

Date of Publication:
March 2022

The Task Force on Climate-related Financial Disclosures (TCFD) manages reliable climate-related financial information, contributes to transparency and objectivity in the analysis of climate risks and is based on four pillars: strategic review, establishment of effective governance for climate issues and sustainability, detailed analysis and modeling of future scenarios and improvement in the available information and disclosure of climate risks.

| TCFD ELEMENTS | DISCLOSURE RECOMMENDATIONS | LOCATION IN THE REPORT | External Verification (✓) |
|---------------|---|---|---------------------------|
| GOVERNANCE | (a) Describe the Board's oversight of climate-related risks and opportunities. | This Is How We Lead > Corporate Governance > Governance Structure > Steering Committee > Climate-Change Monitoring and Supervision | ✓ |
| | b) Describe Management's role in assessing and managing climate-related risks and opportunities. | <p>Strategic Framework > Risk Management > Risk Governance</p> <p>The climate-change phenomenon brings with it risks that affect financial stability due to its negative impact on assets. For this reason, at Celsia we evaluate the financial impact of the risks associated with climate change to adopt the necessary measures to guarantee the stability and continuity of our businesses.</p> <p>At Celsia, we recognize climate change as a transversal risk that is being studied in depth to ensure an understanding of its nature, an adequate assessment of its impact and that its integration into the Company's Risk-Management Models is as detailed as possible to, thus, contribute to the review of the strategy and undertake transformation plans for our business models.</p> <p><u>To see additional information to that published in the Integrated Report 2021 on the management of risks and opportunities related to climate, see the following table:</u></p> | ✓ |
| STRATEGY | a) Describe the short-, medium-, and long-term climate-related risks and opportunities identified by the Organization. | We Take Care of the Planet > Climate Change > Financial Risks and Opportunities | ✓ |
| | b) Describe the impact of climate-related risks and opportunities on the Organization's business, strategy, and financial planning. | We Take Care of the Planet > Climate Change > Impact of Climate Change | ✓ |

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| | c) Describe the resilience of the Organization's strategy, taking into account different climate-related scenarios, including one of 2°C or less. | We Take Care of the Planet > Climate Change > Risks in the Face of Climate Change | ✓ |
| RISK MANAGEMENT | a) Describe the Organization's processes for identifying and assessing climate-related risks. | Strategic Framework > Risk Management > Our Management > Evaluation of the Magnitude and Potential Scope of Risks We Take Care of the Planet > Climate Change > Risks in the Face of Climate Change | ✓ |
| | b) Describe the Organization's processes for managing climate-related risks. | Strategic Framework > Risk Management > Risk Governance We Take Care of the Planet > Climate Change > Risks in the Face of Climate Change | ✓ |
| | c) Describe how the processes to identify, assess and manage climate-related risks are integrated into the Organization's overall risk management. | Strategic Framework > Risk Management > Our Management | ✓ |
| METRICS AND GOALS | a) Disclose the metrics used by the Organization to assess climate-related risks and opportunities in line with its Risk-Management Strategy and process. | We Take Care of the Planet > Climate Change > Internal Carbon Price | ✓ |
| | b) Disclose Scope 1, Scope 2 and, if applicable, Scope 3 GHG emissions and related risks. (especially transition risks) | We Take Care of the Planet > Climate Change > Risks in the Face of Climate Change We Take Care of the Planet > Climate Change > Direct and Indirect GHG Emissions | ✓ |

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| | <p>c) Describe the targets used by the Organization to manage climate-related risks and opportunities and performance against targets.</p> | <p>We Take Care of the Planet > Management of Energy Resources > Principal Results: Water Consumption > Management of Water Resources</p> <p>We Take Care of the Planet > Management of Energy Resources > Principal Results: Energy Consumption > Management of Energy Resources</p> <p>We Take Care of the Planet > Climate Change > Direct and Indirect GHG Emissions</p> <p>We Take Care of the Planet > Ecoefficiency > Atmospheric Emissions (Particulate Matter, Sulfur Dioxide, Nitrogen Dioxide, Mercury and SF6) in 2021</p> | <p>✓</p> |

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| DETAIL OF THE GOVERNANCE INDICATOR - b) Describe Management's role in the evaluation and management of climate-related risks and opportunities | |
|--|--|
| ISSUE | MANAGEMENT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES |
| GOVERNMENT | <p>The Board of Directors and its Support Committees monitor and supervise the objectives and goals defined related to climate change, and the respective progress that has been achieved during the year. The teams that manage this issue present the progress of the Climate-Change Strategy to the Sustainability and Corporate-Governance Committee, where they give a complete context of how the Company is managing the issue, what the Action Plan is and how it is going to meet each established goal and objective. Then the Chairman of this Committee is in charge of taking the information to the Board of Directors; that is, both the members of the Board of Directors and its Support Committee actively participate in this matter, making comments, suggestions and recommendations, ensuring compliance with the strategy for compliance with the goals.</p> <p>The Sustainability and Corporate Governance Committee, to which advances related to climate change are presented, meets at least twice a year or when necessary. During 2021, two sessions of the Sustainability and Corporate-Governance Committee were held, in which the progress of the strategy was presented. The details of the Climate-Change Strategy and the progress made were presented to the Board of Directors by the Chairman of the Committee. In these sessions, the Action Plans and established guidelines were reviewed and approved, to make strategic business decisions that leverage the fulfillment of the goals related to climate change.</p> |
| SUPPLIERS | <p>Climate change and global dynamics have made Celsia's demands on its suppliers increasingly strict, bearing in mind Environmental, Social and Corporate Governance (ESG) criteria within our selection of suppliers.</p> <p>The contribution made to mitigating climate change in Celsia, from the Supply Chain, consists of measuring the carbon footprint to find measures that allow us to reduce it and implement actions that can contribute directly to said reduction. Likewise, we are focused on measuring our indirect Scope 3 emissions for the category of Purchase of Goods and Services. We highlight that - during 2021 - national and international transport was affected, which represented an opportunity to reduce imports of materials and encourage the development of local trade, which - in turn - had an impact on the reduction of our carbon footprint.</p> |

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| INNOVATION | <p>The impact on climate change is one of the main focuses of innovation at Celsia, seeking initiatives aimed at reducing Greenhouse-Gas emissions. Solar products are a reflection of this, being an idea that was born from the search for innovation, to the evolution of a product that can be massified, which positions us as one of the leading companies in solar energy with a pipeline of hundreds of MW of capacity between rooftops and large-scale projects. As a Company that is aware of climate change, we have constantly sought mechanisms that enable the integration of storage systems to this type of generation projects, seeking greater use of energy resources by end clients.</p> <p>Recently, hydrogen has been a topic of great interest within the Company, with the production of green hydrogen being a relevant player in the energy transition of sectors that are difficult to decarbonize. In conclusion, the climate-change challenge motivates us to find new solutions in which innovation works closely to bring them to reality.</p> |
| REGULATION | <p>Most of the countries are heading towards reducing their emissions by focusing on their energy matrix, which generates the largest emissions, which has involved many business sectors and primarily ours to be attentive to and proactive in changes in laws on this issue and - at the same time - participate in the public consultations carried out by the governments of the countries where we are present.</p> |