

**SOLEK**



# SUSTAINABILITY STRATEGY





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## DEAR READERS,

I am delighted that you have found a moment in the hustle and bustle of your everyday life to open our first sustainable strategy. A strategy for the way our business activities respect caring for the world around us. The way it treats nature, people in the locations where we operate, our business partners and, last but not least, SOLEK HOLDING SE employees.

We have based our activity on the clean and infinite solar energy. You won't find anything more sustainable in the renewable energy industry. Many would stop here, but we keep going. We realize that it's not just about having a green business. The aim is to be a responsible member of our society.

The values of respect for environment are being written into every single activity that we do. However, we want more, and we set ourselves ambitious ESG goals: for instance, by achieving carbon neutrality as early as 2040, investing in research and development and supporting community projects.

We are more than a solar developer. We are a fast-growing company whose influence on the world around us is increasing every week. We are not afraid to be a leader. And we want to be the leader! In light of current events, with energy prices rising and the supply of traditional resources not being guaranteed, our work, and especially our long-term vision, is even more important than ever.

Adopting an environmentally friendly approach, we want to work on building resources that support self-sufficiency and sustainability. We want to set an example and share our values with others.

I am sure that the following lines will positively change your attitude to photovoltaics and perhaps even show you that it is not all just about solar panels. For there is much more behind the solar energy within our business activity.

Thank you and enjoy your reading.

**Zdeněk Sobotka,**  
*Founder and CEO of SOLEK HOLDING SE*



# WHO WE ARE

SOLEK Group is a leading renewable energy company, established in 2010. As a leader in this sector, we develop, build, operate, own, and maintain power plants throughout **Europe** and **Latin America**. We specialize in solar energy, which represents one of the most environmentally friendly and cost-effective ways to produce electricity, releasing **zero CO<sub>2</sub> emissions**.

We keep close ties with our suppliers and contribute to economic development in the areas where we operate. As an employer, we create jobs in a growing number of countries, employing a team that includes 15 nationalities. The taxes and levies we pay help support **local communities**. The satisfaction of **our clients** as well as of **our employees and stakeholders** is a keystone of our business.

We have successfully completed more than thirty projects. Our objectives are to broaden installed capacity to **2 GW by 2027** and to operate in 14 countries by 2025.

Besides expanding to new markets, we are also diversifying operations to include **Floating PV, Hydrogen, Wind, Agrivoltaics, and Battery Storage**. We have become a fully-integrated IPP including the construction, ownership, and creation of **photovoltaic power plants** in Chile and Romania.

We also plan to move toward holding and managing photovoltaic power plants in our portfolio and to provide services to customers outside the Group.

“Our objectives are to broaden installed capacity to 2 GW by 2027.”



**14 YEARS**  
of experience in the  
renewable energy  
sector



**276+ MWp**  
connected solar  
power plants



**198+ MWp**  
solar power  
plants under  
construction



# SOLAR POWER PLANTS OF THE SOLEK GROUP

**WE OPERATE MAINLY IN CHILE.** The country has high potential for solar power due to its unique solar radiation levels. In addition, as Chile has very little oil, gas, or coal resources, the government has fostered market conditions and energy policies that emphasize the development of renewable energy. By prioritizing solar energy, Chile has become a Latin American leader in solar power.

## PROJECTS IN PROGRESS

LATAM

EUROPE

560

MWp

498

MWp

## ADVANCED DEVELOPMENT

LATAM

EUROPE

107

MWp

585

MWp

### LATAM

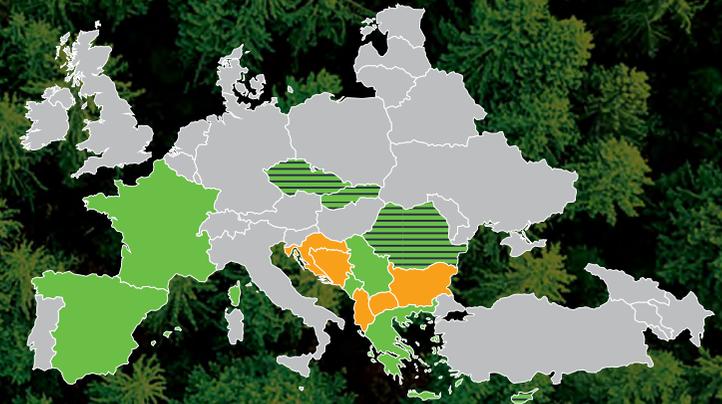
**POWER PLANTS CONNECTED:**  
Chile 251 MWp

**ACTIVE PROJECTS:**  
Chile, Columbia

**OPPORTUNITIES:**  
Ecuador, Peru

1  
countries

39  
projects



### EUROPE

**CONNECTED POWER PLANTS:**  
Czech Republic 2.1 MWp  
Slovakia 1 MWp  
Romania 21.74 MWp  
Cyprus 0.81 MWp

**ACTIVE PROJECTS:**  
Czech Republic, Slovakia,  
Romania, Cyprus, Greece, France,  
Spain, Serbia, Montenegro

**OPPORTUNITIES:**  
Croatia, Bulgaria, Kosovo,  
Bosnia and Herzegovina,  
Macedonia

4  
countries

18  
projects

# OUR VISION GUIDES US

## OUR MISSION

Make renewable energy accessible and more affordable while protecting the environment and in the meantime bring prosperity to our customers and investors.

## OUR VALUES ALWAYS ON OUR MIND

We build our business as well as sustainable strategy on 5 core values. By sticking to these values every step of the way, we ensure that our responsible decisions in all areas of business and company operations are made with inherent respect, passion, and our clients in mind.

### RESPONSIBILITY

We are reliable and responsible. Acting responsibly toward our stakeholders and toward the environment we operate in is crucial to our business. Through responsibility, we can be good employers and employees and sought-after partners to all external parties.

### ENTREPRENEURSHIP

We see opportunities and know how to seize them. An entrepreneurial spirit is a must in our endeavors. We look for ways even when others give up. We don't let any opportunity pass us by.

### CLIENT FOCUS

Always listening to our clients, driven by their feedback. If it weren't for our clients, we would not have our jobs. Our clients are among the most important stakeholders for our business. Therefore, we take extra care to understand our clients' needs and be ready to satisfy them.

### RESPECT

We and our partners respect nature. We live in a world with limited resources. By respecting basic laws of nature and adhering to them when selecting locations for our business as well as the suppliers with whom we decide to work, we try to harm nature as little as possible with the best potential outcomes.

### PASSION

We put the right energy into everything we do. Being passionate about our jobs is what makes us work hard and enjoy every moment of it. We love what we do, developing sustainable power plants and improving people's lives every day.



# OUR STAKEHOLDERS

## WE ARE AWARE OF THE IMPORTANT ROLE THAT ALL STAKEHOLDERS PLAY IN OUR BUSINESS.

Without our employees, we could not operate. Their **motivation**, **well-being** and **working conditions** are what define their relationship to SOLEK and the quality of the work they do. We want to treat them **fairly** no matter their background, race or gender.

Adhering to rules and regulations allows us to stay in business. We feel we simply must **comply with the law**, there is no way around it.

In the locations where we operate, we strive for **peaceful and respectful cooperation** with the local communities and landowners.

Stakeholders with purchasing and lending power are vital for the continuation of our business; the topic of **sustainability** has become an **important factor** in our **negotiations** with these stakeholders in recent years. We want to be a company with good environmental, social and governance management and be able to **demonstrate** this to our investors and lenders.

We strive for continuous development of long-term cooperation, **joint dialogue**, and improvement of **process efficiency** with our suppliers and business partners.



# OUR APPROACH TO SUSTAINABILITY

Since we take diminishing world resources as well as climate change and its impacts into account, we decided to play an active role in the energy transformation. Our sustainability strategy forms part of our sustainability and risk management approach which supports a regenerative planet, thriving local communities, and fulfilled employees and stakeholders. Actual and potential impacts of SOLEK on the economy, environment, and



society are reflected in our material topics.

Sustainability is not merely a catchphrase for us. To clearly demonstrate our motivation, we joined the United Nations Global Compact in summer 2022.

The UN Global Compact prescribes its member companies to follow 10 principles which we have incorporated into our goals within the areas of our sustainability strategy.

WITH OUR ACTIVITIES, WE SET FOR OURSELVES THE IMPERATIVE TO CONTRIBUTE TO 10 OF THE 17 SUSTAINABLE DEVELOPMENT GOALS. THE 17 GOALS WERE IDENTIFIED DURING A UNITED NATIONS GENERAL ASSEMBLY IN 2015. THESE GOALS OUTLINE ENDEAVORS WHICH ARE TO BE ACHIEVED BY 2030.





**CORE BUSINESS**

Supporting the net-zero transition by providing clean and renewable energy solutions.

**ENVIRONMENT**

Respecting nature by responsible management of its resources while protecting the environment and biodiversity.

**SOCIAL**

Empowering our employees and local communities by creating a safe and inclusive environment.

**GOVERNANCE**

Generating value for our shareholders and customers through ethical and responsible business.



# OUR CORE BUSINESS

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**SUPPORTING THE NET-ZERO TRANSITION BY PROVIDING  
CLEAN AND RENEWABLE ENERGY SOLUTIONS.**

**Topics addressed in this area:**

- Clean and affordable energy
- GHG emissions

Our main focus is producing renewable energy. We want to provide affordable, reliable, and modern energy services supported by research and technology. Besides focusing on energy production, we want to promote an innovative approach, generating energy from carbon-free sources while ensuring the stability of the power supply.



We aim to increase the installed capacity of the solar power plants in our global portfolio.



Through this we aim to increase our total avoided GHG emissions due to production of clean energy.

**KPI**

Installed capacity (MW/yr)

Total Avoided GHG emissions (tCO<sub>2</sub>e/yr)



# ENVIRONMENT

**RESPECTING NATURE BY RESPONSIBLE MANAGEMENT OF ITS RESOURCES WHILE PROTECTING THE ENVIRONMENT AND BIODIVERSITY.**

## **Topics addressed in this area:**

- Biodiversity protection and nature conservation
- Resource efficiency and waste management
- Climate change
- GHG emissions



It is important for us to assess and reduce our environmental impact as well as educate our employees and communities about it. We want to focus especially on Biodiversity protection and conservation, GHG emissions, Resource Efficiency and Waste management, and Climate change.



SOLEK will reach net zero emissions by 2040.



By 2025, we will set up an investment plan which will include investments in biodiversity protection and ecosystem conservation.



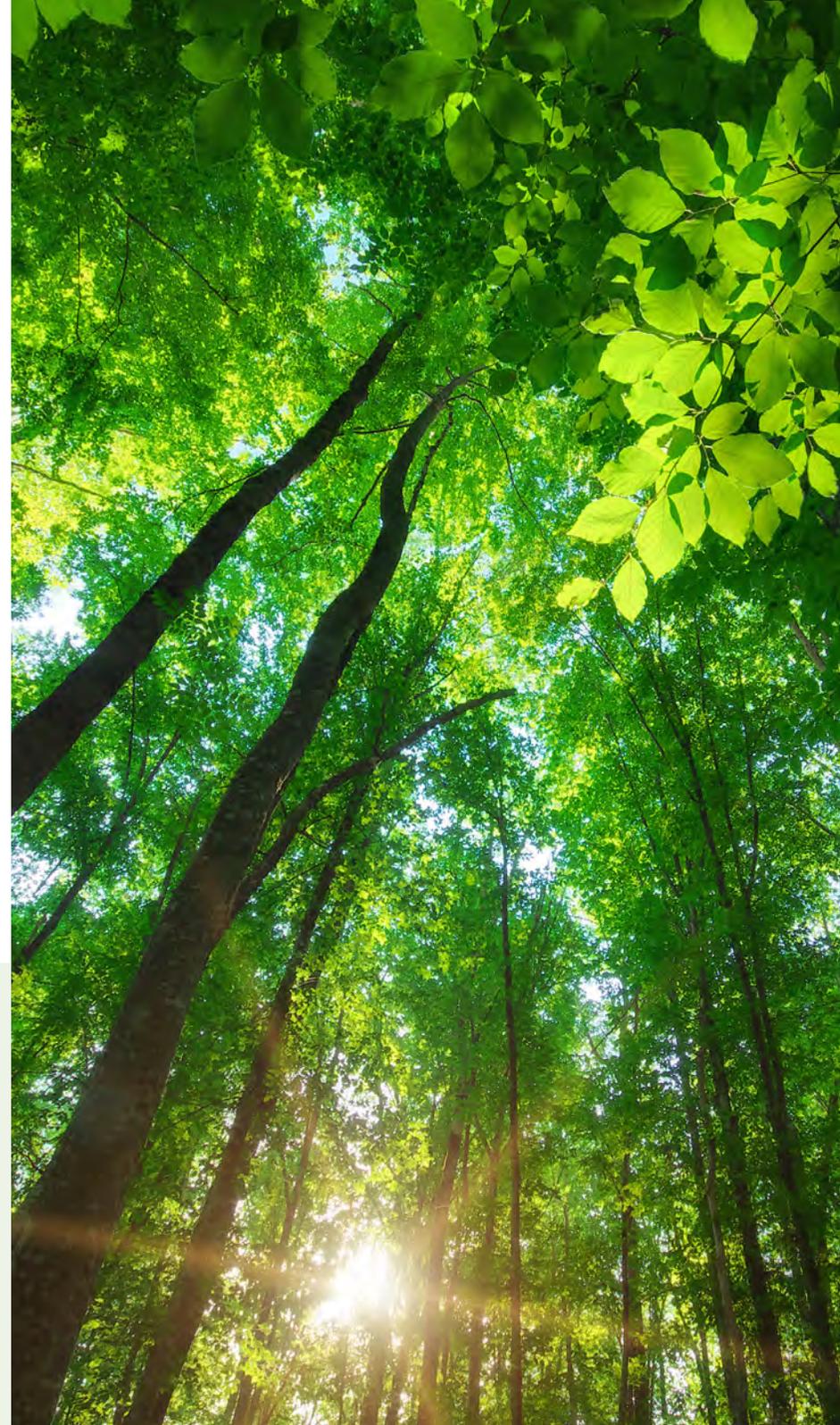
We aim to have 100% of our assets certified with ISO 14001 by 2030.



We will improve our resource efficiency.

## KPI

- Investment in biodiversity protection and ecosystems (\$/yr)
- Proportion of owned assets certified with ISO 14001 (%)
- Resource efficiency – energy consumption reduction (%)
- Resource efficiency – water consumption reduction (%)
- Resource efficiency – generated landfill waste reduction (%)
- Company's carbon footprint (tCO<sub>2</sub>e/yr)



## **BIODIVERSITY PROTECTION AND CONSERVATION**

Biodiversity protection and conservation means taking care of surrounding ecosystems, ensuring their conservation, and preventing land degradation, biodiversity loss, and extinction of threatened species. It is also important to invest in the protection of biodiversity and ecosystems.

## **CLIMATE CHANGE**

Climate change means taking into account mitigation, adaptation, impact reduction, and early warning, as well as education and awareness-raising. It is also about preventing climate-related hazards in operations and communities.

## **GHG EMISSIONS**

The topic of greenhouse gas emissions includes measuring, reporting and reducing direct and indirect emissions (GHG Protocol Scope 1, Scope 2 and Scope 3 emissions) to be in line with Paris Agreement and the European Green Deal. It is important to focus not only on carbon dioxide but also methane, F-gases, and nitrous oxide. This topic includes the education of employees and communities ab

## **RESOURCE EFFICIENCY AND WASTE MANAGEMENT**

Through efficient use of resources - especially water and energy consumption and use of raw materials – companies can significantly reduce their environmental footprint. Life cycle and circularity as well as waste production and management are also included in this material topic, along with the education of employees and community on topics including the Reduce, Reuse, and Recycle pyramid.

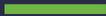
## **CLEAN AND AFFORDABLE ENERGY**

Production of clean and affordable energy is the target goal of the current energy transition. This topic focuses on development of clean energy power plants using renewable carbon-free or low-carbon sources.





# SOCIAL



**EMPOWERING OUR EMPLOYEES AND LOCAL COMMUNITIES BY CREATING A SAFE AND INCLUSIVE ENVIRONMENT.**

**Topics addressed in this area:**

- Employees
- Community impact
- Health & safety
- Human & labor rights



We want to take care of the people around us – both our employees and people in local communities. We are operating on two continents with very different cultural heritages and therefore it is crucial for us to approach the social aspect of our business with the utmost care. We want to create a solid systematic base for our decisions which can be adjusted to the local customs pertaining to employment or local community standards.



We will set up an investment plan which will include social investments to support local communities by 2025.



We aim to have 100% of our operations certified with ISO 45001 by 2030.



We will maintain no labor harassment issues.



We want to have diverse personnel and an inclusive work environment.

## KPI

Social investments (\$/yr)

Proportion of subsidiaries certified with ISO 45001 (%)

Number of labor harassment issues (#/FTE/yr)



### **COMMUNITY IMPACT**

Community impact is about focusing on further developing community relations, involving community in decision making, cooperating with local governments, and using local suppliers and workforce. Assessing impact on local communities and educating the communities in key ESG areas is also important. Part of community impact is ensuring meaningful donations to support local cultural heritage and becoming a socially responsible company toward local communities.

### **EMPLOYEES**

The material topic of employees means ensuring a good working environment, equal pay for work of equal value as well as diversity and gender equality. Providing good quality benefits and trainings to retain talent is also covered.

### **HEALTH AND SAFETY**

Health and safety is about ensuring safe workplace conditions for employees, providing OHS trainings including risk identification, prevention, and mitigation, and minimizing injuries, fatalities, and work-related illnesses.

### **HUMAN AND LABOR RIGHTS**

Human and labor rights means ensuring good working conditions, fair wages for all employees, gender equality, and the rights of children, indigenous people, and disabled persons. It also includes following international labor standards and ensuring employees' freedom of association and right to collective bargaining through trade unions.



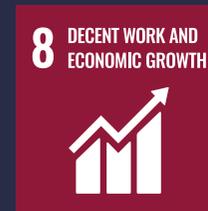
# GOVERNANCE

**GENERATING VALUE FOR OUR SHAREHOLDERS AND CUSTOMERS THROUGH ETHICAL AND RESPONSIBLE BUSINESS.**

## Topics addressed in this area:

- Business ethics
- Compliance
- Innovation & digitalization
- Risk management
- Sustainable supply chain

Governance is the key to creating a systematic approach to ESG. Many different departments participate in the management of material topics. We nominate the Group Compliance Officer to be the person responsible for the overarching management of the identified topics and their agendas with set targets.



We want to be innovative in our business, but we also make sure to uphold business ethics, comply with laws and regulations, and have solid risk management processes in place. In our operations we also want to develop a supply chain that is sustainable.



We will create action plans with policies to successfully manage the agendas of material topics by 2024.



We will train 100% of our employees in business ethics matters annually.



We will maintain no incidents of non-compliance with laws and regulations.



By 2025 SOLEK will set up an investment plan which will include investments into innovations.



By 2025 SOLEK will establish a managerial body which will be responsible for innovation and R&D.



By 2025 SOLEK will establish and document a robust risk management process.



By 2030 the proportion of SOLEK's spending on suppliers that are committed to sustainability initiatives will reach 50% on a yearly basis.

## KPI

Proportion of employees trained in combating corruption, bribery, GDPR, Code of conduct (%/yr)

Number of incidents of non-compliance with laws and regulation (#/yr)

Innovation investments (\$/yr)

Established innovation management process (yes/no)

Established risk management process (yes/no)

Proportion of spending on suppliers that are committed to sustainability initiatives (%/yr)



### **SUSTAINABLE SUPPLY CHAIN**

In sustainable supply chain, we focus on prioritizing transparent suppliers, local suppliers, and suppliers compliant with ESG standards (e.g., SDGs, SBTi), as well as having sustainability criteria in our supplier selection process and due diligence.

### **BUSINESS ETHICS**

At the core of our business are business ethics, with implemented norms and policies, a code of ethics, and an appointed ethics officer. Developing corporate governance and assigned responsibilities is crucial to ensure best practices, uphold our values, and prevent unethical behavior such as bribery, discrimination, and insider trading. Business ethics also means protecting intellectual property rights, employees' right to form trade unions, and having whistleblowing channels in place.

### **COMPLIANCE WITH LAWS AND REGULATIONS**

It is essential to adhere to laws and regulations, including local and international laws as well as European Union law. Management is responsible for and plays key role in maintaining a good reputation. It is important to follow best practices such as ISO and to prevent fines and monetary or non-monetary sanctions.

### **INNOVATION AND DIGITALIZATION**

Innovation means constantly upgrading our technological capabilities, investing in research and development, and automating and optimizing our processes. Our main focus areas are AI, Data management, GI, and remote sensing.

### **RISK MANAGEMENT**

Governance and risk management processes lead to preventing, identifying, evaluating, and prioritizing risks. It is important to avoid reputational, financial, social, and environmental risks. Insurance policies are also a part of our risk management process.



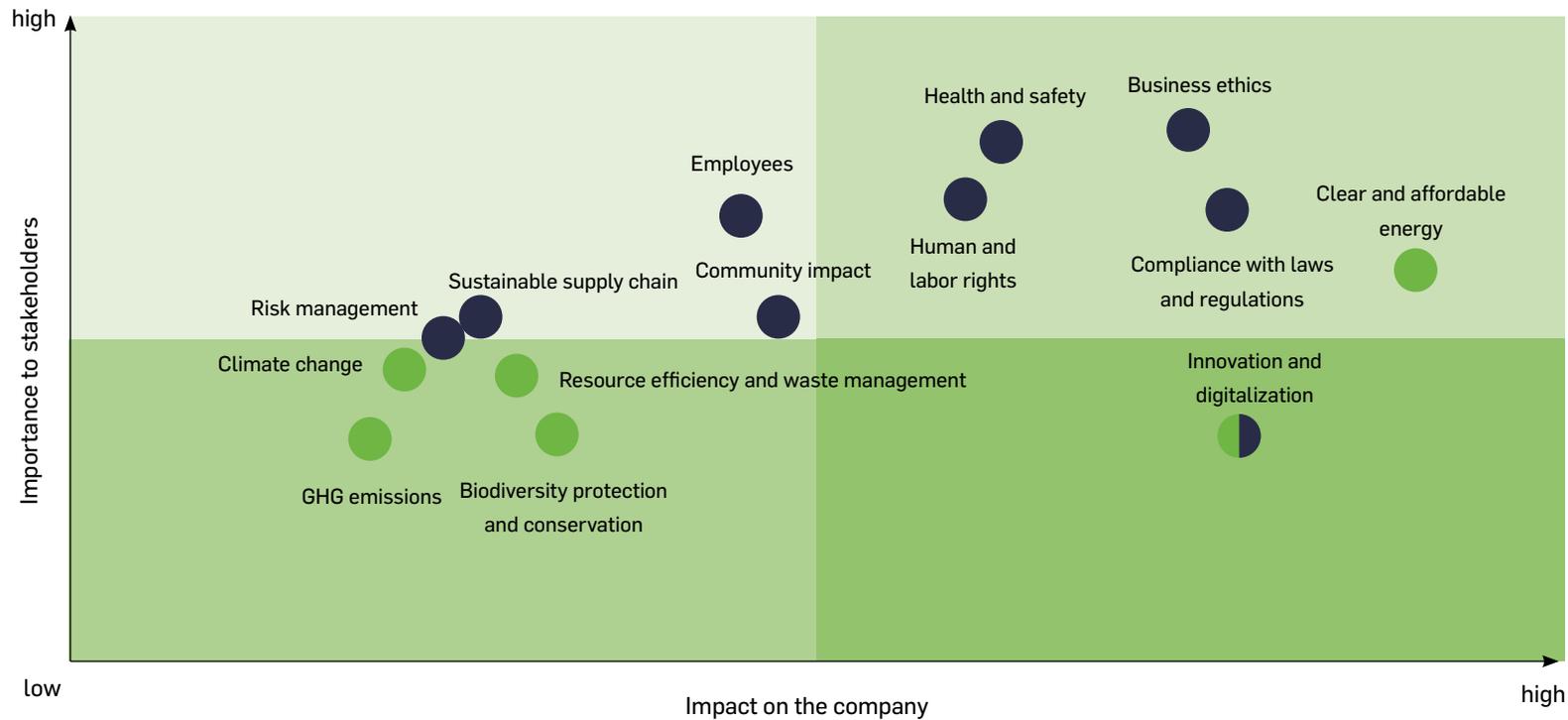
# ANNEX

At SOLEK, we use a materiality matrix to identify topics relevant to our business. A topic is relevant if it has:

- 1) A SIGNIFICANT ENVIRONMENTAL, ECONOMIC AND/OR SOCIAL IMPACT (POSITIVE OR NEGATIVE) ON OUR COMPANY; OR
- 2) A MAJOR IMPACT (POSITIVE OR NEGATIVE) ON THE ACTIONS OR DECISION-MAKING OF OUR STAKEHOLDERS.

Initial topics were identified through internal analysis of our business activities, stakeholders' expectations, and analysis of the renewable energy market. The evaluation of topics' impacts was performed during workshops held with the representatives of various stakeholder groups, e.g., investors, employees, and local communities. The accuracy of the results was validated by SOLEK's top management. This method established SOLEK's authentic material topics considering both company and stakeholders and a material matrix displaying the importance of the topics.

SOLEK's material matrix





# SUSTAINABLE DEVELOPMENT GOALS IN GREATER DETAIL





# THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

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## HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 Make sure that they are not complicit in human rights abuses.

## LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 The elimination of all forms of forced and compulsory labor;
- 5 The effective abolition of child labor; and
- 6 The elimination of discrimination in respect of employment and occupation.

## ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 Undertake initiatives to promote greater environmental responsibility; and
- 9 Encourage the development and diffusion of environmentally friendly technologies.

## ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.



# STAKEHOLDER EXPECTATIONS



## INVESTORS & LENDERS

### Banks, bond holders and other investors

Investors and lenders are regarded as crucial stakeholders. From the logic of their role, their expectations are our performance, high long-term profits, strong risk management, clear and transparent development plans and strategy, and legal compliance.



## BUSINESS PARTNERS

### Direct customers

Our business partners in the form of electricity network operators, distributors, and energy traders mainly expect transparent communication, legal compliance, and beneficial partnerships.



## TOP MANAGEMENT

### Stakeholders with decision-making power

Since we are passionate about our work, the vision of our top management is to ensure long-term profitability and company growth. All our actions are focused on becoming the industry leader and a reliable partner to stakeholders.



## LANDOWNERS

### Owners of the land are our key stakeholders

As landowners support the production of clean energy and the protection of the environment at the same time, besides high profits, sustainable land management, and fair and safe use of the land are their main expectations of their cooperation with SOLEK.



## SUPPLIERS & CONTRACTORS

### Supply chain

Our suppliers and contractors play an important role in our business and we strive to meet their expectations, such as transparent communication, legal compliance, and beneficial partnerships.



## LOCAL COMMUNITIES & MUNICIPALITIES

### Local decision-makers

We would not be able to develop, build and maintain power plants on the energy farms of our landowners without fruitful and transparent cooperation with local communities and municipalities. Hence, we strive to be a responsible and good employer of local people, support community development, maintain land management, and provide clean and affordable energy.



## GOVERNMENT & REGULATORS

### Regional, national, EU, and global decision-makers and institutions

We consider the European Commission and Chilean president Gabriel Boric to be our important stakeholders, who expect us to be a responsible taxpayer, comply with the law, and be transparent. Furthermore, governments and regulators expect us to reduce emissions and to continue developing energy infrastructure.



## EMPLOYEES

### We are a fair employer

As a fair employer, we strive to ensure that our commitment to sustainability is integrated into our everyday work and perceived by our employees. We ensure a healthy and safe work environment and secure, well-paid jobs.



## ENERGY CUSTOMERS

### Electricity end consumers

Electricity consumers are at the core of our renewable solar energy production. They need reliable, affordable, and sustainable energy. End customers also motivate us to pay attention to emissions reduction and to focus on responsible operations in terms of social and environmental accountability.



[www.solek.com](http://www.solek.com)

15. 4. 2024