2020 elawan energy
SUSTAINABILITY REPORT

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1. LETTER FROM THE CHAIRM
(102-14)

It is my pleasure to present the Sustainability Report 2020 for Elawan Energy, S.L.

This report summarises our main economic, social, environmental and health and safety initiatives, showing how we integrate sustainability into our decisions, to continue growing as a profitable, sustainable company.

Growing social concern about climate change has increased social demands on the search for new ways to reduce pollution. These demands, together with those from other external factors, are pushing governments and companies to seek new measures to demonstrate their commitment to sustainable development.

This idea was developed in the Paris Agreement, which pursues climate neutrality by the end of the century as its main objective,. To achieve this, collaborative efforts are essential to keep the global average temperature less than 2°C above pre-industrial levels.

On top of this situation, in 2020 we experienced the pandemic, which has directly impacted not just people's daily lives but also our company. A series of measures were established and implemented to avoid exposure to and transmission of the virus in our organisation, such as telecommuting, reduced capacity by working in shifts, monitoring by means of PCR and antigen testing, as well as other measures to prevent contagion within Elawan. Thanks to these measures, we can say that we have not suffered virus transmission within our company, although some of our workers have been infected.

Elawan Energy, as a global renewable energy operator, is an important part of this development, producing over two and a half million MW during 2020 from its various wind, solar and hydroelectric projects around the world and avoiding the generation of over 600,000 t.CO_2 equiv. during the year.

ECONOMIC DATA

Despite the global situation, 2020 concluded satisfactorily for Elawan, with turnover of around 87 million euros and EBIDTA of over 13 million euros.

CONSTRUCTION

In spite of the difficulties arising from the pandemic, 2020 saw the start of construction of 5 photovoltaic plants at Bonete, Albacete (Spain), 1 wind farm at Humilpan, Querétaro (Mexico), 1 wind farm at Salazinne, Balonia (Belgium), 1 wind farm at Adares, (Turkey) and 1 wind farm at Sobradinho, Bahía (Brazil). Construction of the Copperton wind farm (South Africa) also continued. In total, 419.6 MW was being built during 2020, contributing to SDG 7 "Affordable, reliable, sustainable, modern energy for all" and SDG 13 "Combating climate change and its impacts". These projects are carried out taking into account not only the requirements determined by public authorities, but also our Integrated Management System (quality, environment and occupational health and safety) and the project financiers, where these exist.

For Elawan, it is essential that both the construction and operation of its projects are accompanied by maximum respect for the habitat in which they are located. Specific plans are implemented for this for each of the projects controlled by external companies, certifying that the plans are being developed within the parameters indicated by environmental impact statements and/or environmental impact studies. Due to our concern, and going beyond legal compliance, a Site Environmental Management Manual has been created as a guide, containing a series of requirements to be met by contractors and subcontractors during the construction process.

Elawan Energy has had an Integrated Management System since 2012. This system, based on the ISO 9001, 14001 and 45001 standards (replacing the former OHSAS 18001 as an occupational health and safety standard), has scope that includes the development, operation and sale of facilities internationally.

As a particular idiosyncrasy, Elawan has Health and Safety as one of the fundamental pillars for proper execution of its projects. For another year we had zero accidents among our personnel and we continue to carry out actions that help us control our contractors, so reducing the risks of their activities. To this end, we have, together with experts in the subject, developed the Site Health and Safety Manual, which is included as a guide for contractors and subcontractors.
Finally, 2020 has presented challenges in various areas for the company. Resulting from the pandemic situation, we were forced to reduce, almost eliminating for much of the year, trips to visit projects (both under construction and in operation), to work remotely for several months of the year and, in spite of the situation, we managed to start construction of projects in practically all the countries where we already had any and to increase our own staff by over 10%.
All this was possible thanks to a group of highly qualified and committed professionals, both to the company and to each other.
Elawan's objective remains to grow in all markets internationally, by carrying out new projects that contribute to meeting the objectives of the Paris Agreement, taking the Sustainable Development Goals as our own through our business objectives.

JON RIBERAS
PRESIDENT

2. ELAWAN IN FIGURES 2020

RENEWABLE ENERGY WORLDWIDE:

- Global installed renewable energy capacity reached almost 2,800 GW in 2020, representing a 10% increase compared to 2019.
  - Wind power saw year-on-year growth of almost 18% and solar of 21.6%.

ELAWAN AND ITS PORTFOLIO OF MWs AND FARMS AND PLANTS UNDER DEVELOPMENT AND CONSTRUCTION AND IN OPERATION:

COUNTRY	MW IN OPERATION 2020	MW UNDER CONSTRUCTION 2020	TOTAL MW 2020	VAR (19-20) %
SPAIN	44	250	294	568%
BELGIUM	50	10	60	20%
POLAND	11	0	11	0%
USA	349	-	349	0%
MEXICO	13	30	43	231%
BRAZIL	131	16	147	12%
SOUTH AFRICA	0	102	102	-
TURKEY	116	12	128	10%
TOTAL MW	**714**	**420**	**1134**	**59%**

Table 1. Portfolio of MWs under construction and in operation.

COUNTRY	MW UNDER DEVELOPMENT 2020
SPAIN	4769
BELGIUM	363
POLAND	280
USA	165
MEXICO	1115
BRAZIL	1376
SOUTH AFRICA	362
TURKEY	1030
TOTAL MW	**11143**

Table 2. Portfolio of MWs under development.

COUNTRY	No. WIND FARMS		No. PHOTOVOLTAIC FARMS		No. HYDROELECTRIC PLANTS	TOTAL PLANTS PER COUNTRY
	C	O	C	O	O	
SPAIN	0	2	5	1	0	8
BELGIUM	1	4	0	0	0	5
POLAND	0	1	0	1	0	2
USA	0	4	0	0	0	4
MEXICO	1	0	0	0	2	3
BRAZIL	1	10	0	0	0	11
SOUTH AFRICA	1	0	0	0	0	1
TURKEY	1	3	0	0	0	4
TOTAL PLANTS	**5**	**24**	**5**	**2**	**2**	**38**

Table 3. Number of farms and plants under construction (C) and in operation (O).

ECONOMIC CONTRIBUTION

Elawan is in an outstanding **position** within the renewable sector, contributing to a **new renewable, sustainable energy model**. The company worked actively on SDG 8 (Decent work and economic growth) and SDG 12 (Responsible consumption and production) in 2020.

- It has a presence in **14** countries and has operating farms and plants in **8 countries** with a total of **1,175 MW: 714** in operation and **420** under construction, representing an increase of **64%** compared to 2019.
- Despite the complexity of the context in 2020, and thanks to the fact that the company's financial situation was sound before the start of the crisis, its net turnover was **73,774** thousand euros (+1.1% compared to 2019).
- Fostering the local economy through contracting **suppliers** in the region or country where the facilities are located, for **20.171 thousand euros** and by paying **7,199 thousand euros** in local taxes.
- Responsible financing. Commitment to and compliance with the **Equator Principles (IFC)** to identify, mitigate and/or compensate for the risks and possible adverse impacts of the projects on the environment, people and climate.
- Economic sustainability:
    - A 5-year growth plan: target of ending 2025 with total installed power close to 4 GW and a project development portfolio of around **11 GW**.

SOCIAL CONTRIBUTION

Elawan's responsibility to people involves being concerned with its employees' **well-being**, so it dedicates time and resources to **training** and to creating a **healthy, safe** working environment to promote optimum working conditions so that people feel satisfied. The company contributes to **community development** where it executes and operates renewable energy plants through access to and provision of green energy to households and reduction of pollution, with the corresponding public health benefits. It also has a positive impact on the community through the **generation of local employment,** both direct and indirect, payment of **leases** on the land and payment of **local taxes**. The company worked actively on SDG 3 (Good health and well-being) and SDG 4 (Quality education) in 2020.

- EMPLOYEES:
    - Workforce of 88 employees.
    - 18 new employees.
    - 0 accidents to its own personnel.
    - 84% of permanent contracts and 100% full-time.
    - Total employee training time: 270 hours.
    - ISO 45001 certification.
    - Work connectivity and performance. The company's digital transformation has enabled employees who do their work in offices to perform their functions effectively in the complicated context of social isolation arising from the COVID-19 pandemic.
- **CUSTOMERS:** reliability and security. The main added value it provides customers is to offer them efficiency, reliability and security through integrated project management.
- **SUPPLIERS:** involvement and control. Involvement in continually improving processes and controlling the risks associated with contractors, ensuring traceability of the entire production process. 175 hours of on-the-job training indirectly for EPC contractors and subcontractors.
- **COMMUNITY:** Investments to benefit the community totalled to 161,000 euros. Elawan responded to 100% of queries from stakeholders related to the impact of its projects.

ENVIRONMENTAL CONTRIBUTION

Its activity is directly related to renewable energy generation (wind, solar and hydroelectric) and it therefore contributes to reducing carbon footprint and the effects of climate change. The company worked actively on **SDG 7** (Affordable and clean energy) and **SDG 13** (Climate action) in 2020 through the 3 strategic objectives:

- Outstanding in the calculation of its **carbon footprint** in 2020 (head office in Madrid):
    - Direct GHG emissions (Scope 1) = **0**
    - Indirect GHG emissions (Scopes 2 and 3) = **55.02 t.CO_2** equiv. for the year.
- Emissions to atmosphere prevented = **648.289** t.CO2 equiv. for the year.
    - **9,326,542 GJ** of renewable energy for sale.
    - **8,831 GJ** energy consumption.
    - ISO 140001 certification.
    - **0** breaches of environmental regulations, and nor were there any complaints or sanctions in this regard.

3. OUR COMPANY

3.1 About us

Elawan Energy S.L. is a global company that develops, builds and operates renewable energy production facilities (wind, solar photovoltaic and hydroelectric) internationally, as well as selling the electricity produced by them. The company has extensive experience in designing, financing, constructing, operating and maintaining wind and photovoltaic farms and hydroelectric plants. Elawan has a workforce of 88 employees and has a presence in 14 countries worldwide.
With power of over 1.2 GW (714 MW in operation and 461 MW under construction) at the end of 2020, the company is operating: 22 wind farms, 2 solar farms and 2 mini-hydroelectric plants. To be added to this are 11.1 GW under development, strengthening Elawan's position as an independent global producer of renewable energy.

Elawan, a fundamental part of ACEK

Elawan was founded in 2007 as a fundamental part of the expansion of the renewables division of the European multinational ACEK, a group with over 50,000 employees, nearly 170 industrial plants in 28 countries and annual turnover in 2020 of over 12,000 million euros.
The ACEK Corporation is a leading industrial holding company in steel service centres, automotive components and renewable energies. ACEK was founded on the success of a large steel product purchase and sale company, Gonvarri, that recognised the opportunity to direct its leadership towards renewable energies, maintaining the same values of maximising quality, efficiency and sustainability.

Business model (102-11)

Elawan Energy works to position itself as one of the largest international groups in the renewable energy sector, through a vertically-integrated business model (wind and photovoltaic), covering the vast majority of project phases: development, construction, operation and maintenance of wind, photovoltaic and hydroelectric power plants.

The strength of Elawan's commercial model lies in comprehensive management of the value chain in the renewable energy sector under the umbrella of a single brand – Elawan Energy – through which it offers its services nationally and internationally.

The company has implemented and annually maintains an Integrated Management System under the ISO 14001:2015, ISO 9001:2015 and ISO 45001 international standards, for development, operation and sale of renewable energy production facilities internationally. Its Environmental Management System contributes to setting improvement objectives, to minimise the impacts resulting from its activity, including the precautionary principle (102-11).

Management of this business model is based on four operational processes and two strategic processes, in addition to support processes.

Operational processes:

1. Business, development, design and engineering feasibility study.
2. Construction of the facility and commissioning.
3. Operation and maintenance of the facilities and sale of energy.
4. Sale of assets.

Strategic processes:

1. Strategic planning.
2. Management of the Integrated system.

With a global, coordinated view of the business, the company is positioned to **maximise value** thanks to a **competitive advantage based on three aspects:**

Excellence in development in new projects: Elawan is outstanding in its capacity for selecting sites, combining the study of resources with design and engineering.

Security for its stakeholders: Elawan concerns itself with protecting the interests of its shareholders, thanks to its experience in managing key contracts: EPC, Financial, O&M, sale of energy, etc.

Return on assets: Elawan guarantees the best performance of assets thanks to careful selection of equipment suppliers.

The functions of the various business areas are reflected below:

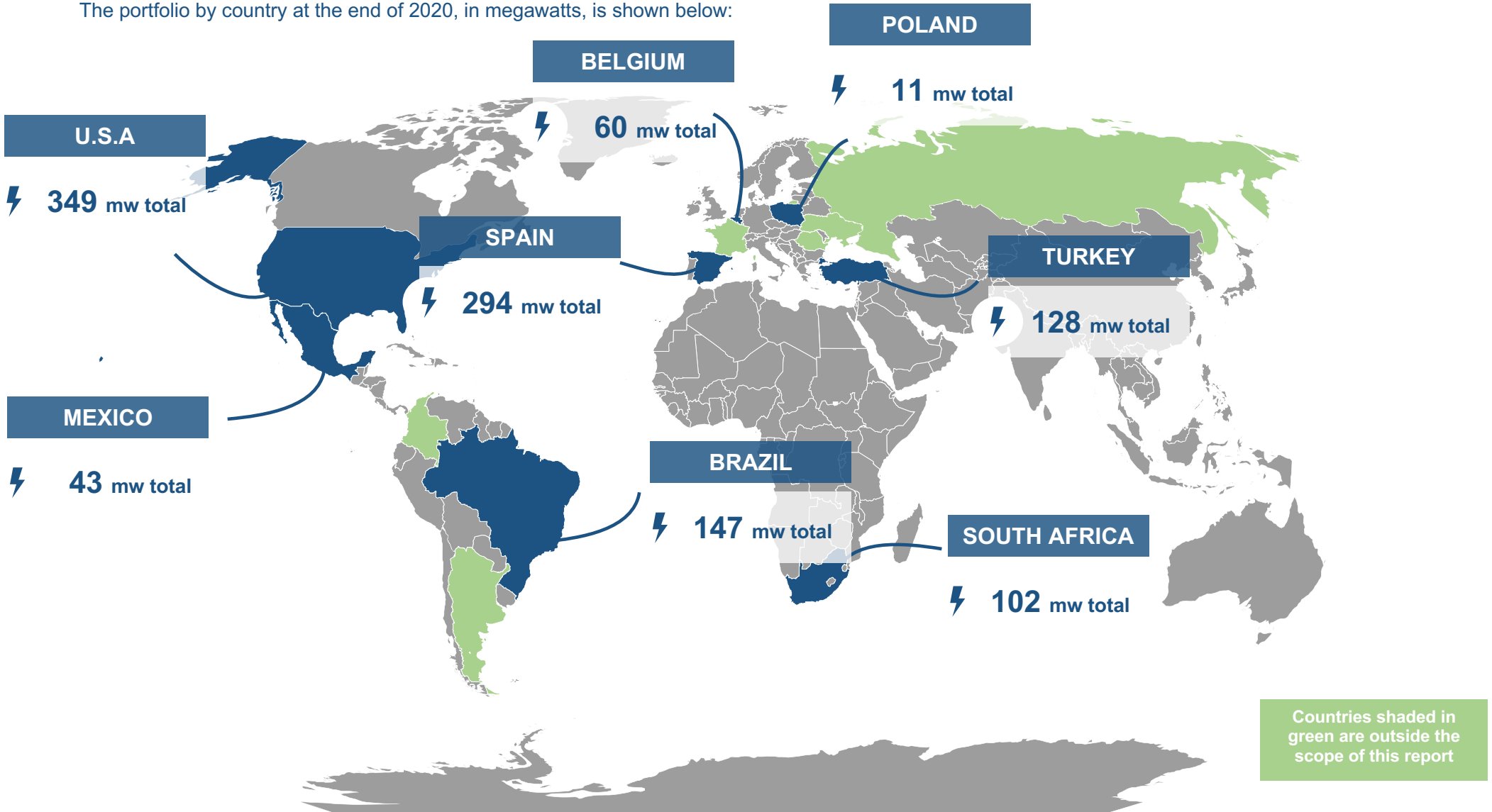
Development	Finance	Construction	Operation	M&A
Permits, licences, authorisations for construction and commissioning of projects. Design and engineering Location definition. Local permitting management	Long-term financial stability Optimising capital structure Active monitoring of refinancing alternatives	EPC Managers Valuable experience and insight in negotiating key project contracts Rigorous control and supervision of electrical and civil works Commissioning and construction testing	Production maximisation 24/7 control centre Preventive maintenance Corrective and predictive maintenance	Continued evaluation of acquisition opportunities in our existing markets and in selected expansion markets Continuing evaluation of divestment opportunities
1	2	3	4	5

Added to this is the Technical Office, which carries out studies to analyse project viability.

3.2 Global presence

Based in Madrid, with a workforce of **88 people, the company has operations in Spain, Belgium, Brazil, the USA, Mexico, Poland, Turkey and South Africa**. As well as the above countries, the company also carries out its activity in: France (with a project under construction in 2021), Russia, Romania, Colombia and Ukraine where work is being carried out in the development phase of various projects.

The portfolio by country at the end of 2020, in megawatts, is shown below:



COUNTRY	MW IN OPERATION 2020	MW UNDER CONSTRUCTION 2020	TOTAL MW	MW SOLD 2020	MW IN DEVELOPMENT 2020
SPAIN	44	250	294	0	4,769
BELGIUM	50	10	60	0	363
POLAND	11	0	11	0	280
USA	349	-	349	0	165
MEXICO	13	30	43	0	1,115
BRAZIL	131	16	147	0	1,376
SOUTH AFRICA	0	102	102	0	362
TURKEY	116	12	128	0	1030
FRANCE	-	-	-	0	336
UKRAINE	-	-	-	0	305
COLOMBIA	-	-	-	0	369
ARGENTINA	-	-	-	0	335
RUSSIA	-	-	-	0	176
ROMANIA	-	-	-	0	162
TOTAL MW *	**714**	**420**	**1134**	**0**	**11143**

(*) Countries in green are outside the scope of this report

This variety of markets served in which Elawan operates means its activity is carried out in highly diverse environments, with very varied needs and impacts.. Elawan's challenge is to manage to draw together businesses with wide geographic dispersion and to integrate their different cultures and regulations within the framework of a common corporate culture, encompassing and guiding their actions.

3.3 Looking ahead
(102-10)

A key element for economic reactivation and the rebuilding of a more sustainable, efficient and profitable development model for all our stakeholders, based on accelerating a fair, inclusive energy transition leading to decarbonisation. To accelerate economic recovery, the Spanish Government is working to bring forward achievement of the targets set in the Spanish Integrated National Energy and Climate Plan (PNIEC) 2021-2030, which sets a growth path for renewable generation, which is to reach 74% presence in the electricity sector in 2030, in line with the journey towards 100% presence before 2050 (target in the long-term decarbonisation strategy 2050), as well as a renewable energy consumption percentage of 42% by the end of this decade.

Of the utmost importance in progress towards fulfilling the goals of this plan are deployment of the pool of renewable generation, an indispensable instrument on the path to decarbonisation of the economy, integration of renewable energies into the energy consumption sectors (residential, industrial, services and agriculture) and the use of thermal and electrical renewable energies.

The trends in renewable technologies in recent years have enabled them, on many occasions, to become the most competitive way to generate energy. For this reason, the Government is developing mechanisms that, by means of a clear, predictable regulatory framework, allow for orderly deployment of renewable capacity that is already competitive in its own right.
Elawan Energy looks forward with optimism, as it considers that society has taken a decision in favour of sustainable development, which directly affects the sector in which it operates and implies increased stakeholder demand on companies. This path to sustainability is promoting an active pursuit of renewable energy for electricity supply and, therefore, is favouring generalised growth in the sector. Elawan has very positive growth forecasts in developing and constructing renewable projects (photovoltaic and wind power) due to this.

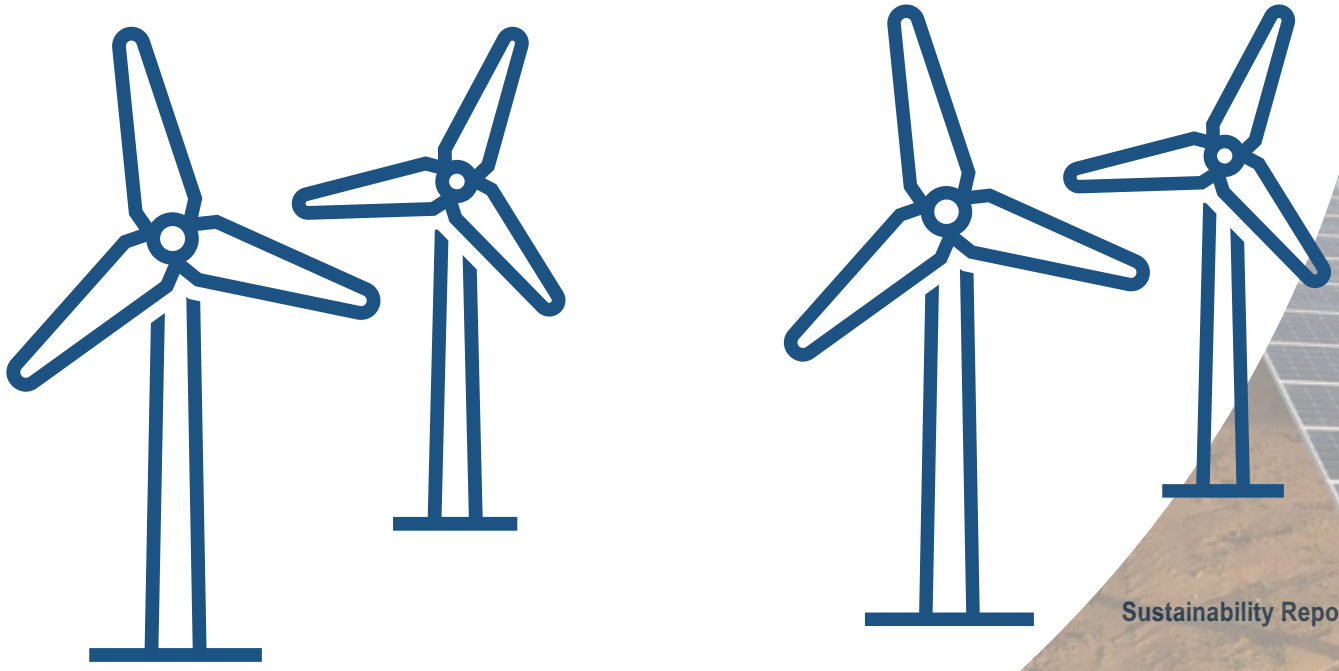
The company has an ambitious five-year growth plan, aiming to end 2025 with total installed power of nearly 4 GW and a project development portfolio of around 11 GW (approximately 6.5 GW under development and 3.5 GW in advanced development, at the end of 2020).

To achieve the competitiveness required by this industry, and given the complexity of the global environment, **Elawan is committed to expansion and innovation to develop a business model to aid progress with and integration of renewable energies in the electricity sector**. As such, on 29 December 2020, the ORIX Corporation reached an agreement to acquire an 80% share of Elawan Energy. Acek Renewables and Clear Wind will continue to hold 20% of the company's capital (14% ACEK and 6% Clear Wind) and Dionisio Fernández will continue as Managing Director of the business activity (further information on ORIX is presented in the Corporate Governance section).

As such, Elawan Energy will become a part of the ORIX Group, which is committed to growing the renewable energy business and to achieving zero greenhouse gas emissions by 2050 worldwide. Elawan's management team is fully committed to this new phase that will help accelerate the company's expansion. **ORIX and**

Elawan will combine their experience to develop, manage and operate renewable energy assets, as well as complementing each other geographically to develop a global renewable energy business.

On the other hand, the company envisages extensive development of new technologies, such as **systems hybridisation** (combination of wind and photovoltaic systems in the same farm) and **energy storage** by means of hydrogen deposits and batteries, which can drive future market expansion.



4. OUR VISION OF SUSTAINABILITY

4.1 Purpose and challenges in sustainability (102-15)

The Sustainable Development Goals urge social, economic and environmental sustainability. Companies hold the riches of the world and have significant pulling power, with the capability of making society more equitable and ecological.

Elawan Energy is aware that the sustainability form a fundamental part of the company. Elawan understands that the sustainability of its business depends on its ability to deliver positive economic, social and environmental results. The key to maintaining its competitiveness is constant reinvestment and innovation, and for that reason the company dedicates part of its resources to continual improvement of its services, to expanding the range of solutions and its manner of providing them, involving its suppliers in its principles.

The COVID-19 dituation forced Elawan to take some strategic decisions and make some movements, such as changing headquarters (to meet the safety distance), telecommuting, testing antigens and PCRs for its workers, etc.

Beyond the critical environmental situation from which we started, the pandemic has increased social and economic inequalities. Elawan focuses its aims on increasing the value the company provides to society through sustainable economic growth, its commitment to people's well-being and protecting the planet.

The company adopts the main international reference frameworks promoted by the United Nations for sustainable management as a key agent in building a new global, sustainable energy model.

ELAWAN AND THE SDGS

It therefore maintains a firm commitment to the 10 Principles of the Global Compact and the 17 Sustainable Development Goals.

UN GLOBAL COMPACT

United Nations Global Compact

SUSTAINABLE DEVELOPMENT GOALS

SDG 3 (GOOD HEALTH AND WELL-BEING) AND SDG 4 (QUALITY EDUCATION)

"COMMITTED TO PEOPLE"

SDG 8 (DECENT WORK AND ECONOMIC GROWTH) and SDG 12 (RESPONSIBLE PRODUCTION AND CONSUMPTION)

"WE WORK TO PROMOTE A MORE RESPONSIBLE ECONOMIC MODEL"

SDG 7 (AFFORDABLE AND CLEAN ENERGY)

"WE CONTRIBUTE TO A CHANGE IN THE ENERGY MODEL"

SDG 13 (CLIMATE ACTION)

"WE CONTRIBUTE TO A CHANGE IN THE ENERGY MODEL"

4.2 Sustainable Development Goals

Not only does the end of 2020 close an atypical year, which we are all sure to remember, but it ticks down the counter for the UN Sustainable Development Goals, proposed in 2015 and marking a guide for work worldwide at a horizon of 2030. Elawan is conscious of 10 years remaining to work intensively on these sustainability goals, which cover social, economic and environmental fields.

The company has generated a five-year plan for its strategic objectives relating to aspects of quality, the environment and occupational health and safety, which lay the road map for the coming years to contribute to Agenda 2030, so aligning its strategy with this universal framework.

For each of the eight strategic objectives, Elawan has analysed the contribution to the SDGs deriving from its activity, which focuses primarily on SDGs 3, 4, 7, 8, 12 and 13. During 2020, the company began to progressively implement the specific goals for each business objective, associating them with each of the most relevant SDGs.

Elawan and the SDGs

(403-5)

"COMMITTED TO PEOPLE"

In the field of occupational health and safety, the company has established **two major objectives** that contribute to promoting learning opportunities, as well as the well-being of the people employed by Elawan:

1. Achieving at least 300 hours of training per year or 1,500 hours over five years in the **field of health and safety**. The company has set several goals to achieve this target:

a) Establishment of training deriving from the incorporation of new workers and legal compliance to perform certain activities (Global Wind Organisation (GWO), etc.). GWO training was carried out for US O&M personnel in 2020, for a total of 60 hours, while these training sessions were suspended in the rest of the countries due to the pandemic. Neither was it possible to complete the office risks and DSE (Display Screen Equipment) training in Spain. A significant increase in training hours is anticipated in 2021 to compensate for all the hours that could not be covered during 2020. At least 310 hours of health and safety, GWO, occupational risk prevention in offices and DSE will be included. Specific training actions will also be carried out on the technical part, which will support our workers' professional development.

b) Establishment of training sessions on health and safety given directly and indirectly to contractors and subcontractors. In 2020, 175 hours on-the-job training were carried out indirectly by EPC contractors (companies contracted to construct the projects) and subcontract companies. A total of 210 hours of health and safety training were conducted directly.

c) Monitoring of the number of training hours. A total of 389 hours of training were recorded, of which 175 hours were on-the-job training. This improvement was achieved by modifying the format and requesting information regarding on-the-job training within the KPIs.

2. Maintaining a 0 accident rate for company personnel over the 2020 to 2025 period. The company has set several goals to achieve this target:

a) Encouraging and holding risk prevention training in various areas of the company, not just on site. The monitoring of this objective was described in the previous objective.
b) Communications relating to reminders on risk prevention: safety alerts, safety week, etc. Three safety alerts were sent in 2020 and safety week was held in June, from the third to the seventh, affecting all Elawan personnel internationally. A consultation and involvement document was also sent to employees to remind them that they can participate in this matter and safety-related doubts were resolved.
c) Monitoring the KPIs. There were no accidents arising from occupational activities during 2020, either in travelling to or from work or at work.

"WE CONTRIBUTE TO A CHANGE IN THE ENERGY MODEL"

Within the framework of its quality system, the company has established **two major objectives** contributing to providing access to affordable, secure, sustainable, modern energy:

1. Putting 3 GW of renewable energy into operation worldwide, starting from the baseline value of 714 MW at the end of 2020. To achieve this target, the company has set the following goals:

a) Development of projects in the pipeline to progress to construction, through the work of the country managers and the energy resource department. Work started in 2020 for construction of the Huimilpan wind farm (Spain), the Salazzine wind farm (Belgium), the Pedra do Reino V wind farm (Brazil), the expansion of the Adares wind farm (Turkey) and five photovoltaic plants in Bonete (Albacete, Spain), with a total of 419.6 MW. Construction of the Copperton wind farm, started in 2019, continued. The objective of developing three wind farms and six photovoltaic farms in Spain, four wind farms in Poland and one photovoltaic plant in France was set at the end of the year. This entails construction of 479 MW in 2021.
b) Carrying out of prior studies of an environmental, heritage, cultural, etc. nature, as established by the competent administrative authorities. In both June and December 2020, the company held all the environmental, heritage and other competent authorities' documentation and authorisations in all the projects for which construction had begun.
c) Construction and commissioning of farms and plants worldwide. In 2020, in addition to the Huimilpan and Copperton farms, work began

on Campanario I-V (Spain), Pedra do Reino (Brazil), Adares expansion (Turkey) and Salazine (Belgium), amounting in total to 467.6 MW, which will be operational in 2021. None of the farms under construction went into operation in 2020.

2. Maintaining at least 5 GW in the project development portfolio after construction. To achieve this target, the company has set the following goals:

a) Pursuing development of new projects in all territories. Work was carried out on developing farms and plants both within and outside Spain in 2020. Entry into Ukraine is worthy of note, with somewhat over 300 MW in the pipeline. At the end of 2020, Elawan obtained a further 1,080 MW to be developed, giving a total balance at the end of the year in question of 11.1 GW under development.

b) Seeking opportunities in other countries through participation in tenders, pure development or taking advantage of new opportunities that arise in this process. Throughout 2020, resulting from this search, new developments have been obtained in a new market: Ukraine.

c) Obtaining approval for projects under development. At the end of 2020, as a result of the progress in the previous two goals, Elawan envisages construction of 479 MW in 2021 (as noted in the previous objective).

"WE WORK TO PROMOTE A MORE RESPONSIBLE ECONOMIC MODEL"

In the field of **quality**, the company has established **a major objective** that contributes to promoting sustainable economic growth to drive employment and progress, ensuring a responsible consumption and production model:

1. Creating 120 direct and indirect jobs from 2020 to 2025. In 2020, 28 new direct jobs, 9 terminations and 4 indirect posts were obtained in the operation and maintenance phase. To achieve this target, the company has set the following goals:

a) Carrying out construction of new projects (see progress of new projects in 2020 under SDG 7).

b) Achieving the signing of contracts with EPC (project construction contract) for O&M (operation and maintenance). In 2020, a contract was signed for maintenance of Torrijos photovoltaic farm with EPC (EIFFAGE), as well as the signing of an O&M contract with the technology company (manufacturer and maintainer of the wind turbines) Nordex to maintain the Hannut wind farm.

c) Starting O&M work. In 2020, Elawan signed contracts to maintain the Torrijos 45 photovoltaic projects in Spain and the Hannut wind farm in Belgium.

"WE ARE AWARE OF MANKIND'S THE DEPENDENCE ON NATURE, WITH THE CONSEQUENT RESPONSIBILITY TO LOOK AFTER IT FOR FUTURE GENERATIONS."

Within the framework of its quality and environmental system, the company has established **three major objectives** that contribute to adopting measures to combat climate change and its effects:

1. Putting 3 GW of renewable energy into operation worldwide, starting from the baseline value of 714 MW at the end of 2020 (as already mentioned under SDG 7).
2. Maintaining at least 5 GW in the project development portfolio after construction (as already mentioned under SDG 7).
3. Complying with the GHG emissions reduction plan within 3 years, by presenting the 2020 carbon footprint in the first half of 2021 and registering in the Spanish Climate Change Office (OECC) Registry in the second half of 2021. To achieve this target, the company has set the following goals:

    a) Conducting the carbon footprint calculation for Elawan's central office in Spain (in progress at the time of writing this report). The company plans to progressively incorporate the emissions from the other offices included in the scope of this report from next year.

    b) Creation of the emissions reduction plan, to include the specific actions and investments that the company can undertake to reduce energy consumption and emissions. The plan will also contain a quantitative estimate of the reductions that these could represent (in progress at the time of writing this report).

    c) Annual review of the status of the reductions by means of the various indicators (KPIs) established for their control and monitoring. It will be possible to evaluate progress from the second half of 2021.

4.3 Materiality

Analysis of stakeholders, risks and opportunities (102-15, 102-40, 102-42, 201-2)

Analysis of interest groups is highly relevant for Elawan, as it relates to a broad range of stakeholders, whose needs and interests are varied. The company last updated its interest groups in December 2020, in line with the organisation's **analysis of risks and opportunities** and how these affect the various provisions, based on the following **criteria**:

- For risks (and weaknesses), it uses a cross matrix of the likelihood of occurrence and the consequence or damage that would occur.
- For opportunities (and strengths) it uses another matrix that takes into account the benefit that would occur and its corresponding cost.

Elawan Energy **has analysed the involvement of stakeholders in the various stages of carrying out a project**, identifying strengths, weaknesses, opportunities and threats. According to the criteria mentioned above, it establishes a **classification for each risk or opportunity** (low, medium and high) and records the actions to be carried out, their frequency and the person responsible for monitoring them, as well as the criterion for and evaluation of their effectiveness.
As such, it prepares the risk and opportunity analysis annually (with six-monthly monitoring). Those risks and opportunities classified as high, for which the company established an action plan in 2020, are reflected below with their corresponding monitoring.

The **high risk** arising from threats of **possible extreme weather events** (hurricanes, tsunamis, earthquakes, etc.) that cause injury, environmental damage and/or affect the facilities. A variety of types of damage were suffered due to lightning strikes to some blades in 2020, which were compensated by the insurers. Elawan reviewed the emergency procedures to update them and to legalise the new facilities (Torrijos), augmented control of the insurance companies' policies and appointed a new person responsible for monitoring this task. Climate change is intensifying the threats arising from this risk, in addition to its negative environmental, social and economic impact.

Furthermore, the **global health crisis** caused some construction processes to be halted due to the governmental ban on professional activities, such as the South African plant, which was at a standstill for a couple of months. Various monitoring meetings were held throughout the year by the engineering department and an effort was

made to comply with the COVID-19 access and safety plans in office, buildings and on farms. There were also hold-ups in the manufacturing of components, generating some delays on the sites. By the end of 2020, the company had managed to meet the commissioning date for the great majority of the projects in progress. In general, the negative impact on the company resulting from the crisis caused by the pandemic has been limited in economic and social terms. The positive environmental impact was clearer, as the number of trips decreased significantly, particularly air travel.

Another risk classified as high comes from **changes in the legislation** and in energy policies that lead to modifications to project requirements. Spanish Royal Decree 23/2020, of 23 June, alters the project development time frames from obtaining authorisation to plant start-up, depending on the processing date. This involves carrying out projects within tighter time frames, affecting the search for financing for carrying out projects to be built in 2021 and negatively impacting the company's economic sustainability.

Deriving from the risk relating to the legislative change due to Royal Decree 23/2020, the company has detected a significant business **opportunity** arising from the development of energy storage technology using hydrogen. Other opportunities classified as high are also noteworthy, such as: the development of technological hybridisation, combining photovoltaic and wind energy; expansion of the O&M team, which can apply better control, both in construction and in operation and maintenance; in addition, the purchase of the organisation by ORIX will provide the economic investment necessary to carry out the new projects envisaged in the company's expansion plan. All these opportunities have a positive impact on the company's economic sustainability.

Identification and prioritisation of stakeholders

Stakeholders are identified based on criteria of how they are affected by the projects developed, constructed and operated. The company also analyses the impact that each interested party has on the organisation (taking their expectations and needs into account) and so **prioritises stakeholders** as follows:

High priority

Public Administrations, Board of Directors, Energy Distributors, Financial Institutions.

Medium priority

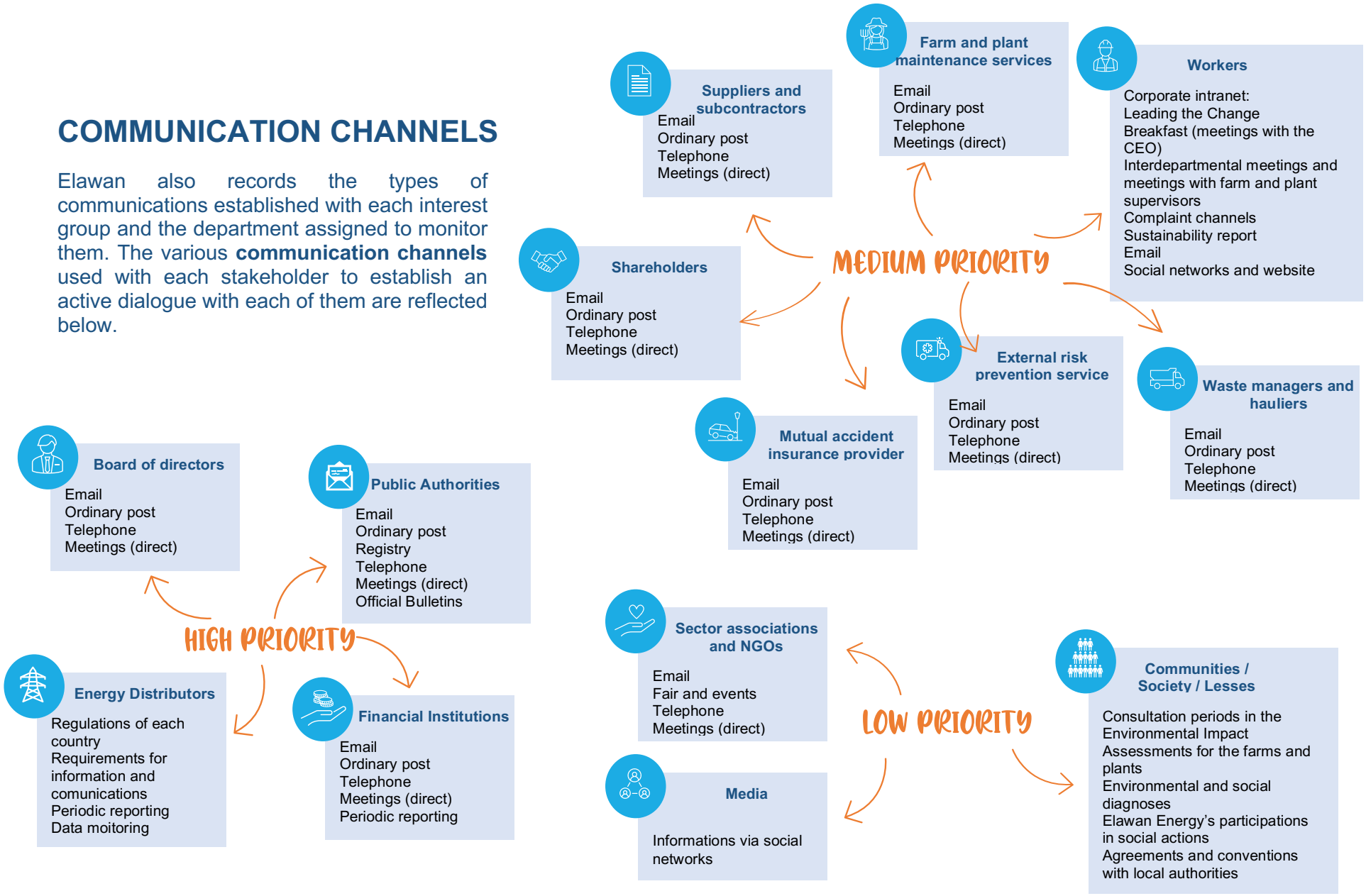
Suppliers and subcontracted companies, Farm and plant maintenance services, Workers, Shareholders, Mutual accident insurance provider, Other external risk prevention service, Waste managers and hauliers

Low priority

Communities/society/lessees, sector associations and NGOs, media.

COMMUNICATION CHANNELS

Elawan also records the types of communications established with each interest group and the department assigned to monitor them. The various **communication channels** used with each stakeholder to establish an active dialogue with each of them are reflected below.



Elawan has developed a system of communication, engagement and consultation with its employees to ensure effective communication, via two channels:

- Email to the entire workforce reminding them of the possibility of participating in any aspect relating to the Integrated Management System (quality, environment, health and safety).
- Through regular annual meetings, with the topics to be addressed as included in ISO 45001:2018 (on occupational health and safety) in its section on participation and consultation.

Materiality analysis

(102-43, 102-44, 102-46, 102-47, 102-48, 102-49)

The materiality analysis began in 2014, for the second sustainability report published by Elawan. This report is updated every two years, as the company has found that material matters show minimal variations from one year to the next. The last study was conducted in 2019, so the results for that year were taken into account when preparing this report. Elawan has been making its sustainability reports available to its stakeholders via the website since 2013, and plans to update the materiality analysis by the end of 2021.

The company carried out an internal analysis of the various plans, programmes and policies, identified the contractual requirements, obtained the opinion of management and identified the key internal aspects. Externally, it benchmarked the leading companies in the sector, analysed the social discourse, news and comments published in the media and on social networks, as well the assessment of sector associations and industry experts to identify and group aspects with major economic, social and environmental impacts for the renewable energy sector.

Once an extensive list of material matters had been identified, it was prioritised by means of direct consultation with two interest groups: the management team and employees. The study was conducted using an on-line survey, with participation rates of 50% (management) and 57% (employees).

The main **material matters** identified in 2019 are reflected below, together with the corresponding section of the report in which this content is developed, following the 10 essential GRI (Global Reporting Initiative) principles:

Material matter	Report chapter
Sustainability Strategy and Sustainable Development Goals	Our vision of sustainability
Governance, Sustainability and Sustainable Development Goals	Ethics and governance model
Ethical and anti-corruption framework. Complaint channels	Ethics and governance model
Data protection and cybersecurity risks	Economic dimension: information security
Attracting and Retaining Talent. Training	Social dimension: people
Non-discrimination, fair pay and wage gap	Social dimension: people
Human Rights policy	Ethics and governance model Social dimension: people and communities
Health and Safety Management	Social dimension: health and safety
Circular economy (raw materials and waste)	Environmental dimension: waste management and circular economy
Social action and local community	Social dimension: local communities

To define the content of the 2020 report, a very similar scheme to 2019 was followed, as it was based on the materiality from that year and it had not undergone any significant changes in material aspects with regard to the previous report. It is worth noting that, unlike the 2019 report, this report does not include the letter from the Managing Director, as the company considers that the letter from the Chairman covers the concerns and the vision of the Board of Directors as a whole.

4.4 Associations and initiatives
(102-12, 102-13, 102-32)

Elawan Energy has been a part of the United Nations Global Compact Network Spain since 2014. Through its CEO, the company carried out the decision-making and approval processes as regards sustainability and renewed its commitment to the Ten Principles of the Global Compact by submitting the 2020 Progress Report.
Elawan is a member of the following sector organisations in the various countries where it has operations:

Spain: Asociación Empresarial Eólica (AEE) and Unión Española Fotovoltaica (UNEF)

Poland: Polish Wind Energy Association (PWEA) and Wind Energy Association (SEO)

Belgium: Edora

France: France Energie Eolienne (FEE)

Romania: **Asociatia Romana pentru Energie Eoliana (RWEA)**

South Africa: South African Wind Energy Association (SAWEA)

Turkey: Turkish Wind Energy Association (TWEA)

Mexico: Asociación Mexicana de Energía Eólica (AMDEE) and Agrupación Peninsular de Energías Renovables (APER)

5. ETHICS AND GOVERNANCE MODEL

5.1 Elawan's Values
(102-16)

Elawan's **vision** is to drive change towards a new sustainable, accessible energy model, based on renewable energies, that contributes to the progress of mankind, leaving no one behind.
The company's **mission** is to work every day to produce electricity from renewable energy sources, with the highest levels of quality and efficiency in service provision, taking into account the activity and stakeholders needs, as well as respect for the environment and safety, both of its employees and those that may be affected by its activity.
The company has worked based on four essential **values** since its beginnings, which have been maintained year after year and which are as follows: **honesty, humility, tenacity and work**.

Elawan's mission integrates the economic, social and environmental dimensions and is based on **six principles** which are integrated into its daily work and are reviewed periodically by the company's management:

- **Ethics and corporate responsibility**. Transparency, integrity, respect and honesty are essential pillars in all Elawan's fields of action, without forgetting strict compliance with the applicable legal requirements and other requirements to which the company has subscribed.
- **Economic results**. Meeting the growth and profitability targets set is necessary to ensure the organisation's continuity and viability. For this reason, Elawan works to reduce the costs of lack of quality (expenses to solve faults in procedures, due to human errors, technical errors, ignorance and negligence, which require the use of unjustified resources), thus avoiding faulty activities and unnecessary processes.
- **Respect for the environment**. Elawan firmly believes that preserving nature and respecting the environment are essential for sustainable economic development. Therefore, the company commits to preventing pollution, minimising the impact on the natural environment.
- **Commitment and trust**. Elawan is a company committed to people and to nature, which favours the generation of trust in all those involved, meeting the needs of its team, motivating and training personnel, making available the tools they need to perform their professional duties and facilitating learning.
- **Innovation and quality.** Elawan is a leader in applying the technologies available in the renewable energy sector, focused on continual improvement of all the organisation's processes, increasing the effectiveness of the integrated management system implemented, involving its suppliers by establishing mutually beneficial relationships.
- **Health and safety.** Establishing safe, healthy working conditions to prevent work-related injuries and health impairment. To achieve this, Elawan is committed to eliminating hazards and reducing the risks of its activities and any other that takes place in its work centres. All of this comes under the commitment to encourage employee participation and consultation.

5.2 Corporate governance
(102-5, 102-18)

Elawan Energy is a limited company integrated within ACEK Renewables, S.L., the renewable energy division of the ACEK Group, which held 82.7% of Elawan in 2020. The remaining 17.3% belonged to Clear Wind Eólica, S.L.

The following diagram shows the various companies that comprise the ACEK Group:

Subscribed share capital at 31 December 2020 was EUR 80,880,000.00 represented by 1,617,600 shares with a face value of EUR 50, all subscribed and paid up. The company is not listed on the Stock Exchange.

Elawan's governance model is based on the commitment to integrating business ethics and social responsibility into all the rules, policies and processes necessary to fulfil the company's mission and to generating value in the short, medium and long term for all its stakeholders. **Its objective is based on strengthening the company's control environment, reputation and credibility with third parties**.

The Company's governing bodies are the same as in the previous year: the General Shareholders Meeting and the Board of Directors. This Board is Elawan Energy's senior governing, supervisory, decision-making and control body, whose limits are set by the legal rules and the Articles of Association.

Composition of the Board and the Management Team

(102-22, 102-24)

The Board of Directors, as in 2019, is composed of the Chairman and two Board members, who at the end of 2020 were as follows:

- Chairman: Mr. Juan María Riberas Mera, who has been in the post since 14/11/2007, does not hold an executive position and delegates to the Managing Director or CEO.
- Director: Mr. Francisco José Riberas Mera, in the post since 14/11/2007. He does not hold an executive position.
- Managing Director (CEO): Windwealth, S.L.D. Dionisio Fernández Auray (as the representing natural person), in the post since 30/06/2008. He holds an executive position.

Elawan is an unlisted company and the members of its Board of Directors represent the company's total shareholders and owners, and there is no legal requirement to have representatives of other interest groups, so other aspects relating to diversity, minorities, etc. are not taken into consideration.

The **Management Team** is composed of:

- Chief Financial Officer (CFO): Alejandro Burgaleta.
- Chief Technical Officer (CTO): Carlos Hormaechea.
- Director of Engineering, Construction and Operation and Maintenance: Adrián Fernández Fernández.
- Business development managers for each country where Elawan has operations: Eduardo García Molina, Carlos Rodríguez Tortosa, Gonzalo Rodríguez Tortosa, Jaime Povés López, Alfonso Fernández Valera, Ignacio Cifuentes Schmitt, Benoit Henriet.

Board functions and delegation

(102-19, 102-20, 102-26, 102-29, 102-30, 102-31; 103-23)

The role of the Board of Directors is to promote the company's interests, representing the organisation and its partners in administration of equity, managing the business and directing business administration. The Board's functions include approval and commitment to compliance with the code of ethics, approval of the strategy and business plan, the objectives and annual budgets, investment and financing policy, risk analysis and, in general, all policies relating to the company.
The members of this Board are responsible for taking all decisions in plenary session on economic, environmental and social matters, and delegating their execution, where appropriate, to the **department managers**, who report directly to the CEO or appear before the Board when the latter so requires. Delegation of executive powers is made by resolutions taken in the Board of Directors, as follows:

Environmental matters are coordinated and executed:

- In the development phase (before construction begins), by technical management, with the Chief Technical Officer (CTO) being responsible and in charge of reporting to the Board.
- In the construction, operation and maintenance phase, by engineering, construction and maintenance management, which reports to the Board. Furthermore, **social matters** are coordinated and executed between this same management and the HR management of the parent company Gonvarri.

Economic matters are managed through financial and control management, and the Chief Financial Officer (CFO) is responsible for reporting to the Board.

Furthermore, this body may agree to delegate special authorities to company employees to carry out specific actions in certain transactions previously approved by the company. The Board does not have committees or executive commissions delegated with general decision-making authorities, so that any decision is taken within the Board itself.
Worthy of note among the **CEO's functions** are: validation and approval of the priority material matters, supervision of control of changes in the areas of production and service provision, as well as monitoring of objectives, results and assessment of the management system. Management also reviews communications with interested parties, including the results of internal (employees) and external (public consultations, NGOs, authorities, etc.) participation and consultation. In risk management, the CEO is responsible for reviewing the risks and opportunities (quality, environment, health and safety) annually, as well as reviewing the effectiveness of the actions to address them, deciding the priority measures to tackle risks and opportunities identified as high (already explained in section 2.3. Materiality)

Communication between the Board and stakeholders

(102-21, 102-33, 102-34)

The company identifies and analyses the needs and expectations of each interested party, as well as the channels for communication with them, through various processes contained in its integrated management system. Elawan carries out various public consultation processes during the development phase of each of its projects, so that all stakeholders have the opportunity to participate in this process. Public consultation is carried out through the administrative channels established in each country, with the CTO, together with the business development manager for that country, being responsible for reporting the result of the consultation to the Board.
The exchange of information with stakeholders (suppliers, governments, employees, society, etc.) takes place, at the central level, through technical, financial and control management and HR management and, at the local level, through the business managers of the various countries in which the company is present. The organisation's critical issues (economic, social and environmental) are communicated to the CEO through the department managers and the former then passes them to the Board. No critical aspects were communicated to this body in 2020.
At workforce level, the company organises regular meetings in which all Elawan professionals and the CEO participate. These meetings are bi-directional in nature: the CEO informs all staff of the most significant aspects relating to the company's management and situation, and the employees convey their assessment of these aspects and any other matter that may be of interest to them.

Designation of the Board and conflict of interest.

(102-24, 102-25)

The General Shareholders Meeting represents the interests of all the Company's shareholders and one of its functions is the appointment of the directors who make up the Board of Directors. Elawan's Articles of Association include the functioning of the Board, the requirements and deadlines set for calling the General Meeting and the Chairman's duties. The selection criteria for Board members are based mainly on knowledge and experience in the sector and in the economic field. The grounds for incompatibility between the members are also established, which are subject to the company legislation of reference.

The code of ethics is one of the tools to avoid conflicts of interest. No cases of conflict of interest were detected in 2020 and, if necessary, an internal analysis of the conflict of interest would be carried out by the Board of Directors, which would take the appropriate measures. Shareholders may not exercise the right to vote corresponding to their shares when they are subject to any of the cases of conflict of interest established in section 190 of Spanish Royal Decree-Law 1/2010, of 2 July, approving the consolidated text of the Capital Companies Act.

The company needs to work with a view to the next year to adapt the code of ethics to local circumstances and customs, to ensure correct understanding of this code and to minimise the risk of conflicts of interest.

Driving CSR. Board performance and remuneration

(102-27, 102-28, 102-32, 102-34, 102-35, 102-36, 102-37, omitting 102-38 and 102-39)

Notable among the measures adopted by the Board to promote knowledge of corporate social responsibility is the preparation and verification of the annual sustainability report by an independent third party. The Board is responsible for reviewing and approving it.
Elawan establishes a schedule of annual audits (annual audit programme) to objectively verify that all activities relating to the organisation's management meet the standards or regulatory requirements established. An internal audit is carried out at least annually and, if necessary, any activity that generates non-conformities is audited as often as deemed appropriate.
The certification of its integrated management system (quality, environment, health and safety), the auditing of the report, and of the financial statements, contribute to assessing the Board of Directors' performance in managing economic, environmental and social issues. No measures were taken in 2020 in response to the assessment of the Board's performance with regard to the issues mentioned above.

At the General Meeting, corporate resolutions are adopted by a majority of the votes validly cast, provided that they represent at least one third of the votes corresponding to the shares in which the share capital is divided, not counting blank votes. There were no changes in members or organisational practices in 2020.

In accordance with the applicable legislation, the Board of Directors meets in the first quarter to prepare the financial statements for the previous year. In addition to this meeting, this body meets depending on operational, business and project approval needs. Throughout 2020, it met on 36 occasions to address over 90 issues related to the projects that Elawan develops, constructs and operates in different countries around the world through its direct and indirect stakes in local companies. The primary matters addressed are summarised below:

- Annual accounts: 2.
- Investments and financing: 68.
- Corporate transactions and aspects: 15.
- General management: 12.

Board members receive no remuneration for performing their functions, except for the Managing Director, who receives remuneration for his role as CEO.

The CEO has a variable remuneration policy based on meeting the organisation's strategic objectives, including economic, social and environmental matters. Their remuneration is determined by the other two members of the Board with internal advice from the parent company's HR management, without involving any other interest group.

The organisation omits the disclosure of the pay ratio (and its percentage increase) between the best paid person and the average remuneration of all employees due to confidentiality problems resulting from the risk of publicly presenting critical information to competing companies that could misuse it, which could result in economic harm to the company.

5.3 Compliance model
(102-17, 205-1, 205-2, 205-3)

Elawan is a constantly growing company, with a presence in very diverse countries, which involves integrating different cultures and regulations. The company aims to create an atmosphere of security and confidence for its customers, as well as a place where its employees enjoy their work. It is important for the company to be respected and recognised by the local communities in which it carries out its commercial activities and operations.

The company has developed its **Code of Ethics and Conduct** to foster a common culture of compliance that guides the actions of everyone who belongs to Elawan. This was last updated in November 2017 and **it's objective is to create an ethical and legal framework for all Elawan employees in all activities, affecting all the company's firms equally and adapted to the current internationally recognised legal requirements, codes and principles.** All employees must be committed to this objective and so comply with all the rules and principles contained in this document, which is available through the website. All employees were trained on the contents of the code in 2014, the year in which it was created. The code of conduct has been communicated to all new employees since then, and it is based on the company's values, in aspects relating to ethics, human rights and anti-corruption. There were 13 hours of on-line training on these aspects in 2020, with a total of 28 new employees (all the new hires); 15 in Spain, 2 in Brazil, 10 in Mexico and 1 in Poland and at middle management professional or other staff category. No new directors were hired in 2020 and no member of the current Management Team received this type of training in that year. Receipt of the code is recorded electronically (if the on-line version is involved) or by signing the letter attached to the code (if it is delivered in printed format). Elawan does not yet have anti-corruption policy.

To ensure compliance with the code, the company has created an **Ethics Committee** to manage and resolve any doubts, as well as any possible breaches or conduct that is contrary to the law or the rules for action of the ethical code. This Committee is comprised of the Human Resources Manager and the Manager of the Legal Department and its functions also include promoting and disseminating the values and conduct of the code.
All complaints are treated with absolute confidentiality and, in their investigation, the rights to privacy, defence and the presumption of innocence of the people under investigation are guaranteed.

The **communication and complaint channels** are accessible and are detailed below:

As part of its commitment to transparency, the Committee maintains a statistical record of its actions and it issues an annual report on the application and monitoring of the consultations and complaints. The duties and administrative structure of the Ethics Committee are detailed on page 15 of the Code of Ethics. No questions or complaints to the Committee were recorded in 2020.

Public Administrations and anti-corruption

(205-1, 205-2, 205-3, 415)

Elawan Energy has had a binding **integrated management policy** since 2017, and this constitutes the basic document for the company's quality, environmental and health and safety management system. In the first principle described in this policy the company states the importance of complying strictly with all applicable legal requirements and, specifically, establishes that **integrity and honesty are basic pillars of the organisation, thus rejecting any corrupt practice.** Furthermore, Elawan is a signatory to the United Nations Global Compact and is committed to the principle of **fighting corruption in all its forms.**

The company has the following reference guides, which extend the content of the code of ethics to anti-corruption and harassment:

- **Anti-harassment guide and protocol for action**: this incorporates measures for prevention and reporting possible cases of harassment, with minimum mandatory aspects to enable honest and responsible action in all the countries in which we operate.
- **Guide to behaviour in case of offer of incentives, gifts or invitations:** aims to comply with all the laws, rules and regulations governing bribery and corruption in all countries in which we operate, considering them unlawful worldwide.

Of all the **transactions assessed** in 2020, none related to corruption. No significant risks related to corruption were detected. As of next year, the company will have an external supplier that will provide the compliance service (regulatory compliance) to allow stricter control of Elawan's anti-corruption measures and to help it develop the most appropriate anti-corruption policies and procedures for its type of company.

Public Administrations are one of Elawan's main interest groups, given the impact of this relationship on the company's activity, particularly in processing projects in the development and commissioning phases. In order to maintain a fluid, direct relationship, there are various departments involved in monitoring the relationship with this interest group (Development, Construction, Quality, Accounting and Legal Affairs) through various channels: email and ordinary post, registry, telephone, meetings and official bulletins. Furthermore, the company is very demanding in complying with all the **legal requirements** that affect the organisation (fees, permits, legal procedures, etc.), as well as in taking into account all inspections promoted by public administrations (site and office inspections, etc.).

Potential threats from the relationship with public administrations include political uncertainty and regulatory changes in energy policies in countries where Elawan is processing projects or has plants operating, which can directly affect the form, supply conditions and sale of energy in the facilities in the country, although this does not pose a significant risk. As stated in the company's code of ethics, it does not provide aid or contribute financially to any political party or government in any of the countries covered by this report.

6. ECONOMICAL DIMENSION

6.1 Global context
(103-1, 103-2, 103-3, 201-1ª, 201-1b, 202)

Renewable energy and its mission in economic recovery

The emergence of COVID-19 from March 2020 had a substantial impact on the Spanish economy due to the significant relative weight of the activity sectors most affected by the drops in mobility and demand, as well as the intensity of the containment measures necessary to curb the spread of the virus. The significant fall in GDP, which surpassed 10% in 2020 as a whole, was an unprecedented challenge in recent history and led to a very different economic policy response from previous crises, both nationally and internationally.
The negative impact of the pandemic is compounded by the need to respond to important future challenges common to all global economies, related to the **ecological transition**, digitisation, demographic changes and depopulation of part of the country.

In the turbulent year of 2020, when all actors in the economy and society were trying to find their new place in the world, it was essential for the entire **business sector** understand the importance of integrating social and environmental criteria in the economic management of any organisation. The future, and to a great extent the present too, is being written by those organisations capable of making the best market logic consistent with the search for a positive impact on society and the environment. The global health crisis is further evidence of the importance and urgency of **a change of course towards a truly sustainable model of economic development.**

In such a changing world, companies not only face the challenge of adapting to new demands, but also the **responsibility of contributing to solving the new social and environmental challenges** present in an environment as uncertain as it is now and as part of their daily work, and obtaining a return in exchange for this. **Innovation** in the company can contribute to solving those social and environmental challenges we have on the table, and receiving various benefits in turn for that, which we could call **responsible innovation**. Innovation in the company is necessary not just to ensure the sustainability of the business, rather if the approach is one of responsibility and listening to the needs of the various stakeholders, it will be key to generating shared value in its most immediate environment. Innovation that needs consider from the capacities of vulnerable groups or groups with special needs to environmental protection and the fight against climate change.

In the **macro-economic** field, the growth of renewable energy contributes positively to gross domestic product (GDP) and to the State, generating jobs, increasing investment in R&D, avoiding energy imports and increasing exports, so contributing to the country's energy security and to emissions rights savings.

Renewable energies constitute a key lever for reactivating the economy after the coronavirus health crisis and for implementing a strategy based on competitiveness and innovation. Accelerating the fair, inclusive energy transition to make Spain neutral in emissions by 2050 is a basic pillar of Spain's Recovery, Transformation and Resilience Plan[1]. This Plan envisages dedicating 40.29% of investment to promoting the ecological transition, with clear alignment with the UN 2030 Agenda Sustainable Development Goals and the specific recommendations of the EU institutions. The

[1] The Recovery, Transformation and Resilience Plan is a Spanish national project that establishes the roadmap for modernising the Spanish economy, recovering economic growth and job creation for sound, inclusive and resilient economic reconstruction after the COVID crisis, and to respond to the challenges of the coming decade.

deployment of the pool of renewable generation is an essential element of energy policy and the achievement of the objectives established by the Spanish Integrated National Energy and Climate Plan (PNIEC) 2021-2030, which sets a **74% presence of renewable energy sources in the electricity sector, consistent with the path towards a 100% renewable electricity sector in 2050.**

The expansion of renewable energies

Worldwide installed renewable energy capacity reached almost **2,800 GW in 2020**, and one third of that capacity is concentrated in China, which leads the global renewable energy market with 895 GW, followed by the US with 292 GW. **Spain is ranked eighth in the world with over 59 GW of installed renewable power: 27.1 GW in wind and 11.8 GW in photovoltaic.**

In 2020, **4,639 MW of new renewable electrical power**[2] was installed in Spain; a year in which the economic competitiveness achieved by renewable technologies and the effect of the coronavirus crisis and the lack of new auctions converged. The sector cries out for energy planning under the principle of environmental and economic sustainability, including technological and regional criteria that prevent imbalances. A balance also needs to be struck between centralised generation and distributed generation, the importance of technological hybridisation and the holding of specific auctions by technology and size, as key aspects for the future renewable mix to achieve the targets set for 2030. In the renewable sector, it is to be hoped that the first auction held in January 2021 is the start of a calendar that gives visibility to medium- and long-term auctions and predictability when undertaking the projects, for the sector to evolve towards a more distributed model, closer to consumption.

[2] Source: APPA (Spanish Association of Renewable Energy Companies).

Elawan and the new energy model

Elawan is in an outstanding position within the renewable sector, with plant operating in 8 countries with 1,175 MW in operation and under construction (at the end of 2020), so contributing to a new renewable, sustainable energy model. Prominent among the keys to **Elawan's** economic management are the **diversification** and **complementary nature** of its technologies (wind, solar, hydroelectric) and its diversity of **geographic locations** to **minimise economic risks** and **take advantage of market opportunities** in the sector. **Responsible innovation** is also fundamental to this model, as a true driver of action and to contribute to economic, social and environmental development.

The company's renewable energy projects have both **direct and indirect positive economic impacts**, such as promoting local economies where the projects are located, contracting local suppliers, generating direct and, above all, indirect employment, paying leases for the land to local farmers and owners, paying taxes to local governments throughout the life of the plants and promoting responsible investment in clean energy (banking institutions, investment funds, etc.). The projects the company carries out pay particular attention to **social impact**, by prioritising those alternatives that do not affect nearby populations and minimising the environmental impact of each project. The company takes the opinion of the stakeholders concerned into account in its decision-making processes (through consultation actions) to optimise the projects' socio-economic impact. Elawan responded to 100% of queries from stakeholders related to the impact of its projects in 2020.

The **negative economic impacts** arising from the activity, of an ***external*** nature, would be associated with the negative environmental impacts (detailed in the environmental chapter) and their potential economic cost for the community and/or its local administration. In compliance with the various applicable laws, the company always proposes measures for mitigation or offsetting to reduce any negative impact of an economic, social or environmental nature during the plant construction and operation periods. Negative economic impacts of an ***internal*** nature arise mainly from the legislative uncertainty caused by legal changes affecting project terms and conditions, with their corresponding economic impact on the company's accounts.

With regard to the entirety of the economic impacts and stakeholders' priorities , **the most significant indirect economic impacts** relate to the creation of indirect employment during the construction process of the farms and plants and the economic growth of local communities (employment, services, improvements in common areas, etc.) through the payment of taxes to municipalities over the extensive service life of the renewable energy plants.

It is also important for the company to design an economic management model capable of identifying not only **risks** but also **opportunities**, which means investing in the planet.

In 2020, Elawan gathered information for **monitoring of indicators** for measurement of the economic impact on the business and for maintaining its integrated management system. Both mechanisms contribute to **assessing the results of economic management**. It has also worked to integrate the SDGs into its business strategy, to move towards a model of economic growth that integrates and monitors its contribution to sustainable development. Furthermore, it has begun to link the SDGs to the GRI standards, and the challenge for 2021 is to focus in on this work by identifying the specific targets associated with each of the priority SDGs for the company and associating them with the GRI indicators that can measure its performance. Elawan also proposes, for the coming year, to improve the quantification of its progress towards the goals associated with its targets, to feedback to the model and so improve measurement of economic impacts.

Progress towards 2020 goals, related to economic targets such as: implementing 3 GW of renewable energy worldwide, maintaining at least 5 GW in the project development portfolio and creating 120 direct and indirect jobs in the 2020 to 2025 period, has already been detailed in the section on the SDGs, in Chapter 2.

Since its creation, the company has achieved all its economic growth based on profound respect for the laws that ensure free competition and management based on honest market practices. With regard to proceedings or legal actions related to **unfair competition, monopolistic practices and anti-competitive behaviour**, the company had no legal actions pending or completed in the period covered by this sustainability report.

6.2 Growth

Introduction

The International Energy Agency's latest report put the spotlight on the importance of clean energies globally and on the significant growth they have experienced in 2020, countering the sharp drop during the pandemic in the other energy sectors such as oil, gas and coal. Wind power, hydroelectricity and solar photovoltaic lead in this growth, and the whole group of renewable energies account for almost 90% of the total increase in energy capacity worldwide.

Global installed renewable energy capacity reached almost **2,800 GW in 2020**, representing a **10% increase** compared to 2019. The various renewable technologies will see varying levels of growth: hydroelectricity, bioenergy and geothermal energy will experience modest growth of between 1% and 2%, while **wind power saw year-on-year growth of almost 18% and solar of 21.6%.**

Elawan experienced a positive growth rate in 2020, despite the global health crisis and thanks to its **strategy of investing in mature, competitive technologies**, such as wind and photovoltaic, which have reduced their costs by more than 50% in the last 5 years.

The **evolution** from 2019 to 2020 of the megawatt portfolio under construction and in operation, by country, is shown below:

COUNTRY	MW IN OPERATION 2019	MW IN OPERATION 2020	MW UNDER CONSTRUCTION 2019	MW UNDER CONSTRUCTION 2020	TOTAL MW 2019	TOTAL MW 2020	VAR (19-20) %
SPAIN	8	44	36	250	44	294	568 %
BELGIUM	28	50	22	10	50	60	20%
POLAND	11	11	0	0	11	11	0%
USA	349	349	-	-	349	349	0%
MEXICO	13	13	0	30	13	43	231 %
BRAZIL	131	131	0	16	131	147	12%
SOUTH AFRICA	0	0	0	102	0	102	-
TURKEY	116	116	0	12	116	128	10%
TOTAL MW	**656**	**714**	**58**	**420**	**714**	**1134**	**59%**

Projects completed in 2020

None of the farms and plants under construction went into operation in 2020.
Projects under construction in 2020

In 2020, construction of two wind farms continued and construction of another three began, as well as the building of one photovoltaic plant, totalling 467.6 MW, which will be operational in 2021.

- **WIND POWER:**

  - **Mexico**: Huimilpan Wind Farm (continued): Elawan continued construction of this park in 2020, with a power of 30 MW and located at San Pedro in the state of Querétaro. The project consists of a total of 15 wind turbines and is the exclusive property of Elawan Energy. Its commissioning is scheduled for June 2021.

  - **South Africa**: Copperton Wind Farm (continued): the company signed a 20-year energy purchase and sale contract (PPP) for the construction and operation of this wind power plant in Northern Cape Province (South Africa), resulting from round 4 of the South African Energy Plan tender.

  - **Belgium**: Salazine Wind Farm: this is the seventh wind farm built in Belgium, of which 3 have already been sold and the remaining 4 are part of Elawan's operating assets. The project is located in the Wallonia region and is being developed in two phases: an initial phase, with three turbines and a power of 9.6 MW and a second phase, to be executed in 2022, with two more turbines, reaching a total of 16 MW.

  - **Brazil**: Pedra do Reino V Wind Farm: this project was won by auction and consists of expanding a series of wind farms the company has developed in the past. It is located in the state of Bahia, in the Sobradinho region, has 4 turbines of 4 MW and commissioning is scheduled for the end of 2021.

  - **Turkey**: Adares Wind Farm (expansion): the company started expansion works for this project in 2020, attached to the Adares wind farm, and it will have an installed power of 10.5 MW. It was commissioned in early 2021.

- **SOLAR PHOTOVOLTAIC ENERGY:**

  - **Spain**: Campanario I-V solar photovoltaic plant; this project is located at Bonete (Albacete) and will have a total of 5 photovoltaic plants, of 50 MW each and a total installed power of 250 MW. It is planned to go into operation in the third quarter of 2021.

Projects planned for 2021

At the end of 2020, the company set the target of developing 7 wind farms and another 7 photovoltaic plants, totalling 479 MW under construction in 2021.

- **WIND POWER:**

  - **Spain**: 3 wind farms of 50 MW each will be developed in the Bonete area (Albacete). This work is scheduled to begin before the end of the first half of 2021.

  - **Poland**: 4 farms will be developed in various areas of Poland, with powers of 4 MW, 6 MW, 6 MW and 10 MW, anticipated to start in the second quarter of 2021.

- **PHOTOVOLTAIC ENERGY:**

  - **Spain**: 6 photovoltaic farms, 5 of which will be located in the Villanueva de los Escuderos (Cuenca) area, of 50 MW each, except for one having 40 MW, and another attached to the Torrijos (Toledo) project, of 50 MW. Construction of this plant will commence in the second half of 2021.

  - **France**: 1 photovoltaic plant to be built in 2021 will have 5 MW and will be located in an already closed former non-hazardous waste dump. Elawan won this project through public tender.

6.3 Balance Sheet
(201-1, 201-3, 201-4, 202-2, 203-2)

In 2020, and due to the consequences of the worldwide health crisis situation, it was not possible to complete construction of the farms and plants in Spain, Mexico, Brazil and Turkey as planned, so Elawan's operating portfolio at the end of the year remained at 714 MW (in operation and maintenance). With 420 MW to be commissioned in the next year, the company will have a total installed power of 1,134 MW. No project sale transactions took place in 2020.

The robustness of its vertically integrated business model, together with the more than 11 GW[3] that the company has in development and advanced development, are factors that reflect its **medium and long-term economic sustainability**.

Shown below are the number of farms and plants under construction (C) and in operation (O) and the total number of megawatts per type of technology at the end of 2020:

COUNTRY	No. WIND FARMS		No. PHOTOVOLTAIC FARMS		No. HYDROELECTRIC PLANTS	TOTAL PLANTS PER COUNTRY
	C	O	C	O	O	
SPAIN	0	2	5	1	0	8
BELGIUM	1	4	0	0	0	5
POLAND	0	1	0	1	0	2
USA	0	4	0	0	0	4
MEXICO	1	0	0	0	2	3
BRAZIL	1	10	0	0	0	11
SOUTH AFRICA	1	0	0	0	0	1
TURKEY	1	3	0	0	0	4
TOTAL PLANTS	**5**	**24**	**5**	**2**	**2**	**38**
TOTAL MW	**170**	**664**	**250**	**35**	**14**	**1134**

Despite the complexity of the 2020 context and thanks to the fact that the company had a healthy financial situation since before the start of the crisis, the **financial results for the year**[4] were as follows: net turnover of 73,774 thousand euros (representing an increase of

[3] This data includes MW being developed in: France, Ukraine, Colombia, Argentina, Russia and Romania.

[4] The data for 2019 are taken from the 2020 Financial Statements. The 2019 accounts were updated due to the changes in depreciation charges and impairments of assets in Brazil and Turkey. The farms were considered to be available for sale in previous years and this criterion has changed (see Note 4.3 of the 2020 Accounts).

1.1% compared to the previous year), profit before tax of 13,324 thousand euros (reflecting a decrease of 7% compared to 2019), net profit of 6,206 thousand euros (33.8% less than in the previous year).

Direct Economic Value Generated in 2020 was 87,324 thousand euros, a decrease of -1.37% compared to the previous year. **Distributed Economic Value** for that year was 53,187 thousand euros, a decrease of 14%. Such that **Retained Economic Value** was 34,137 thousand euros, up 29% on 2019.

The following tables show **evolution** of the aforementioned economic values (generated, distributed and retained) between 2018 and 2020:

Economic value generated (thousands of euros)

	2018	2019	2020
Revenue	93038	86849	86247
Financial revenues	2964	1692	1077
Economic value created	**96002**	**88541**	**87324**

Distributed economic value (thousands of euros)

	2018	2019	2020
Employee remuneration	5113	4844	5727
Payments to capital providers	28824	27295	21844
Operating costs	18718	22466	18253
Payments to public authorities	14557	7443	7202
Investments to benefit the community		236	161
Distributed Economic Value	**67213**	**62048**	**53187**

(*) Investments in the community include the works initiated in 2019 for the Social Project in Brazil, for a total budget of 1 M BRL (222 thousand euros).

Retained economic value (thousands of euros)

	2018	2019[5]	2020
Retained economic value	**28788**	**26493**	**34137**
Rate of change	-49%	-8%	29%
Net profit	10856	8775	6206
Profit before tax	22856	13737	13324
Net financial debt	358533	405547	543078
Equity	98232	92447	50045
Capitalisation (Net Equity + Debt)	456765	497995	593123
% Capitalisation (Net Equity/Debt)	27%	23%	9%

The Company meets the obligations of its employees' **pension plan** every year, making monetary contributions to the Social Security pension system of each country included in the scope of this report. The only exception is the United States, where contribution is made to the private pension plan together with private health insurance. The company has no other fund to meet its pension plan obligations. In 2020 Elawan received financial aid corresponding to capital **grants** amounting to **94** million euros (US$105 million), corresponding to the construction of wind farms in the US. No additional amounts were received as grants in 2020. No governments are present in Elawan's shareholder structure.

Taxes, rates and fees

Elawan contributes to the **development of local economies** where its farms and plants are located by means of the payment of taxes, rates and fees that contribute to the creation of indirect employment and the improvement of public services managed by public administrations, especially local councils or governments.

In 2020, the company paid a total of 7,199 thousand euros as **taxes, rates and fees**, representing 3.17% less than the previous year. The payment of local taxes by country since 2018 is detailed below, as well as the rate of change between 2019 and 2020:

Country	Payment of local taxes (thousand euros)			Var. 19 - 20
	2018	2019	2020	
Spain	7387	1302	1316	1.04%
Brazil	4606	2830	2039	-27.95%
USA	2,077 *	2,847 *	2,299	-19.27%
Poland	89	179	121	-32.31%
Mexico	8	4	5	22.8%
Belgium	386	227	1416	524.97%
South Africa	0	-	3	-
Turkey	0	46	0	-100%
TOTAL	**14553**	**7435**	**7199**	**-3.17%**

(*) Includes Puerto Rico

[5] The data for 2019 are taken from the 2020 Financial Statements. The 2019 accounts were updated due to the changes in depreciation charges and impairments of assets in Brazil and Turkey. The farms were considered to be available for sale in previous years and this criterion has changed (see Note 4.3 of the 2020 Accounts).

The company is up-to-date on all its payments to the General Treasury for Social Security, with the Tax Agency and has complied with all its economic and tax obligations in 2020. After the Annual Accounts were approved by the Board, they were audited and submitted in due time and form to the Mercantile Registry, thus complying with its accounting obligations.
No Elawan employee received their salary based on the **official minimum wage**, such that all company staff receive their salary in excess of that established in the collective bargaining agreement applied in each of the countries covered by this report.
Elawan has no **senior executives from the local community**, so all its executives are Spanish. The directors in Belgium and Turkey are native to those countries, although they are hired by the local partner who collaborates with Elawan in those markets.

Responsible financing

(412, 413)

The company is committed to and complies with the Equator Principles to identify, mitigate and/or offset the risks and their possible negative impacts on the environment, people and climate that its projects may cause, particularly in developing countries. By verifying its compliance with these principles, the company manages and assesses the environmental and social impacts on local communities and on Human Rights.
In 2020, needs for **financing**[6] amounted to 126 million euros, corresponding to the Campanario (Spain), Pedra do Reino V (Brazil) and San Pedro (Mexico) projects. Access to this financing has been possible thanks to compliance with the Equator Principles (EPs) and the submission of an independent report verifying compliance. The number of projects subject to **Human Rights assessments** were Spain's 5 photovoltaic plants (Campanario), representing 100% of the total projects assessed in Spain; in Mexico the San Pedro plant also received a Human Rights assessment, representing 100% of the total projects in the country. This type of assessment, based on the Equator Principles, was not carried out in the rest of the countries, although other types of analyses were used.
All externally financed projects require human rights impact assessments in the corresponding country where the farm or plant is to be developed. In 2020, 66.6% of the total MW under construction were subject to this type of assessment, the details of which are reflected below by country:

- **Spain**: 5 projects (Campanario) through Due Diligence, including EPs and the Green Loans Principles (GLPs).
- **Mexico**: 1 project (San Pedro) through the Due Diligence included in the EPs.

Of the total MW under construction in 2020, 91% included local community participation, impact assessment and/or development programmes (projects in Spain, South Africa and Mexico).

6.4 Information, a strategic asset

Digital transformation

Information now constitutes a vital strategic asset within the organisation. Intellectual property is recognised as one of the most important intangible assets for companies, as it constitutes approximately 80% of their value.

[6] Only bank financing signed in 2020 for renewable energy projects is included.

Elawan continued to work on its **information systems strategy** in 2020, which has to do with the uses the company makes of technology to increase its value and improve its competitive position. This strategy aims to provide an integrated set of IT assets to support business processes and facilitate their transformation, as well as to secure lasting competitive advantages. Not only do all **digital transformation** technologies support operations, but they also enable the identification of new opportunities for the business. And we cannot forget that true transformation needs to be accompanied by a change in leadership style, a stimulus for innovation and new business models, but without losing sight of how this affects people and the environment.

The IT department of the parent company has provided support to all Group companies for their digital transformation, to align the business strategy with that of information systems. It also faces the challenge of combining digital innovation with the need to maintain the current systems and processes, while offering the operational excellence pursued by Elawan. New IT capacities have also been created to increase the productivity and efficiency of internal processes.

All this, combined with a new Elawan IT team, comprising two people, will result in **greater effectiveness in economic, social and environmental impact measurement systems**, which will positively affect the company's decision-making in the corporate social responsibility field.

Control Centre

One of the company's significant **strengths**, which gives it a competitive advantage over its competitors, is its **efficiency in plant maintenance management** thanks to its **Renewable Energy Control Centre** (CCER for its initials in Spanish). This centre enables monitoring and measurement of production from all plants (wind turbines, modules, lines and electricity substations) 7 days a week, 24 hours a day.

This technology offers a high quality operation and maintenance service for the operating farms and plants, providing **efficiency, reliability and security to shareholders or customers,** acting immediately in case of any incidents. Proper management of incidents in the farms and plants forms part of the centre professionals' annual objectives and their variable remuneration. The efficiency of wind turbines and photovoltaic modules is a key factor in generating energy and profitability for the business and, therefore, it aims to minimise shut down times.

This management is carried out locally by the O&M supervision team and remotely by an automatic system. If it cannot be put into operation by this means, the incident is reported to the maintenance team for them to attend the plant personally to check, and the response time is variable.

Mean shut down time in 2020 for wind turbines in all countries that form part of the scope of this report was 11 minutes (3 minutes more than in 2019), excluding one specific shut down that caused the time to rise to 8 hours due to human error.

Digital WorkPlace 2019-2021

Within its innovation and digitisation strategy, the company launched a **job transformation project** in 2019 through the Digital WorkPlace initiative. Its **objective** is to adopt Microsoft technology and offer employees Office 365 work tools as part of the company's digital transformation process.
This project, led by the IT department, represents a cultural change as it uses technology to optimise the way employees work and their

interaction with customers and suppliers to improve their experience, satisfaction and productivity through collaboration.

The main change comes from the integration of Outlook, OneDrive and SharePoint tools into the Office 365 platform, which enables us to work much more speedily, conveniently and efficiently.
The project pursues 3 objectives:

- Digital competences: increasing digital competences, know-how and skills to adapt to a constantly changing market and environment.
- Digital workplace: improving the way of working based on new technologies.
- Digital experience: encouraging digital agility in all aspects of work.

Employees receive **training** in the use of this new technology through an implementation and training plan, with a variety of support initiatives and materials.

The new tools deployed and adopted in 2020 were: Teams, OneNote, Planner, Stream and Forms. **Thanks to the Digital WorkPlace tools, the professionals who work in offices were able to perform their functions effectively in the complicated context of social isolation arising from the COVID-19 pandemic.**

The difficulties in meeting and travelling modified the agenda of planned activities, which was adapted to the new circumstances to ensure progress in the digitisation project.

The following **actions** carried out in 2020 are worthy of highlighting:

1. **Training:**
   a. **On-line training - webinars**: on-line training with a live connection for multiple groups of employees. The training consists of a brief description of the tools and their advantages, as well as a detailed description of their use and the numerous possibilities offered.
   b. **Videos - training snippets:** explaining, through a series of short videos, specific aspects on the advantages of the new tools in practical cases on a daily basis.

2. **Gamification:** activities were carried out to motivate and boost the use of the Digital Workplace, such as:
   a. **Mobile App - DWP Challenge:** open platform for the organisation's professionals, both nationally and internationally, to train on Office 365 tools in a competitive game-type format: multiple choice question and answer.

   b. **Teams - Digital Champions League**: the winners from the company's various corporate departments participated in a training initiative through Microsoft Teams' TeamsChamp application. This tool helps introduce gamification in the Office 365 adoption processes and improves their use and activation.

3. **Digital Workplace Hub**: is a SharePoint site that includes all the reference information for the DWP project. It includes DWP training materials such as FAQs, the webinars, Gonvarri Academy courses, tips, the calendar, access to the Digital Champions Network and feedback, among others.

4. **Other initiatives** such as: training guides with user instructions, FAQs, tool tips, satisfaction surveys, etc.

Information security
(418)

It is important for the company to protect information as reliably as possible due to the growth of cyber threats and on-line fraud that cause losses in the millions in companies worldwide. Information security incidents can also cause the company's services to be unavailable and, therefore, business continuity needs to be an important point to take into account in its management. Furthermore, with the entry into force of Spanish Law on Personal Data Protection and Guarantee of Digital Rights (LOPDGDD for its initials in Spanish), the security of EU citizens' information and sensitive data becomes a top priority.

Elawan works on implementing tools to ensure that risks to information security are efficiently controlled by the organisation, both internally and towards other companies. The company needs to integrate information security into the organisation's culture and places the focus on **3 main objectives**:

1. Preserving the confidentiality of its data.
2. Maintaining the integrity of its data.
3. Availability of the protected information.

It currently has several regularly-reviewed information security procedures and systems to ensure proper operation.
The following actions were carried out in 2020 to improve **security policies**:

- Regular scanning of systems to identify external and internal vulnerabilities and correction based on their level of criticality.
- Communication and awareness campaigns to raise awareness among employees. Training sessions on techniques for prevention and protection were held at the corporate offices and in the plants.
- Measures for improved adaptation to the new **European data privacy regulations** came into force in May 2018, involving a more cross-cutting level of supervision on the protection of personal data.
- Installation of new versions of anti-ransomware tools (preventing blocking of the computer or making of part of the information inaccessible) and tools for analysis through pilot testing of new tools for cataloguing and protecting corporate information (Information Rights Management).

The organisation did not identify any substantiated claims regarding customers' privacy or for data theft or loss during 2020.

6.5 Our solution
(416-1, 416-2, 419-1)

One of Elawan's competitive advantages is to offer customers a complete solution in renewable energy, which includes energy (product) as well as the design, execution and operation of the plant where that energy is generated (service).

- **Renewable energy**, does not, due to its characteristics, present any chemical or environmental risk, nor do the labelling regulations apply since it is not directly used by the customer; the energy produced is directly transferred to the electricity distribution network that supplies the end consumer.

- El **service** offered by the company is based on management of renewable energy projects (wind, solar photovoltaic and hydroelectric), from project development to maintenance throughout plant life. So, the **main added value it provides customers is to offer them efficiency, reliability and security through integrated project management.**

The relationship with customers or shareholders takes place through the company's legal department or management. Communication and monitoring of investments, strategic participation through decision-making and offering participation in new projects can be highlighted among the expectations of this interest group. Furthermore, their interests focus on legal and contractual compliance, as well as the absence of conflicts that could negatively impact Elawan's reputation.
The requirements for the products and services are determined through the performance contracts with partners or customers, as well as with the financial companies that support the construction of the farms and plants financially, and their revision is included in the contract, as well as any change or amendment to it. Elawan has established various **controls for processes for subcontracting** the design of facilities, construction and maintenance of facilities sufficient to meet the needs and to comply with the contracts signed with customers. The detail of these controls is explained in the Supply Chain section.
The organisation's **management** is committed to taking active care, if applicable, of goods owned by customers while they are under the control of Elawan's personnel or are being used by them, guaranteeing to inform the customer of any impairment or damage caused to the customer's property. Furthermore, the organisation ensures the preservation of outputs until correct delivery of the products and services to the customer through **operational control and control of suppliers** (or subcontractors) where appropriate, through appropriate **traceability** of those products and services.
Management also reviews the measurement of **customer satisfaction**, which is determined in two manners, depending on the type of customer:

- Shareholders: their level is satisfaction is checked based on the analysis of queries and complaints.

- End users: as measurement based on surveys the final energy users is impossible, this measurement has been made relatively based on facilities capacity availability and compliance with planning anticipated at the start of the year, by plant.

Management also reviews **compliance with legal requirements**, confirming the requirements associated with the business, environmental management and health and safety identified by country and including other possible commitments voluntarily adopted by the organisation.

No **incidents** relating to **customer health and safety** due to the impact of its products and services, or deriving from the sale or marketing of prohibited or disputed products were recorded in 2020. Nor were any significant **fines or sanctions** due to breaches related to the supply and use of renewable energy, in social or economic matters, recorded. The organisation considers that it has not breached any regulations or voluntary codes on customer health and safety, information and labelling, marketing communications with customers or any other interest group or in the social and/or economic sphere.

Operation and Maintenance

The operation and maintenance phase of the plants covers an extensive period of time, as their service life varies between 20 and 30 years. Applying quality criteria in this phase of the project is very important and, therefore, the company has implemented its integrated management system, which includes the quality system under ISO 9001, in all its farms and plants; so, health and safety impacts are assessed for all its products/services in order to establish improvements.

In the case of wind farms, it is added that the wind turbines move most of the time to produce energy, although stops occur at times that can be scheduled or unscheduled.

Scheduled stops are those established to perform preventive maintenance of the farms with the aim of extending their service life, avoiding unscheduled stops or incidents:

- **Preventive** maintenance is planned at intervals defined by the turbine manufacturers. This maintenance is scheduled annually, seeking the minimum economic impact, i.e. at times when wind incidence is lower and production is affected as little as possible.
- **Predictive** maintenance is more complex and aims to diagnose possible faults or failures in advance to increase the availability of the wind turbines.

Unscheduled stops occur when a fault or failure is detected and the duration of the stop depends on its significance, and may be a matter of minutes for example due to a fault or may require **corrective** maintenance.

6.6 Supply chain
(102-9, 102-10, 204-1, 417-1, 417-2, 417-3)

The key to the company maintaining its competitiveness is constant reinvestment and innovation and, therefore, the company dedicates part of its resources to constantly improving its services, its range of solutions and its manner of providing them, involving its supply chain in its principles and initiatives. In its integrated management policy, the company establishes the importance of **involving its suppliers in continuously improving the organisation's processes** and establishing **mutually beneficial relationships**. In accordance with ISO 14001 and 45001, the company has environmental and safety controls for suppliers.

As reflected in its Code of Ethics, Elawan is a company that acts fairly and honestly in its relations with suppliers and subcontractors, from selecting them to settling payments. The relationship with suppliers is based on the quality of the product and service, their business and commercial practices, including ethical conduct, transparency, compliance with applicable legislation and respect for

human rights in all those countries in which they have operations. The contracts also include a clause on agreement and compliance with the Elawan Code of Ethics.
Of the four operational processes (already described in the first section of the report), Elawan contracts external suppliers for **construction** of the installation (which has the greatest social impact, as it requires a large number of staff to build it), as well as for **operation and maintenance.** The company is responsible for controlling production and service provision, ensuring the identification and traceability of the entire production process, all managed through the control centre (CCER). There were no significant changes in the supply chain in 2020.

Supplier selection and assessment

(414-1, 414-2)

The **selection and assessment of suppliers and contractors** is based on impartiality, rigour and objectivity, also taking into account environmental and social aspects and carrying out audits if necessary to improve internal control of them. Under no circumstances will employment of minors or forced labour be tolerated in its suppliers' operations in any of the countries in which the company operates. Purchasing needs are initially covered through the suppliers already included as **"historical suppliers"**, i.e., already registered in SAP. This group consists of: unique suppliers (which include suppliers determined by the limitations or requirements of each project or by equipment maintenance manufacturers), historical suppliers and unapproved suppliers.

If an unapproved supplier is required, it is researched through internal and/or external references, at least 3 quotations are requested and the one that best meets the requirements is selected. The company has a **procedure** for purchasing and supplier assessment in its management system, as well as for determining **critical and non-critical suppliers** and **withdrawal of approval** from critical suppliers.

- **Critical suppliers**: are those responsible for the supply of equipment, maintenance and operation of the facilities, construction of the farms and plants and, in general, any company that exceeds 30,000 euros of billing of annually. Department managers record suppliers' control indicators, compliance with contract requirements and/or non-conformities every six months on the *critical supplier control sheet*. Critical suppliers are sent an email indicating approval or withdrawal of approval as Elawan suppliers annually.

- **Non-critical suppliers**: are those not included in the previous group and the controls are established by the heads of each department themselves through the "non-conformities" (generated by breaches of contract in the products or services provided). In the case of non-critical suppliers, withdrawal of approval will be approved by the department manager.

Elawan's management is responsible for reviewing the performance of external suppliers and for withdrawing approval from critical suppliers, which can only be carried out by the CEO.
All critical suppliers assessed were approved in 2020 and there were no significant incidents or breaches.

The main **controls on the risks associated with contractors** within the purchasing, selection and approval process are presented below:

- Establishment of specific contractual clauses on the environment and occupational health and safety, in addition to legal compliance.
- Procedure for coordination of business activities.
- Environmental and occupational health and safety management manual.
- Visit information sheet.
- Environmental emergency and incident management plan.
- Regular inspections.
- Criteria for assessing suppliers whose operations or activities impact its workers or stakeholders.

The company has not been performing **social assessment of suppliers** to the present and neither have suppliers with **material negative social impacts** been identified. The only **potential risk** derives from the lack of control in the supply chain due to privacy in the agreements signed between the company's suppliers and subcontractors and other suppliers.

Local purchases

It is important for Elawan to promote the local economy by contracting suppliers from the region or the country where the facilities are located, especially in those places where incentives are in place for this type of practice.

The following table represents **expenditure with local suppliers in 2020 by country** and its evolution since 2017 and the rate of variation between 2019 and 2020:

	Expenditure with local suppliers (thousands of euros)			VAR. 19, 20
	2018	2019	2020	
Brazil	5220	6741	4391	-34.9%
Spain	4083	7217	6304	-12.6%
Poland	314	949	456	-52.0%
Mexico	239	303	327	7.9%
Belgium	811	1219	1626	33.3%
Turkey	54	25	19	-31.6%
South Africa	218	303	304	0.6%
USA*	7768	7233	6733	-6.9%
Total	**18707**	**23990**	**20161**	**-15.9%**

(*) US data includes Puerto Rico.

Social risks in the supply chain

(47-1, 408-1, 409-1, 410-1, 414-1, 414-2, 103)

The company did not identify any significant risk in its supply chain in 2020 that threatens **freedom of association** or cases of **child labour** or young workers exposed to hazardous work or cases of **forced labour** or exploitative conditions. To avoid these situations, the company has the complaint channels already explained in the Ethics and Governance Model chapter. Furthermore, the controls it performs during work processes with suppliers are exhaustive, both in the construction process and in access to the farms and plants already built for the operation and maintenance service. Beyond the controls arising from occupational health and safety issues, the company has not adopted additional measures with its suppliers to contribute to the abolition of **child labour**, **forced labour** or supporting the right to **freedom of association** of its employees.

As regards plant **security**, Elawan contracts local companies that are obliged to respect the rules and codes described above, and no risk of excessive use of force was detected during 2020. The company has not provided or required specific human rights training for security staff.

7. SOCIAL DIMENSION

7.1. People
(102-8, 102-41, 103,)

The team that makes up the organisation is fundamental to achieving Elawan's growth and competitiveness goals, so the company pays special attention to selecting qualified, motivated professionals in each country. To maintain this motivation over time, Elawan's responsibility to its people means taking care of its employees' well-being, so dedicating time and resources to training and creating a safe and healthy working environment to promote optimal working conditions in which people feel satisfied.
Furthermore, Elawan's human capital is one of the elements that distinguishes it from the competition and adds value to its processes, in a highly complex and competitive global environment. The company values its employees' initiatives and boosts their capacities to implement them.

The **integrated management system**, with its basis in continual improvement, makes it essential for staff to be competent, effective and aware of the relevance and importance of their activities to the achievement of Elawan's policy and strategic objectives. To this end, Elawan maintains system for direct communication via telephone and email which, if necessary or so considered by management, provides for informing workers of any situations that may have arisen and aids in everyone's learning. Similarly, the channels and documents to be consulted are defined in the consultation procedure. Furthermore, Elawan establishes a commitment to promoting employee participation and consultation, in its integrated management policy.

Elawan's **management** reviews changes in employee needs and expectations, risks and opportunities, as well as occupational health and safety performance. It also reviews the investigation status of workplace accidents and occupational incidents and staff communications.
In **analysis of stakeholder expectations and needs** conducted by the company in 2020, the four main employee expectations identified related to: job stability and professional career; work-life balance; training; and social benefits.
The main needs detected are presented below:

- Payment on time and in proper form.
- Company legal compliance as regards environmental and health and safety matters (delivery of PPE, training and information, medical examinations, etc.) with regard to requirements with an impact on workers.
- Management of workplace accidents through legal channels (mutual accident insurance provider, etc.)
- Attention to improvement proposals for environmental and health and safety management.
- Encouraging and promoting participation and consultation channels.

The process of continuing expansion to new markets means that Elawan's activity takes place in very varied environments, with geographically dispersed teams and with differing needs. Elawan's **challenge** in this regard is to coordinate all these people and integrate the different cultures and occupational regulations within the framework of a common corporate culture.

Employment

(401-1, 401-2, 401-3)

Elawan's workforce in 2020 was 88 employees, representing an increase of 26% compared to the previous year: the male workforce grew by 30%, compared to 17% for female workforce. The following table shows the change from 2019 to 2020 in the number of employees, **by professional category and gender, as well as the rate of change between the two years by gender:**

	EXECUTIVES		MIDDLE MANAGERS		OTHER STAFF		TOTAL STAFF		VAR. (19-20) %
	2019	2020	2019	2020	2019	2020	2019	2020	
MEN	6	8	18	18	23	34	47	61	30%
WOMEN	0	0	4	3	19	25	23	27	17%
TOTAL	6	8	22	21	42	59	70	88	26%

Elawan generates indirect employment, basically in construction and maintenance activities. The volume of subcontracting in maintenance is similar every year, as the work is previously scheduled. Construction is where significant changes are generated in subcontracted staff, depending on the number and size of the farms and plants. This activity is carried out through EPC (Engineering, Procurement and Construction) contracts, where the company assigned manages the personnel in the different phases of the work.

The following table shows the **indirect employment** generated in 2020, by country and the changes with respect to 2019, based on the estimate that the company requires one full-time subcontracted worker for every 35 MW in operation and maintenance:

COUNTRY	No. INDIRECT JOBS GENERATED		RATE OF CHANGE (19-20)
	2019	2020	%
SPAIN	0.22	3.22	1,463%
BELGIUM	0.81	1.4	72%
POLAND	0.28	0.28	0%
USA	11.27	11.27	0%
MEXICO	10	10	0%
BRAZIL	3.73	3.73	0%
SOUTH AFRICA	2.58	2.58	0%
TURKEY	3.33	3.61	8.4%
TOTAL INDIRECT EMPLOYMENT	32.22	36.09	12%

There was a marked increase in the number of indirect jobs generated in Spain due to the O&M contract at the Campanario photovoltaic plant, which has three employees. In the case of Belgium, the Hannut wind farm was completed in 2019 and the increase in staffing was therefore due to the O&M contract.

Attraction, development and talent

An outline of Elawan's **strategy for attracting and retaining talent** is presented below.

HIRING — search for professionals who best suit the job post requirements.

TRAINING AND INSTRUCTION — training mechanisms tailored to personnel, continuing development plans.

STABLE EMPLOYMENT — job stability as a means of demonstrating trust in the team and in long-term relationships.

PERFORMANCE ASSESSMENT — objective evaluation for their development and promotion.

INTERNAL PROMOTION — career development and recognition of talent, possibilities for mobility between countries.

1. New hires and turnover

In 2020, 28 new professionals joined the company: 20 men (23%) and 8 women (9%), with the following distribution by age range: 11 under 30 years of age (13%), 16 people between 30 and 50 (18%), one person (1%) over 50.

The following table summarises the distribution of **new hires by country, as well as the rate of new hires by country:**

	HIRES 2020	No. NEW HIRES/TOTAL EMPLOYEES
Belgium	0	0%
Brazil	2	2%
Spain	15	17%
USA	0	0%
Mexico	10	11%
Poland	1	1%
Turkey	0	0%
South Africa	0	0%
TOTAL	28	32%

A total of 9 professionals **left** during the year (6 men and 3 women; 7% men and 3% women with respect to total staffing at the end of 2020), with the following distribution by age range: 4 people under 30 years of age (5%), 5 people between 30 and 50 (6%) and none over 50.

The following tables summarise **distribution of staff departures by country**:

	DEPARTURES 2020	No. DEPARTURES/TOTAL EMPLOYEES
Belgium	0	-
Brazil	2	2%
Spain	5	6%
USA	1	1%
Mexico	1	1%
Poland	0	-
Turkey	0	-
South Africa	0	-
TOTAL	9	8%

The **usual benefits** for full-time employees (not applicable to part-time or temporary employees) in all countries covered by the scope of this report (where the company builds, operates or maintains projects) are based on life insurance and health insurance. Additionally, employees in the USA have “fringe benefits”, i.e. social benefits such as private health insurance, pension plan, life insurance, etc.

The total number of employees with a **right to parental leave** was one man who took this leave. This employee returned to work in 2020 when his parental leave ended and continued to be employed up to the date of writing the report, meaning that the rate of returning to work and retention was 100%.

The company respects people's right to free association. All **rights and obligations** of all company employees are included under similar agreements and conditions, depending on the country in which they operate, their local regulations and requirements. The rights and obligations are covered by the country's labour laws. The company does not have collective bargaining agreements and the relationship between employees and their immediate managers is very close and direct. The company does not have a minimum notice period for employees before significant changes are applied. Elawan's communication style allows the CEO, in case of any relevant change, to meet urgently with the managers, who will in turn convey the message directly to their department's employees.

2. Training

(404-1, 404-2, 404-3)

Elawan Energy is a company committed to its team, promoting staff motivation and training, providing them with the tools they need to perform their professional duties and facilitating learning.

All staff who perform specific tasks that may affect the quality of service, the environment or occupational health and safety are qualified by means of training and/or experience, which is reflected in their various CVs. In specific cases in which a particular competence may be required, this will be reflected through internal communications (mainly by email) to the person in charge of producing the training plan for inclusion of these specific training needs in the annual plan for the following year.

Employee training needs are collected in the last quarter of the year and sent to department managers, who are responsible for deciding what training is actually to be carried out, according to each employee's interests. After compiling the requirements from the various areas, the annual training plan is drawn up, to include needs for sensitising or raising awareness of the importance of the management system for new additions to Elawan's workforce.

The types of training, the number of hours and their scope are reflected in the following table:

Training activities	Hours of the activity	Total training hours	No. of workers
Business English	144	1,152	7
Consolidation of financial statements	60	60	1
Health and Safety	209	562	44
TOTAL	**413**	**1,774**	**52**

Measurement of training effectiveness is determined as follows:

- Obtaining of a diploma or certificate from those training activities where the training has its own evaluation.
- By means of results from occupational health and safety surveys for training associated with occupational health and safety emergency situations.
- Through a performance assessment given by the recipient of the training, seeking to confirm the use of the skills acquired in the training during normal work.

	Number of employees	Training hours	Training hours by gender
Women	61	72 h	2.66 hours/woman
Men	27	198 h	2.11 hours/man
Total	88	270 h	2.23 hours/total employees

	Number of employees	Training hours	Hours of training by job category
Employees	73	250 h	3.42 h/employee
Executives	15	20 h	1.33 h/executive
Total	88	270 h	3.07 h/total employees

3. Job stability

In 2020, 84.1% of staff had a permanent contract, while the remaining 15.9% were on a temporary contract, mostly in Spain.

The distribution of staff by gender, employment contract and country is reflected in the tables below, the data in it have not changed significantly due to the seasonality of the business:

		CONTRACT TYPE		TOTAL CONTRACTS
		TEMPORARY	PERMANENT	
GENDER	M	6	55	61
	F	8	19	27
TOTAL		**14**	**74**	**88**

		No. EMPLOYMENT CONTRACTS		
		TEMPORARY	PERMANENT	TOTAL
COUNTRY	**BELGIUM**	0	2	2
	BRAZIL	0	8	8
	SPAIN	11	40	51
	USA	0	9	9
	POLAND	1	4	5
	MEXICO	2	10	12
	SOUTH AFRICA	0	1	1
	TURKEY	0	0	0
	TOTAL	14	74	88

All the contracts were full time. The number of employees by type of employment contract and by gender is shown below:

		CONTRACT TYPE		TOTAL CONTRACTS
		PART TIME	FULL TIME	
GENDER	M	0	61	61
	F	0	27	27
TOTAL		**0**	**88**	**88**

4. Progress and performance assessment

The company does not currently have a plan employee skill improvement or transition assistance programmes and each case is assessed individually with the manager of the relevant area, who evaluates and decides on their scope.

Performance assessment does not follow a formal, structured procedure. The managers of the various departments meet with the CEO at the end of the year to assess the work of all of Elawan's employees, evaluating the degree of fulfilment of the targets set at the beginning of the period, as well as other achievements over the year.

Of all employees, 100% of men and 100% of women received an assessment of their performance and/or professional development in 2020. By job category, 100% of employees received this type of assessment and 100% of executives also received it.

5. Internal promotion

Internal promotion means recognising professional worth and constitutes a fundamental part of the human resources strategy for retaining talent. Elawan has several processes for filling vacancies internally, starting with an analysis of the requirements for the position by the CEO and the department or area manager, to establish the most appropriate group to cover that post. In many cases, employees proposed for internal promotion have the opportunity to incorporate international experience into their professional career, in one of the countries where the company has operations.

In those cases where a very specific profile needs to be incorporated or where it has not proved possible to cover the post within the required time frames, the selection process looks externally and it is disseminated through the various communication channels the company has established for this purpose.

Diversity and Equality

(405-1, 405-2, 406-1)

Elawan values diversity when creating multicultural teams, as it considers that these differences help create positive changes in the organisation and its environment and drive capacity for innovation.

The company supports and backs the principles included in the Universal Declaration of Human Rights and Workers' Rights, whereby all workers must respect the values of equality, absence of discrimination and harassment, and freedom of association.

The company avoids any form of discrimination by following its procedures from the selection process, defining profiles and functions and always endeavouring to ensure promotion bound to individual merits, competences and capacities. This section also applies to the setting of remuneration conditions, training, monitoring and performance assessment. Elawan bases it relations with its staff on respect and equal opportunities and it is committed to developing a diverse workforce and promoting a workplace environment in which respect prevails, regardless of gender, race, sexual orientation, age, disability, religion or ethnic origin.

Furthermore, the company considers any action that constitutes harassment to be serious misconduct and has developed an **anti-harassment guide and action protocol**, applicable to the entire company, which defines the principles and guidelines for action to govern for prevention and, where applicable, correction of this type of conduct. Employees are informed of the existence of this tool through the company's code of ethics and it is distributed directly to each new employee who joins the company.

Neither is employment of minors or forced labour tolerated in Elawan's operations or in those of its suppliers in any of the countries in which it operates.

There is noted to be room for improvement in Elawan's **governing bodies** in terms of **equality**. The three Board members are all men, meaning 0% representation of women in the company's senior governing body, and 100% are men over 50 years of age. Of the 15 members of the Management Team, 100% are men and, of them, 80% are between 30 and 50 years of age and 20% are over 50.

Elawan values diversity when creating multicultural teams, as it considers that these differences help create positive changes in the organisation and its environment and drive capacity for innovation.

The following tables show the number of people on the **Board of Directors**, in the **Management Team** and **employees**, by job category, by gender and age group:

GOVERNING BODIES	<30 years		30-50 years		>50 years		**Total**	
	Men	Women	Men	Women	Men	Women	Men	Women
Board of Directors	0	0	0	0	3	0	3	0
Management team	0	0	8	0	0	0	8	0
Total	0	0	8	0	3	0	11	0

Of all employees (middle managers and other staff), 65% are men and 35% are women; 35% of employees are under 30 years of age, 51% are between 30 and 50 years old and 14% are over 50.

No. OF EMPLOYEES	<30 years		30-50 years		>50 years		Total	
	Men	Women	Men	Women	Men	Women	Men	Women
Middle managers	3	0	14	0	1	3	18	3
Other staff	11	14	17	10	6	1	34	25
Total	14	14	31	10	7	4	52	28

In terms of **work-life balance**, the company has the legally established measures (reduced working hours, paternity leave, etc.) aimed at balancing its employees' professional and personal life. These measures will need to be adapted to the job post and the local regulations and customs of each country.

Salary and social benefits

(202-1)

Treating its staff fairly and equitably by rewarding employees for their achievements is fundamental to Elawan. The minimum wage is higher than that established in local law in all countries included in the scope of this report.

The most representative countries by workforce size are: Spain, with 47% of the workforce, followed by Brazil with 11% and the USA at 10%.

Taking into account only remuneration in **Spain**, the agreement indicates as minimum wage for the **initial** category (plant staff) a salary of EUR 18,329: the average wage of women in the initial category (EUR 24,549) is 33.9% above agreement category and the average wage of men (EUR 24,408) in the initial category is 33.2% above this, so there are practically no gender differences in pay in the initial category. The average in this category is EUR 24,468.

The wage under agreement in the **middle managers** category is EUR 20,424 in **Spain**: the average salary of women in this category (EUR 27,872) is 36.5% above the minimum salary under agreement and the average salary of men (EUR 29,523) in this category is 44.6% above it. The average in this category is EUR 28,289.

The data are not reported in the rest of the countries included in the scope of this report, either due to the confidentiality of the information or due to the lack of representativeness of the data, as they are very small workforces.

In 2020, as in previous years, the Ethics Committee did not receive any complaints regarding discrimination against employees or employment practices contrary to equality or diversity.

7.2. Health and Safety

(103, 403-1, 403-2, 403-3, 403-4, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

Elawan Energy has an occupational health and safety management system that has been implemented since 2012 by legal requirement under Spanish Law 31/1995, on Occupational Risk Prevention, and Royal Decree 486/97, concerning Minimum Health and Safety Conditions applicable to workplaces, in turn complying with all the requirements of the ISO 45001:2018 standard. The scope of the system includes 100% of Elawan's employees (a total of 88) located in Spain, Belgium, Brazil, the USA, Mexico, Poland, Turkey and South Africa, and the activities covered by the management system have already been described in the About Us section. All of them are subject to internal auditing and third-party certification. In the construction phase, although all legal requirements and some applicable to ISO 45001 are met, the scope of the system does not cover the construction process. Workers (not employees) are 100% covered and protected by the companies hired by Elawan to execute the construction work or service. The company is responsible for requiring the legal documentation corresponding to the activities that each subcontractor is to carry out.

In its integrated management policy, the company acknowledges the importance it attaches to the safety of its employees, as well as of those people who may be affected by its activity. This policy is disseminated internally to staff by email and, externally, through the website. Furthermore, the organisation has established safe, healthy working conditions to prevent work-related injuries and health impairment. To achieve this, Elawan is committed to eliminating hazards and reducing the risks of its activities and any other that takes place in its work centres, as well as to encouraging worker participation and consultation. The company provides employees

and workers with risk assessments and self-protection plans where applicable in farms and plants; a policy for action in case of serious and imminent risks is also delivered, which allows for stoppage of work without the need for approval from a superior.
The company has a procedure for investigation of workplace accidents and incidents (through various channels, such as health and safety incident surveys), which are treated internally as a non-conformity, establishing the causes and the preventive and corrective actions required. All of them are recorded and classified annually. The company plans actions annually to identify hazards, assess risks and establish controls associated with occupational health and safety.

For operational control of occupational health and safety, the company has defined a series of controls in: plant construction and commissioning, facility operation and maintenance, as well as the procedure for access in O&M, identification of hazards and risk assessment.

Elawan has its own occupational **health and safety officer** who, in turn, relies on services from an external consultant to jointly ensure proper maintenance of the management system. An internal audit is conducted at least once a year. If required, activities that generate non-conformities are audited as many times as deemed necessary. The company has no legal obligation to have health care personnel at the workplace, but it does have a private medical service (private health insurance) in all countries where it has operations that is accessible to all its employees. Mutual insurance or accident insurance is established depending on the country.

Furthermore, associated with the COVID-19 pandemic, the organisation carried out PCR and antigen testing for all employees who needed it in 2020 to ensure its employees' health status.

Management plans the business objectives aligned with the business strategy, the risks and opportunities detected and the action plan to address them. Feedback of all data obtained through active and reactive control of the integrated management system provides Elawan's management with the necessary information to promote continual improvement of processes, products and services. This is conducted at the meetings for management review of the system.

Direct contact with **management**, which leads the management system, is available so that workers can propose improvements (where necessary) to the working environment and conditions in their various posts.

In addition, an **employee participation and consultation** procedure has been established, defining the various communications channels for confidential reporting of all types of occupational incidents and situations, including those with workplace hazards or if a worker wishes to withdraw from a job situation they believe could lead to injuries. The company also sent several communications during the year as risk prevention reminders (safety alerts) resulting from hazard situations reported by subsidiaries and as noted in the section on SDGs.

Elawan does not have a **formal health and safety committee** (the company is not obliged to establish one by law). Health and safety issues are addressed directly between the employee and company management, with the participation of the health and safety officer.

The company has no workers whose work or workplace it controls.

Elawan may exert some influence on its **commercial partners** to reduce negative occupational health and safety impacts, and prevention and mitigation mechanisms are established for this by

means of a series of controls prior to the work phase, such as document control, application for access through CCER (control centre), as well as the site health and safety management manual.
The rate of **deaths** and **injuries** due to workplace accidents, the **accident** frequency rate and the number of deaths due to **occupational disease** were zero in 2020. It should be noted that one of Elawan's strengths as regards health and safety is that it has not suffered any accidents for over four years. The company does not have this information for workers (non-employees), so cannot include it in its calculations, as they are 100% covered and protected by the companies contracted for the construction service and the company is only responsible for requiring the legal documentation corresponding to the activities that each subcontractor is to carry out.
No **occupational hazards** were detected that present **risks** of injury due to occupational accident or risk of ailments or other occupational hazards. Potential occupational hazards are determined by means of risk assessments carried out by companies and professionals in the applicable country, carried out through risk prevention planning.
The **absenteeism rate**[7] in 2020 due to common contingencies was 0.49, compared to the market average of 2.42[8]. **Average duration**[9] was 15.8 days, compared to the market average of 28.31[2]. The total number of work absences was six, all with mild injuries.
As already described in the section on SDGs, Elawan has the **objective** of maintaining a 0 accident rate for company staff in the 2020 to 2025 period.

Health and safety training given to employees was already detailed in the section on Sustainable Development Goals (SDG 3 and SDG 4), as well as in the Training section of this chapter.

The company has detected **room for improvement** in control of some safety elements available in the farms and plants. For next year, Elawan will work to improve operational control by augmenting supervisory measures on subcontractors who carry out plant maintenance services.

[7] Calculated as follows: Days of absence occurred *100 / Σ (Month days * Affiliated workers in month).
[8] Market data are calculated for companies with between 25 and 250 employees and Spanish National Classification of Economic Activities (CNAE) 71 and the source that provides this data, as well as all the absenteeism data stated in this report, is the mutual insurer ASEPEYO Mutua Collaboradora with the Spanish Social Security.
[9] Average duration = Days of sick leave from medical discharges in the year /(No. of discharges in the year)

7.3. Local communities
(103, 411, 412, 413, 203-1)

Renewable energy is not only necessary to combat climate change and contribute to energy security, but also to generate local development, improve living standards and fight poverty in those most disadvantaged areas and most vulnerable groups. The study carried out for the Spanish National Environment Congress (CONAMA 2014[10]) shows that increasing clean energy in electricity generation would lead to a reduction in the price paid by the consumer for their electricity bill, such that the greater the presence of renewables, the greater the savings, and these can range from 8% (in the conservative scenario) to 25% (in the responsible scenario). Data from the study show that the energy bill for all households would be reduced, although it would particularly benefit the most vulnerable groups (in the responsible scenario). Following the current fossil fuel-based energy model is economically and socially unsustainable, as well as environmentally, as it would lead to rises in household energy expenses and economic efforts that would be hard for them to bear, and would drive very substantial groups of households into energy poverty.

The company contributes to community development where it implements and operates renewable energy plants through access to and provision of **green energy** to households and **reduction of pollution**. Reducing CO_2 emissions and energy consumption from non-renewable sources leads to a significant benefit in terms of **public health** associated with the reduction of air pollutants. If we appraise these reductions as damage avoided based on external costs, a significant **economic benefit** would also accrue.

Direct and indirect employment is generated during the plant construction phase; after construction, employment generation decreases and **positive impacts on the community** are produced directly through **rent** received by agricultural and livestock farmers for leasing the land (which can, in turn, lead to local indirect employment) and, indirectly, through the income received by local municipalities and governments through payment of **taxes**, and indirect local employment (contracting local companies to maintain the projects).

Renewable energy projects (particularly in developing countries such as Mexico, Brazil and South Africa) contribute, on many occasions, to improving the areas neighbouring the projects by creating new infrastructures such as electricity lines or substations. **Public-private partnerships** and support from national and regional banks are also important factors in promoting renewable energy projects and developing these local communities. The Pedra do Reino project in Brazil, for example, relied on finance from the public Banco Nacional de Desenvolvimento Econômico e Social (BNDES).

As covered under Code of Ethics, Elawan does not tolerate **employment of minors or forced labour** in the company's operations or in those of its suppliers in any of the countries in which it operates. As already described in the Supply Chain section, the company has not detected any social risk in its entire supply chain or received any complaints through the channels provided for that purpose.

[10] CONAMA 2014, "El beneficios económico y social de las energías renovables" [The economic and social benefits of renewable energy], Alicia Cantero Cerezo. Greenpeace Spain.

At the level of **internal strengths**, contact with such varied cultures represents a source of learning experiences for the company and for exploitation of synergies arising from the differing risk prevention and environmental cultures in the different countries where Elawan operates. At the level of **opportunities**, the company conducts socio-economic studies during project development and construction for management to analyse the opportunities resulting from the positive impact on the local communities where the farms and plants are implemented.

Relationship and commitment with the community

In the Code of Ethics, the company expresses its desire for **respect and recognition from the communities** where it conducts its commercial operations and encourages all company employees to become involved in this objective, promoting **dialogue** between the team and members of local communities. Elawan commits to **respecting the Human Rights of individual members of local communities and indigenous peoples in the countries in which it operates**, establishing the appropriate arrangements to ensure compliance, particularly among the most vulnerable groups. No cases of **infringement of human rights** or of indigenous peoples' rights were detected in 2020, nor are there any plans implemented or under way for reparations, as none of these types of infringements of Human Rights have been identified in any of the projects built or under construction.

Investments in support of the local community are established by the management of each production facility to provide a response suited to the real needs of each population. Based on the principle of transparency, collaborations and donations anticipated must always be communicated to and approved by General Management, properly recorded and executed in collaboration with suitable, prestigious entities or foundations to avoid these being a risk to the company's reputation. Investments to benefit the community in 2020 totalled 161,000 euros, 32% less than the previous year due mainly to the pandemic, to avoid the confluence of people when local activities are carried out.

From among this interest group's **expectations**, considerations such as investment in the area, generating jobs, etc., communication of information on the project and joint activities for participation in the communities where the company operates can be highlighted. The most relevant among its **needs** would be: Elawan's compliance with its environmental impact statement and the establishment of safety measures to avoid increasing risks associated with the projects (restricted access, etc.).

Communication with this interest group takes place through consultation periods in the environmental impact assessments for the farms and plants, environmental/social diagnoses and through agreements and conventions with local authorities. Elawan responded to 100% of queries from stakeholders related to the impact of its projects in 2020…

No operations with negative **material impacts** (actual and potential) were identified in local communities in 2020.

Elawan considers that initiatives at the local level contribute to strengthening ties with the community. The main social actions carried out in 2020 in countries with the most critical local communities (most vulnerable or with higher risk of potentially negative social impact) are presented below:

SOUTH AFRICA

RINA (the local company building the Copperton wind farm) was appointed to manage community liaison activities in October 2018, which includes all aspects of stakeholder relations management. A **Community Liaison Desk** (CLD) was established in Prieska to facilitate the establishment of constructive relations between the Project and Interested and Affected Parties ('IAPs'), as well as with secondary stakeholders. The CLD consists of the Project Community Liaison Officer ('CLO') and Assistant Administrator to act as the Interface between the Project and the community with the Environment & Social ('E&S') Specialist and Project Manager providing support and ultimately taking responsibility for the overall coordination and execution on behalf of the Project. The CLD is responsible for, among other things, the implementation of the Project's grievance mechanisms – proactively and effectively managing potential conflicts, disputes, and disagreements.

The CLD has continued to focus on refining existing structures; whilst developing new partnerships with local stakeholders including Garob Wind Farm, Orion Minerals, Mulilo Solar Community Trust Alkantpan Test Range, GWK, and Mulilo Sonnedix Prieska (jointly the "**CSI collaboration**"). The CSI collaboration was started in order to streamline processes and engagements with the Siyathemba local community.

CSI collaboration meetings occurred on a weekly basis from the beginning of the national lockdown in response to the numerous requests coming from various community stakeholders for support due to the detrimental effects as a result of the lockdown due to the COVID-19 Pandemic within the local community. The CSI members each identified initiatives that were able to provide assistance and this resulted in a coordinated and efficient response to requests from the local community. The CSI collaboration meetings were changed to occur once a month after the easing of the nationwide lockdown with a notable decrease in requests for assistance from the Siyathemba community.

The CSI has distributed monthly newsletters to assist with increasing awareness on COVID-19 in the Siyathemba Community.
Elawan also contracted a company in 2020 to raise the local builder's awareness of the importance of maintaining all safety measures arising from the health crisis due to COVID-19, with the ultimate aim of ensuring compliance with the COVID management protocol on site.

A Project Steering Committee ('PSC') has been established as an integrated body for stakeholder engagement. This body serves as an inclusive central working group providing direct communication to interest groups. The PSC also streamlines frequent community engagement, allowing the various stakeholders to be engaged on a regular basis through their elected representatives.

The CLD has joined the Local Outbreak Response Team ('LORT') meetings in Siyathemba municipality. The LORT was established with the aim of having all stakeholders involved to assist with a coordinated response to the COVID-19 Pandemic in the local municipality.

The CLD attends the meetings to provide the LORT feedback on initiatives that the CSI collaboration are undertaking and then provide feedback to the CSI collaboration on urgent interventions required in the municipality where they can provide assistance. These have included donating hand sanitisers and Personal Protective Equipment ('PPE') to the Bill Packard Hospital, refreshments for medical screening teams, assisting with organising mass screening, and information dissemination via weekly newsletters through the platforms available to the various members. On 17th to 19th December 2020 the CSI Collaboration hosted its first ever community clean-up drive with the aim of educating youth from Siyathemba municipality about waste, which included providing information on the importance of recycling and creating a clean environment in their community, and the making of eco-bricks. The focus was on creating awareness of the importance of how a clean environment not only creates a healthy environment but also allows a sense of pride in the community.

TURKEY

Elawan currently has a total of four wind farms in Turkey; one under construction and three in operation and maintenance, representing a total of 128 MW, 10% more than in 2019. In 2020 the company made an investment in social action valued at 9,600 euros (100,000 TL) in the municipality of Yahyali, to encourage movement for different types of activities. This investment enabled the purchase of a bus to provide transport for the local sports team, for municipal events, etc.

BRAZIL

Elawan currently has a total of 11 wind farms in Brazil; 1 under construction and 10 in operation and maintenance, representing a total of 147 MW, 12% more than in 2019. Three actions were taken contributing to various objectives and needs of the population locally at Macambiras, as summarised below:

- Expansion of the María Liborio School: an annexe building was completed in early 2020 to expand the capacity to serve a larger number of students. The project was completed in January 2020.
- Remodelling and adapting the "Casa de Farinhas": work to remodel and adapt a building used to process cassava flour. The project includes the machinery needed to process the flour.

MEXICO

The company has a total of three projects: a wind farm under construction and two hydroelectric plants in operation, amounting to a total of 43 MW, 231% more than in the previous year.
The company invested a total of 16,412.80 euros in social action in 2020, in three major areas described below:

1. **Health**. Elawan carried out the following social actions:
    a. Remodelling the Timul Community Clinic. These activities were coordinated by the Elawan Energy in Mexico (EEM) team and executed by community workers as part of the agreements reached in the indigenous consultation.

b. Donation of community-wide healthcare materials (masks, water-alcohol gel, disinfectant, etc.) for prevention of COVID-19 infection.

2. **Infancy and youth**. Healthy development of girls, boys and adolescents. The company carried out the following actions:
    a. Donation of toys for girls and boys in the Timul community.
    b. Prizes for the illustrated short story competition.
    c. Donation of toys to the communities comprising the Ejido de los Martínez
3. **Corporate Social Responsibility**. Elawan carried out the following actions:
    a. Distribution of food and material for households in the Timul Community, after the damage caused by the hurricane season.
    b. Distribution of blankets to the Timul indigenous community to face the cold season in the region.

The majority of the investment was concentrated in the community near the Chicxulub wind farm; the donation of toys to the communities comprising El Ejido de los Martínez corresponds to the San Pedro wind farm project.

USA

The company has a total of four wind farms under operation and maintenance in the United States, totalling 349 MW, the same amount as in the previous year. Approximately 820 euros (US$1.000) was donated to a school near the Persimmon Creek wind farm project in 2020.

8.

ENVIROMENTAL DIMENSION

8.1. Environmental management
(103-1, 103-2, 103-3, 307, 308)

There is an interdependence between humans and ecosystems, which manifests itself in the variety of services that ecosystems generate for mankind and that determine the well-being of its societies. Both local and global changes affect this flow of services, with consequences for the economy, health, sociocultural relationships, freedoms and human security and safety.

Elawan considers it important to manage the impacts arising from its activity on the ecosystems where it is present and, therefore, it has an **environmental management system certified under ISO 14001 in its 2015 version** (integrated management system). The company shows its respect for the environment and its commitment to preventing pollution in one of the six principles of its integrated management policy, so minimising negative impacts on nature. Elawan communicates this commitment to its stakeholders through various channels, such as the website.

Its approach to environmental management is one of **continual improvement:** feedback of all data obtained through active and reactive control of the integrated management system**,** providing the necessary data to general management to continually improve its processes, products and services (meetings for review of the system).
At the end of each year (most recently at the end of 2020), Elawan also identifies and assesses, by country with production centres, the **legal requirements of an environmental nature** resulting from its activities, to determine whether it is complying with them all or not. In the latter case it would establish the corresponding actions for compliance. To identify and assess the legal requirements applicable in other countries, the company has established collaboration agreements with foreign law firms. The channels for communicating and reporting environmental issues have already been discussed in the Ethics and Compliance Model chapter of this document. Elawan did not identify any breaches of environmental regulations in 2020, nor did any complaints or sanctions arise in this regard.

Identification and assessment of environmental aspects (environmental control) is carried out annually by the person responsible for quality, the environment, health and safety. The following table shows the areas that affect or could affect the environment and their corresponding environmental impact in the construction, operation and maintenance of facilities:

Environmental aspect	Environmental impact
Consumption of raw material	Exhaustion of natural resources
Generation of hazardous and non-hazardous waste	Possible soil/groundwater contamination
Effects on vegetation	Loss of habitat
Effects on fauna	Reduction in fauna or disturbance in their breeding and reproduction cycles
Effects on heritage	Loss of heritage
Emissions to atmosphere of fluorinated gases that affect the ozone layer (only in wind farms by SF6)	Alteration of air quality
Noise emissions	Alteration of local fauna
Discharges	Possible contamination of soil/surface or ground water due to alteration in water quality
Spillage of substances and/or waste due to rupture of septic tanks or the purification system	Possible soil contamination and effects on the water environment or drainage networks
Emissions of gases to atmosphere due to potential fire or explosion (electricity substations, motors, turbines, offices)	Air pollution

Elawan has defined the corresponding action sheets for each of these situations, including the general mode of action, human resources and materials necessary. The analysis considers normal, abnormal and emergency situations that occur or could occur in the company and the activities include those carried out in offices and facilities and subcontracted activities.

The company analyses the effects of these activities on the environment, determining whether they are direct, indirect or potential and then determining whether they are significant. For an environmental aspect (identified as direct) to be considered significant, the calculations for one year compared to the previous, whether it is included in legal compliances, whether measures exist for its control and the effects on stakeholders are taken into account. **Direct** aspects are determined through the ratio with production or the number of people in the organisation, depending on the type of aspect, to calculate the annual quantity. To determine the significance of **indirect** aspects, the company's capacity for control over them, the frequency of use and the stakeholders are taken into account. The company also analyses and records its processes, associating the impacts with the life cycle perspective.

The **significant direct aspects identified in 2020** were as follows:

- Generation of energy from renewable sources that do not emit GHGs to atmosphere (positive impact).
- Consumption of batteries (wireless office equipment).
- Generation of fluorescent tubes (wind turbines and plant offices)
- Generation of contaminating metal and plastic packaging (for wind turbine maintenance).
- Generation of oil filters (for wind turbine maintenance).
- Generation of septic tank sludge via sanitary use.
- Soil contamination due to an emergency at the South African plant.

No environmental improvement objectives were established in 2020 due to the fact that it was a very unusual year, to the significant aspects identified being due to circumstantial reasons and/or not being controllable by the company (such as preventive farm maintenance, measurement errors in the previous year or increases in personnel that generate greater use of material) and to the change in head office location.

The **relationship with suppliers** is based on demanding traceability and quality of the product and service offered, as well as on analysing their business and commercial practices, including ethical conduct, transparency, compliance with applicable legislation and respect for human rights, in the countries in which they operate.

With regard to **negative environmental impacts in the supply chain**, these mainly relate to the supply of materials and the service for plant construction and, to a lesser extent, the supply of materials in the operation and maintenance phase by large companies that, in many cases, have high bargaining power.

The **indirect** aspects identified as **material** in 2020 were the following: generation of hazardous and non-hazardous waste, generation of aerosols, generation of polluting packaging (metal and plastic), as well as solar panels broken and/or defective during the plant assembly process. Although these were identified as significant, they cannot be effectively established as such, as it is the first year that the company has had data for its calculation.

The company has had a **Site Environmental Management Manual** since 2018, aimed mainly at helping suppliers and subcontractors to control both legally required aspects and other types of impacts that the company considers it relevant to monitor. Therefore, **Elawan informs its suppliers of its environmental policy and requests their express commitment to prevent and reduce the impacts (as mentioned above), as well as to maintain a responsible attitude of respect for the environment.** This manual applies to all the farms and plants Elawan has under construction and, in 2020, it was applied for the first time in a new project in Brazil.

The number of suppliers assessed in relation to the environmental impacts totals 36, of which 5 have been identified as those with the most significant negative environmental impacts (potential and real). In 2020, no improvements were agreed nor were relationships ended with any suppliers identified as generating negative environmental impacts.

The company has its own **environmental emergency plan**, the effectiveness and knowledge of which (internal and external) is checked annually and it is reviewed when an emergency situation occurs, there is a change in the process or a new environmental aspect is identified that had not been addressed previously. This plan is not considered to be applicable to the offices, given the types of facilities and associated risks. Fire management is associated with the periodic drills in each office building. In the 2020 assessment, only one incident was recorded, the details of which are reported in the Effluents and Waste section.

Environmental controls

The company has a procedure for environmental control, which details the associated controls carried out to reduce the environmental impact generated by Elawan's own activity in the various facility phases (development, construction, operation and sale).
Elawan has environmental vigilance and monitoring programmes that ensure compliance with the protective, corrective or offsetting measures and legal requirements. These controls are highly relevant in the plant **construction phase**, where a series of mandatory **operational control measures** are applied by all the people and companies involved in the projects. The objective of the Site Environmental Management Manual is to facilitate application of these measures, which are summarised below:

- Obligation to comply with the legal requirements applicable when performing the activity.
- Obligation to report all incidents with an environmental impact that take place in project execution.
- Minimising, where possible and continuously, the significant environmental impacts generated by their activity, using good environmental practices.
- Ensuring order and cleanliness as a key aspect during construction, as well as proper management of the waste generated.

Elawan has entered into agreements with environmental consultants who carry out **environmental surveillance** in the operation and maintenance phase of plants, at the frequency indicated by the requirements for each project.

Some of the most significant controls carried out at the company's centres, where construction started in 2020, are shown below:

Projects under construction:

- Huimilpan wind farm (Spain)
- Salazine wind farm (Belgium)
- Pedra do Reino V wind farm (Brazil)
- Expansion of Adares wind farm (Turkey)
- Five Photovoltaic plants at Bonete (Albacete, Spain)

The most relevant environmental controls in the above projects:

- Regular meetings with the contractors and site visits by Elawan personnel and periodic third-party inspections to notify of the protection, correction or offsetting measures to be adopted.
- Review of documentation and reports generated by third parties, contracted specialists and Elawan personnel.

Management involvement

Elawan's **management** is responsible for approving and assessing fulfilment of **environmental objectives** by means of a series of indicators, as well as for assigning resources to minimise the company's environmental impact. The company's CEO is responsible for defining the conclusions on the appropriateness and effectiveness of the environmental management system, actions related to breaches of environmental objectives, as well as the company's strategic environmental management.

8.2. Circular economy and waste management

Materials

(301)

Noteworthy among the technologies used by Elawan is electricity generation using photovoltaic solar energy, as it requires the use of large collector areas and, therefore, a considerable amount of materials in their construction. Extraction, production and transport of these materials are the processes with the greatest environmental impact.

In general, the materials used in the construction of the plants by subcontractors (indirect environmental aspect) are not recycled, nor do they include recycled raw materials (secondary materials). The environmental module of the site management manual sets some guidelines for proper management of some materials such as, for example, preferably using aggregates from recycling for concrete production, as well as preferably using non-potable recycled water. The company works to obtain an estimate, for the coming years, of the weight or volume of materials consumed per square metre built in 2020, as well as to require materials that are recycled, reusable

and have an eco-label, which can be used with full assurances in construction of the farms and plants, to be able to move towards a circular economy, integrating the materials used back into the economic cycle and thus minimising raw material consumption.
Elawan's challenge in this field is to require greater environmental controls from its suppliers in the extraction, production and transport of the materials needed to build renewable energy plants, as well as in waste recycling.

With regard to use of materials in offices, this is not significant.

Effluents and waste

(306-1, 306-2, 306-3, 306-4, 306-5)

The activity carried out in the farms and plants, either directly or indirectly (by Elawan's contractors), generates a series of **hazardous and non-hazardous wastes**, which are managed and processed under the laws of each country and Spanish and European law. To analyse the data, the amount of waste generated in each facility is calculated relative to the production of each plant and, subsequently, the overall result for the company is generated.
When assessing environmental aspects, of the eight aspects identified as **direct and significant in 2020**, six relate to waste generation, of which one comes from the central office (consumption of batteries) and the other five come from the maintenance of the plants (basically the wind turbines).

In the case of batteries, consumption increased by 77% for use in wireless mice and keyboards, due to the increase in personnel and new equipment (portable computers). In this case, they are deposited in waste or battery collection points at the end of their life and Elawan is going to work over the next year to gradually replace them with rechargeable batteries. On the other hand, toner, paper and fluorescent tube waste generated in the Madrid office was reduced in 2020 due to the increase in the number of days worked remotely by staff and the application of good printing practices.

The other five aspects (direct and significant), relating to **maintenance** of the plants, particularly the wind turbines, refer to generation of: fluorescent tubes, contaminated packaging (metal and plastic), oil filters and septic tank sludge. The main **indicators and their rate of change compared to the previous year** are shown below:

- Generation of fluorescent tubes (kg): 464% more waste was collected. The floor area in the Madrid office has doubled in size, and this coincided with the changing of a large number of fluorescent tubes, both in the office and the plants.
- Generation of contaminated metal packaging (kg): 30% more waste was collected. The previous year saw an increase of 32%. This is considered an aspect associated with the predefined maintenance ranges and, therefore, its inclusion in the 2020 Objectives was disregarded.
- Generation of contaminated plastic packaging (kg): 23% more waste was collected. The previous year saw a 55% reduction. This is considered an aspect associated with the predefined maintenance ranges and, therefore, its inclusion in the 2020 Objectives was disregarded.
- Generation of oil filters (kg): 37% more waste was collected, compared to an increase of 12% in the previous period. This is considered an aspect associated with the predefined maintenance ranges and, therefore, its inclusion in the 2020 Objectives was disregarded.
- Generation of septic tank sludge (kg) (necessary only in certain farms): 55% more septic tank sludge was generated than in the previous year. The company believes that this is due to a measurement error for 2019.
- Generation of contaminated absorbent materials (kg): their generation decreased by 67% in 2020. An increase of 26% occurred in 2018.
- Generation of aerosols (kg): none were generated in 2020.

The waste disposal method is as indicated by the authorised manager for each waste type. Recovery is normally carried out at the plant and, depending on the type of waste, it is recycled or disposed of. The main method for recovering the majority of the waste generated in 2020 was accumulation of waste for submission to other recovery operations.

The total weight (kg) of hazardous and non-hazardous waste is shown in the following table, for those countries for which the company was able to collect the information:

	Hazardous (kg)	Non-hazardous (kg)	Total (kg)
Spain	842.00	220.00	1,062.00
Mexico	840.00	-	840.00
Belgium	584.57	80.21	664.78
USA	8,786.12	7,089.21	15,875.33
Turkey	2,500.00	-	2,500.00
Poland	-	-	-
Brazil	-	-	-
Total	**13,552.69**	**7,389.42**	**20,942.11**

Elawan will attempt, for the next sustainability report, to obtain the data from all locations with significant transactions, requesting this information from local suppliers sufficiently in advance and at the level of detail required by GRI.

With the aim of improving waste management, a new indicator (KPI) based on **amount of waste generated per MW constructed** was introduced in 2020 to assess indirect environmental aspects. This information is collected once the plant has been built, and as no farm or plant construction was completed during the year covered by this report, this indicator cannot be reported until 2021.

The volume of unplanned **water discharges** in 2020 was zero. Water discharges take place to the drainage network and come from the installed sanitary facilities.
In addition, **an emergency environmental situation occurred** in 2020 that generated a spill (not significant) with a total volume of 208 litres of oil in a transformer in the USA (Persimon Creek), without affecting soil or water, which was controlled by the spill kit, following the corresponding procedure.

8.3. Energy and climate change
(302 and 305)

Elawan is aware of the importance of using energy more efficiently and reducing emissions of greenhouse gases and ozone-depleting substances (ODS) – whether nitrogen oxides (NO_X) or sulphur oxides (SO_X) – to combating climate change and reducing the organisation's total environmental footprint, although the company does not emit these latter substances in its construction or operating processes.

As already stated in the Sustainable Development Goals section, the company worked actively in 2020 on **SDG 7** (Affordable and clean energy) and **SDG 13** (Climate action) through the three strategic objectives presented here, as well as the corresponding progress on each of its goals.

Energy

Elawan controls electricity consumption at its Madrid office and in the operation and maintenance phase of wind and photovoltaic farms and hydroelectric plants. Electricity consumption resulting from the company's main activity is rather low, and it is therefore not considered to be a material matter. In the case of subsidiaries, obtaining electricity consumption data is complex as electricity is included in the office lease agreement in most cases and they also have no meters. It should also be noted that Elawan has no offices in South Africa or Turkey. The company conducts awareness raising campaigns via emails and posters for staff to use energy efficiently.

The company makes use of a vehicle it owns in the USA, but it did not prove possible to collect fuel consumption data for 2020 at a sufficient level of quality to adequately report it in the sustainability report. Elawan will work in 2021, with a view to the next report, to improve the non-financial information collection systems with its subsidiaries.

In the development and works phase (execution), electricity consumption is limited; however, a series of guidelines are established in the works phase for proper use by suppliers, such as: promoting rational use of this resource, checking cleaning of the lighting systems to ensure their efficiency, turning off the lights when they are not in use (works cabin) and not turning fluorescent tubes off when they will need to be turned on again within 30 minutes. Electricity consumption in the operation and maintenance phase of the plants is somewhat higher. In this regard, it is noteworthy that energy consumption decreased by 10%, which demonstrates the effort made in management policies and good practices associated with consumption of this resource.

In the case of the central office, Elawan applies energy saving measures, included in the legislation associated with air conditioning in work centres and its proper use in rooms that are not continually occupied (meeting rooms, etc.), as well as good practices such as shutting down computers when leaving work posts, switching off lights, etc. Electricity consumption in this office reduced considerably from 2019, down 34.1% from the previous year. These data are not significant as this facility was closed for several months and few people frequented it due to the present health crisis.

Total **electricity sold** in 2020 amounted to 2,590,706 MWh, equivalent to 9,326,542 gigajoules (GJ); an increase of 64% over the energy sold in 2019. The **distribution of renewable energy sales by country** and per year in gigajoules, with its corresponding annual rate of change, is presented below:

Renewable energy sales (GJ)	2019	2020	VAR (19-20)
Belgium	348,119	**531,036**	53%
Brazil	1,965,346	**1,988,611**	1.2%
Spain	75,508	**317,923**	321%
USA	2,551,084	**5,043,550**	98%
Mexico	74,640	**131,263**	76%
Poland	90,781	**143,161**	58%
Turkey	587,514	**1,170,997**	99%
TOTAL	**5,692,992**	**9,326,542**	**64%**

In 2020, Elawan consumed **8,831.4 GJ** (2,453.17 MWh) of electricity from non-renewable sources (consumption at the Madrid office, where heating and air conditioning are electrical; it does not include consumption in the rest of the offices) and consumption of energy in the farms and plants from renewable sources, which is 74% more than in 2019; the distribution by country and the evolution with regard to the previous year is shown in the following table:

Energy consumption (GJ)	2019	2020	VAR (19-20)
Belgium	282	665.3	136%
Brazil	563	734.2	30%
Spain	250	999.9	300%
USA	1,586	1,506.2	-5%
Mexico	0	271.0	-
Poland	286	306.9	7%
Turkey	2109	4347.87	106%
TOTAL	**5,076**	**8,831.4**	**74%**

Total energy consumption calculated for Spain (as the only country for which there are data are available on electricity purchased as needed to elaborate this indicator) was 999.89 GJ.

In terms of **external energy consumption**, the company does not have any information on this as its suppliers did not provide this information. It is expected to be able to obtain it for the coming year. Elawan's **internal energy intensity** (GJ self-consumed/GJ produced) in 2020 was 0.09%. The energy intensity ratios (electricity) within the organisation by country are shown below:

Internal energy intensity	2020
Belgium	0.13%
Brazil	0.04%
Spain	0.31%
USA	0.03%
Mexico	2.13%
Poland	0.21%
Turkey	0.37%
TOTAL	**0.09%**

The **external energy intensity** (GJ consumed from the grid/GJ produced) of Elawan in Spain (the only country for which data on mains electricity consumption is available) was 0.0005% (0.41 MWh/88,589.34 MWh).
The company has not established direct actions aimed at reducing its energy consumption. There was no change in the energy requirements of the service offered by the company.

Emissions

(305-1, 305-2, 305-3, 305-4, 305-5)

In 2020, Elawan decided to improve management of its impact from GHG emissions due to growing demand from its stakeholders (especially from the parent company, as well as financial institutions) to reduce emissions, aiming to be neutral by 2050. To do this, the company used the methodology defined by the Spanish Climate Change Office for **calculation of its carbon footprint in 2020**, focusing on the central office in Madrid.

For the next sustainability report, Elawan **undertakes** to elaborate on the inventory of direct and, above all, indirect emissions and plans to gradually incorporate the emissions of the other offices included in the scope of this report. The company's **objective** for 2021 is to register its footprint in the Spanish Ministry for the Ecological Transition and the Demographic Challenge's Carbon footprint, offsetting and carbon dioxide absorption projects registry.

Elawan did not record **direct emissions (Scope 1)** in 2020.

With regard to **indirect GHG emissions (Scope 2)**, the total in 2020 was 7.87 tonnes of CO_2 equivalent. With regard to indirect GHG emissions **(Scope 3)**, employee travel to work (34.74 t) and business trips (12.41 t) were taken into account, giving a total of 47.15 t of CO_2 equiv.

The GHGs included in the calculation are: CO_2, CH_4, N_2O. The sources for the emission factors: Spanish National Commission on Markets and Competition (CNMC), UK DEFRA (2019 factors). The methodology used was that established by the Spanish Climate Change Office.

Total **emissions avoided** in Spain, thanks to electricity consumption in plants from renewable sources, amounted to 648,289 t of CO_2 equiv.

The **reduction of GHG emissions** as a direct result of reduction initiatives will be presented in the next report, as the emissions **reduction plan** will be implemented from May 2021. The aim of the plan is to reduce GHG emissions (Scope 2) by 10%, from 1.2681 t CO_2 equiv. / million euros (2020) to 1.3949 t. of CO_2 equiv. / million euros (in 2022)[11]. To achieve this objective, Elawan plans to implement several staff training and awareness raising actions to reduce energy consumption in the office.

The GHG **emissions intensity** for **Scope 2** in the Spanish office, based on the net profit for the year, is therefore 1,2681 t of CO_2 equiv. / million euros and for **Scope 3** totals 7,5975 t of CO2 equiv. / million euros.

[11] Ratio calculated based on the net profit for 2020 (EUR 6,206,000).

Biodiversity

(304-1, 304-2, 304-3, 304-4)

The company concerns itself with taking care of the biological biodiversity of the environments in which it constructs photovoltaic, wind and hydroelectric plants, as ensuring the survival of plant and animal species and natural ecosystems is fundamental. Biodiversity contributes directly to local livelihoods, making it essential for reducing poverty and, therefore, the sustainable development of local communities where Elawan has its production centres.

Although all projects affect the fauna and flora of the environment where the farm or plant is built, the greatest impact occurs in hydroelectric plants due to the change to the course of the rivers that affects both vegetation and fauna due to the flooding of the valleys in which the hydroelectric plants are located by means of the closing barrages or dams. Effects on the water environment and drainage networks should also be highlighted in these types of plant. Elawan did not construct any plants of this type in 2020, nor does it plan to build any in the coming year.

In the case of wind farms, the bird and bat collisions represent the potential impact of greatest concern. For this reason, in the project built at Hannut last year, preventive stops were established based on a series of conditions (humidity, temperature, wind speed, etc.) that generate stoppages to prevent these collisions from occurring in movements of bats. In the case of new projects, Elawan is studying the implementation of a system for detecting birds and bats that stops the wind turbines due to their presence (in the case of the bird detector, it first deters them and, if the species does not respond, it would stop the wind turbine. In the case of bats, the apparatus creates an ultrasound sphere that prevents the species from entering the radius of action of the appliance). In the case of solar plants, the greatest effect (seen in the Torrijos solar plant) occurs due to the occupation of large areas that can be used by birds, e.g. steppe birds, and by species of birds of prey, as feeding, reproduction and breeding grounds.

The main impact on biodiversity relates to transformation of the habitat of the species of fauna and flora. Transformation and the change of use of the land where the farms are built (and the power lines associated with them) causes plant species to be removed (provided that they are not species at risk). In the case of animal species, the company's activity causes them to be moved to other, usually neighbouring, areas.

Another impact is noise, particularly that caused by wind turbines in the farm operation phase. This aspect depends mainly on the zone and country where the farm is located. None of Elawan's farms breaches the limits established by law or by the applicable environmental impact statements.

The company includes an environmental impact assessment procedure in all its projects, which meets all legal requirements to ensure the lowest possible impairment of the environment in which these projects will be installed.

Protected areas are excluded from project locations, and the project cannot progress to the execution phase until all the authorisations have been received from each country's environmental authorities. All information relating to significant impacts in relation to species and the extent of affected areas, duration or irreversibility of impacts, is published and is accessible in the environmental impact assessments for the projects carried out. Any habitat restoration required in the projects is endorsed by external companies contracted by Elawan and under no circumstances are direct impacts produced in protected areas.

9. ANNEXES

The appendices include detailed information on the scope and boundaries of the report, as well as the independent external verification report, the GRI content index and its relationship with the 10 Principles of the Global Compact.

9.1. Annex 1: Details on the preparation of the 2020 Report

(102-46, 102-48, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56)

The 2020 Sustainability Report was prepared in accordance with the GRI Standards: Core option and the material matters are those arising from the Materiality Analysis, described in the second chapter, in the Materiality section. The content was developed taking the principles of stakeholder engagement, sustainability, materiality and completeness into account. Although special emphasis has been placed on developing material topics, efforts have been made to report on the management approach and the associated indicators of as many topics as possible in order to move towards a broader, more transparent report, covering a greater number of topics relevant to the various stakeholders (as stakeholder engagement is limited in the analysis used).

This sustainability report aims to take a further step in terms of transparency and **requirements for compliance with the 6 GRI quality principles**. Therefore, following the criteria of accuracy, balance, clarity, comparability, reliability and timeliness, particularly those of accuracy and reliability, Elawan has endeavoured to reach the level of the Comprehensive option, but it presents the report in a Core option as it does not achieve the level of GRI requirements for the first option. The contents it does not report are indicated in the GRI content index with a dash.

The consequences and reasons for restating the 2019 financial statements are described in the Economic Dimension (Balance Sheet) chapter.

The independent **external verification report** from the company EY is presented in Annex 2. The aim is to communicate the most relevant aspects and initiatives, focusing on our understanding of sustainability and its impact on company management.

El **GRI content index** is presented in Annex 3.

The Report is produced **annually**, including information from 1 January 2020 to 31 December 2020, with the previous report being that for 2019.

Contact details are provided below to resolve any questions regarding the Sustainability Report:

Contact person: Rodrigo Sánchez.
rodrigo.sanchez@elawan.com
+34 91 3791000.
C/ Ombú 3, planta 6. 28045 Madrid. Spain.

9.2. Annex 2: Independent review report

Refer to page 111.

9.3. Annex 3: GRI content index

(102-55)

The contents of this index have been verified externally by the independent entity EY. The omissions of information in the indicators are included as a footnote and the reason for omission is specified in its corresponding section.

GRI standard	GRI No.	Content	Page/Omission	Revision
GRI 101: Foundation				
GRI 102: Context of the organisation:				
Organisational profile	102, 1	Name of the organisation	10	
	102, 2	Activities, brands, products and services	10, 11	
	102, 3	Location of headquarters	12	
	102, 4	Location of operations	12, 42, 43	
	102, 5	Ownership and legal form	29, 30	
	102, 6	Markets served	12	
	102, 7	Scale of the organisation	10, 42, 44, 45, 46	
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[12] Confidential information. Grounds for omission on page 34.

[13] Confidential information. Grounds for omission on page 34.

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	103, 2	Management approach and its components	17-19, 39, 40	
	103, 3	Evaluation of the management approach	17-19, 20, 21, 22, 40, 41, 13, 14	
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	201, 2	Financial implications and other risks and opportunities due to climate change	20	
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INDIRECT ECONOMIC IMPACTS	203-EDG	Management approach	17, 19, 39, 40, 41	
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	203, 2	Examples of significant indirect economic impacts (positive and negative) and the importance of indirect economic impacts in the context.	40, 46, 60, 61, 73	
PROCUREMENT PRACTICES	204-EDG	Management approach	55, 58	
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	205, 2	Communication and training about anti-corruption policies and procedures	35	
	205, 3	Confirmed incidents of corruption and actions taken	36	
ANTI-COMPETITIVE BEHAVIOUR	206-EDG	Management approach	39, 41	
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ENVIRONMENTAL DIMENSION				
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	103, 2	Management approach and its components	15-20, 78-83	
	103, 3	Evaluation of the management approach	15-20, 78-83, 13,14, 20, 21, 22	
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	301, 3	Reclaimed products and their packaging materials	-	
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	302, 2	Energy consumption outside of the organisation	-	
	302, 3	Energy intensity	89	
	302, 4	Reduction of energy consumption	89	

	302, 5	Reductions in energy requirements of products and services	89	
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	304, 2	Significant impacts of activities, products and services	91, 92	
	304, 3	Habitats protected or restored	91, 92	
	304, 4	IUCN Red List species and national conservation list species	92	
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	305, 1	Direct GHG emissions - Scope 1	90	
	305, 2	Energy indirect GHG emissions - Scope 2	90	
	305, 3	Other indirect GHG emissions - Scope 3	90	
	305, 4	GHG emissions intensity	91	
	305, 5	Reduction of GHG emissions	90	
	305, 6	Emissions of ozone-depleting substances (ODS)	Not applicable[14]	
	305, 7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not applicable[15]	
EFFLUENTS AND WASTE	306-EDG	Management approach	78-83, 84-86	
	306, 1	Water discharge by quality and destination	86	
	306, 2	Waste by type and disposal method	85.86	

[14] Elawan's activity does not emit these types of substances.
[15] Elawan's activity does not emit these types of substances.

	306, 3	Significant spills	86	
	306, 4	Transport of hazardous waste	-	
	306, 5	Water bodies affected by water discharges and/or run-off	86	
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SOCIAL DIMENSION				
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	103, 2	Management approach and its components	15,16,17,19, 59,60	
	103, 3	Evaluation of the management approach	16, 17, 19, 20, 21, 22	
EMPLOYMENT	401-EDG	Management approach	19, 59, 60, 61	
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	401, 2	Employee benefits	63	
	401, 3	Parental leave	63	
LABOUR/MANAGEMENT RELATIONS (non-material)	402-EDG	Management approach	59, 60, 63	
	402, 1	Minimum notice periods regarding operational changes	63	
OCCUPATIONAL HEALTH AND SAFETY	403-EDG	Management approach	69, 72	
	403, 1	Occupational health and safety management system	69	
	403, 2	Hazard identification, risk assessment and incident investigation	69, 70, 71	
	403, 3	Occupational health services	70	
	403, 4	Worker participation, consultation and communication on occupational health and safety	71	
	403, 5	Worker training on health and safety	16, 17, 63, 64	
	403, 6	Promotion of worker health	70	
	403, 7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71	
	403, 8	Coverage by the occupational health and safety management system	69	
	403, 9	Work-related injuries	71, 72	
	403, 10	Work-related ill health	71, 72	
TRAINING AND EDUCATION	404-EDG	Management approach	16, 17, 63, 64, 65	
	404, 1	Average hours of training per employee	65	
	404, 2	Upgrading skills and transition assistance	66	
	404, 3	Performance and career development reviews	66	
DIVERSITY AND EQUAL OPPORTUNITY	405-EDG	Management approach	67	
	405, 1	Diversity of governance bodies and employees	68	

	405, 2	Ratio of basic salary and remuneration of women to men for each job category	69	
NON-DISCRIMINATION	406-EDG	Management approach	67	
	406, 1	Incidents of discrimination and actions taken	69	
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	407-EDG	Management approach	67, 58, 59	
	407, 1	Operations and suppliers at significant risk	58, 59	
CHILD LABOUR	408-EDG	Management approach	58, 59, 74	
	408, 1	Operations and suppliers at significant risk	58, 59	
FORCED OR COMPULSORY LABOUR	409-EDG	Management approach	58, 59, 74	
	409, 1	Operations and suppliers at significant risk	58, 59	
SECURITY PRACTICES (non-material)	410-EDG	Management approach	59	
	410, 1	Security personnel trained	59	
RIGHTS OF INDIGENOUS PEOPLES (non-material)	411-EDG	Management approach	74	
	411, 1	Violations of rights	74	
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	412, 1	Operations that have been subject to human rights reviews or impact assessments	48, 49, 74	
LOCAL COMMUNITIES	413-EDG	Management approach	72, 78	
	413, 1	Operations with local community engagement, impact assessments and development programmes	48, 49	
	413, 2	Significant negative impacts	75	
SUPPLIER SOCIAL ASSESSMENT (non-material)	414-EDG	Management approach	56, 57, 58, 59	

	414, 1	New suppliers	57	
	414, 2	Suppliers assessed	57	
PUBLIC POLICY	415-EDG	Management approach	36, 37	
	415, 1	Financial contribution to political parties and/or representatives	37	
CUSTOMER HEALTH AND SAFETY	416-EDG	Management approach	53, 54	
	416, 1	Assessment of the health and safety impacts of product and service categories	Not applicable[16]	
	416, 2	Incidents of non-compliance	54	
MARKETING AND LABELLING	417-EDG	Management approach	53, 54	
	417, 1	Requirements for product and service information and labelling	Not applicable[17]	
	417, 2	Incidents of non-compliance concerning product and service information and labelling	54	
	417, 3	Incidents of non-compliance concerning marketing communications	54	
CUSTOMER PRIVACY	418-EDG	Management approach	52	
	418, 1	Complaints concerning breaches of customer privacy and losses of customer data	53	
SOCIOECONOMIC COMPLIANCE	419-EDG	Management approach	53, 54	
	419, 1	Non-compliance with laws and regulations in the social and economic area	54	

[16] Does not apply due to Elawan Energy's product/service type.
[17] Does not apply due to Elawan Energy's product/service type.

9.4. Annex 4: Contents in relation to the Principles of the Global Compact.

The following table shows the chapters of this report that provide more relevant information on compliance with the 10 Principles of the Global Compact, in addition to that contained in the management approaches for each GRI aspect. By following the table index, each stakeholder can assess Elawan's degree of progress with regard to the aforementioned Principles:

Topic	Principles of the Global Compact	Progress included in chapter
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their scope of influence. Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Our vision of sustainability. Ethics and governance model. Social dimension.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Social dimension.
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Social dimension. Supply chain.
	Principle 5: Businesses should uphold the effective abolition of child labour.	Our vision of sustainability. People. Supply chain.
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Our vision of sustainability. People.

Environment.	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Environmental dimension.
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Our vision of sustainability. Environmental dimension.
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Economic and environmental dimension.
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Ethics and governance model.

9.5. Annex 5: Boundary considered for Elawan and subsidiary companies

(102-45)

The Elawan Energy group was composed at the end of 2020 by the companies listed below, which are included in the consolidated financial statements and the financial statements. This list does not include data for: France, Portugal, Romania, Russia, Ukraine, Argentina and Colombia. The countries included in the scope of the report are: Spain, Belgium, Brazil, Mexico, USA, Poland, Turkey and South Africa.

Subsidiary/associate company	Country
ELAWAN ENERGY, S.L.	Spain

PARQUE EÓLICO BECERRIL SL	Spain
Gestamp HC Eólica, S.L.	Spain
ELAWAN ENERGY DEVELOPM. 2	Spain
ERGE Levante, S.L.	Spain
ERGE Occidente, S.L.	Spain
ERGE Aragón, S.L.	Spain
Parque Eólico la Almarcha	Spain
ELAWAN ENERGY DEVELOPM. 3	Spain
ELAWAN CASTILLA LA MANCHA	Spain
ELAWAN ENERGY DEVELOPM. 4	Spain
PTA.FOTOVOLTAICA TORRIJOS	Spain
Fuentes Eólicas Uno, S.L.	Spain
Fuentes Eólicas Dos, S.L.	Spain
Altozano Energías, S.L.	Spain
Manchasur Renovables, S.L	Spain
Clear Wind Eólica, S.L.	Spain
ELAWAN ENERGY DEVELOPM. 1	Spain
SSEE Les Forques	Spain
Parques Eólicos Gestinver	Spain
Eolicam, S.L.	Spain
Sist Energetics Montargul	Spain
S.E. Monfero-Guitiriz, SA	Spain
Parq Eólicos Gestinver II	Spain
S E Mondoñedo -Pastoriza	Spain
S.E. Pontenova-Riotorto	Spain

Pq. Eól.Gestinver Gestión	Spain
EOLICAS FORTUNA MURCIA	Spain
KONESTICIAL,S.L. (HoldCO)	Spain
ELAWAN ENERGY DEVELOPMENT	Spain
ELAWAN ENERGY 2, SL	Spain
ELAWAN ENERGY 3, SL	Spain
Renovables Aragón, S.L.	Spain
Cons. Arag. Rec. Eolicos	Spain
PARQUE EÓLICO RONDAVINO	Spain
PARQUE EÓLICO SALGUERO SL	Spain
CB SE CAMPANARIO RENOVAB.	Spain
E.F. CAMPANARIO 1, S.L.	Spain
E.F. CAMPANARIO 2, S.L.	Spain
E.F. CAMPANARIO 3, S.L.	Spain
E.F. CAMPANARIO 4, S.L.	Spain
E.F. CAMPANARIO 5, S.L.	Spain
E.E. FRONTONES S.L.	Spain
E.E. DERRAMADOR S.L.	Spain
E.E. FUENTE ALAMO S.L.	Spain
E.F. ESCUDERO 1 S.L.	Spain
E.F. ESCUDERO 2 S.L.	Spain
E.F. ESCUDERO 3 S.L.	Spain
E.F. ESCUDERO 4 S.L.	Spain
E.F. ESCUDERO 5 S.L.	Spain
P.E. MONTE BECERRIL, S.L.	Spain

E.F. MANZANARES, S.L.	Spain
E.F. BRAZATORTAS 1, S.L.	Spain
E.F. BRAZATORTAS 2, S.L.	Spain
NUDO VILLANUEVA ESCUDEROS	Spain
P. E. MIRAVETE, SL	Spain
E. F. BELINCHÓN 1, S.L.	Spain
E. F. BELINCHÓN 2, S.L.	Spain
E. F. BELINCHÓN 3, S.L.	Spain
P. E. INIESTA, SL	Spain
ELAWAN ENERGYTORDESILLAS1	Spain
ELAWAN ENERGYTORDESILLAS2	Spain
ELAWAN ENERGYTORDESILLAS3	Spain
ELAWAN ENERGYTORDESILLAS4	Spain
ELAWAN ENERGY OLMEDO 1	Spain
ELAWAN ENERGY OLMEDO 2	Spain
ELAWAN ENERGY OLMEDO 3	Spain
ELAWAN ENER VALDECARRETAS	Spain
ELAWAN FOTOV. TORRIJOS220	Spain
BRAZATORTAS RENOVABLES400	Spain
ELAWAN F.ESCATRON 1, S.L.	Spain
ELAWAN F.ESCATRON 2, S.L.	Spain
ELAWAN F.ESCATRON 3, S.L.	Spain
ELAWAN ENERGY JIJONA 1,SL	Spain
ELAWAN ENERGY JIJONA 2,SL	Spain
E.F. BRAZATORTAS 220, S.L	Spain

ELAWAN ENERGY AYORA 1, SL	Spain
ELAWAN ENERGY AYORA 2, SL	Spain
ELAWAN ENERGY AYORA 3, SL	Spain
ELAWAN ENERGY AYORA 4, SL	Spain
AIE TORRIJOS220 RENOVABLE	Spain
MINGLANILLA RENOVAB. 400	Spain
ELAWAN ENERGY JUMILLA 1	Spain
ELAWAN ENERGY JUMILLA 2	Spain
ELAWAN FUENDETODOS 1 S.L.	Spain
ELAWAN FUENDETODOS 2 S.L.	Spain
ELAWAN FOTOV. VELILLA, SL	Spain
TORDESILLAS RENOVABLES400	Spain
OLMEDO RENOVABLES 400 KV	Spain
RENOVABLES MANZANARES 400	Spain
GOMEZ NARRO RENOVABLES132	Spain
PERSIMMON CREEK WF 2, LLC	USA
PERSIMMON CREEK WF 1, LLC	USA
Gestamp Wind North Americ	USA
North Buffalo Wind, LLC	USA
GSQ, LLC	USA
GSQ2, LLC	USA
PC1 HOLDCO, LLC	USA
Gestamp Wind Energy NA	USA
Gestamp Wind Indiana LLC	USA
Flat Water Wind Farm LLC	USA

Flat Water Holdings LLC	USA
Spring Creek Power Partne	USA
Flat Water Development SS	USA
Roth Rock Holdings LLC	USA
Roth Rock Wind Farm LLC	USA
Roth Rock North Wind Farm	USA
Roth Rock Development Ser	USA
Gestamp Wind Annapolis IN	USA
Gestamp Wind Maryland LLC	USA
Punta Lima Holding Compan	USA
TPW Petersburg, LLC	USA
Punta Lima Wind Farm LLC	USA
Gestamp Wind Puerto Rico	USA
ELAWAN SAN JUAN, INC.	USA
Punta Lima Development Co	USA
Gestamp Wind Cedar Rapids	USA
Gestamp Wind Petersburg	USA
PAWNEE WIND FARM, LLC	USA
NEBRASKA WIND I, LLC	USA
ELAWAN EÓLICA BRASIL S.A	Brazil
EOLICA PEDRA DO REINO SA	Brazil
EOLICA GRAVATÁ-GERADORA D	Brazil
EOLICA PIRAUA-GERADORA DE	Brazil
GESTAMP EOLICA BAIXA VERD	Brazil
Gestamp Eolica Moxotó S.A	Brazil

GESTAMP EOLICATEC SOBRADI	Brazil
Gestamp Eolica Lagoa Nova	Brazil
Gestamp Eolica Serra de S	Brazil
Gestamp Eolica Seridó S/A	Brazil
Gestamp Eolica Paraiso SA	Brazil
Gestamp Eolica Lanchinha	Brazil
G. EOLICA JARDINS SA	Brazil
G. EOLICA AGRESTE SA	Brazil
G. EOLICA ALVORADA SA	Brazil
G. EOLICA MACAMBIRA I SA	Brazil
G. EOLICA MACAMBIRA II SA	Brazil
G. EOLICA CABEÇO VERMELHO	Brazil
G.EOLICA CABEÇO VERME II	Brazil
EOLICA PEDRA RAJADA SA	Brazil
EOLICA PEDRA RAJADA II SA	Brazil
EOLICA BOA ESPERANÇA	Brazil
HOLDING SERRAS, S.A.	Brazil
MACAMBIRAS HOLDING S/A	Brazil
EOLICA PEDRA REINO IV SA	Brazil
EOLICA PEDRA REINO V SA	Brazil
ELAWAN RIO GRANDE NORTE	Brazil
ELAWAN DESENVOLVIMENTOS	Brazil
Nobelsfontein Maint.SsPty	South Africa
Coria(PKF) Investments 28	South Africa
Gestamp Wind Africa (Pty)	South Africa

Deltrade 67 (Pty) Ltd	South Africa
Modderfontein Wind Energy	South Africa
Copperton Wind Farm (Pty)	South Africa
Gestamp & SARGE Wind (PTY	South Africa
COPPERTON MAINT. SERVICES	South Africa
BEYÇELİK GESTAMP	Turkey
SABAŞ ELEKTRİK ÜRETİM A.Ş	Turkey
BAK ENERJİ ÜRETİMİ A.Ş.	Turkey
YGT ELEKTRİK ÜRETİM A.Ş.	Turkey
ELAWAN RÜZGAR ENERJISI	Turkey
BEYÇELIK ELAWAN YENILENEB	Turkey
BER ENERJİ ÜRETİM A.Ş.	Turkey
ZEYBEKLER ENERJI ÜRETIM	Turkey
GESTAMP WALLONIE, S.A.	Belgium
GESTAMP WIND FELUY	Belgium
ELAWAN ENERGY SALAZINE	Belgium
GESTAMP WIND HANNUT, S.A.	Belgium
GESTAMP WIND BEAUMONT,S.A	Belgium
NEW WIND, S.P.R.L.	Belgium
ELAWAN ENERGY POLSKA Sp.	Poland
FARMA WIATROWA SZERZAWY	Poland
FARMA WIATROWA KLEBY Sp.	Poland
FARMA WIATROBA BUKÓWIEC	Poland
ELAWAN SOLAR POLSKA Sp.	Poland
ELAWAN WIND 14 Sp.	Poland

ELAWAN ENERGY MÉXICO	Mexico
HIDROELÉCTRICA DE TACOTÁN	Mexico
HIDROELÉCTRICA TRIGOMIL	Mexico
TACOTÁN TRIGOMIL SERVICIO	Mexico
ELAWAN WIND MÉXICO I	Mexico
ELAWAN WIND MÉXICO II	Mexico
ELAWAN WIND MÉXICO III	Mexico
SOC.EÓLICA DEL MAYAB SAPI	Mexico
EÓLICA DE HUIMILPAN SAPI	Mexico
SASU ELAWAN ENERGY FRANCE	France
GOURNAY PV	France
ELAWAN ENERGY PORTUGAL	Portugal
Gestamp Eólica Dacia, S.R	Romania
VIENTOS S.R.L.	Romania
GESTAMP WIND COSTESTI SRL	Romania
GESTAMP WIND BEREZENI SRL	Romania
GESTAMP WIND RADUCANENI S	Romania
LLC "Elawan Power"	Russia
BEYCELIK-ELAWAN R.E. LLC.	Ukraine
BEYCELIK-ELAWAN UA1 RE	Ukraine
Vector Energía 2 S.A.	Argentina
ELAWAN ENERGY COLOMBIA SA	Colombia

ELAWAN ENERGY

Elawan España:
C/ Ombú, 3. Pt 10
28045, Madrid
elawan.com/es/

Ernst & Young, S.L.
Calle de Raimundo Fernández
Villaverde, 65 28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

Building a better working world

INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2020 OF ELAWAN ENERGY, S.L.

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

Scope

As commissioned by the Management of Elawan Energy, S.L. and subsidiaries (hereinafter, Elawan), we have carried out the review of the "Sustainability Report 2020". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) core option, as detailed in Annex 1 "Details on the preparation of the 2020 Report".

The scope considered by Elawan for the preparation of the Report is defined in Annex 5 "Boundary considered for Elawan and subsidiary companies".

The preparation of the "Sustainability Report 2020", as well as its content, is the responsibility of the Management of Elawan, which 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 Spanish Official Register of Auditors of Accounts (ICJCE).
- Standard ISAE 3000, 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 assurance scope.

Applied procedures

Our review consisted in requesting information from the Sustainability Department and the various business units participating in the preparation of the "Sustainability Report 2020", applying processes and analytical procedures, and sampling review tests as described in the general terms below:

- Interviews with the staff in charge of the preparation of the sustainability information in order to gain a deep understanding of how the objectives and sustainability policies are considered, set into practice, and integrated within Elawan's global strategy.
- Reviewing the processes for the compilation and validation of the information presented in the 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 Report, as indicated in the GRI Standards sustainability reporting framework of the Global Reporting Initiative, in accordance with the core option.
- Checking selected samples of the quantitative and qualitative information of the contents included in Annex 3 "GRI Content Index", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned assurance levels.
- Checking that the financial information included in the Report has been audited by independent third parties.

These procedures have been applied to the contents in Annex 3"GRI Content Index", with the aforementioned scope.

The scope of our review is considerably lower than a reasonable assurance report. Therefore, the degree of assurance is also less extensive. This report in no case should be considered as an audit report.

Independence and quality control

We have complied with the requirements of independence and the other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA, for its acronym in English).

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and maintains, as a result, a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, and legal and regulatory provisions.

Our work has been performed by a team of sustainability experts with a wide experience in reviewing this type of information.

Conclusions

As a result of our limited review, we conclude that no matter came to our attention that would indicate in Annex 3"GRI Content Index" has not been prepared, in all material respects, according to the GRI Standards sustainability reporting framework, which includes the data reliability, the adequacy of the information presented and the absence of significant deviations and omissions.

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 2nd, 2021. In the event of any discrepancy, the Spanish version always prevails.)