.26mn for goods and services. Of this amount, 64% corresponds to the acquisition of goods and services from domestic suppliers and providers¹⁰.

These collaborators may be placed into two categories:

- Suppliers of goods and materials, the most relevant of which are components for power stations such as modules, inverters and transformers.
- Service providers. The most relevant providers for Solaria's business are EPC specialists, which are companies that are dedicated to the construction of power stations and oversee all stages of construction. In this sense, it is worth noting that Solaria covers most of its own EPC needs, as the development, engineering and purchase of supplies is handled internally.

All of Solaria's main suppliers are in the Tier 1 category. The Company subjects them to evaluation, verifying that they are ISO 14001 certified (international standard of environmental management).

All of the main construction firms are subjected to environmental evaluation and monitoring of compliance with environmental-impact statements and corporate rules on environmental issues. In 2021, seven of the Company's main construction firms underwent environmental evaluation.

¹⁰ Domestic suppliers and providers are defined as those that operate in Spain, where nearly 90% of Solaria's business takes place.

Consumers

Solaria is wholly dedicated to the generation of renewable energy through its construction and operation of power stations. In this regard, the Company neither distributes nor supplies energy to end consumers, but sells it on the market or through PPAs. For this reason, it considers surveys of end consumers' satisfaction to be irrelevant.



11 | TAX MANAGEMENT



Tax management

Solaria is deeply committed to good governance, corporate ethics and integrity. The Company is aware of the importance of transparency and internal control for market operators in the current economic context.

As part of its strategy of corporate sustainability, the Board of Directors approved the Company's fiscal policy in 2021. The policy defines Solaria's strategy in tax-related matters, regulates its compliance with fiscal obligations and establishes its management and control of tax-related risk. In this way, the Company ensures the observance of domestic and international tax regulation, the corporate code of ethics and Solaria's other corporate policies.

The Company's fiscal strategy is based on the following principles of action:

- Solaria is committed to compliance with applicable tax regulation. It seeks a reasonable interpretation of the regulation at all times in order to avoid inefficiency and undue tax-related costs.
- Solaria expressly rejects the following:
 - Transactions or structures that solely pursue tax-related advantages and serve no corporate purpose or bear no relation to the location of material and personal resources or of the activities and corporate risks of the Company.
 - Structuring of transactions that may be considered unnatural or foreign to Solaria's activity for the sole purpose of reducing the tax burden.
 - The use of opaque structures to reduce the tax burden.
 - Investment made in or through tax havens for the sole purpose of reducing the tax burden.
- Related-party transactions are to take place in accordance with Solaria's internal procedures and with applicable legislation. When required by current market regulation, such transactions are to be approved by the Board of Directors after verification of compliance with regulation of transfer pricing.

The fiscal policy identifies the parties who are responsible for the control of tax-related risk and the areas involved.

Similarly, the policy addresses the identification, management and control of the Company's tax-related risks. Solaria identifies its tax-related risks in the following manner:

- Risk of non-compliance with tax-related obligations in due time and proper form.
- Risk of making wrong or unsuitable tax-related decisions or of failing to make use of tax-optimization alternatives.
- Risk of transactions taking place without the supervision of the Company's tax experts due to lack of internal communication among the Company's areas.
- Risk of failure to comply with current tax-related legislation.
- Risk of misinterpretation by market of fiscal data disclosed by Solaria leading to negative perception of the Company by economic agents or tax authorities.

Solaria's fiscal management in 2021 is summarized in the following charts¹¹:

Profit before tax	Accrued corporate income tax	Subsidies received
€56.2mn	8,218,241€	0€

¹¹ Consolidated data of Solaria Group. More detailed information available in Solaria's 2021 annual consolidated financial statements.

12 | CORPORATE GOVERNANCE



As a listed company, Solaria has core values that include ethics and sound business practices, which it puts into practice in its day-to-day work and its corporate strategy. In this way, the Company's commitment goes far beyond mere compliance with current legislation.

Solaria's governing bodies function in line with the guidelines and recommended practices of the Good Governance Code of Listed Companies of Spain's stock-market regulator CNMV.

In 2021, Solaria continued to improve and fortify its governance model in accordance with the best market practices and its ESG strategy, adapting its governing bodies in this regard.

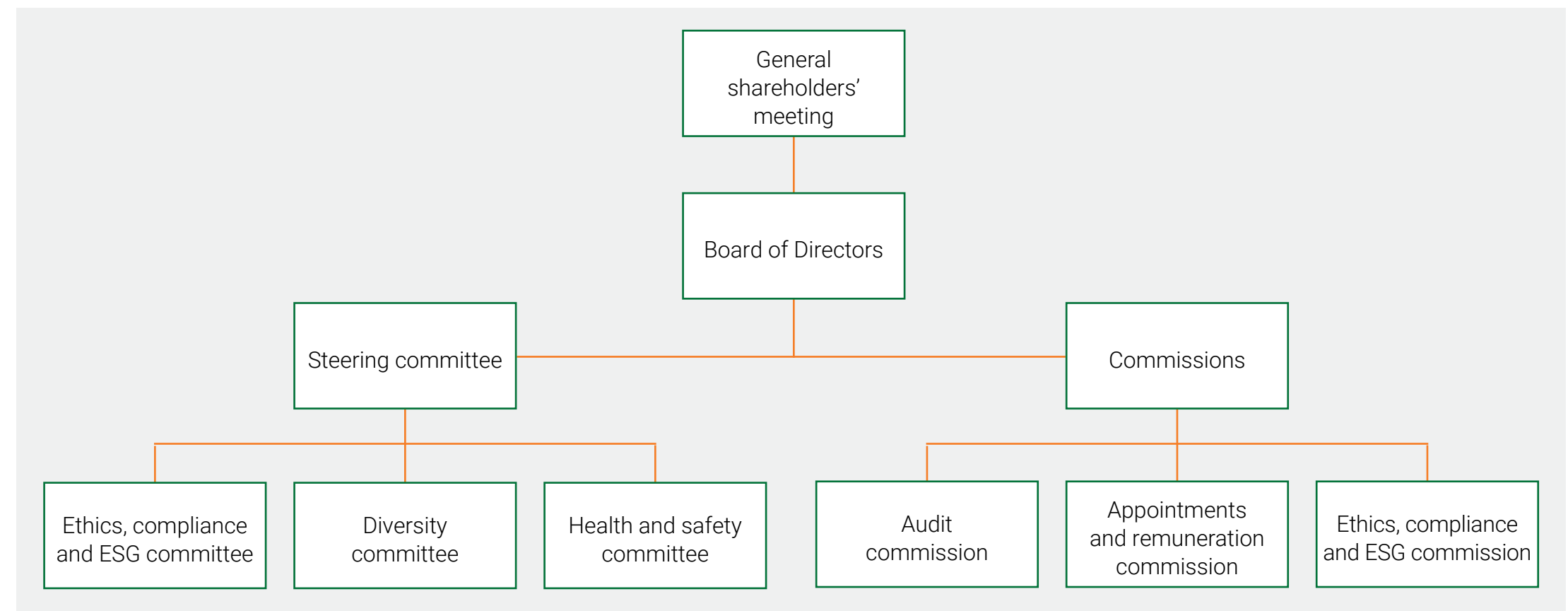
Also, in order to foster ESG-related communication and transparency with its interest groups, Solaria established an online communication channel (greenmaters@solariaenergia.com). The channel allows employees and third parties to submit enquiries in relation to the Company's performance in matters related to sustainability and good governance.

Governance model

Solaria cuenta con distintos órganos de gobierno, cada uno de ellos con unas funciones y competencias atribuidas en virtud de lo dispuesto en los Estatutos Sociales de la Compañía, el Reglamento de la Junta General y el Reglamento del Consejo de Administración.

Todos ellos están relacionados con la consecución de los objetivos estratégicos de la Compañía, el aseguramiento de la cultura corporativa y la gestión de riesgos y aspectos ESG.

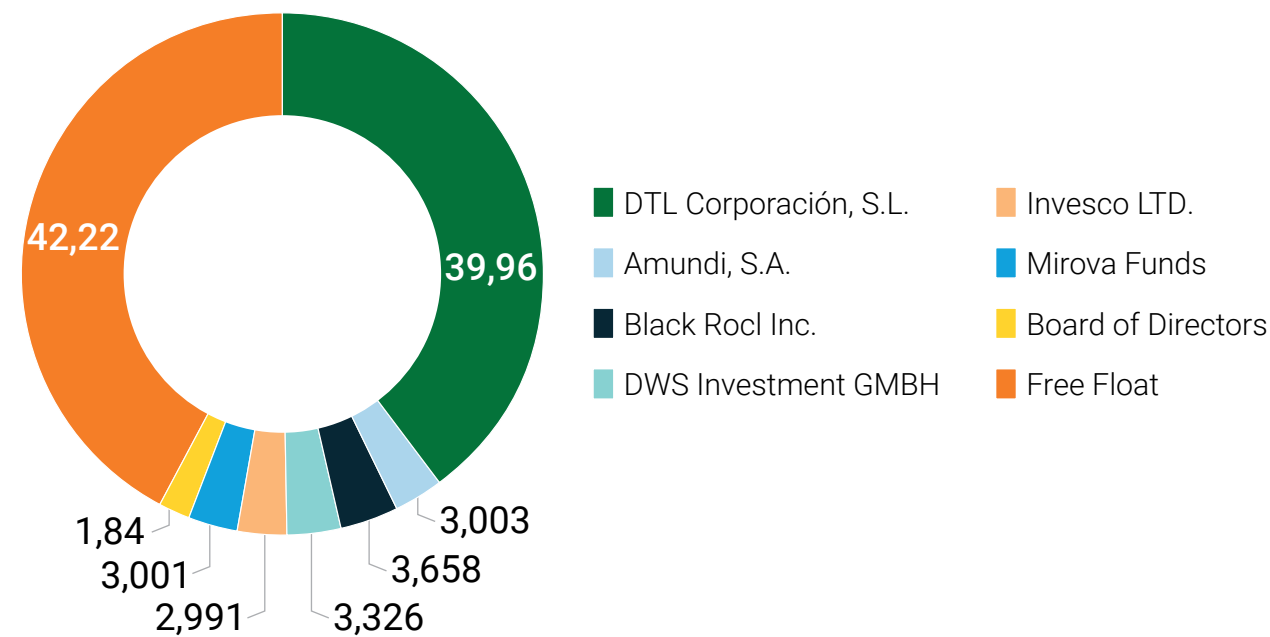
The following chart shows the structure of Solaria's governance model:



General shareholders' meeting

The general shareholders' meeting is the Company's highest-ranking governing body and represents all shareholders. It acts pursuant to the law, the Company's bylaws and the regulations of the general shareholders' meeting. The latter supplements and implements regulation by law and the bylaws in such matters as the call for the meeting, the preparation and holding of the meeting and the shareholders' rights of information, attendance, representation and voting.

Breakdown of Solaria's capital as of 31 December 2021¹²



Board of Directors

Solaria's Board of Directors has six members, two of which are independent directors. Their duties include approval and implementation of the Company's strategy and ensuring the meeting of established objectives. Regarding ESG-related matters, the members are responsible for approval and supervision of the Company's sustainability-related policies and strategies.

In line with the Company's efforts in the areas of corporate sustainability and good governance, the board amended in 2021 the regulations of the Board of Directors and approved the diversity policy.

The following table shows some characteristics of the Board of Directors:

Board of Directors ¹³	First appointment	Position	Commissions	Experience	Salary
D. Enrique Díaz-Tejeiro Gutiérrez	24 May 2007	Chairman of the board (proprietary director)	Audit commission	Energy/PV, Engineering, Finance, Legal	€ 150.000
D. José Arturo Díaz-Tejeiro Larrañaga	21 December 2011	Executive director		Energy/PV, Engineering, Finance, Legal	€ 0*
D. Miguel Díaz-Tejeiro Larrañaga (Inversiones Miditel, S.L.U.)	21 December 2011	Executive director		Energy/PV, Engineering, Finance, Legal	€ 75.000
D. Manuel Azpilicueta Ferrer	24 May 2007	Independent director	Chairperson	Energy/PV, Engineering, Finance, Legal	€ 75.000
D. Carlos Francisco Abad Rico	28 June 2019	Independent director	Chairperson	Energy/PV, Engineering, Finance, Legal	€ 75.000
Dña. Elena Pisonero Ruiz	26 June 2019	Independent director	Chairperson	Energy/PV, Engineering, Finance, Legal	€ 75.000
D. Alfonso López Iglesias	15 April 2014	Non-voting secretary		Energy/PV, Engineering, Finance, Legal	€ 75.000

Audit commission Ethics, compliance and ESG commission Appointments and remuneration commission

Energy/PV Engineering Finance Legal

* Since June 2020. Receives no remuneration as CEO or as representative of a board member.

⁹ The share capital of Solaria Energía y Medioambiente, S.A. amounts to €1,249,508.76, comprised of 124,950,876 shares each with a face value of €0.00 euros, and is fully subscribed and paid up.

¹⁰ Former representative of CORPORACIÓN ARDITEL S.L.U. from 21 December 2011 onward. CORPORACIÓN ARDITEL S.L.U. submitted its resignation as director of Solaria on 30 June 2021 and was replaced by José Arturo Díaz-Tejeiro Larrañaga

The average remuneration of the board members is €75,000. The directors receive only fixed remuneration, as the company has established no variable pay or other types of remuneration for its directors.

The members are re-elected every two years or when considered necessary as stipulated in the bylaws or the regulations of the Board of Directors.

Internal Commissions and Committees

- **Audit commission:** Comprised of three non-executive directors, two of which are independent. Its duties include proposing the appointment of external auditors, supervising the Company's audit plan and ensuring the efficiency of internal control and the accuracy of financial information.
- **Appointments and remuneration commission:** Comprised of three non-executive directors, two of which are independent. It is in charge of defining the functions and required skills of candidates for appointment to the Board of Directors and filling any vacancies on the same, establishment of the targeted gender-related representation on the board and how to meet this objective, among other duties.
- **Ethics, compliance and ESG commission:** Comprised of three non-executive directors, two of which are independent. It is in charge of proposing to the Board of Directors the approval of strategies and matters related to ethics, compliance and ESG and their periodic revision and updating. It also oversees systems of management and control of non-financial risk and their reporting.
- **Steering committee:** It has the highest level of authority among the Company's governing bodies and is responsible for driving Solaria toward its future performance and developing its corporate strategy, leading its workforce and evaluating the meeting of established targets.
- **Ethics, compliance and ESG committee:** It has the highest level of authority among the Company's governing bodies in regard to monitoring and operational compliance in all matters related to ethics, compliance and ESG, and it is in charge of reporting key issues to the ethics, compliance and ESG commission.

- **Equality committee:** It is responsible for overseeing compliance with principles, commitments, internal policies and legislation regarding social matters, protecting the fundamental rights of individuals and meeting established objectives.
- **Health and safety committee:** It is in charge of overseeing compliance in health-and-safety matters and of supervising the Company's actions in the area of job safety.



Risk-management systems

Solaria believes that risk management is a way of detecting risk ahead of time in decision-making processes and in its business strategy through a series of preventive measures.

The Company monitors, identifies and manages its main risks. Its approach does not consider risk management solely in the sense of potential impact on key figures in the short term, but rather strives to identify, analyze and manage all factors that may affect its strategy and the meeting of its objectives.

In 2018, Solaria approved its risk-management system, which analyzes the impact and probability of occurrence of the risks that the Company is facing. The system is updated as needed, pursuant to legal requirements, due to change in the Company's structure or at the behest of the directors. Solaria recently identified new risks to which it is exposed and is currently preparing the release of a new system slated for 2022.

The risk-management system is part of the Company's internal rules and corporate policies and is designed to minimize any risks to which Solaria may be exposed. The system is applied to all the Company's employees, including the Board of Directors, its commissions, the steering committee, internal committees and all other personnel. The Board of Directors is ultimately responsible for the management of Solaria's risks.

The following is a summary of the main risks that the Company has identified. It does not address impact or probability of occurrence, which are detailed in the risk-management system.

- **Financial risk:** uncertainty deriving from performance of prices, exchange rates and interest rates, which may affect the Company's accounts and its ability to secure financing in capital markets. Further information available in 2021 annual financial statements.
- **Business risk:** uncertainty associated with the development and meeting of the Company's objectives due to factors that hamper or delay strategic transactions. Said factors may affect the Company's value or its financial statements.
- **Market risk:** uncertainty of financial markets in relation to the potential adverse impact on the Company's profitability. Solaria makes use of derivatives to hedge exchange-rate and interest-rate risk.

- **Credit risk:** defined as the financial-solvency risk of the Company's business portfolio. This risk is not relevant for Solaria as its customers are either Spain's antitrust regulator CNMC or multinational enterprises through PPAs.
- **Regulatory risk:** potential impact on the meeting of strategic objectives brought on by changing regulation in markets where the Company is present.
- **Tax-related risk:** deriving from uncertainty as to whether tax authorities will accept the fiscal treatment of tax returns that the Company has filed or plans to file. See [page 53](#) of this Report for further details.
- **Operational risk:** uncertainty associated with loss resulting from unsuitable or malfunctioning processes, performance of personnel, availability of operating assets or the incidence of any external development.
- **Environmental risk:** associated with the possibility of the environment, ecosystems or biodiversity being damaged by forces of nature or human activity.
- **Climate-change risk:** deriving from the energy transition (regulation, market, technologies, etc.) and from the physical impacts of climate change. See [page 27](#) of this Report for further details.
- **Reputational risk:** uncertainty insofar as how interest groups perceive the Company's reputation due to the actions of Solaria or its workforce, including those associated with corruption and its influence on earnings in the short, medium and long terms.
- **Cybersecurity risk:** deriving from malicious attacks or accidents that affect the Company's operations, data, IT networks or technology.
- **Fraud risk:** deriving from any illegal action taken intentionally by an employee or third party in order to obtain benefit for themselves or for the Company directly or indirectly through improper use of the Company's resources or assets.

Ethics and compliance

Solaria builds its relations with its surroundings on a foundation of ethics, integrity and observance of current regulation.

The Company's compliance model is not limited to mere observance of the law. In this sense, Solaria approved a crime-prevention model in 2018 that is currently under revision. The Company intends to approve a new crime-prevention model in 2022.

In 2020 and 2021, Solaria bolstered its compliance model by updating and disclosing its rules and corporate policies, all of which are meant to ensure that the conduct of all its employees is based on corporate ethics and sustainability.

In addition, Solaria has developed the governing bodies, regulations and internal tools needed for proper supervision of the compliance model. Internal control of the effective application of policies on environmental, social or governance-related issues corresponds to the ethics, compliance and ESG committee, which is also in charge of promoting, monitoring and periodically revising the alignment of challenges related to the Company's activity and its strategy of sustainability. The ethics, compliance and ESG committee is in charge of reporting all relevant developments periodically or as required to the ethics, compliance and ESG commission or directly to the Board of Directors.

In 2020, the management team decided to become more involved in the Company's strategy of sustainability and ESG, linking 15% of variable pay to the meeting of sustainability and ESG objectives. The team also signed malus and clawback clauses to avoid malpractice, thus ensuring the use of the highest ethical standards and sound business practices.

Compliance model

- **Corporate code of ethics** 

Manual for employees, management, directors and third parties who do business with the Company. The manual establishes the principles to be upheld and the commitments to be fulfilled.

- **Human rights policy** 

Approved in 2021, the policy formalizes Solaria's zero-tolerance policy regarding any infringement of or practice contrary to the human and labor rights of individuals.

- **Anticorruption policy** 

Its purpose is to help Solaria's employees and associated individuals to understand the rules regarding the Company's stance against corruption and bribery, allowing them to make good decisions.

- **ESG policy** 

It defines basic guidelines and activities to favor social well-being, respect for the environment and generation of long-term value, as well as addressing the expectations of interest groups.

- **Environmental policy** 

The policy formalizes the Company's commitment to the fight against climate change, to efficient and responsible use of natural resources and to protection of biodiversity, as well as defining emission-reduction objectives.

- **Equality and diversity policy** 

It establishes a series of objectives and measures defined by Solaria for the purpose of promoting diversity, equal treatment and equal opportunity among men and women in the workplace.

- **Health and safety policy** 

The policy defines Solaria's commitment to the health and well-being of individuals, promoting ongoing improvement of workplace conditions and encouraging an appropriate, integrated approach to safety when working.

- **Antiharassment policy** 

The policy defines workplace, sexual and gender-based harassment and establishes the steps to be taken to investigate and respond to detected cases of such conduct.

- **Suppliers' code** 

It defines the principles and main values to be upheld by suppliers and providers who wish to work with the Company, establishing guidelines for the control and management of risks that may arise in the course of purchasing materials (or any other supplies) and contracting work and services.

- **System of internal control of financial information** 

The system defines the process of preparing financial information, the governing bodies involved and the management of financial risk.

- **Fiscal policy** 

It establishes Solaria's strategy regarding taxes, defining procedures for fulfilment of tax-related obligations and providing information on the management and control of tax-related risk.

- **Policy of remuneration of management** 

The purpose of this policy is to provide transparent management of the system of remuneration of the Company's management.

- **Other policies**

In relation to interest groups, Solaria has a [group policy of communication](#) , a [protocol for interviewing and hiring](#) , and a [policy on information and security](#) .

Corruption and bribery

Solaria takes a zero-tolerance approach to corruption and bribery and is committed to current laws and practices against these activities. In this sense, the Company maintains an updated anticorruption policy that defines its commitments and acceptable conduct insofar as gifts, gratuities and invitations. It also establishes the steps to be taken in the event of conflicts of interest.

In this regard, Solaria has informed all its personnel of the existence of the policy, including newly hired employees, and it regularly provides its entire workforce with training. In addition, all of Solaria's suppliers are required to sign an agreement that indicates their acceptance and understanding of the Company's policies, including its anticorruption policy.

In 2021, the Company detected no cases of corruption nor suspected any such activity among its employees or business partners, nor did it receive any such information or complaints through its Compliance Channel.

Solaria does not tolerate any practice that may be construed as money laundering, which is defined as any transaction made for the purpose of legitimizing or obtaining the appearance of legitimacy in relation to goods or assets obtained through illegal means, as set forth in the Company's corporate code of ethics. Solaria prohibits all cash payments that have not been expressly authorized and clarified beforehand.

Compliance Channel

In addition to its communication channel in relation to Solaria's area of corporate sustainability (greenmatters@solariaenergia.com), the Company has another channel for communication, submission of information and filing of complaints (canalcompliance@solariaenergia.com). The channel is available to employees and collaborating third parties, including those who collaborate anonymously, for the purpose of expressing any doubts or suggestions in relation to compliance or for reporting unethical or illegal conduct.

Solaria's Compliance Channel ensures confidential treatment of all reported matters and guarantees that those reporting such cases will not be subjected to retaliation.

In 2021, Solaria received no such complaints or enquiries from third parties, nor were any such complaints filed within the Company.

Information security

Solaria considers the information to which it is provided access to be a valuable resource. Accordingly, it upholds its duty and commitment to the protection of this information. It provides its interest groups—including employees, collaborators, suppliers, customers, shareholders, investors and all third parties with whom it does business—with a secure environment by taking steps to ensure security and by using suitable operating processes that ensure the proper functioning of the Company.

The Company's actions in this regard are based on continuous planning, execution, control, monitoring, auditing, improvement and specific plans of action. The purpose of these actions is to ensure ongoing improvement of operating processes as a means of ensuring the continuity of the business, its resilience and the proper functioning of the Company.

The principles upheld by Solaria in regard to information security are the following:

- **Confidentiality:** The information must be accessed only by authorized personnel.
- **Integrity:** The information must be complete, precise, valid and free of manipulation.
- **Availability:** The information must be available for authorized personnel at all times, and its persistence must be guaranteed in the event of unforeseen developments.

The information that the Company uses may be stored in different forms: printed or written on paper, stored electronically, transmitted by post or through electronic media, displayed in projections or expressed orally in conversations.

Solaria strives to achieve higher levels and standards of sustainability by using technology and/or digitalization in its operations. Regardless of the format or media of the information at source and at destination, a system must be established that ensures the security of transmitted information from one point to another, thus reducing risk and providing protection against any type of threat.

Solaria defines information security as the safeguarding and protection of (i) information on Solaria stored in its own systems or in those of third parties and (ii) information on third parties stored in Solaria's systems.

In order to protect the information and to deploy and improve its security measures, Solaria follows a series of guidelines and takes measures to verify the initiatives and results of projects and tasks related to cybersecurity. The following are the most noteworthy:

- Solaria's Board of Directors approved in 2020 a policy on information security that establishes the Company's commitments and measures taken to minimize or eliminate cybersecurity risks. The Board of Directors is ultimately responsible for compliance with the policy and its updating, when required.
- One of Solaria's priorities is to ensure the continuity of the Company. It duly scrutinizes and monitors its departments and areas, as well as maintaining corresponding contingency plans and protocols for recovery from disasters.
- Solaria places great importance on cybersecurity, which is defined and deployed automatically in all new projects involving services, IT and OT infrastructures, development projects, etc.
- Solaria works tirelessly on plans to improve resilience of services and infrastructures and constantly revises technologies, services and infrastructures to detect and prevent attacks, intrusions, unusual occurrences, etc.
- Solaria establishes plans for improvement of governance of new and recurring data.
- Solaria promotes training, awareness initiatives and the creation of a cybersecurity culture among its employees.
- All of Solaria's employees have signed contractual agreements by which they are required to treat the Company's information with due diligence and the utmost confidentiality, including all personal data for which Solaria may be held liable

A | ANNEXES



Annex

List of indicators according to the Law 11/2018 for Non-financial information and diversity

The following table relate every section of Solaria's Non-financial Information Report which complies with the Law 11/2018 sections, in matters of non-financial information

Ley 11/2018 Content	Page	Reference framework
Business model		
Brief description of the group's business model (business environment and organization)	5-9	GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-7, GRI 102-18
Markets where it operates	10	GRI 102-4, GRI 102-6
Organisational objectives and strategies	17	GRI 102-14
Key factors and trends that could affects the future outlook	18	GRI 102-15
Strategy and risk management		
Description of group policies	19-22	GRI 103-1, GRI 103-2
Results of group policies	19-22	GRI 103-3
Primary non-financial risks related to group's activities	58	GRI 102-15
Non financial information profile		
Materiality	14-15	GRI 102-47
Regulatory framework	1	GRI standards

Ley 11/2018 Content	Page	Reference framework
Environmental issues		
Current and projected effects of the company's activities on the environment and, if applicable, on health and safety	24-27	GRI 103-1, GRI 307-1
Environmental assessment or certification procedures	24-27,51	GRI 103-1
Resources deployed to prevent environmental risks	29-31	GRI 103-1
Application of principle of precaution	25	GRI 102-11
Quantity of provisions and guarantees for environmental risks	33	Environmentl responsibility law 26/2007
Pollution		
Measures to prevent, reduce or offset carbon emissions which seriously affect the environment and particular at-mospheric pollution of an activity, including noise and light pollution	29,30,32	GRI 305-1, GRI 305-2
Circular economy and prevent and waste management		
Waste treatment measures including prevention, recycling, reuse and other forms of recovery and disposal	33	GRI 306-2
Sustainable use of resources		
Water consumed and supplied in accordance with local restrictions	31	GRI 303-1 <i>*Water consumption is not relevant for Solaria. Due to the performed activity, the amount of water consumed is not significant.</i>
Consumption of raw materials	31	GRI 303-1 <i>*Raw materials consumption is not relevant for Solaria. Due to the performed activity, the quantity of raw materials consumption is not significant.</i>
Direct and indirect consumption of energy	30	GRI 302-1, GRI 302-3
Measures taken to improve energy efficiency	30	GRI 302-4
Use of renewable energies	30	GRI 302-1

Ley 11/2018 Content	Page	Reference framework
Climate Change		
Important information about greenhouse gases emitted as a result of the company's activities	28-29	GRI 305-1, GRI 305-2
Measures adopted to adapt to the consequences of climate change	26-30	GRI 201-2
Medium and long-term reduction goals voluntarily established to reduce greenhouse gas emissions and the re-sources used to this end	28-29	GRI 305-5
Biodiversity		
Measures taken to preserve or restore biodiversity. Impacts of business activities or operations on protected areas	31-32	GRI 304-2
Social and personnel-related issues		
Employment		
Total number and breakdown according to gender, age, country and professional classification. Total number and breakdown according to form of employment contract	36	GRI 102-8
Annual average of open-ended contracts, temporary contracts and part-time contracts according to gender, age and professional classification	37	GRI 102-8
Number of dismissals according to gender, age and professional classification	38	GRI 401-1
Average remuneration and progression according to gender, age and professional classification or equal value	41	GRI 405-2
Salary and wage gap	41	(Average remuneration for men – Average remuneration for woman) / Average remuneration for woman
Average remuneration of directors and senior managers	41,57	GRI 405-2
Disconnection policies	44	GRI 401-2 * Solaria plans to establish additional disconnection measures in the following years.
Employees with disabilities	38	GRI 405-1
Work organisation		
Work organisation	44	GRI 401-2
Number of absenteeism hours	42	GRI 403-2
Measures to help employees strike the right work-life balance	44	GRI 401-2, GRI 401-3

Ley 11/2018 Content	Page	Reference framework
Health and safety		
Health and safety conditions	42	GRI 403-2
Workplace accidents according to gender	42	GRI 403-2
Frequency rate by gender	42	GRI 403-2
Severity rate by gender	42	GRI 403-2
Occupational diseases by gender	42	GRI 403-2
Social relations		
Organisation of social dialogue, including staff reporting, advisory and bargaining procedures	44	GRI 402-1
Percentage of employees covered by a collective bargaining agreement according to country	38	GRI 102-41
Assessment of impact of collective agreements on occupational health and safety	42	GRI 403-4
Training		
Training policies implemented	40	GRI 404-2
Total amount of training hours according to professional category	40	GRI 404-1 * During the year, it has measured the total training hours received by its employees, without distinguishing between professional categories, since training hours are equal between professional categories.
Universal accessibility of people with disabilities	41	GRI 405-1
Equality		
Measures adopted to promote employment, sexual and gender-based harassment protocols	41	GRI 405-1
Equality plans	41	GRI 405-1
Integration and universal accessibility of people with disabilities	19,39,41	GRI 405-1
Policy against all forms of discrimination and, if applicable, diversity management	39,41	GRI 406-1

Ley 11/2018 Content	Page	Reference framework
Human Rights		
Due diligence procedures in the field of human rights	46	GRI 102-16
Prevention of human rights violations and, if applicable, measures to mitigate, manage and compensate any incidents of abuse	46	GRI 102-16, GRI 414-1
Reports of human rights violations	46	GRI 102-17
Promotion of and compliance with ILO covenants on the freedom of association and collective bargaining, discrimination in respect of employment and occupation, elimination of forced or compulsory labour and the effective abolition of child labour	46	GRI 102-16, GRI 407-1
Elimination of discrimination in respect of employment and occupation	46	GRI 406-1
Elimination of forced or compulsory labor	46	GRI 409-1
Effective abolition of child labor	46	GRI 408-1
Corruption and bribery		
Measures adopted to prevent corruption and bribery	60	GRI 102-16
Anti-money laundering measures	60	GRI 102-16
Contributions to non-profit foundations and entities	-	GRI 201-1 <i>* During 2021 donations have not been made by Solaria.</i>
Society		
Company commitments to sustainable development		
Impact of company's activity on employment and local development	47-49	GRI 102-8, GRI 413-1
Impact of company's activity on local people and communities	47-49	GRI 102-8, GRI 413-1
Relations with stakeholders of local communities and existing forms of dialogue	47-49	GRI 102-43
Association and sponsorship initiatives	47-49	GRI 102-13

Ley 11/2018 Content	Page	Reference framework
Subcontractors and supplies		
Inclusion of social, gender equality and environmental issues in the procurement policy	51	GRI 308-1, GRI 414-1
Consideration of social and environmental responsibility in relations with suppliers and subcontractors		GRI 308-1, GRI 414-1
oversight and auditing systems and their results		GRI 308-1, GRI 414-1
Consumers		
Consumer health and safety measures	-	GRI 416-1, 416-2 <i>*Solaria's activity covers neither commercialization nor distribution of energy to end user. The company works directly with the market through PPA (Power Purchase Agreements). For this reason, Solaria does not consider relevant the end user (consumers) within the list of stakeholders.</i>
Grievance mechanisms		
Grievances, complaints and their resolution		
Tax reporting		
Profit made according to country	53	GRI 201-1
Tax on profit paid		Income tax calculated based in countabil-ity criteria
Public grants received		GRI 201-4
UE Taxonomy		
Net sales volume aligned with the Taxonomy	24	Delegated Act of the European Commission, Article 8(1) of the Taxonomy Regulation included in the non-financial statement or consolidated non-financial statement information
CAPEX aligned with the Taxonomy	24	Delegated Act of the European Commission, Article 8(1) of the Taxonomy Regulation included in the non-financial statement or consolidated non-financial statement information
OPEX aligned with the Taxonomy	24	Delegated Act of the European Commission, Article 8(1) of the Taxonomy Regulation included in the non-financial statement or consolidated non-financial statement information

Annex II

Independent verification report



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INDEPENDENT LIMITED ASSURANCE REPORT OF THE NON-FINANCIAL INFORMATION STATEMENT

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

To the Shareholders of SOLARÍA ENERGÍA Y MEDIO AMBIENTE, S.A.

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Non-Financial Information Statement (hereinafter, NFS) for the year ended December 31, 2021, of SOLARÍA ENERGÍA Y MEDIO AMBIENTE, S.A. and Subsidiaries (hereinafter, the Company), which is part of the Sustainability Report of the Company.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information statement that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the Annex "Table of contents as required by Law 11/2018" of the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Sustainability Report and its content is the responsibility of the Board of Directors of the Company. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the Global Reporting Initiative Sustainability Reporting Standards (selected GRI standards), as well as other criteria described in accordance with that indicated for each subject in the Annex "Table of contents as required by Law 11/2018" of the NFS.

Such a responsibility also includes the design, implementation and maintenance of the internal control considered necessary to enable that the NFS is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems, from which the information necessary for the preparation of the NFS is obtained.

Our Independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus, it maintains a global quality control system that includes documented policies and procedures related to the compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information Statement and, specifically, in information about economic, social and environmental performance.



Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in the prevailing International Standard on Assurance Engagements 3000 "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 guidelines for verifying the Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements and, therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Company's units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meetings with the Company's personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analysis of the scope, relevance and integrity of the content included in the NFS based on the materiality analysis made by the Company and described in the chapter "Materiality analysis", considering the content required by prevailing mercantile regulations.
- ▶ Analysis of the processes for gathering and validating the data included in the 2021 NFS.
- ▶ Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFS.
- ▶ Check, through tests based on a selection of a sample, of the information related to the content of the 2021 NFS and its correct compilation from the data provided by the information sources.
- ▶ Reception of a representation letter from the Board of Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives, for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying NFIS. Additionally, information has been included, for which the directors of the Company have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the chapter "Environmental commitment" of the accompanying NFIS. Our conclusion has not been modified in relation to this matter.



Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Company's NFS for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents required by the prevailing company law and the selected GRI standards' criteria, as well as other criteria, described as explained for each subject matter in the Annex "Table of contents as required by Law 11/2018" of the NFS.

Use and distribution

This report has been prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

25th February 2022



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