

RISK MANAGEMENT SYSTEM



Solaria

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CHAPTER I – INTRODUCTION

Solaria Energía y Medioambiente, S.A. (hereinafter "Solaria" or "the Company") is highly committed to good governance, business ethics and integrity and is aware of the importance of measurement and internal control activities in the current economic environment for market operators.

For this reason, Solaria publishes this policy which regulates the System of control and management of financial and non-financial risks (hereinafter "Risk Management and Control System"), in order to establish the basic principles and the general framework of action for the control and management of all types of risks faced by the Company.

The Policy is conceived as an integral part of the set of rules created by the Company in order to manage risks and minimize violations in the business environment, all of them constituting Solaria's Corporate Policies.

CHAPTER II – SCOPE OF APPLICATION

This Policy applies to Solaria and the subsidiaries over which Solaria has, or may have in the future, effective control (hereinafter "Group" or "Solaria Group") and will be binding on all its personnel, regardless of their position and function, including managers and directors.

The application of the Policy may be extended, in whole or in part, to any other individual and/or legal entity linked to the Solaria Group by a relationship other than an employment relationship when it is appropriate for the fulfillment of the purpose of the Policy.

CHAPTER III – GENERAL COMMITMENTS

Solaria is aware that it is subject to various inherent risks that may prevent it from achieving its objectives and executing its strategies successfully.

For the Company, the identification, management and control of risks is the means to anticipate them in decision-making and business strategy through a series of preventive measures. For this reason, it monitors the main risks to which it is exposed, analyzing their possible impact on economic magnitudes in the short, medium and long term and the factors that could affect the achievement of its objectives and strategy.

Solaria is characterized by a high level of awareness and control of risks in order to safeguard the interests (i) of Solaria; (ii) of the people related to it; (iii) of the market; and (iv) the culture and values that are considered worthy of protection. All of this obeying the high self-imposed ethical standards and the vigilance to preserve Solaria's high level of reputation wherever it operates or is present.

The Company's Board of Directors, aware of the importance of this aspect, is committed to develop all its capabilities so that the significant risks of all activities are adequately identified, measured, managed and controlled, and to establish the basic mechanisms and principles for an adequate management of risks and opportunities, in order to:

- a) to achieve the strategic objectives,
- b) provide the highest level of assurance to shareholders and stakeholders,
- c) contribute to the fulfillment of the Sustainable Development Goals (SDGs) of the United Nations,
- d) protect Solaria's results and reputation,
- e) to guarantee business stability and financial soundness in a sustained manner over time, and
- f) to raise awareness of the risk culture among Solaria's professionals, through communication and training programs.

CHAPTER IV – CONTROL ENVIRONMENT

The control environment is the set of values and ethical principles that regulate the operation of an entity and, consequently, determine the conduct and mode of action of its employees, executives and members of the Board of Directors.

Risk control is based on the existence of a series of processes and procedures whose ultimate objective is to carry out an ex ante preventive control of risks in order to avoid their occurrence.

La estructura del ambiente de control de Solaria está organizada en tres niveles:

- General corporate rules and policies and documentation relating to the organizational and corporate structure: these are those that establish the values and ethical principles that set the guidelines for action at the corporate level, for all members of Solaria in the performance of their professional duties.
- Internal rules, manuals and procedures that regulate operations: these are those that, following the general guidelines contained in the global Corporate Rules and Policies, describe the specific framework of action that must be observed in the execution of specific tasks.
- Operational controls and procedures: this category includes those controls and procedures, both manual and automatic, whose purpose is to limit the occurrence of events, errors or irregularities that may involve the commission of a criminal act in Solaria or a failure to comply with the control criteria listed in the internal rules and manuals.

Within the structure of the control environment, the following procedures are contemplated to prevent or mitigate the occurrence of identified risks:

A. Prevention activities

The objective of these activities is to avoid potential non-compliance and, therefore, mitigate the probability of occurrence of the identified risks. In this area, the main activities carried out

are (i) the identification of risk activities; (ii) the implementation of preventive controls; and (iii) communication and training of personnel.

B. Detection activities

The objective of this second group of activities is focused on detecting ineffective operation of preventive controls, as a result of errors in the execution of such controls, either unintentionally or as a result of malicious attitudes involving fraud or deceit. In this area, Solaria has procedures for the periodic evaluation of the controls implemented and audits of these controls.

C. Response activities

The objective of the reaction activities is to establish guidelines on how Solaria should proceed once it has become aware of the existence of a risk within Solaria.

CHAPTER V – RISK IDENTIFICATION

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

The risk control and management process begins with the identification of risks and aims at drawing up a comprehensive risk list based on events that could prevent, degrade or delay the achievement of objectives.

Solaria has identified and evaluated the risks to which it is exposed, having detected the following risks:

- Financial risks: these are risks resulting from the uncertainty derived from the evolution of prices, exchange rates and interest rates, which may affect the Company's balance sheets and its financing capacity in the capital markets.
- Business risks: these are risks derived from the uncertainty associated with the

development and achievement of the Company's objectives due to factors that hinder or delay strategic operations, which may affect the value of Solaria or the financial statements.

- Market risks: risks arising from the uncertainty of the financial markets in relation to the potential adverse effects on the Company's financial profitability.
- Credit risk: understood as the risk of financial solvency of the Company's commercial portfolio.
- Regulatory risk: understood as the potential impact on the achievement of strategic objectives due to changes in the regulatory frameworks in which the Company operates.
- Tax risk: derived from the uncertainty as to whether the tax authorities will accept the tax treatment adopted in the tax returns filed or to be filed.
- Operational risk: uncertainty associated with losses resulting from an inadequacy or failure in processes, personnel performance, availability of operating assets or the occurrence of any external event.
- Environmental risk: associated with the possibility of environmental damage or damage to ecosystems and biodiversity, due to natural or human causes.
- Climate change risk: arising from the energy transition (regulation, market, technologies...) and the physical impacts of climate change.
- Reputational risk: uncertainty about the perception of stakeholders regarding the Company's reputation as a result of behaviors of the company or its employees, including those related to corruption, and their influence on short, medium and long-term results.
- Cybersecurity risk: arising from malicious attacks or accidental events with operational impact, affecting data, computer networks or technology.
- Fraud risk: derived from any intentional, unlawful action by an employee or third party to achieve a direct or indirect benefit for themselves or for the Company through the improper use of Solaria's resources or assets.

CHAPTER VI – RISK MANGEMENT

The Policy and its basic principles are materialized through a comprehensive risk control and management system, with an adequate definition and assignment of roles and responsibilities at the operational and supervisory level and in procedures, methodologies and support tools appropriate to the different stages and activities of the system.

Solaria performs risk management through the following tools:

- a) The establishment of a structure of risk policies, guidelines and indicators, as well as the corresponding mechanisms for their approval and deployment, which review and establish the degree of risk tolerance annually assumed.
- b) The continuous identification of relevant risks based on their possible incidence on key management objectives and their financial impact.
- c) The analysis of such risks.
- d) d) The maintenance of a system for monitoring and controlling compliance with policies, through appropriate procedures and systems, including the necessary contingency plans to mitigate the impact of the materialization of risks.
- e) Continuous evaluation of the suitability and efficiency of the application of the system and of the best practices and recommendations in risk matters for their eventual incorporation into the model.
- f) The audit of the risk control and management system.

CHAPTER VII – RESPONSABILITIES

For an adequate risk management, Solaria has defined and assigned roles and responsibilities.

A. Board of Directors

The Board of Directors is ultimately responsible for the implementation, management

and monitoring of the Risk Control and Management System. This responsibility is exercised through the Audit Commission, as provided for in the Regulations of the Board of Directors. The Appointments and Remuneration Commission and the Ethics, Compliance and ESG Commission also play an important role.

B. Management Committee

The management team of Solaria is the body in charge of ensuring the application and internal compliance with all policies, protocols or rules that are part of the Company and the day-to-day management of all this, as well as risk management and the accuracy of the information that the Company proposes to the Board of Directors and makes public. He is also in charge of reporting to the Commissions or the Board of Directors on any matter relevant to the operation of the Company.

C. Internal Audit

Solaria has an Internal Audit function that reports hierarchically to the Audit Commission. Among its most significant responsibilities are: To ensure the reliability and integrity of the information it publishes, as well as the means used for its preparation and to guarantee, through computer auditing, the adequacy, usefulness, efficiency, reliability and integrity of the information and information systems.

D. Finance Department

The Finance Department is responsible, among others, for the identification, management and control of financial risks, as well as the annual risk assessment and determination of the controls to be implemented.

E. Ethics, Compliance and ESG Committee

The Ethics, Compliance and ESG Committee, reporting to the Ethics, Compliance and ESG Commission, is responsible for the identification, management and control of non-financial risks, supervision of information made public in relation to Ethics, Compliance and ESG, preparation of ethical and/or corporate documents and policies to be submitted to the Ethics, Compliance and ESG Commission for approval, training of the Company's employees in relation to internal rules, ethical standards and the operation of the Compliance Channel.

F. Employees

All Solaria employees, in the performance of their duties within the Company, are responsible for ensuring the proper functioning of the Company, detecting and informing the appropriate person of any possible risks detected, as well as acting in an ethical and diligent manner.

CHAPTER VIII – COMPLIANCE

The Board of Directors, at the proposal of the Audit Commission, is responsible for approving this Policy, as well as for supervising and periodically evaluating the general integration of this Policy.

In the event of a breach of any of the commitments or principles of action included in the Policy, Solaria will adopt the corresponding measures, and may take disciplinary action.

The Company has established a communication channel, to which both employees and third parties can address, in order to communicate any doubts or suggestions, as well as to report, in a safe and anonymous way, unethical or illegal behaviors of which they are aware: canalcompliance@solariaenergia.com.

The Company may carry out as many controls as it deems appropriate to verify compliance with the provisions of the Policy.

CHAPTER IX – COMMUNICATION OF THE POLICY

This Policy will be available to all Solaria employees, as well as to all the Company's stakeholders through the corporate website (www.solariaenergia.com).

The Policy will be the object of all communication and training actions required for its knowledge and understanding.

CHAPTER X – ENTRY INTO EFFECT

This Policy has been approved by the Board of Directors of Solaria, at the proposal of the Audit Commission, at its meeting held on November 10, 2022, coming into force the day after its approval.