



Sustainability
Report
2018





3

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Independent Review Report



INDEPENDENT REVIEW REPORT ON ELAWAN ENERGY, S.L. 2018 SUSTAINABILITY REPORT

To the Management of Elawan Energy, S.L.:

Scope

We have reviewed the contents of Elawan Energy, S.L. (hereinafter called Elawan) 2018 Sustainability Report and in the "GRI Content Index" included as an Annex.

The scope determined by Elawan for the preparation of this report is defined in Annex, inside Section "List of consolidated subsidiaries compaies" of the 2018 Sustainability Report (hereinafter, the Report).

The Report was prepared based on GRI Sustainability Reporting Standards (GRI Standards).

The preparation of the Report, as well as the information contained therein, is the responsibility of the management of the Company, who is also responsible for defining, adapting, and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- The Guidelines for reviewing Corporate Responsibility Reports, issued by the Official Register of Auditors of Accounts (ICJCE).
- Standard ISAE 3000 (*Revised*), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited level of assurance.

Applied Procedures

Our review consisted in requesting information from Elawan's corporate managers and the various managers of business units involved in preparing the Report, and applying certain analytical procedures and sampling review tests, including:

- Interviews with the staff in charge of the preparation of the sustainability information, in order to gain an understanding of how the objectives and Sustainability policies are considered and put into practice and integrated in Elawan group strategy.
- Reviewing the processes for the compilation and validation of the sustainability information included in the attached Report.
- Checking the processes held by Elawan in order to define the material aspects and stakeholder participation.
- Reviewing the adaptation of the structure and content of the sustainability information as indicated in the GRI Sustainability Reporting Standards (GRI Standards), in accordance with comprehensive option.

- Checking, through review tests based on a selection of both qualitative and quantitative information samples of the indicators included in the "GRI Content Index" in the Annex, and its adequate compilation from the data provided from different information sources. The review tests have been defined to provide assurance levels in line with the criteria described in this report
- Verification on the fact that the financial information included in the Report has been audited by independent third parties.

These procedures were performed on information published in Elawan's 2018 Sustainability Report and in the "GRI Content Index" in Appendices, with the above mentioned perimeter and scope.

The scope of this review is considerably lower than in a reasonable assurance report. Therefore, the degree of assurance is also less extensive.

This report in no case should be considered an audit report.

Independence & QA

We have met the independence requirements and other ethical requirements of the Code of Ethics for Accounting Practitioners issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies the International Quality Control Standard 1 (NICC 1) and maintains, therefore, a global quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

Conclusions

As a result of our review of Elawan's 2018 Sustainability Report, within the previously described scope, we conclude that no matter came to our attention that would lead us to believe that the Report was not prepared, in all its significant aspects, according to GRI Sustainability Reporting Standards (GRI Standards), as it is stated in the Report, having reviewed the GRI Content Index included as an Annex.

This report has been prepared solely for the Management of Elawan, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated July 10th, 2019. In case of any discrepancy, the Spanish version always prevails.)

Report profile

102-46 and 102-49

The Sustainability Report was created in accordance with the information and indicators established in the reference guide of the comprehensive option of the "GRI Standards", (102-54) and the relevant matters that arise from our Materiality Study, as an integral part of our commitment to the Sustainable Development Goals.

The table of contents can be found in the Annex of this report, together with the independent external verification report done by the company EY (102-56).

The goal is to communicate the most relevant aspects and initiatives, with an approach that is aligned with our way to understand sustainability and its impact on the management of the company.

The Report has an annual periodicity (102-52), and encompasses the information covered between January 1st 2018 and December 31th 2018 (102-50), the last report being the one corresponding to the year 2017 (102-51).

With respect to the previous year, the main changes in scope are summarised:

- The Persimmon Creek I in the USA came into operation at the end of the year.
- Brazil, where 5 wind farms (Pedra do Reino IV, Cabeço Ver-

melho, Cabeço Vermelho II, Boa Esperança I, Pedra do Reino IV) and 5 wind farms in Spain (Les forques, Montargull, Ferrapa, Pena Revolta y Pousadoiro) were sold over the year.

- Additionally, we have a portfolio under construction which includes three wind parks in Belgium: Hannut, Beaumont Extension and Salazine/Ciney; one in Turkey: Adares Extension, and two solar parks: Szerzawy (Poland) and Torrijos (Spain), which are expected to come into operation in 2019. Likewise, the Pedra do Reino V park (Brazil) is expected to come into operation in 2020 and the Copperton (South Africa) and Yaris (Turkey) parks in 2121.

There have not been any significant changes compared to the previous year. The minor changes are indicated in their corresponding sections (102-49).

There has not been any restatement of information regarding the previous financial year (102-48), nor were there any changes in the supply chain (102-10).

For general issues regarding this report, information is available at (102-53):

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GRI Content Index

102-55

EXTERNAL VERIFICATION: The contents of this index have been externally verified by the independent entity EY. The related independent review report for verification can be found in the Annex of this document. Information omissions are included as a note in italics on appropriate indicators.

GRI Standards	Content	Page/ Omission	Review
GRI 101: Foundation			
GRI 102: General Content			
Organizational profile	102-1 Name of the organization	10	✓
	102-2 Activities, brands, products, and services	10	✓
	102-3 Location of headquarters	10	✓
	102-4 Location of operations	14	✓
	102-5 Ownership and legal form	21	✓
	102-6 Markets served	14	✓
	102-7 Scale of the organization	13	✓
	102-8 Information on employees and other workers	38	✓
	102-9 Supply chain	35	✓
	102-10 Significant changes to the organization and its supply chain	59	✓
	102-11 Precautionary Principle or approach	16	✓
	102-12 External initiatives	46	✓
	102-13 Membership of associations	47	✓
Strategy	102-14 Statement from senior decision-maker	4 - 6	✓
	102-15 Key impacts, risks, and opportunities	16	✓
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	36	✓
	102-17 Mechanisms for advice and concerns about ethics	36	✓

GRI Standards	Content	Page/ Omission	Review
Governance	102-18 Governance structure	21	√
	102-19 Delegating authority	21	√
	102-20 Executive-level responsibility for economic, environmental, and social topics	22	√
	102-21 Consulting stakeholders on economic, environmental, and social topics	2	√
	102-22 Composition of the highest governance body and its committees	22	√
	102-23 Chair of the highest governance body	21	√
	102-24 Nominating and selecting the highest governance body	22	√
	102-25 Conflicts of interest	22	√
	102-26 Role of highest governance body in setting purpose, values, and strategy	22	√
	102-27 Collective knowledge of highest governance body	23	√
	102-28 Evaluating the highest governance body's performance	23	√
	102-29 Identifying and managing economic, environmental, and social impacts	23	√
	102-30 Effectiveness of risk management processes	23	√
	102-31 Review of economic, environmental, and social topics	23	√
	102-32 Highest governance body's role in sustainability reporting	23	√
	102-33 Communicating critical concerns	22	√
	102-34 Nature and total number of critical concerns	23, 36	√
	102-35 Remuneration policies	23	√
	102-36 Process for determining remuneration	23	√
102-37 Stakeholders' involvement in remuneration	23	√	
102-38 Annual total compensation ratio	23	√	
102-39 Percentage increase in annual total compensation ratio	23	√	
Stakeholder engagement	102-40 List of stakeholder groups	24	√
	102-41 Collective bargaining agreements	41	√
	102-42 Identifying and selecting stakeholders	24	√
	102-43 Approach to stakeholder engagement	24	√
	102-44 Key topics and concerns raised	25	√
Reporting practice	102-45 Entities included in the consolidated financial statements	66	√
	102-46 Defining report content and topic Boundaries	59	√
	102-47 List of material topics	25	√
	102-48 Restatements of information	59	√
	102-49 Changes in reporting	59	√
	102-50 Reporting period	59	√
	102-51 Date of most recent report	59	√
	102-52 Reporting cycle	59	√
	102-53 Contact point for questions regarding the report	59	√
	102-54 Claims of reporting in accordance with the GRI Standards	59	√
102-55 GRI content index	59	√	
102-56 External assurance	58	√	

GRI Standards	Content	Page/ Omission	Review
Materiality topics			
ECONOMIC PERFORMANCE			
Management Approach			
GRI 103: Management Approach. It is applicable to all indicators reported in this section Economic Dimension.	103-1 Explanation of the material topic and its Boundary	28	√
	103-2 The management approach and its components	28	√
	103-3 Evaluation of the management approach	28	√
Economic Performance			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	29	√
	201-2 Financial implications and other risk and opportunities due to climate change	54	√
	201-3 Defined benefit plan obligations and other retirement plans	NA	√
	201-4 Financial assistance received from government	29	√
Market presence			
GRI 202: Market presence	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	40	√
Procurement Practices			
GRI 204: Procurement Practices	204-1: Proportion of spending on local suppliers	35	√
Anticorruption			
GRI 205: Anti corruption	205-1: Operations assessed for risks related to corruption	36	√
	205-2: Communication and training about anti-corruption policies and procedures	36	√
	205-3: Confirmed incidents of corruption and actions taken	36	√
Anti-competitive Behavior			
GRI 206: Anti-competitive Behavior	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	36	√

GRI Standards	Content	Page/ Omission	Review
Materiality topics			
ENVIRONMENTAL PERFORMANCE			
Management Approach			
GRI 103: Management Approach. It is applicable to all indicators reported in this section Environmental Dimension.	103-1 Explanation of the material topic and its Boundary	48	√
	103-2 The management approach and its components	48	√
	103-3 Evaluation of the management approach	48	√
Energy (no material)			
GRI 302: Energy	302-1: Energy consumption within the organization	53, 54	√
	302-2: Energy consumption outside of the organization	53	√
	302-3: Energy intensity	53	√
	302-4: Reduction of energy consumption	50	√
	302-5: Reduction in energy requirements of products and services	Nota A	√
Emissions (no material)			
GRI 305: Emissions	305-1: Direct (Scope 1) GHG emissions	54	√
	305-2: Energy indirect (Scope 2) GHG emissions	55	√
	305-3: Other indirect (Scope 3) GHG emissions	55	√
	305-4: GHG emissions intensity	55	√
	305-5: Reduction of GHG emissions	55	√
	305-6: Emissions of ozone-depleting substances (ODS)	55	√
Effluents and Waste			
GRI 306: Effluents and Waste	306-1: Water discharge by quality and destination	Nota B	√
	306-2: Waste by type and disposal method	50	√
	306-3: Significant spills	50	√
	306-4: Transport of hazardous waste	50	√
	306-5: Water bodies affected by water discharges and/or runoff	Nota B	√
Biodiversity			
GRI 304: Biodiversity	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	51, 52	√
	304-2: Significant impacts of activities, products, and services on biodiversity	51	√
	304-3: Habitats protected or restored	51	√
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations.	51	√
Environmental Compliance			
GRI 307: Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	36	√

NOTE A: Not applicable. Our activity is the production of renewable energy.

NOTE B: With respect to water collection and discharge, this is minimal as it only affects offices and is therefore not considered relevant.

GRI Standards	Content	Page/ Omission	Review
Materiality topics			
SOCIAL PERFORMANCE			
Management Approach			
GRI 103: Management Approach. It is applicable to all indicators reported in this section Social Dimension.	103-1 Explanation of the material topic and its Boundary	38, 42, 46	√
	103-2 The management approach and its components	38, 42, 46	√
	103-3 Evaluation of the management approach	38, 42, 46	√
Employment			
GRI 401: Employment	401-1: New employee hires and employee turnover	39	√
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	39	√
	401-3: Parental leave	39	√
Occupational Health and Safety			
GRI 403: Occupational Health and Safety	403-1: Workers representation in formal joint management-worker health and safety committees	43	√
	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	45	√
	403-3: Workers with high incidence or high risk of diseases related to their occupation	45	√
	403-4: Health and safety topics covered in formal agreements with trade unions	43	√
Training and Education			
GRI 404: Training and Education	404-1: Average hours of training per year per employee	40	√
	404-2: Programs for upgrading employee skills and transition assistance programs	39	√
	404-3: Percentage of employees receiving regular performance and career development reviews	39	√
Diversity and Equal Opportunity (not material)			
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	38	√
Non discrimination			
GRI 406: Non discrimination	406-1: Incidents of discrimination and corrective actions taken	36	√

GRI Standards	Content	Page/ Omission	Review
Materiality topics			
SOCIAL PERFORMANCE			
Freedom of Association			
GRI 407: Freedom of Association	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	35	✓
Child Labor			
GRI 408: Child Labor	408-1: Operations and suppliers at significant risk for incidents of child labor	35	✓
Forced or Compulsory Labor			
GRI 409: Forced or Compulsory Labor	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	35	✓
Human Rights Assessment			
GRI 412: Human Rights Assessment	412-1: Operations that have been subject to human rights reviews or impact assessments	41	✓
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	29	✓
Local Communities			
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments, and development programs	46	✓
	413-2: Operations with significant actual and potential negative impacts on local communities	46	✓
Public Policy			
GRI 415: Public Policy	415-1: Political contributions	47	✓
Customer Health and Safety			
GRI 416: Customer Health and Safety	416-1: Assessment of the health and safety impacts of product and service categories	Nota C	✓
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	33	✓
Marketing and Labeling			
GRI 417: Marketing and Labeling	417-1: Requirements for product and service information and labeling	31	✓
	417-3: Incidents of non-compliance concerning marketing communications	36	✓
Customer Privacy			
GRI 418: Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data.	36	✓
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance	419-1: Non-compliance with laws and regulations in the social and economic area	33	✓

NOTE C: Not applicable due to the type of product of our company.



Contents in relation to the Global Compact Principles

The following table shows the chapters of this report that provide the most relevant information regarding the 10 principles of the Global Compact, in addition to the one included on the management approaches of every GRI aspect. Each stakeholder can evaluate Elawan's progress concerning these principles by the following this table:

Aspect	UN Global Compact Principles	Progress included in chapter
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Part I. General Standard Disclosures
	Principle 2: Make sure that they are not complicit in human rights abuses.	Part I. General Standard Disclosures
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Part II. Social Dimension
Labour Rights	Principle 4: The elimination of all forms of forced and compulsory labour.	Part II. Social Dimension
	Principle 5: The effective abolition of child labour.	Part I. General Standard Disclosures
	Principle 6: The elimination of discrimination in respect of employment and occupation.	Part I. General Standard Disclosures
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Part II. Environmental Dimension
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	Part II. Environmental Dimension
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Part II. Environmental Dimension
Anti corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Part II. Economic Dimension

Scope considered of Elawan and subsidiaries ¹⁰²⁻⁴⁵

Scope consolidation. The group was composed by the following companies at the end of 2018

Subsidiary/ Associated company	Country	Subsidiary/ Associated company	Country
Elawan Energy Developments, S.L. (antes Elincasiol, S.L.)	Spain	Gestamp Eólica Brazil, S.A.	Brazil
Parques Eólicos Gestinver, S.L. (*)	Spain	Eólica Gravatá-Geradora de Energia, S.A.	Brazil
Parque Eólico Becerril, S.L.	Spain	Eólica Pirauá-Geradora de Energia, S.A.	Brazil
Elawan Energy Developments 1, S.L. (antes Gestamp Eólica Promociones, S.L.)	Spain	Gestamp Eólica Jardins, S.A.	Brazil
Elawan Energy Developments 2, S.L. (antes Gestamp Eólica Promociones 2, S.L.)	Spain	Gestamp Eólica Alvorada, S.A.	Brazil
Elawan Energy Developments 3, S.L. (antes Gestamp Eólica Promociones 3, S.L.)	Spain	Gestamp Eólica Agreste S.A.	Brazil
Elawan Energy Developments 4, S.L. (antes Gestamp Eólica Promociones 4, S.L.)	Spain	Macambiras Holdings, S.A.	Brazil
Gestinver Gestión, S.L. (*)	Spain	Gestamp Eólica Macambira I, S.A.	Brazil
KONESTICIAL, S.L.	Spain	Gestamp Eólica Macambira II, S.A.	Brazil
ERGE Occidente, S.L.	Spain	Eólica Pedra do Reino V, S.A.	Brazil
Gestamp HC Eólica, S.L.	Spain	Lagoa dos Ventos Geradora de Energia, S.A.	Brazil
Gestamp Eólica Castilla La Mancha, S.L.	Spain	Deltrade 67 Proprietary Limited	South Africa
ERGE Aragón, S.L.	Spain	Gestamp Wind Africa (Pty) Ltd.	South Africa
Fotovoltaica Torrijos, S.L. (antes Alternativas Eólicas, S.L.)	Spain	Modderfontein Wind Energy Project (Pty) Ltd.	South Africa
ERGE Levante, S.L.	Spain	Copperton Wind Farm (Pty) Ltd.	South Africa
Desarrollos Eólicos del Norte, S.L.	Spain	Beyçelik Gestamp Yenilenebilir Enerji Uretim, A.S.	Turkey
P.E Rondavino S.L.	Spain	Sabas Elektrik Uretim, A.S.	Turkey
P.E Salguero S.L.	Spain	BAK Enerji Üretimi A.Ş.	Turkey
Gestamp Wind Energy North América, INC.	USA	YGT Elektrik Üretim SAN. VE TIC. LTD. ŞTİ.	Turkey
Spring Creek Power Partners, L.L.C.	USA	Gestamp Ruzgar Enerjisi, Ltd.	Turkey
Nebraska Wind, I, LLC.	USA	Gestamp Wallonie, S.A.	Belgium
Flat Water Holdings, L.L.C.	USA	Gestamp Wind Feluy, S.A.	Belgium
Flat Water Wind Farm, L.L.C.	USA	Gestamp Wind Beaumont, S.A.	Belgium
Flat Water Development Services, L.L.C.	USA	Gestamp Wind Hannut, S.A.	Belgium
Roth Rock Holdings, L.L.C.	USA	New Wind S.P.R.L.	Belgium
Roth Rock Wind Farm, L.L.C.	USA	Elawan Energy Polska sp z.o.o (antes Gestamp Eólica Polska sp z.o.o.)	Poland
Roth Rock Development Services, L.L.C.	USA	Gestamp Wind 10 sp zoo	Poland
Gestamp Wind Puerto Rico, INC.	USA	Farma Wiatrowa Kleby Sp. zoo	Poland
Gestamp Wind San Juan, Inc.	USA	Farma Wiatrowa Bukowiec Górny Sp. zoo	Poland
Punta Lima Holding Co., L.L.C.	USA	Gestamp Wind 13 sp zoo	Poland
Punta Lima Wind Farm, L.L.C.	USA	Gestamp Wind 14 sp zoo	Poland
Punta Lima Development Services, LLC.	USA	L.L.C. Elawan Power	Rusia
TPW Petersburg, LLC	USA	Elawan Energy France, S.A.S.	France
Gestamp Wind North América, INC.	USA	Hidroeléctrica de Tacotan, S.A. de C.V.	Mexico
North Búfalo Wind, L.L.C.	USA	Hidroeléctrica Trigomil, S.A. de C.V.	Mexico
Pawnee Wind Farm	USA	Tacotán Trigomil Servicios SA de CV	Mexico
Gestamp Wind Indiana	USA	Gestamp Eólica Mexico, S.A. de C.V.	Mexico
GSQ, LLC	USA	Gestamp Eólica Dacia, S.R.L.	Romania
GSQ 2, LLC	USA	Gestamp Eólica Costesti S.R.L.	Romania
		Gestamp Eólica Berezeni S.R.L.	Romania
		Gestamp Eólica Raducaneni S.R.L.	Romania
		Vientos S.R.L.	Romania

