



SOLAS  
ENERGY®

# ESG Report

2022



# ESG Report 2022

## Contents

<b>OUR FOCUS</b>	<b>3</b>
<b>OUR ESG PRINCIPLES</b>	<b>4</b>
<b>ENVIRONMENTAL: MEETING AND ACHIEVING GOALS</b>	<b>5</b>
Reducing our carbon footprint	6
Engaging with stakeholders	9
Developing and integrating education	10
<b>SOCIAL: CHARTING A DIVERSE WAY FORWARD</b>	<b>11</b>
Influencing policy for social benefit	12
Maintaining health and safety	12
Empowering a high-performance team	13
Promoting diversity and inclusion	13
<b>GOVERNANCE: DRIVEN BY CONTINUOUS IMPROVEMENT</b>	<b>14</b>
Adhering to the highest ethical standards	14
Fostering transparency everywhere	14
Continuous improvement in all we do	15
<b>UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS</b>	<b>16</b>
<b>ESG MONITORING, MEASUREMENT AND REPORTING</b>	<b>17</b>



## Innovative | Comprehensive | Trusted

Solas Energy® provides comprehensive strategy and consulting services for renewable energy solutions throughout the U.S. and Canada. Our expertise spans development and management of utility and commercial projects involving wind, solar, biomass, hydropower, geothermal, hydrogen, energy storage, grid modernization, and electric vehicles (EVs).

With over 20 years of experience in project development, commercial structuring, construction management, operations management, and climate change advisory services, Solas Energy provides its clients with the depth and perspective required to navigate the complex issues associated with renewable energy project development, energy transition, and climate change policy. An independent, women-owned business, Solas Energy leads the way in helping companies and organizations achieve a sustainable, low-carbon future.

**20+**   
Years Experience  
Women-Owned Enterprise

**80 GW+**  
Renewable Energy  
Project Experience



**500+**   
Projects  
Consulted

**Our foundation is based on being an Innovative,  
Comprehensive, and Trusted partner for our clients.**





# Environmental

Solas Energy has over a decade of experience advising clients on emission reductions and the management of climate risks, including greenhouse gas (GHG) quantification and offset registries, development of corporate sustainability programs, and environmental evaluation for projects. Solas Energy leverages its expertise to advise investors on ESG practices and GHG processes, technologies, and markets.



1,200,000 Tonnes CO<sub>2</sub>e  
Offsets Commoditized



5,000 Megatonnes  
CO<sub>2</sub>e Reductions  
Quantified for Emerging  
Technologies by 2035



10+ years GHG  
Validation Experience



Advised GHG Policy  
Evolution Since 2009



International  
Organization for  
Standardization  
(ISO) 14064-Part II

As a company, our Environmental goals are focused on three key areas:



Reducing our carbon footprint;

1



Engaging with key stakeholders, including businesses, communities, North American indigenous groups, and governments in the management of environmental impacts;

2



Contributing to the development of educational programs on climate change management and sustainability.

3



# 1. Reducing our Carbon Footprint

We have developed a GHG monitoring, measurement, and management program for Scope 1 (direct emissions from operations), Scope 2 (energy purchases), and Scope 3 (indirect emissions including business travel) GHG emissions. We leverage our significant experience with GHG emissions management and apply that knowledge to help our customers with their GHG monitoring, measurement, and management plans. We also apply our knowledge to better understand and manage the GHG emissions related to our business operations.



Canadian Headquarters: Calgary, Alberta

Solas Energy's business covers a broad range of services, from commercial advisory services to construction management and operations management. The majority of our GHG emissions are related to employee travel, particularly the use of company vehicles to travel to job sites. Compared with our 2019 baseline year, emissions from company vehicles increased from approximately 35 tonnes to 105 tonnes. This increase in GHG emissions was largely due to an increase in on-site construction management activities, where our construction team oversaw four large-scale renewable energy projects in 2021, versus one large-scale project in 2019. The COVID-19 environment also contributed to increased GHG emissions in 2021. On-site construction staff were required to work in their individual trucks rather than in job trailers for at least a portion of 2021, due to social distancing requirements.

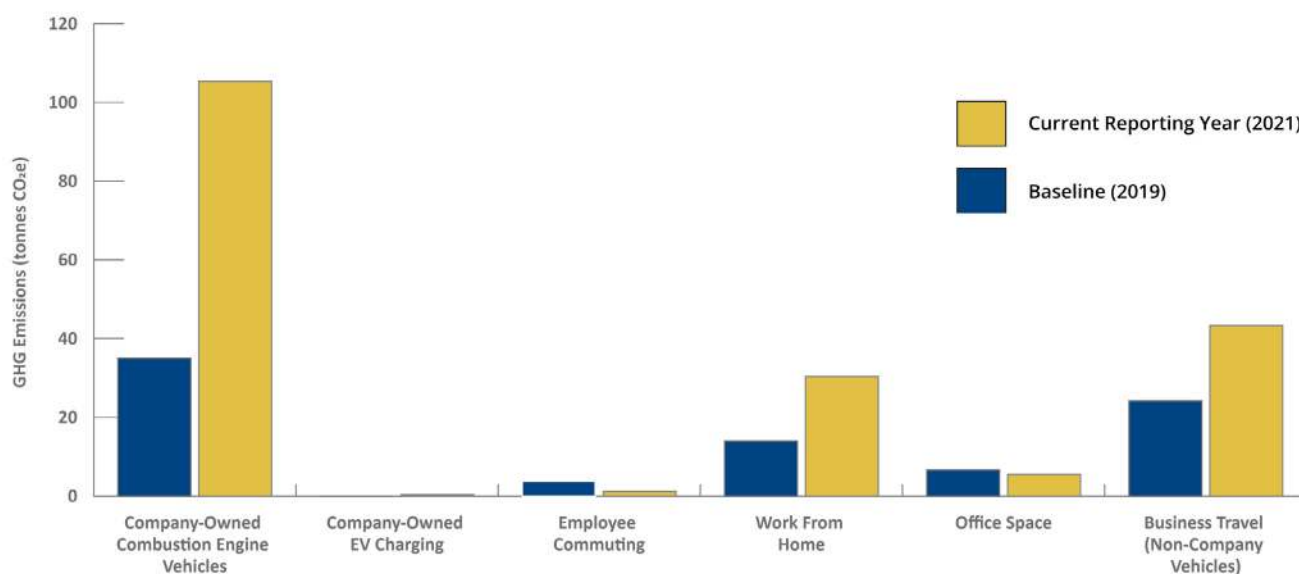
Other business travel activities are also a significant contributor to Solas Energy's GHG emissions, including travel to conferences. These emissions increased from 24 tonnes in 2019 to 43 tonnes in 2021. As we develop our net zero strategy, we will take a close look at how these emissions can be mitigated without impacting our business operations. For example, we have already made efforts to use ride sharing in a company electric vehicle for business travel whenever feasible.



Emissions associated with working from home are a third significant source of emissions for our company. The increase in emissions from 14 tonnes in 2019 to 30 tonnes in 2021 can be attributed to an increase in time spent working from home, especially as both the Canadian and US offices have implemented hybrid work schedules for office staff.

Note: The data for 2019 emissions provided in this report have been updated since our 2020 ESG report was published. The changes reflect improvements to our GHG emissions quantification methodology. They are primarily related to the use of more accurate emissions factors for electricity and natural gas consumption, as well as the use of a new method of estimating work-from-home emissions, since the report's publication in 2021.

### ***Solas Energy (US and Canada Operations) GHG Emissions (tonnes CO<sub>2</sub>e): 2019 and 2021***







## ***Our Carbon Footprint Commitment:***

We are committed to reducing our carbon footprint to achieve net zero emissions by the end of 2026.

In 2020, we set a goal to achieve net zero emissions, using 2019 as our GHG emissions baseline year. In 2019, 2020 and 2021, we achieved carbon neutrality through the purchase of carbon offsets. In 2022, we will further examine our business operations and implement changes to create what we believe will create an optimal and sustainable path forward for our organization to achieve net zero in 2026.

Leveraging our learnings from quantification of our GHG emissions, we continue to identify specific opportunities to reduce our carbon footprint as an organization. For example, we are evaluating the replacement of our current truck fleet with electric and hybrid trucks to reduce GHG emissions associated with on-site construction services. We also continue to evaluate energy efficiency programs and the purchase of carbon offsets while we work towards our goal of net zero emissions by the end of 2026.

---





## 2. Engaging with Stakeholders on Environmental Impacts and Climate Change

---

With a thorough understanding of environmental regulations, we engage with businesses, communities, industry organizations, North American indigenous groups, and governments on project-related environmental impacts, as well as climate change challenges and opportunities.

We proactively work to influence climate change policy and ensure that our projects meet environmental regulations in all markets to protect the environment.

Our team includes environmental engineers who specialize in solutions to protect the health of humans and nature's beneficial ecosystems, and work to improve the quality of the environment.





### 3. Developing Educational Programs on Climate Change Management and Sustainability

Solas Energy continues to support a free educational program, "People for Energy and Environmental Literacy" (PEEL). In 2021, educators throughout Alberta used the curriculum to boost climate literacy for students in grades 3-12. We also began development of a course to help educate professionals within the solar industry for distribution connection.

**We value education  
and programs to  
support sustainability.**



The PEEL curriculum focuses on climate change, renewable energy, and other sustainability topics, and provides educators with the tools needed to effectively incorporate sustainability into the classroom.

Visit [www.teachpeel.ca](http://www.teachpeel.ca) for more information.



# Social



Working with diverse customers across many geographies and complex business climates, Solas Energy has developed a loyal customer base, significant stakeholder relationships, and a strong team. Our core values of integrity, high performance, and innovation guide us as we strive to deliver long-term value for our customers.

## Our Social goals are focused on three key areas:

1

Maintaining health and safety of employees, contractors and customers;

2

Empowering a high-performance team;

3

Promoting a diverse and inclusive team.



Over the past 10 years we have completed studies on the feasibility and adoption of renewable energy, impact of policies, and recommended regulatory changes to encourage the clean energy transition.

## 1. Maintaining Health and Safety

The health and safety of our employees, contractors and customers is paramount to everything we do. We value and promote the health and well-being of our employees and contractors at work and at home.

For example, our Healthy Lifestyle program provides employees up to \$500 annually to participate in health and wellness programs. Solas Energy reviews and recommends improvements to safety issues on a weekly basis at its sites and offices.



We maintain a high safety track record, and target zero safety incidents on an annual basis.



## 2. Empowering a High-Performance Team

Guided by the core values of integrity, high-performance and innovation, Solas Energy has a culture that attracts and retains high-performing employees who value innovation, collaboration, problem solving of complex issues, and sustainability. We believe in employee engagement and empowerment. For example, we support our employees who choose to volunteer with registered non-profit community organizations working in the fields of sustainability, climate change, and renewable energy by sponsoring up to 20 hours of their volunteer service each year.

## 3. Promoting a Diverse and Inclusive Team

Diversity and inclusion are essential to the ongoing success of the company through improved employee engagement and business performance. A diverse and inclusive workforce, which reflects the communities where we work and operate, fosters innovation, collaboration, and builds our organizational capabilities. We value our diverse, high-performance team and provide equal employment opportunities to all employees and applicants for employment without regard to race, color, ancestry, national origin, gender, sexual orientation, marital status, religion, age, disability, gender identity, results of genetic testing, service in the military, or hair style.



# Governance

**Solas Energy believes in the highest ethical standards, transparency, and continuous improvement in corporate governance to ensure competitiveness and sustainability of our business.**

## 1. Ethical Standards

We adhere to the highest level of ethical standards in all that we do. With our ethics policies, confidentiality policies, and focus on quality work, we have developed significant trust with our long-term customers and various stakeholders.



## 2. Transparency

We take pride in our open and transparent work environment. Decisions are made in a collaborative manner, where feedback from our team is valued, promoted, and respected.



### 3. Continuous Improvement



Solas Energy believes in the criticality of continuous improvement in all that we do.

We regularly conduct post-project reviews to assess the effectiveness of our policies and procedures, and identify areas for improvement.

**We are committed to understanding leading-edge technologies and their impact in the market. Internal lunch and learn opportunities leverage knowledge and support cross-training throughout our organization.**

# United Nations Sustainable Development Goals

Solas Energy supports the United Nations Sustainable Development Goals (SDGs), which are a call to action to end poverty and promote prosperity while protecting the planet.

Over the past few years, Solas Energy has worked with various stakeholders to identify which of the 17 SDGs are most relevant to our business and where we can make the greatest contributions.

**In 2021, Solas Energy employees within our ESG practice began training on the United Nations SDGs to better understand opportunities for impact internally and for our clients.**

**Solas Energy is committed to the following SDGs:**

- Foster quality education with regard to renewable energy (4)
- Achieve gender equality and empower all women and girls (5)
- Ensure access to affordable, reliable, sustainable and clean energy for all (7)
- Promote sustainable cities and communities (11)
- Take urgent action to combat climate changes and all its impacts (13)
- Partner with organizations to achieve our goals (17)








# ESG Performance Monitoring, Measurement and Reporting

## Environmental




KPI	Description	Results	
1	<b>Carbon Footprint:</b>  <b>Reduce our carbon footprint to achieve net zero emissions by EOY 2026.</b>	<p><b>2021:</b> We achieved our 2021 goal of becoming carbon neutral. We purchased Gold Standard Certified Emissions Reductions through Less, a Bullfrog Power company.</p> <p><b>2022 Goals:</b> We will begin formulating our net zero strategy in 2022 and implement our plan in 2023 with the goal of reaching net zero emissions by 2026.</p>	
2	<b>Policy:</b>  <b>Each calendar year, participate in at least two activities that promote climate change action.</b>	<p><b>2021:</b> Throughout 2021, we maintained membership and engaged with industry organizations that influence climate change policy, including Canadian Renewable Energy Association (CanREA), Solar Energy Industry Association (SEIA), and the American Clean Power Association (ACP). We also participated in policy working groups with Hydrogen Alberta, a subset of the Canadian Hydrogen Fuel Cell Association (CHFCA). We supported employees serving on boards or as volunteers for organizations that promote climate change action through our program that pays employees for up to 20 hours for their volunteer time.</p> <p><b>2022 Goals:</b> We will evaluate internal climate change policies. We will also actively participate in activities that will engage policymakers for advances in renewable energy at the state, provincial, and federal levels. We will identify the leading agencies in the US and Canada as resources for our efforts in climate change action. We will also use these resources to identify opportunities we can support. We will continue to promote employee participation in opportunities that promote climate change action through our paid volunteer program.</p>	

# ESG Performance Monitoring, Measurement and Reporting

KPI Description		Results	
Environmental	<b>Education:</b>  Participate in environmental education by developing, contributing to, or delivering educational programs outside our organization at least once per year.	<b>2021:</b> We continued to provide employee volunteer support for PEEL, a climate literacy program in Alberta aimed at supporting youth in grades 3-12. We began development of the Working with Wire Providers course for Solar Alberta to help educate professionals within the solar industry in Alberta. A Solas Energy team member continues to be a board member of GreenLearning Canada to advise on the development of new programs and initiatives. In 2021, we also supported multiple interns from universities in the US and Canada.	
	3	<b>2022 Goals:</b> We will finalize and present the Working with Wire Providers course for Solar Alberta. We will continue to support the PEEL program. We will continue to identify educational programs where we can continue to support climate literacy. We will also continue supporting university co-op and mentorship programs for students in the US and Canada.	
Social	<b>Safety:</b>  Preserve record of zero recordable safety incidents in the workplace.	<b>2021:</b> Solas Energy preserved its zero-incident record.	
	4	<b>2022 Goals:</b> We will continue to strive for a zero-incident safety record.	
Social	<b>Employee Satisfaction:</b>  Seek annual feedback on our employee satisfaction and maintain an employee satisfaction rating of at least 80%.	<b>2021:</b> We did not formally measure employee satisfaction in 2021. We discussed refining our process for collecting employee feedback, and received informal feedback from employees during our annual performance review process. We also conducted salary surveys for all positions within the company to ensure fair and competitive wages for all employees.	
	5	<b>2022 Goals:</b> In 2022, we will create and send a survey to all employees and implement a review process to give employees a formal opportunity to provide workplace feedback. We will also evaluate opportunities to maintain and further promote our positive corporate culture.	




# ESG Performance Monitoring, Measurement and Reporting

KPI		Description	Results	
Social	6	<b>Gender Balance:</b> Maintain gender balance of at least 50% female employees.	<p><b>2021:</b> We maintained a gender balance of at least 50% female employees for all levels throughout the company.</p> <p><b>2022 Goals:</b> We will continue to maintain a gender balance throughout our organization. We will also support and encourage gender balance for women in our industry with the Women, Wind and Wine (W3) program, and through engagement with organizations like Colorado State University's Women in Construction Management Club. We will also continue to identify additional organizations that support women within our industry.</p>	
	7	<b>Diversity, Equity, and Inclusion:</b> Complete Diversity, Equity, and Inclusion (DEI) training for all employees each year.	<p><b>2021:</b> In 2021, we completed one DEI-related training session with employees throughout North America. We also began a Diversity, Equity, Inclusion, and Justice (DEIJ) certification program through SEIA (Solar Energy Industry Association). As part of Construction Inclusion Week, we participated in an industry panel promoting the importance of DEI within our industry.</p> <p><b>2022 Goals:</b> We will develop a DEI strategy and determine if any of our corporate policies and practices need to be updated to ensure that we do not have any unintended barriers.</p>	
Governance	8	<b>Ethical Standards:</b> Preserve record of zero complaints on ethical standards from customers and stakeholders.	<p><b>2021:</b> We did not receive any complaints related to our ethical standards.</p> <p><b>2022 Goals:</b> We will continue upholding our record of zero customer and stakeholder complaints related to our ethical standards. We will also implement internal training to ensure all employees are familiar with Solas Energy's ethical standards.</p>	

# ESG Performance Monitoring, Measurement and Reporting

## Governance

KPI	Description	Results	
9	<b>Customer Satisfaction:</b>  <b>Seek annual feedback on our customer satisfaction and maintain a rating of 80%.</b>	<p><b>2021:</b> We responded to customer feedback within a timely manner and solicited informal feedback from our customers to ensure their satisfaction. We did not conduct any formal customer satisfaction surveys to measure this goal in 2021.</p> <p><b>2022 Goals:</b> We will develop a formal plan to evaluate our clients' level of satisfaction with our services. We will launch formal customer satisfaction surveys in 2023.</p>	
10	<b>Professional Development:</b>  <b>Provide employees continual learning opportunities through cross training and formal professional development.</b>	<p><b>2021:</b> We offered multiple cross training and formal training programs for our employees, including Solar Energy International (SEI) training to enhance employee knowledge of the solar energy industry. Employees supporting our construction management business completed OSHA training on safety best practices. Employees within our ESG practice began training on SDGs. We implemented monthly "lunch and learn" meetings to cross-train employees on important topics such as biofuels and the energy grid.</p> <p><b>2022 Goals:</b> We will expand our formal training programs to include advanced technology training in areas including solar, battery energy storage, and energy transition. We will also provide more opportunities to share knowledge of emerging technologies such as hydrogen and electric vehicles (EVs) through virtual "lunch and learn" meetings.</p>	