



Sustainability Report 2018





www.elawan.com







Letter from the Chairman

102-14

Dear readers,

It is a pleasure for me to present the 2018 Elawan Energy S.L Sustainability Report, in which we compile the most relevant information and our main developments, with the aim of combining economic, social and environmental performance with the creation of long-term sustainable value.

The report has been drawn up under the guidelines of the Global Reporting Initiative (GRI) standard and has been verified by the independent body EY. In addition, we have renewed our commitment to the United Nations Global Compact.

2018 has been a favourable year for our business, which presented a positive balance with a turnover in excess of 93 million euros, an EBITDA of 67 million euros and pre-tax profits of 23 million euros.

With regard to our activity, a total of 657 MW are currently operational, distributed throughout Spain, USA, Brazil, Poland, Belgium, Mexico and Turkey. Furthermore, the new Persimmon Creek 1 park in Oklahoma, with 200MW capacity, began operations, thus strengthening our presence in the USA.

Similarly, construction of different wind parks has begun in Belgium: Hannut, the extension of Beaumont and Salazine/Ciney; the extension of Adares in Turkey. The construction of the solar parks of Szerzawy in Poland and Torrijos in Spain has also begun, all of which plan to begin operating in 2019. The Pedra do Reino V wind park is expected to be completed in 2020 and the wind parks of Copperton in South Africa and Yaris in Turkey in 2021.

Looking at the future, the 7.8 GW that are in promotion in Mexico, Colombia, Argentina, Brazil, France, Belgium, Spain, South Africa, Turkey, Romania, Poland and Russia should be noted.

Beyond financial results, we are committed to pushing the Sustainable Development Goals (SDG), and integrate those into our business strategy. Our strong commitment to the environment stands out through Goal 7.2: "increase substantially the share of renewable energy in the global energy mix by 2030" and Goal 13.2: "integrate climate change measures into national policies, strategies, and planning".

As a result of these two goals, we have generated 4,778,486 GJ of renewable energy, therefore avoiding the emission of 421,750 tons of CO₂.

In addition to the environment, quality management and health and safety is key to our development, which is why we have a well-established integrated Management System, duly implemented in accordance with the international standards ISO 14001:2015, ISO 9001:2015 and OHSAS 18001 for "the international promotion, development, operation and sale of installations for the production of renewable energy". The system has been recertified in 2018 without any minor nor major non-conformities.

We have a team of 72 employees whose professional development is important to the company. Therefore, we develop initiatives aimed at improving their qualifications, development and the retention of talent, among others. In 2018, 1,942 training hours were given.

I do not want to miss the opportunity to talk about a fundamental aspect: Health and Safety. I am pleased to point out that for the last 7 years, Elawan has been recognized by the Ministry of Labour for Companies for its contribution to the reduction and prevention of occupational accidents by virtue of "Royal Decree 404/2010 of 31 March regulating the establishment of a system of reduction of contributions for professional contingencies for companies that have made a special contribution to the reduction and prevention of occupational accidents".

This drives us to keep working in this direction and is a clear reflection of our commitment to accident prevention, and these figures place our company's occupational safety way above the sector's average.

Finally, we are working to adapt to these truly transformative times, in which new technologies, digitalization, connected devices, among others, present us with an important future challenge. For this reason, via the "Digital Workplace" project, we are advancing in the digital transformation of the workplace. This project represents a cultural change to increase our digital competences, define new technologies to improve work and digital agility.

I would like to invite you to read and learn about the main milestones in our performance through this Report, I hope that they are to your liking.

Jon Riberas
Chairman

Letter from the CEO

102-14

For another year we present our Sustainability report. This Report, for the year 2018, is already the sixth. This document contains the company's results in the economic, social and environmental areas. The report has been drawn up under the guidelines of the Global Reporting Initiative (GRI) standard, and has been verified by an independent body.

As was laid out in previous years, the progression of the decarbonization of the global production of electric energy cannot be stopped. This is no longer only due to pressure from public opinion, social demand and climate change, but now costs too have become another reason. Today, there is no competition in costs for solar or wind energy. No other current technology can compete with our costs nor with the long duration which we can guarantee them for. We are only limited by the lack of "manageability" in our production, and the solution to this problem is advancing steadily. Batteries, their different applications and technologies, their reduction in costs, the massification of their use, with the electric vehicle being the main exponent and the intelligent distribution networks, will lead us to the solution to this inconvenience in a relatively short time.

Within this framework and with this perspective, renewable energies account for most of the new electricity generation installed worldwide.

Information on installed capacity, percentage of demand coverage, etc. are detailed in this report and in the annual reports of the main associations and specialized companies that issue these.

It is important to highlight that energy storage technologies continue to advance in leaps and bounds. The significant evolution of batteries and storage systems, paired with their substantial cost reduction, will lead to a revolution not only for renewable energies, but for the energy sector as a whole. Through these systems, renewable energies will no longer need the support from conventional energies to cover production gaps, the distributed energy will become widely available, much more efficient and more cost-efficient and we will see the traditional systems in the electric sector change.

The points mentioned above provide Elawan Energy with the proper environment to continue developing the projects that will bring us energy in a near future.

Throughout 2018, as a part of the Group's corporate strategy, sales operations were agreed for some assets in Brazil and Spain, which generated substantial capital gains for the Group and served to reduce the company's debt as well as handle the promotion and construction of new projects.

With regard to the economic results, we have surpassed the target budget, with a turnover of €93 million, an EBITDA of €67 million and €23 million in profits before taxes.

This year we have begun the construction of new projects in Belgium (Hannut Wind Park), South Africa (Copperton Wind Park), Spain (Torrijos Solar Plant), Brazil (Pedra do Reino V Wind Park) and Poland (Szerzawy Solar Plant) which, together, total 190 MW.

The 200-MW wind park Persimmon Creek I in Oklahoma began operations in 2018. Over the years, Elawan has put a total of 1,232 MW into operation.

In addition, the Group has 7.8 GW in promotion in Mexico, Colombia, Argentina, Brazil, France, Belgium, Spain, South Africa, Romania, Poland and Russia.



The approval of the European target to produce 32% of energy from renewable sources will lead to a significant opportunity for our development in the European Union, especially in Spain, a country in which the Integrated National Energy and Climate Plan augments these targets to 52%. Over 3,000 MW are being developed by Elawan in Spain, of which, projects totalling 782 MW, both in photovoltaic and wind energy, already have Access and Connection, are processing the permits and authorizations with the different Autonomous Communities and have a large part of the land already contracted. France, Belgium and Poland are other countries which should provide good opportunities in 2019.

Another important challenge for the company is the reconstruction of the Punta Lima Wind Park in Puerto Rico, which was devastated by Hurricane Maria in September 2017. We continue working on this project, which Puerto Rico and its inhabitants need to have operational, and we count on the support of the insurance company and the park's financing entities to restore it and restart energy production in 2020.

To meet all these goals, we will continue to be a highly-efficient company, with comprehensive cost-control and with our exceptional team, with their vast experience and excellent abilities. Moreover, we have our sound and sustainable management model to face the future successfully.

I cannot let the opportunity pass to thank all our staff for their effort and commitment, and our customers, suppliers and investors for the trust they placed in Elawan.

Dionisio Fernández Auray
CEO



Sustainability
Report
2018



1

General disclosures

Our company **10**

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Our company

Elawan Energy, S.L.

102-2

The company was founded in 2007, and it operated under the brand "Gestamp Wind" until October 28th 2017, when the company name was changed to "ELAWAN ENERGY, S.L."

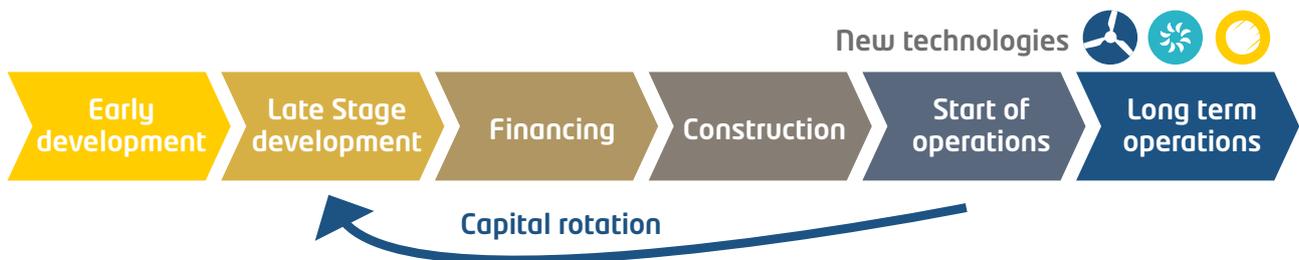
ELAWAN ENERGY, S.L. is dedicated to investing in assets and projects aimed at the generation of energy through renewable sources and their management. The company operates internationally under the brand "Elawan" (102-1).

Its headquarters are located at (102-3):
C/ Ombu 3, floor 10
28045 Madrid

Business Model

The main activity is the promotion, operation and construction of renewable energy plants, as the sell of electric energy produced by them, in those countries where we are present.

Our strategy is based on developing projects from zero, and on seizing opportunities to acquire more advanced projects, primarily in countries that stand out for their attractive renewable energy markets, having the capacity to build and operate the projects without discarding the sale of some operational assets.



Elawan has a global corporate culture that has maintained the same values since its foundation, but which is adjusted to the local necessities of each country, the current market conditions and the stakeholder demands (102-16).

This year, several parks were sold in Spain and Brazil, which allowed us to reinvest in new assets. Similarly, the new park of Persimmon Creek in Oklahoma (USA), with 200 MW, began its operations, bringing our operational capacity to 657 MW at the closing of the year.

In addition, we have different projects under construction in Brazil, Poland, Belgium, Turkey, Spain and South Africa totalling 248 MW, and 7.8 GW in promotion distributed across Mexico, Colombia, Argentina, Brazil, France, Belgium, Spain, South Africa, Turkey, Romania, Poland and Russia (102-6).



Mission

Our mission is to satisfy our customers' needs globally, considering their activity, the safety of our employees and respect for the environment.

Technology

Wind
Solar
Hydraulics

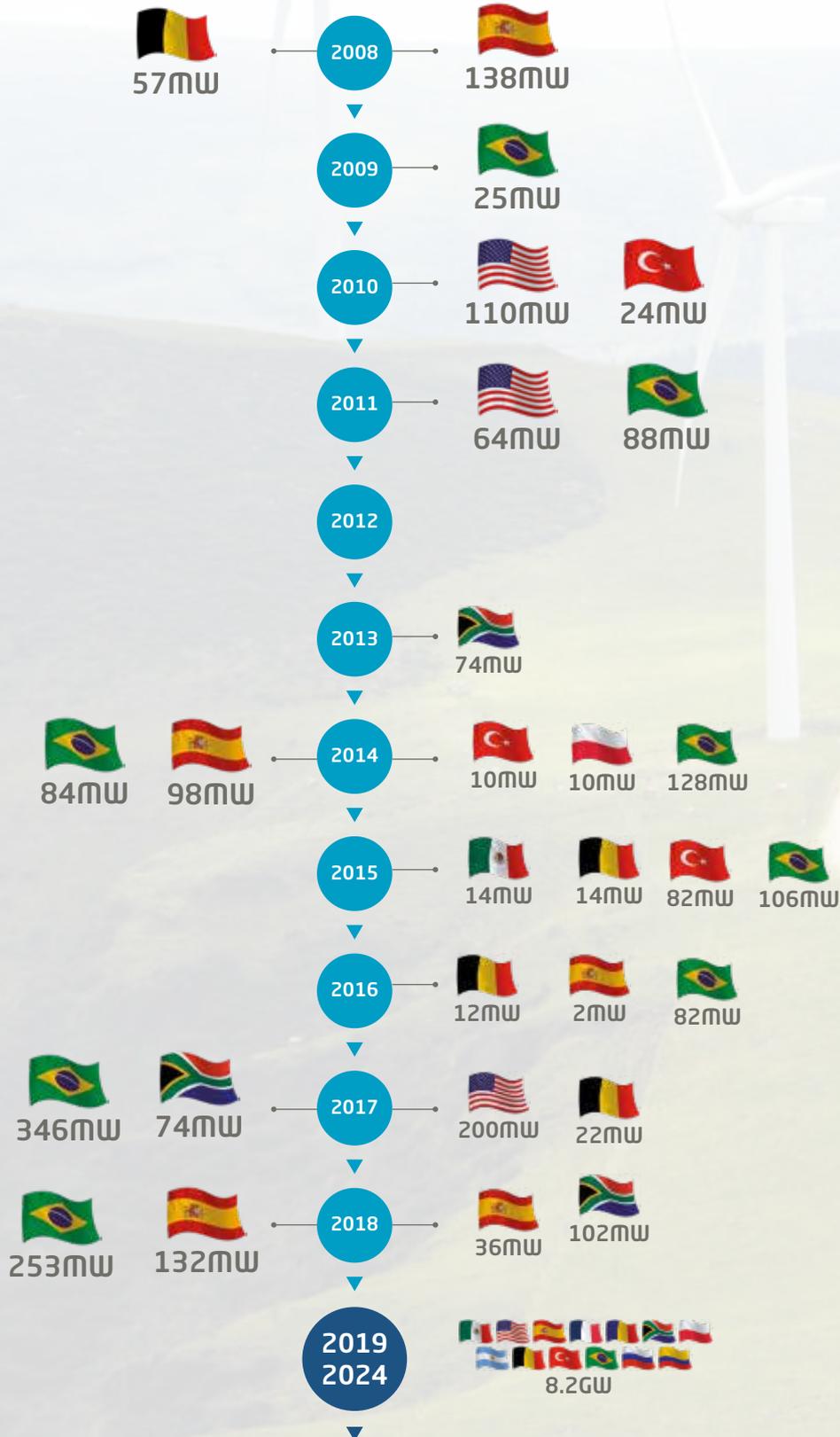
Values

Honesty
Humility
Tenacity
Work



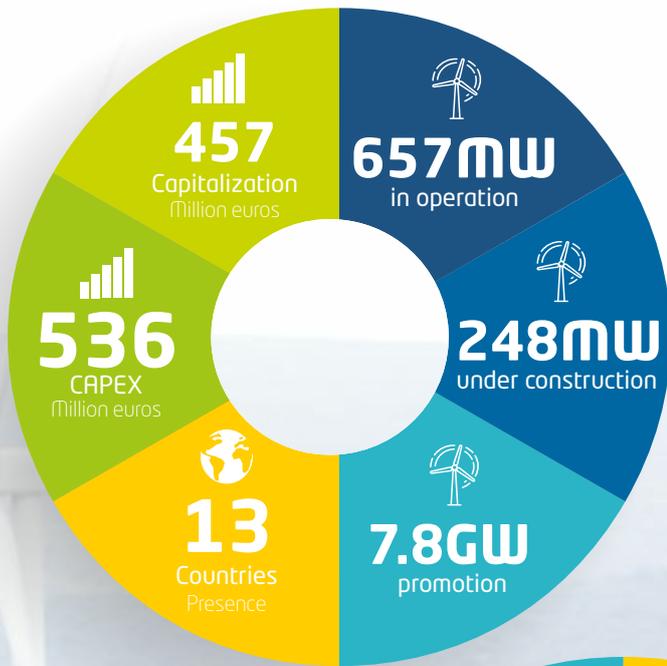
0.9 GW
Assets Sold

1.2 GW
Assets Built



Elawan in figures 2018

102-7



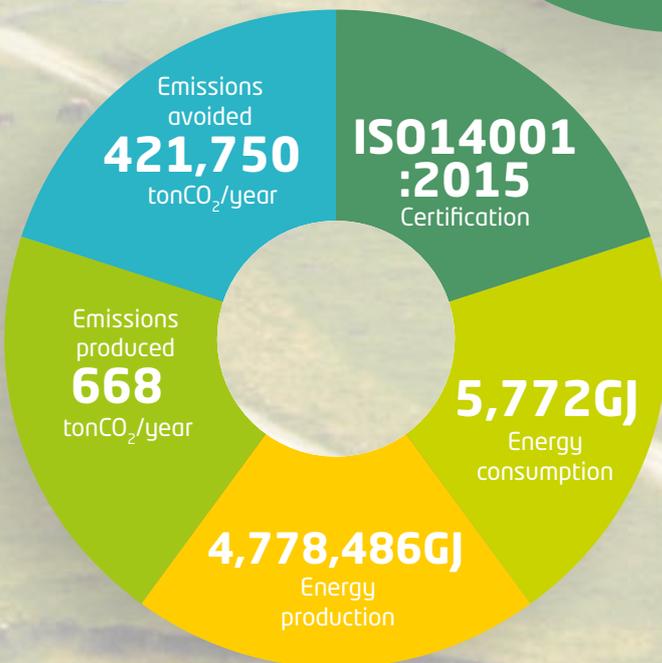
Economic Contribution

Through our activity we generate numerous benefits in the community around us. We dynamize local development improving access to the energy by promoting employment in the area, the growth of new suppliers, businesses, as well as infrastructures.



Social Contribution

Our activity requires the hiring of numerous local workers for all the construction and maintenance operations to whom we offer a stable employment, which increases the economy of the area and the purchasing power of families. In addition, we carry out numerous social action activities to improve the environment and to facilitate the access to energy in remote places.



Environmental Contribution

Our activity is directly related to the generation of renewable energy, so we contribute to mitigating the carbon footprint and the effects of climate change.

Presence

102-4 and 102-6



13
Countries



72
Professionals



USA + PR

- 351** MW
- 4** wind farms in operation
- 167** wind turbines
- 165** MW in promotion



Mexico

- 14** MW
- 2** mini hydros
- 671** MW in promotion



Colombia

- 30** MW in promotion



Argentina

- 335** MW in promotion

Brazil

- 131** MW
- 10** wind farms in operation
- 68** wind turbines
- 1** wind farm in construction
- 793** MW in promotion



- Power
- Wind business
- Wind turbines
- Mini hydro
- Solar business



Spain

- 8** MW
- 2** wind farms in operation
- 4** wind turbines
- 1** solar farm in construction
- 3,389** MW in promotion



France

- 319** MW in promotion



Belgium

- 26** MW
- 2** wind farms in operation
- 3** wind farms in construction
- 13** wind turbines
- 348** MW in promotion



Poland

- 10** MW
- 1** wind farm in operation
- 5** wind turbines
- 1** solar farm in construction
- 310** MW



Russia

- 176** MW in promotion



Romania

- 243** MW in promotion



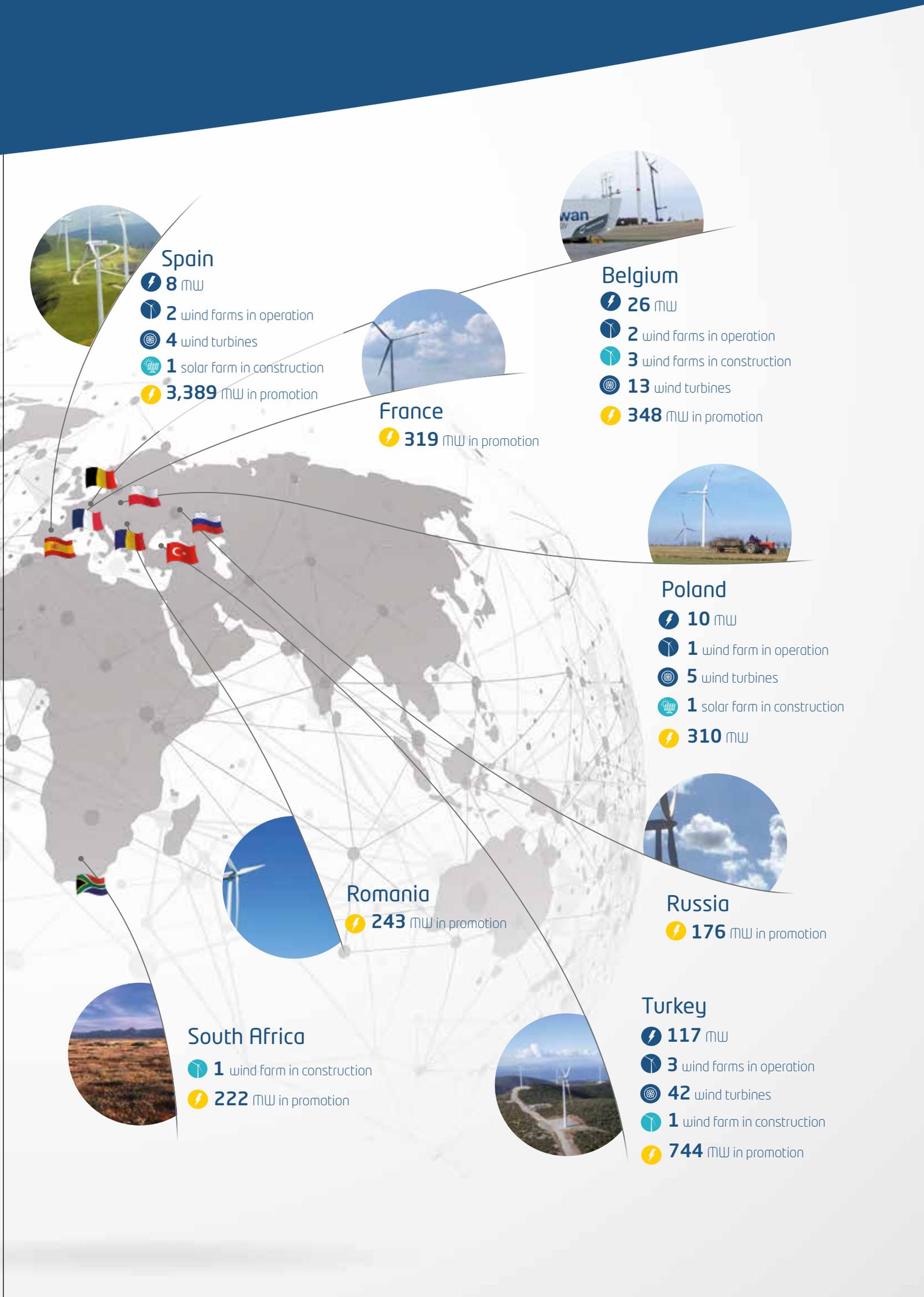
South Africa

- 1** wind farm in construction
- 222** MW in promotion



Turkey

- 117** MW
- 3** wind farms in operation
- 42** wind turbines
- 1** wind farm in construction
- 744** MW in promotion





Main effects, risks and opportunities

102-15, 103-1, 103-2 and 103-2

In developing its activity, the company is subject to different risks inherent to the different countries it operates in and to the wind energy sector.

Therefore, prior to developing any project, a comprehensive analysis is done, and various mechanisms are established to minimize these risks as far as possible.

If any unforeseen circumstances arise, the regional managers and/or the area directors immediately inform the CEO, these risks are analyzed and the appropriate measures are taken. The CEO is responsible for informing the Board of Directors.

The main risks identified are outlined below:

Operational risks

Reputational Risk

Reputational risks are those derived from potential conduct in violation of the guidelines established in the policies and codes regarding human rights, ethics and anti-corruption, among others.

Mitigation

- Policies and initiatives such as the Code of Ethics and Conduct, the Behavioral Guide in Response to the Offering of Incentives, Gifts and Invitations, the Harassment Prevention Guide and the Integrated Environment, Quality and Health and Safety Policy.
- Compliance with the Equator Principles and the environment impact statements
- Consultation channels and complaint mechanisms

Opportunities

The monitoring and implementation of the requirements derived from the ethical code, the environmental impact studies and the Equator Principles contribute to increasing and improving relations with the authorities and local community.

Risks derived from the activity

Risks that derive from our activity may be of two types:

- **Internal:** derived from misuse of technology, supply failures and outages, inadequate management, etc.
- **External:** inadequate park performance. These risks depend on the climate of the area as well as on the quality of the wind, the hours of solar radiation, etc., aspects that cannot be influenced.

Mitigation

- The technological advance of the new turbines and the increase in their individual power allows us to generate more energy with less turbines and, as a result, with less impact.
- The reduction of costs related to renewable energies increases their competitiveness.
- The increasingly accurate viability analysis of the projects and the best orientation of the parks.
- Being capable of installation in remote areas.

Opportunities

Innovation and technological advances mean that renewable energy installations are increasingly better adapted to any type of environment and weather, with fewer failures and better remote controlling, improving their efficiency and profitability.

Business risks

Risks derived from investments in new projects

Derived from an inadequate financing, low performance of the parks compared to what expected or changes in energy rates.

Mitigation

- Analysis of the environment and the risks arising from each site, such as: the political stability of the country, energy policies, climate and wind conditions, availability of land and proximity of evacuation lines, among others.
- The availability of favourable financing in the regions where Elawan would like to develop.
- Definition of preventive measures against potential risks.
- Insurance policies.

Opportunities

To provide a global and complete information allow us to anticipate from potentials risk identified for each project, avoiding possible contingencies.

Regulatory risks

Other risks faced by companies include those associated with regulatory changes, such as, for example: the remuneration of regulated activities, the required supply conditions, environmental and taxation regulations, etc.

Mitigation

- Search for locations in regions where there is a high demand for energy.
- Development in stable countries, in which significant regulatory stability is expected.
- Define the long-term supply conditions.

Opportunities

On one hand, the unstoppable surge in renewable energies compared to conventional energies and the global commitments concerning CO₂ mark a growing global trend in this sector.

On the other hand, both the companies that diversify from different markets and improvements in the financing and the system for auctions, in which the medium/long-term sales price is regulated, are an opportunity to ensure the profitability of the projects.

Financial risk

Market risk

Risks associated with exposure of results and assets to a possible loss caused by variations in the fair value or future cash flows of financial instruments, resulting from changes in market prices, interest rates or exchange rates.

Credit risks

These risks stem from of the possibility of not being able to recover financial assets in conformity with the established amount and term.

Liquidity risks

Liquidity risks arise when liquid funds are not available or accessible in a sufficient amount and at appropriate cost in order to meet payment obligations at all times.

Mitigation

- Long-term energy price purchase agreements with fixed prices and agreed price updates.
- Hedging derivatives associated with debt and financing in foreign currency when deemed appropriate.
- Operating in markets that offer a stable and safe regulatory framework.
- Analyses of cash flows generated by projects and potential purchase operations of assets.
- Guarantee liquidity needs at all times through loans and credit lines maintained with the parent company.

Opportunities

Financial risk prevention mechanisms allow us to have better control over growth and investments, diversifying in other countries and compensating for any risks or incidents that may arise, for profitable and sustainable growth.

Risks: confidentiality and privacy

Cyberthreats continue to grow, online fraud keeps evolving and is responsible for millions in losses in companies around the world.

The rapid proliferation of intelligent devices, equipment hijacking by hackers, the impersonation fraud and the connectivity, in addition to the lack of global security standards, increases the vulnerability of these devices.

Mitigation

- Periodic scan through systems to identify external and internal vulnerabilities and correction in its function of the criticality level.

- Diagnostic on information security and its risks (ISO 27001).
- Communication and awareness campaigns alerting and raising awareness of risk and threats.

Opportunities

Through the diagnostic and the established control and tracking mechanisms, numerous opportunities for improvement have been detected, which are gradually being implemented and reinforced through training and communication, thus mitigating these economic, personal and reputational risks.

Environmental risk

Climate change is one of the main challenges we face and the big environmental challenge that humanity will have to deal with in the 21st century. For this reason, there is a growing need to establish strategies and objectives to contribute to curb global warming, where renewable energies play an important role.

Mitigation

- The innovation and availability of turbines with higher output allow for the reduction of the number of towers and, as a result, their impact.
- Advances in solar energy technology and cost reduction, contribute to its development.
- Environmental impact and birdlife protection studies serve to control and manage potential environmental risks.
- The Environmental Management System helps to establish objectives for improvement, to minimize impacts derived from our activity, and to include the principle of precaution (102-11).

Opportunities

Renewable energy helps to mitigate the effects of climate change and to achieve the Sustainable Development Goals.

Health and safety risks

Health and safety is a primary objective for the company, although the probability of accident is low in the sector are extreme safety measures.

Mitigation

- Integrated Management System and Policy in accordance with international standards ISO 14001:2015, ISO 9001:2015 y OHSAS 18001 for the promotion, development, operation and sale of renewable energy production facilities at an international level.
- Health and Safety culture based at the goal "0" accidents and lessons learned.
- Training and a quality awareness, adjusted and periodic.
- Internal and external communication through clear and defined channels.
- Proactive monitoring and analysis of monitoring indicators and control points (KPI).

Opportunities

The preventive measures defined and implemented increase safety and minimise accidents, improving the environment and working conditions. The absence of accidents is key to improving the reputation and image of the company.

Information security

Cyberthreats continue to grow in ingenuity and frequency, on-line fraud continues to evolve thanks to new social engineering techniques and these are responsible for million-dollar losses in companies worldwide.

The rapid proliferation of intelligent devices and the connectivity given by the Internet of Things (IoT), coupled with the lack of global security standards makes many of these devices very vulnerable and exposes personal and business information.

Proof of this trend is the increase in kidnappings of corporate computer equipment by hackers, mainly in order to "mine" crypto-currencies or to request "ransoms", through modern malware designed to go after corporate networks.

Attempts at phishing fraud are also on the rise, making the adaptation of information and device security policies more relevant every day in order to protect both assets and people's security.

Elawan is convinced that information has become a strategic asset for business and people.

For this reason, the necessary mechanisms have been established to safeguard information privacy and to protect the data of customers and suppliers, as well as to manage and treat documentation adequately according to its level of relevance, and to enhance security. Information security procedures are periodically reviewed, and systems are continuously tested to ensure their tightness.

In the year 2018, the following measures, among others, have been taken to improve security policies:

- Periodical system scans to detect external and internal vulnerabilities and their correction based on their level of criticality.
- Diagnosis of information security and its risks based on the ISO 27000 standard.
- Communication and awareness campaigns alerting and raising awareness of risk and threats.

Over the course of 2017, we have developed the required measures to adapt to the new European Data Privacy Regulation (GDPR) that will come into force in May 2018. This will imply a more transversal level of supervision over the protection of personal data information.

To strengthen our employee's awareness and training, different campaigns and training activities were carried out. The "Anti-Phishing" campaign stands out, which was launched with the aims of identifying the level of risk and making employees aware of this type of attack.

Subsequently, training sessions on prevention and protection techniques were held due to the risks this new type of crime poses to the people and to assets (workshops on public WIFI connections and protection of personal data).

Business Process Support

The Information Systems are a fundamental component for the execution of the business processes. With this objective, the IT department keeps the ERP SAP, the PLM tool and the Group's infrastructure and communication services centralized.

At the same time, the department carries out transformation projects to align the systems with the growth of the company and to the new processes, focusing on business support, efficiency and profitable and sustainable growth.

In some cases, the collaboration of third parties may be necessary for which an impartial selection process is followed, consisting of the publication of the needs, reception and appraisal of offers and the final selection based on criteria related to business support and IT systems efficiency.

As example, and following the necessity to comply with the standard, doing the rollout of the new Immediate Provision of Information system (SII) which allows for the daily and automatic sending of information required by the Spanish tax authorities.

Cultural change & Digital Workplace

2019-2021



We started the “Digital workplace” project in 2018 in order to take a step forward in the digital transformation of the workstation, which is not just a technological transformation, but another piece of an ambitious project for a cultural change throughout the company in these 3 areas:

- **Digital Competences:** increase our digital competences, knowledge and skills to adapt ourselves to a constantly changing market and environment.
- **Digital Workplace:** define how new technologies may improve our way of working in all aspects.
- **Digital Experience:** boost our digital agility in all work aspects.

The result is a collaborative work environment; where the employee takes part in the business processes, in the communication and in the contents (improving the location of useful contents and knowledge), to finally bring together the management of documents, projects, processes, etc. in one single place, allowing them to access this at any moment and in any place and with the assistance of artificial intelligence for some activities.

This development will have a significant impact; it will increase productivity (improving mobility at work), employee satisfaction, talent attraction and retention, information security and our capacity for innovation.

To this effect, we have defined a roadmap that allows us to achieve the planned results in 2019, and which will be summarized in the next Report.

Governance

Ownership structure and legal form

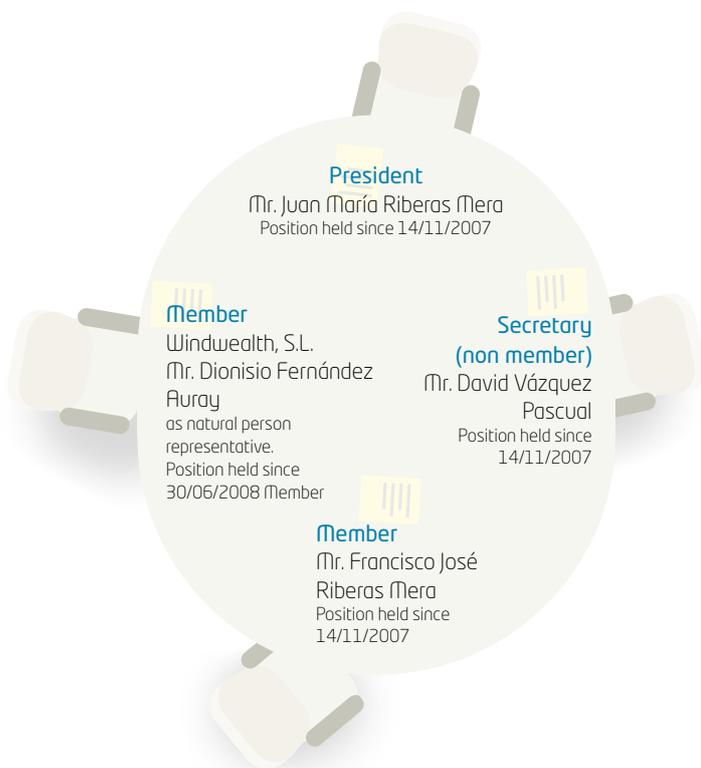
102-05

The parent company structure of Elawan comprises:

- 82,70 % Acek Energias Renovables, S.L.
- 17,30 % Clear Wind Eolica, S.L.

The subscribed capital stock at 31 December 2018 amounts to €80,880,000.00, represented by 1,617,600 shares of a par value of €50 each, all of them subscribed and paid up. The company is not listed on the Stock Market.

The Board of Directors comprises four members and is, at 31 December 2018, made up of:



Mr. Javier Mateache, representative of the company Yayo2003, SL (Director), resigned on July 30, 2018.

Structure of governance. Composition and committees

102-18

The governing bodies of the company are the General Shareholders' Meeting and the Board of Directors, the most senior body of governance, supervision, decision-making and control at Elawan, subject to no substantive limits other than those established in the legal regulations and the Articles of Association, and in particular the corporate purpose. The President at Elawan does not hold an executive position (102-23).

One of the missions of the Board of Directors is to promote corporate interests, representing the entity and its partners in the administration of assets, management of businesses and in setting the course for business administration. The members of the Board of Directors participate in the discussion and adoption of economic, social and environmental decisions; and are responsible for approving the Code of Ethics.

The Board of Directors reaches relevant decisions at its plenary sessions, and delegates, where relevant, the execution of these decisions (102-19).

In addition, the Board of Directors may agree special powers of attorney to be vested in company employees to address specific aspects of operations previously approved by this body.

Elawan is and non-listed company, the members of the Board of Directors represent the total of shareholders (2 alternative options):

- a) and it has no representatives of other stakeholders.
- b) and, therefore, there is no legal requirement to have representatives of other stakeholders in place.

The Board of Directors does not have a Delegated Executive Committee with general decision-making powers, all decisions being adopted by the Board itself.

Economic, environmental and social responsibilities

102-20

Elawan integrates its economic, social and environmental responsibilities in the Technical Department and the Financial and Control Department, the most senior managers of which refer any decisions to be taken to the Board of Directors, as is summarized below:

- Environmental and social issues are coordinated and executed by the Technical Department, with the Chief Technical Officer (CTO) holding responsibility and accountability before the Board of Directors.
- Economic issues are managed through the Financial and Control Department, with the Chief Financial Officer (CFO) being responsible for accountability before the Board of Directors.

In addition to the above, the most senior managers at these two departments appear before the Board of Directors whenever it requires them to.

Among other issues, the Board of Directors holds the final decision for the approval of the Business Plan, the annual budgets and targets, the Investment and Financing Policy, the risk analysis and, in general, all policies affecting the company.

Processes for consultation and communications between stakeholders and the senior body of governance

102-21

The managers of the different departments maintain a permanent and smooth communication with the CEO of the company. Any important concern is immediately conveyed by the managers of the different areas to the CEO, who forms part of the Board of Directors (102-33).

The Technical Department, the Financial and Control Department and the Human Resources Department at the central level, and the Business Managers of the various countries where the company has a presence, exchange information with stakeholders (suppliers, governments, employees, society, etc.). The different departments are responsible for taking especially relevant matters to the Board of Directors.

Meetings are periodically held in which all the staff of Elawan and the CEO participate. These meetings are bidirectional, with on one side the CEO, who informs all the staff on matters relevant to the company's management and state of affairs, while also receiving, from the staff, feedback on these issues and on other matters of interest.

Processes of appointment and selection to the senior body of governance. Conflict of interests

Powers for the appointment of Directors lie solely with the General Shareholders' Meeting, which represents the interests of all the company's shareholders.

The Articles of Association of Elawan set out the functioning of the Board of Directors, the requirements and deadlines established for the General Meeting to be called, and the functions of the Chairman. They likewise set out the grounds for incompatibility among members, subject at all times to the relevant legislation governing companies. The delegation of executive powers by the Board of Directors is performed by means of resolutions passed by the Board itself (102-24).

Elawan is a non-listed company at which the members of the Board of Directors are the shareholders and owners of the company, and so no consideration is given to other aspects regarding diversity, minorities, etc (102-22).

Shareholders may not exercise the voting rights corresponding to their shares if they are subject to any case of conflict of interest as established in Article 190 of Royal Legislative Decree 1/2010, of 2 July 2010, approving the Consolidated Text of the Capital Companies Act (102-25).

On a supplementary basis, the possibility that different local cultures and customs could condition the understanding of certain subsections of the Code of Ethics and Conduct has been detected (including conflicts of interest).

Functions and knowledge of the body of governance regarding sustainability. Revision and approval of the Sustainability Report

102-26

The functions of the Board of Directors include the approval of and commitment to comply with the standards of the Code of Ethics and Conduct, which include the Principles governing the company, covering economic, environmental and social matters.

The members of the Board are permanently informed regarding economic, social and environmental aspects, through the various internal communication mechanisms, such as: the periodic meetings with the directors of the different areas, the generation and approval of the Sustainability Report and the various actions and initiatives by Elawan, the Leading the Change corporate Intranet and the other communications.

Sustainability organization is coordinated by the sustainability team, which is part of the Corporate Communication, Marketing and Sustainability Department (102-32).

The Report and the Materiality Analysis are drawn up biennial by this team, in collaboration with the various areas and departments involved at Elawan. After its development, it undergoes a supervision and review process on the part of the Communication Department, before ultimately being approved by the CEO (102-27).

Similarly, in order to guarantee the reliability of the information, the Report is externally verified by an independent body.

Functions of the senior body of governance in risk management

102-29, 102-30 and 102-31

At Elawan, in order to develop and execute new projects, a detailed study is performed, evaluating and analyzing the potential risks in each project, this study is conducted by the different company departments, prior to the adoption of any decision.

At the initial project analysis and definition stage, information is compiled regarding the energy policies in the company, its expected profitability, regulatory stability and local government. Meanwhile, research and analysis are conducted into climate conditions (wind), environmental, landscaping, urban planning and archaeological restrictions, and property administration.

Once these aspects have been analyzed, a decision is taken whether to suspend the project or move on to the next stage.

The process continues with all aspects prior to the implementation and financing of the projects. A review is first done of aspects connected with the leasing of the space required for its implementation, along with the processing for the issuing of all permits, licenses and authorizations that will allow for the construction and commissioning of the wind farm and its power output infrastructure.

At this stage the Environmental Impact Study is performed in order to receive the approval of local authorities and communities, and to comply with the environmental requirements established in said statements. The Feasibility Plan and the approval of investment and financing are likewise included.

Subsequently, the company hired to construct the facility, which includes civil and electrical engineering, electromechanical assembly, and the commissioning, is selected and assigned.

Construction is performed by means of EPC (Engineering, Procurement and Construction) contracts, using specialist firms that comply with the established requirements and the applicable legal standards, up to commissioning of the facility.

Lastly, during the useful life of the wind farm, the relevant operation and maintenance tasks are performed. The facilities are monitored in real time, which signifies that any incident is detected and managed immediately.

Similarly, in order to improve the performance of the wind farms, predictive and preventive maintenance are conducted, with corrective maintenance being applied only where necessary.

All these actions and the possible risks that may emerge are continuously analyzed by Elawan's management and teams, serving to detect risks and to implement the required corrective measures in a swift and agile manner.

Where necessary, the CEO and the various company departments provide the Board of Directors with periodic information. The Board of Directors has responsibility for approving the development of new installations and the measures established to mitigate any kind of risk.

Performance. Nature and number of issues raised at the Board of Directors

The performance of the Board of Directors is not evaluated, as the members are, through their shares, the owners the company, and represent all the shareholders (102-28).

At the General Shareholders' Meeting, corporate resolutions are passed by a majority of the votes validly cast, provided that they represent at least a third of the votes corresponding to the shares into which the capital stock is divided, with blank ballots being excluded from the calculation. There have been no changes to the members or organizational practices.

In accordance with the applicable legislation, the Board of Directors meets during the first quarter to draw up the annual accounts for the previous financial year.

In addition to this meeting, the body meets in accordance with operational, business and project approval needs. In specific terms, during 2018 it met on 56 occasions, addressing more than 40 different subjects connected with the projects that Elawan endorses, constructs and operates in various countries around the world through its direct and indirect stake in local companies.

The main types of subjects dealt with are shown in the enclosed table (102-34).

Annual Accounts	Investments and financing	Corporate operations and aspects	General management
4	29	17	6

Remuneration of the Board of Directors

102-35, 102-36 and 102-37

The members of the Board of Directors do not receive any remuneration for their work as Directors, and so indicators 102-38 and 102-39 do not apply.

Materiality

102-40, 102-42 and 102-43

The relation with our stakeholders is a primary matter for Elawan. In this context, we consider any collective that may hold a substantial influence, and that is or could be affected by our activity.

Thus, since the publishing of the first Sustainability Report in 2013 we analyze and update our stakeholders, to improve communication and feedback channels true to their expecta-

tions and to orientate the content of the Report in the relevant economic, social and environmental areas.

The company provides various specific communication channels for each of the identified stakeholders. This allows us to have an active dialogue, allowing for a faster and more efficient response to trends and stakeholders' needs, as summarized below:



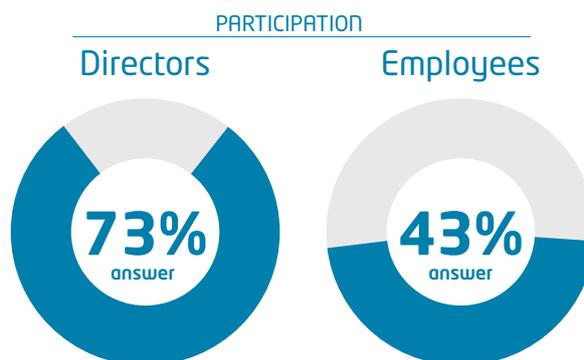
Materiality Study

102-44

Elawan has been carrying out annual materiality studies since 2014. After the analysis of the results in recent years, it concluded that these material factors only show minimal variations, which is why it was decided to carry out said analysis biannually, thereby postponing the next study until 2019.

As was summarized in the 2017 Report, the material topics were identified through a benchmark on the companies in the sector, analysis and appraisal of the appearances in the media, reports from analysts regarding topics relevant to the sector and internal matters concerning plans, programs and policies.

This allowed us to group the relevant information into 19 topics, which were surveyed before internal and external stakeholders (management and employees) via a survey. The average participation of the surveyed stakeholders was around 73% for management and 43% for the employees.



External and internal coverage

102-46



After this analysis, weighing and revision, a total of 10 global material matters were defined, taking into account the answers of all stakeholders in all countries, as is summarized in the enclosed table:

	Material matters at Elawan (102-47)	Reference information
1	Growth and development in different countries	General information and Economic dimension
2	Risk control	General information and Economic dimension
3	Ethical and anticorruption framework	Economic dimension
4	Attraction and retention of talent	Social dimension
5	Performance assessment	Social dimension
6	Health and Safety	Social dimension
7	Social action and local community	Social dimension
8	Environmental management	Environmental dimension
9	Waste management and circular economy	Environmental dimension
10	Biodiversity	Environmental dimension

The background of the cover is a photograph of a wind farm at sunset. The sky is a mix of teal and orange, with a large, bright orange sun partially obscured by clouds. The silhouettes of several wind turbines are visible against the sky. A large, semi-transparent orange shape is overlaid on the right side of the image, pointing towards the left.

**Sustainability
Report
2018**



2

Specific Disclosures

Economic dimension **28**

Social dimension **38**

Environmental dimension **48**



Economic Dimension

103-1, 103-2 and 103-3

The renewable energy sector

Renewable energies have gone through significant changes in recent years which have derived from the significant investments made in innovation, improvements in efficiency and cost reduction. All of this is accompanied with the political frameworks which favour their development, their contribution to dealing with climate change and their contribution to the development of 2030 Agenda.

Recent auctions show a drop in renewable energy prices. Since 2010, the reference price of solar energy has decreased by more than 80%, that of onshore and offshore wind energy by around half. Moreover, storage prices for lithium-ion batteries have fallen by more than three quarters since 2012 (source: BloombergNEF).

The improvements achieved in storage with batteries serve to cover peaks in demand and compensate for periods of lower performance, and so stabilize and maintain supply, which represents a significant step forward to making energy more accessible in remote areas.

Global energy demand increased by 2.3% in 2018, mainly in the USA and China. As a result, global energy-related CO₂ emissions reached a new record, increasing by 1.7% (Source: International Energy Agency).

Within this framework, the total capacity for the generation of renewable energy reached 2,351 GW by the end of last year, which is about a third of total installed electrical capacity.

The largest part is represented by hydropower, which has an installed capacity of 1,172 GW, approximately half of the total, followed by wind and solar energy with capacities of 564 GW and 480 GW respectively. To a lesser extent, bioenergy accounted for 121 GW of installed capacity, geothermal energy for 13 GW and marine energy for 55 MW (Source: IRENA).

The most outstanding information per type of energy in 2018 is summarised below (Source: IRENA):

- Hydropower: The increase in capacity in China stands out with 8.5 GW in new installed capacity. The installed capacity in the rest of the world continues to decrease.
 - Wind energy: Global capacity increased by 49 GW. China and the USA account for the main part of its growth, with increases of 20 GW and 7 GW respectively.
 - Bioenergy: three countries accounted for more than half of the relatively low level of capacity expansion: China increased its capacity by 2 GW, India by 700 MW and the United Kingdom by 900 MW.
 - Solar Energy: The installed capacity for solar energy grew by 94 GW. Asia increased its capacity by 64 GW (about 70% of the global increase). Other countries that showed significant growth were the USA (+8.4 GW), Australia (+3.8 GW) and Germany (+3.6 GW).
- The future shows very favourable growth and development expectations, with the world's large-scale solar energy capacity expected to increase in double digits between 2019 and 2020, driven by its expansion into the United States, Europe, the Middle East and China (Source: Goldman Sachs).
- Geothermal energy: Geothermal energy increased by 539 MW. Most in Turkey (+219 MW) and Indonesia (+137 MW), followed by the USA, Mexico and New Zealand.

Balance

201-1 and 201-4

Elawan works to continue its international expansion by creating value in the communities where it is present. This is possible thanks to a positive balance and proper financing.

2018 has been a very important year for Elawan with 657 MW of wind energy in operation, a turnover exceeding €93 million, an EBITDA of €67 million and a pre-tax result of €23 million.

In 2018, construction began on new projects in Belgium, South Africa, Spain, Brazil and Poland, totalling 190 MW. Furthermore, the Group has 7.8 GW under promotion in Mexico, Colombia, Argentina, Brazil, France, Belgium, Spain, South Africa, Turkey, Romania, Poland and Russia.

During this year, as part of the corporate strategy of the Group, sales of part of the assets in Brazil and Spain were closed, thus generating substantial capital gains for the Group.

The main aggregates are summarized below:

The Economic Value Created amounts to a total of €96,002 thousand, and is distributed as follows:

Economic Value Created		
Thousand of Euros	2017	2018
Revenues	171,013	93,038
Financial Incomes	2,332	2,964
Economic Value Created	173,345	96,002

The Economic Value Distributed is €603,190 thousand.

Economic Value Distributed		
Thousand of Euros	2017	2018
CAPEX	493,564	535,978
Staff retribution	5,439	5,113
Payment to providers of capital	64,707	28,824
Operational Cost	30,089	18,718
Payment to Public Administration	16,884	14,557
Investment in benefit of the community	ND	ND
Economic Value Distributed	610,683	603,190

The Economic Value Retained in 2018 amounted to €37,118 thousand, as in the previous year.

Economic Value Retained		
Thousand of Euros	2017	2018
Economic Value Retained	37,721	37,118

At year-end the pre-tax profit was €22,856 thousand, with a net financial debt of €358,533 thousand, €98,232 thousand net equity and capitalization of 27%.

Elawan received financial aid corresponding to capital grants amounting to €92 million (105 million USD). These grants relate to the construction of wind parks in the USA. No additional grants were received in 2018.

On the other hand, the places where Elawan is present received amounts totalling €14,557 thousand in the form of taxes, duties and charges, which contribute to improving the quality of life and services of the inhabitants of the area. The distribution is detailed below:

Country - Local Tax		
Thousand of Euros	2017	2018
Spain	10,646	7,387
Brazil	4,039	4,606
USA and Puerto Rico	1,531	2,077
Poland	479	89
Mexico	7	8
Romania	4	4
Belgium	18	386
South Africa	160	0
Turkey	0	0
TOTAL	16,884	14,557

Financing and human rights

In 2018, two new financings were closed for the parks of Hannut (Belgium) and Copperton (South Africa). In both cases, compliance with the Equator Principles and the submission of an independent report verifying this compliance are required (412-3).

We will report back next year. Elawan is also a signatory of the Global Compact and complies with its 10 established Principles.

Our growth

The new park of Persimmon Creek 1 in Oklahoma (USA) began its operations in 2018, with 200MW of capacity. Additionally, we have a portfolio under construction which includes three wind parks in Belgium: Hannut, Beaumont Extension and Salazine/Ciney; one in Turkey: Adares Extension, and two solar parks: Szerzawy (Poland) and Torrijos (Spain), which are expected to come into operation in 2019.

Likewise, the Pedra do Reino V park (Brazil) is expected to come into operation in 2020 and the Copperton (South Africa) and Yaris (Turkey) parks in 2121.

We also have an advanced promotion portfolio of around 7.8GW.

New parks in operation (200MW)

Persimmon Creek Wind farm (Oklahoma)

The Persimmon Creek 1 Project is located in the state of Oklahoma (USA), near to the town of Woodward.

It began operating in August 2019, with a capacity of 200 MW and is made up of 80 GE turbines. 73 GE116 2.5 and 7 GE116 with a hub height of 90 metres.

The total cost of the project was around 300 million USD. Although the project was developed by Elawan at 100%, Quinbrook acquired a 75% stake and Elawan remains in the shareholding with the remaining 25%. Elawan is responsible for the management of the park. The sale of the energy produced will be done through a 13-year Hedge.



Parks under construction (248MW)

In 2018, construction began on new projects in Belgium, South Africa, Spain, Brazil, Poland and Turkey, totalling 248 MW.

WIND PROJECTS

Copperton Wind farm (South Africa)

Elawan Energy signed a 20-year Power Purchase Agreement (PPA) for the construction and operation of the Copperton wind farm in the South African province of Northern Cape, which originated from the auction of the fourth round of the South Africa Energy Plan.

Elawan Energy is the majority partner in the promotion along with its local associates. The park will have 102 MW capacity, with an investment of over €145 million and an estimated annual production of 360 GWh per year.

Construction work is planned for the second half of 2018 and the park is expected to start operating in 2020.

Beaumont wind farm Extension (Belgium)

The extension project for Beaumont consists of a V110 2.0 Mw turbine. Work is scheduled to begin in August 2019.

Salazine / Ciney wind farm (Belgium)

This project is for a wind park with 5 v110 2.2 Mw turbines with a total capacity of 11Mw. It is currently in the process of signing contracts to begin construction at the end of 2019.

Hannut wind farm, Liege (Belgium)



Elawan Energy is building a new wind farm in Liege, Hannut (Belgium), with a capacity of 21.6 MW, distributed in 9 wind turbines. The investment is estimated to be around €32 million.

The power purchase agreement for the next 15 years and the sale of the “green certificates” for the next 10 years have been signed. It is expected to come into operation in June 2019.

Adares wind farm extension (Turkey)

Elawan Energy, through its Turkish subsidiary YGT, will start the construction of the expansion of the Adares wind farm this year.

The expansion has a capacity of 10.5 MW, which is added to the 10 MW already installed. The investment is estimated at around 13 million dollars and is expected to come into operation in the first quarter of 2020.

Pedra do Reino V wind farm (Brazil)

The project located in Sobradinho (Bahia) is for a new wind park with 4 VESTAS V150-4.0 MW turbines with a hub height of 90 metres and a total capacity of 16 Mw.

After being awarded the auction held in June 2018, the produced energy will be sold through a 20-year PPA with the Brazilian power company CEMIG.

Construction works will begin in 2020 and its start of operation is scheduled for June 2021.

PHOTOVOLTAIC PROJECTS

Torrijos solar park (Toledo)



The Torrijos Solar Park project is located near the towns of Novés and Torrijos (Toledo province), and its capacity was awarded in the tender of the Order ETU/615/2017, according to the Resolution issued in the BOE of 13 October 2017.

Its expected capacity is 35 MWp, with an estimated investment of €25 million. It is expected to come into operation in the second half of 2019.

This plant will be the first solar plant built by Elawan Energy.

Szerzawy Solar park (Poland)



Elawan Energy is building its first solar plant in Poland, in the town of Szerzawy, Rzepin. It has a capacity of 0.5 MWp and an estimated investment of around €350,000. It is located next to the substation of the 10 MW Szerzawy Wind Park which started operating in 2016.

Elawan won the tender for the plant held by the Polish government in November 2018, thereby securing the sale of the produced energy for 81€/MWh over the next 15 years. It is expected to start operating in August 2019.



Parks in advanced promotion (7,8 GW)

In addition, the Group has 7.8 GW under promotion in Mexico, Colombia, Argentina, Brazil, France, Belgium, Spain, South Africa, Romania, Poland and Russia.

Chicxulub and Chicxulub II wind farms (Mexico)

In 2016 it was decided to begin in the State of Yucatan the search for opportunities to develop wind projects, due to good plant factors and growing energy demand throughout the peninsula. Within this framework, the 70.39 MW Chicxulub wind farm is being developed and is expected to be built in 2020. In addition, the second phase of the project, Chicxulub II, with a capacity of 87.77 MW and a construction forecast for 2021, has begun. Both projects have interconnection agreements signed with the Federal Electricity Commission (CFE), and have been backed by financial guarantees in excess of USD 11 million.

The interconnection works to be carried out for the projects will substantially contribute to improving the current transmission network of the City of Merida, as adjustments will be made to the substations of San Ignacio and Merida Norte as well as the recalibration of 20 km of the 115kV high voltage line that connects them.

This electric infrastructure, valued at 207 million MXN, will be turned over to CFE without any cost whatsoever and therefore represents an important contribution for the Yucatan region, which has been suffering severe blackouts derived from an increase in consumption that could not be met by the necessary growth in the electricity transmission network.

From the perspective of sustainability and local development, both projects have always given priority to regional companies and to the Communities of the region, in addition, all the studies carried out during the development have generated local employment.

It should be noted that the works associated with the archaeological prospecting in the fields of the project were done under the indications of the competent organism Institute of National Anthropology and History (INAH). These works include the creation of paths for archaeological exploration, support to archaeologists in their surveys and the transport of staff, among others. This study generates around 20 local jobs.

The works done with the environmental impact study also stand out, these were done to meet the requirements of the Secretary of Environment and Natural Resources (SEMARNAT) that have generated both highly qualified and low-skilled jobs, to complete flora and fauna monitoring (with emphasis on birds, bats, and felines), geotechnical studies, or surface and groundwater studies. Together they have generated around 24 direct local jobs in addition to indirect jobs associated to more than 12 months of studies that implied local accommodation, transport and/or food, among others.

Our product

Maintenance and management

In our business, the aero generators in the parks are in movement most of the time operating in an efficiency way to produce and sell energy. However, there are pauses at certain times. These may be scheduled or non-scheduled.

Scheduled stops are established to perform preventive and predictive maintenance at the wind farms. The goal is to extend the generator's useful life and to avoid non-programmed stops/incidents. For this reason, two types of maintenance are carried out:

- **Preventive maintenance:** These are activities planned according to the intervals defined by the manufacturer of the turbine. This type of maintenance is programmed annually and aims to have the least impact possible. For this reason, preventive maintenance is done at times when there is less wind and when there is as little impact on production as possible.
- **Predictive maintenance:** This is the most complex type of maintenance. Its objective is the early diagnosis of possible failures or breakdowns, and so increase the uptime of the aero generators.

Corrective maintenance is done for non-scheduled stops. These occur when a malfunction is detected, their duration depends on the severity of the malfunction.

Quality is a key element, and for this reason, all our wind farms have an Integrated Management System implemented, which includes the quality system certified under the ISO 9001 norm.

Due to the specific characteristics of our product, energy, there aren't any chemical or environmental risks (417-1). Similarly, there have been no registered incidents concerning Health & Safety because of impacts from our products and services (416-2), nor any resulting from the sale or trade of prohibited or disputed products (102-2), nor for legal violations related to the supply and use of the products (419-1).



Control Center for Renewable Energies (CCER)

For the monitoring and measuring of the energy production, as well as the incidences and stops that may arise in all our wind farms, the company has a Control Center for Renewable Energies (CCER) in place, the purpose of which is to optimize the operation of the wind farms.

Via the CCER, it is available in real-time information about the production of the aero generators, electrical lines and substations. This allows for the constant supervision and control of each element, 24 hours/ 365 days a year. It also serves to analyze their performance continuously, and to act immediately in case of any incident.

Aero generator efficiency is a key element for the generation of energy and the profitability of the company, which is why it is made sure that stoppage time is reduced as much as possible. For this reason, each time an incident occurs, it is measured and registered, and the mechanisms necessary for its solution and closing are activated.

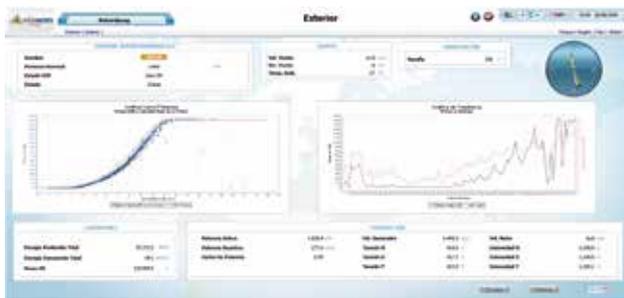
This allows for the comprehensive monitoring of all aero generators and provides information regarding their performance, in order to be able to take immediate action if necessary.

In these cases, the operation is handled locally by the O&M supervision team and remotely through an automatic remote system (CCER). If through these measures it is not possible to put the aero generator back into operation, the maintenance team is informed so that they can intervene "in situ" at the wind farm for its revision and start up.

The response time varies in these cases. A "checkpoint" is activated and, if the stop occurs outside working hours, the travel costs for the maintenance team are analyzed as well as the costs that result from the plant's production losses for the duration of the stop, to finally choose the most cost-effective solution.

The correct incident management at the farms is part of the annual objectives of the CCER experts at Elawan and their variable remuneration.

According to the information and data compiled in 2018, average stoppage time was 8 minutes, which illustrates the high efficiency of its management.



Supply chain

102-9

As a part of our Integrated Management System, Elawan has the PS-02 procedure "Purchases and evaluation of suppliers", through which the correct management of the supply chain is guaranteed in collaboration with all the departments of the company. The requirements for standardization, evaluation and re-evaluation of company suppliers are established in this procedure. In addition, a conformity and compliance clause concerning the Elawan Code of Ethics and Conduct is included in the supplier contracts.

Purchasing needs are covered through suppliers which are already included as "long-standing suppliers" (those which have already been registered in SAP). Within this group we find: exclusive suppliers, which include suppliers defined by the limitations/requirements of each project or suppliers defined by equipment manufacturers/maintenance engineers, long-standing suppliers and not formally approved suppliers.

In case a not formally approved supplier is required, the suppliers are assessed through internal and/or external references and at least 3 budgets are requested.

Evaluation of suppliers

Regarding the evaluation of suppliers, there are two levels established:

Critical suppliers

These are suppliers that are responsible for the supply of machinery (aero generators), maintenance and operation of the installations, construction of the farms and any supplier exceeding €30,000 in annual invoices. The invoices table is revised yearly, in order to include the possible variations of suppliers in the "Control sheet for critical suppliers". For their tracking and control, compliance to the KPIs and the contract conditions are verified.

Non-critical suppliers

These include the remaining suppliers. Their associated controls are coordinated by each Department manager through the Non-Conformities (NC) originating from deviations in the product characteristics or defaults in the services. In case these occur, RCMASST is informed for their registry, and the procedure established is followed.

At the end of the year, these NC are submitted to the managers of the affected departments where these are analyzed, and their continuity is assessed. In the event there are no NC registered, the supplier is automatically confirmed as approved.

Suppliers whose situation is deemed "critical" or those whose services are terminated, are informed by Elawan via an email to the business contact of that account.

All the critical suppliers evaluated were homologated during 2018, with not relevant incidents or breaches of the predefined criteria.

In order to ensure compliance with ISO 45001, for the 2019 additional criteria and controls in environmental and safety topics for the suppliers. Similarly, Elawan defines a series of criteria for the identification of hazards and control of risks associated with its contractors within the purchasing, selection and homologation process of these. The controls for this process are set out below:

- Establishment of the contractual specific clauses of Environment and SST additional to legal compliance
- Procedure for Coordination of business Activities.
- Manual of Management of MA and SST in work.
- Visits information sheet.
- Environmental emergency plan and incident management.
- Periodic inspections.
- Establishment of re-evaluation criteria for suppliers whose operations or activities have an impact on their workers or interested parties.

Due to the nature of services and subcontracted companies, there were no risks identified in 2018 regarding child labor, threats to the freedom of association nor forced labor (407-1, 408-1 and 409-1).

Local purchases

Elawan encourages hiring and purchasing from local suppliers, in order to create value in the places we operate in. This is reinforced in countries where the local government fosters this behavior through incentives. Most of the budget for outsourcing and suppliers for 2018 corresponds to local companies, that is to say, companies from the same country as where the installations are located.

In 2018 the expenditure for local suppliers totaled €18,738 thousand. Its distribution by country is summarized in the following table (204-1).

Country	2017	2018
Thousand of Euros		
Brazil	12,965	5,220
Spain	3,648	4,083
Poland	336	314
Mexico	387	239
Rumania	31	31
Belgium	785	811
Turkey	42	54
South Africa	2,708	218
USA - P.R.	9,697	7,768
	30,599	18,738

Sustainability, ethics and integrity

102-16, 102-17 and 205-1

Elawan, via our parent company, features a global corporate culture that has kept the same values since our beginning, but which have been adapted to the local necessities of each country, the current market conditions and our stakeholder demands.

Sustainability has become another key element, given that sustainable growth is considered to be the best way to meet our Objectives and stakeholders' expectations.

Code of Ethics and Conduct

Since 2014, the Code of Ethics and Conduct, which is approved by the Board of Directors, has been a reference at Elawan for all the decisions made by our employees.

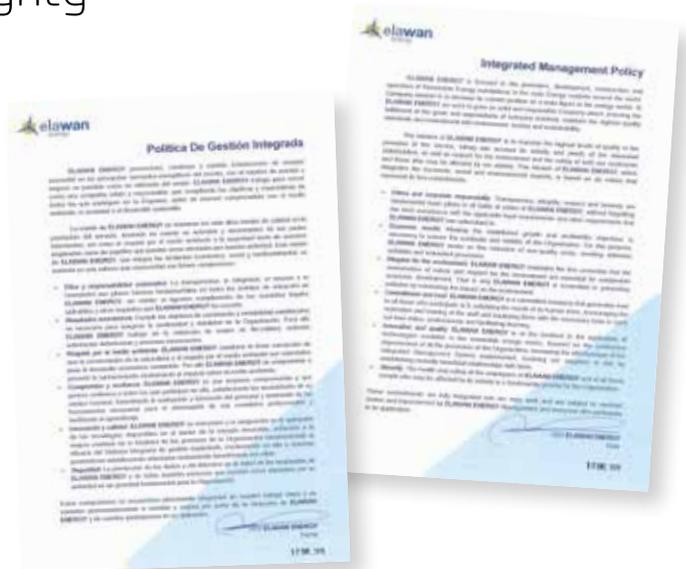
In addition, we have the following reference guides, which expand on the content of the Code, concerning anticorruption and harassment:

- **Harassment prevention guide and action protocol:** This guide incorporates the prevention and reporting measures for possible harassment situations, including the minimum facets that must be respected in order to be able to act honestly and responsibly in all the countries we operate in.
- **Behavioral Guide in Response to the Offering of Incentives, Gifts and Invitations:** The goal of this guide is to abide by all the laws and rules regulating bribes and corruption in the countries we operate in, deeming these as illegal worldwide.

The Code of Ethics summarizes the guidelines to be followed in the event that any employee or collaborator wishes to make any query or complaint via the available reporting channels: by email, telephone or in writing (complaint form). All issues are analyzed, managed and settled by the Ethics Committee.

The Ethics Committee is an internal consulting body, responsible for advocating the company's values and conduct, as well as for the monitoring, communication, disclosure and oversight of the Code of Ethics, for the processing and support regarding the settlement of doubts and the response to possible incidents or complaints that may arise, through the reporting channels.

In 2018 the Ethics Committee did not receive any complaints regarding corruption (205-1 and 205-3), nor complaints from third parties, nor any complaints concerning work practices, discrimination (406-1), or human rights (102-34).



Integrated Management Policy

In 2017, Elawan carried out an exhaustive revision of our management systems, with the aim of adapting them to the new international standards and customizing their scope to the current necessities of the company. In this framework we developed, approved and implemented a new "Integrated Management Policy", which is binding and represents the base document of the system. This new policy has been disclosed to internal staff as well as to stakeholders.

United Nations Global Compact

Since 2014, Elawan has signed and participated with the Global Compact through our parent company. However, after changing our company name and after the Global Compact's change in strategy concerning its partners and signatories, Elawan becomes a direct partner in 2018, renewing our commitment to promote and implement the 10 universally accepted principles for another year.

Complaints and ongoing disputes

Regarding other procedures, ongoing litigations and sanctions initiated against the company, there have not been any significant cases that have had a relevant economic impact on the Company regarding unfair competition, monopolistic practices and against free competition (206-1), complaints based on breaches of customer privacy and losses of customer data (418-1), violations related to marketing communications (417-3) nor violations of the laws and regulation in the social, environmental and economic areas (307-1).

Elawan and the Sustainable Development Goals

In Elawan from our commitment to Sustainability and the Climate Change we want to contribute to mitigate these impacts and the achievement of the Sustainable Development Goals (SGD) mainly through the following goals:



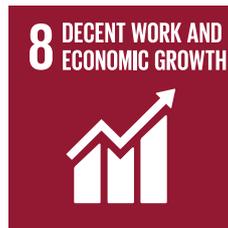
SDG 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”.



SDG 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.



SDG 8.4

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead.



SDG 12.2

By 2030, achieve sustainable management and efficient use of natural resources.



SDG 13.2

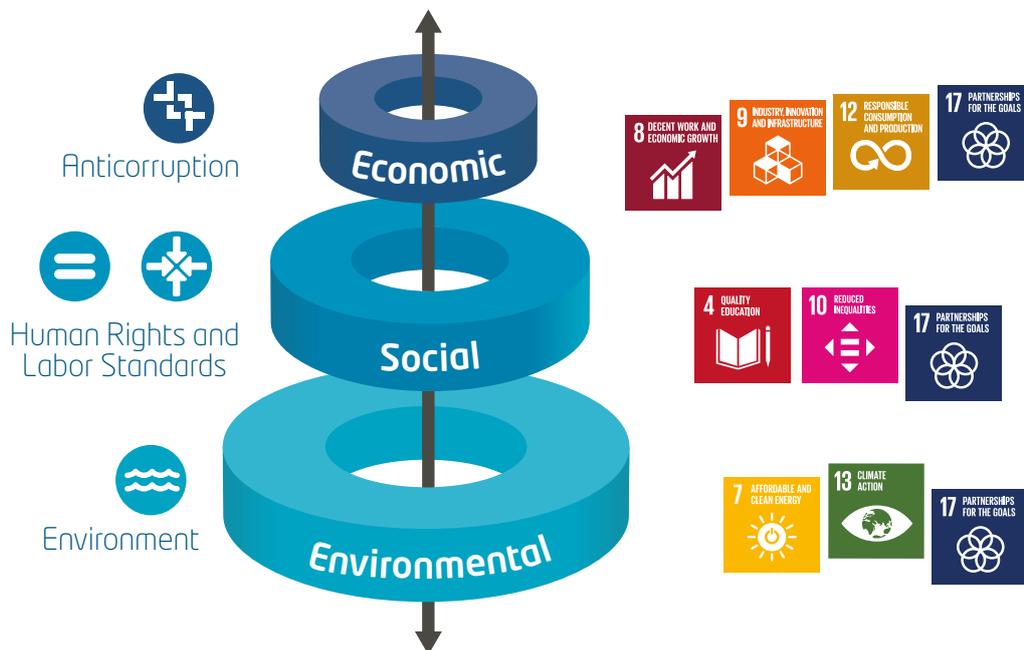
Integrate climate change measures into national policies, strategies and planning.



The Global Compact Principles



Sustainable Development Goals





Social Dimension People

Management focus

102-8, 103-1, 103-2 and 103-3

The continuous internationalization process at Elawan brings certain challenges in terms of culture, human resource organization and management, adapting the staff to new national and international necessities management the talent and the corporate culture.

The Human Resources department works as a change manager and is responsible for managing quality job positions, in a positive work environment, with opportunities for growth and promotion for all professionals that make up Elawan.

The Elawan team: Internationalization and diversity

Direct employees

Elawan is formed of a total of 72 employees, 6% less than the year before. Of the total number of employees, 68% are male and 32% are female. The largest age range being between 30 and 50 years old, accounting for 64%, followed by under 30 years, at 24%.

In regard to the members of the governing body, they all are men; 67% are over 50 years old and 33% are between 30 and 50 years old. 100% of them are local nationals (405-1).

Indirect employees

Elawan as a result of his activity generates indirect employment, mainly in maintenance and construction activities.

The volume of subcontracts in maintenance is similar every year, as works are programmed in advance. An average of 30 people is estimated to be needed per park.

The number of subcontracted staff varies more significantly in the construction, depending on the number and size of the parks. This activity is carried out through EPC agreements (Engineering, Procurement and Construction), in which the chosen company manages the personnel in the different phases of the project.

Country	Direct employees			Indirect employees			Total
	<30	Men >30 <50	>50	<30	Women >30 <50	>50	
Spain	2	22	2	7	4	3	40
Brazil	2	1	0	1	4	0	8
USA	4	6	2	0	1	1	14
Mexico	1	1	0	0	0	0	2
Belgium	0	2	0	0	0	0	2
Poland	0	2	1	0	1	0	4
Romania	0	1	0	0	0	0	1
South Africa	0	0	0	0	1	0	1
TOTAL	9	35	5	8	11	4	72

Attraction, development and talent

404-2 and 404-3

At Elawan we are aware that people are our main asset. Having motivated and qualified employees, in a pleasant work environment, is a key aspect to grow as a competitive, sustainable and sound company.



Recruitment

At Elawan we look for professionals who meet the requirements for each position, avoiding any type of discrimination with regard to race, gender, age, nationality, religion, political ideas, sexual orientation, civil status, disability, social background or any other personal condition.

13 new employees were hired by the company in 2018, mainly in Spain (36%), followed by Brazil (29%) and the USA (14%). On the other hand, 10 employees left the company during the year, of whom 50% did so voluntarily and 50% through the end of contract, dismissal or retirement.

Leaving		Spain	Brazil	USA	Mexico	South Africa	Belgium	Poland
Men	Less than 30 years	3	0	0	0	0	0	0
	Between 30-50 years	3	0	0	1	0	1	0
	More than 50 years	0	0	0	0	0	0	0
Women	Less than 30 years	0	0	0	0	0	0	0
	Between 30-50 years	1	0	0	0	0	1	0
	More than 50 years	0	0	0	0	0	0	0

Hires		Spain	Brazil	USA	Mexico	South Africa	Belgium	Poland
Men	Less than 30 years	2	0	0	0	0	0	0
	Between 30-50 years	0	2	1	1	0	1	0
	More than 50 years	0	0	0	0	0	0	0
Women	Less than 30 years	3	0	0	0	0	0	0
	Between 30-50 years	0	2	0	0	1	0	0
	More than 50 years	0	0	0	0	0	0	0

The average turnover rate in Elawan in 2018 (the number of people leaving against the total staff), is 14% (401-1).



SDG 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Training

404-1

Elawan's priority is to have mechanisms and plans to meet and train all personnel, adapted to the different levels and profiles of the company. Elawan develops and implements an Annual Training Plan. This plan sets out the training to be delivered on the basis of employee needs, along with opportunities for improvement detected among the various departments. The methodology is set out in the Integrated Management System.

The training also aims to offer the employees possibilities of promotion and adaptation to job postings within the company, both locally and internationally.

Newly recruited employees undertake an induction course in which they are introduced to the company, informed of the applicable standards and codes, such as the Code of Ethics and Conduct. In addition, this year we have reinforced training courses concerning IT security and data protection, with different on-site sessions.

In 2018, a total of 1,942 training hours were taught, 33% to women and 67% to men. The average training time received per employee was 27 hours (26 hours/man and 28 hours/woman).

Most of these courses took place in Spain (73%), followed by the US (16%) and Brazil (11%). It might be concluded that the training offered over the year has been 100% satisfactory and efficient as planned.

Job stability

Elawan is aware that in order to promote job stability, it needs to show trust in its team. As a result, 90% of the staff have a permanent contract, whilst the remaining 10% are holding temporary contracts all in Spain. Furthermore, all Elawan contracts are full-time.

Job stability	Type of contract			
	Permanent		Temporary	
Country	m	w	m	w
Spain	24	11	2	3
Brazil	3	5	0	0
USA	12	2	0	0
Mexico	2	0	0	0
Belgium	2	0	0	0
Poland	3	1	0	0
Romania	1	0	0	0
South Africa	0	1	0	0
Total	45	20	4	3

Performance assessment

The objective of the performance assessment is to evaluate employees periodically, qualitatively and quantitatively, with regard to their efficiency in the activities they carry out, the results obtained through their work, and likewise, measuring their individual contribution to the corporate objectives.

Due to its dimensions and considering that most of the staff is located at the headquarters, a formal or structured procedure for the performance assessment is not applicable. The directors of the various departments meet annually with the CEO and the performance of all professionals (100%) is evaluated, assessing the objectives and achievements reached, by both employees and the company.

Internal promotion

Elawan is aware that its employees need to grow and evolve professionally. We therefore believe that internal promotion is crucial in order to retain talent. In order to fill any specific job vacancy internally, the CEO and the head of the department/area conduct an analysis of the requirements applicable to the post, establish the appropriate group for the vacancy, and follow the established processes until final approval.

In the event that the offer is for a very specific profile, or has not been filled in time, the process is outsourced via the various communication channels that the company has in place for such cases, such as: digital tools, employment listings, job fairs or headhunters.

Due to our presence in different countries and to the implementation of new projects, employees may request a transfer and, therefore, opt for greater professional development in other countries.

Remuneration

202-1

Elawan is aware that remuneration is an important factor for our professionals. As a result, given the typical profile of its employees, the minimum wage is always higher than the figure established in local legislation.

The most representative countries by number of employees are Spain, where 55.5% of the staff are located, followed by the US at 19.4%.

- In Spain, the ratio in 2018 for middle managers is higher than 50% of the minimum wage in the country established in the agreement, with respect to the average wage of the company. With respect to the minimum wage, this is 34% higher than the one established in the agreement for both genders.
- For the USA, we cannot include this ratio since in many states the minimum wage is established per day and makes this calculation difficult.

Employment conditions and human rights

The company is aware that in order to retain our professionals, a series of positive provisions and conditions must be offered in order for them to develop within an appropriate environment.

In addition, we act under a model of ethics, sustainability and respect for human rights, as is reflected in the renewal of our commitment to the United Nations Global Compact.

Elawan has not identified at any facility or office, nor at any suppliers, any form of risk related to child and/or forced labor, or breaches of human rights, nor were our facilities examined or evaluated with regard to human rights, except for those facilities to which the Equator Principles apply (408-1, 409-1, 412-1 and 412-3). In 2018, the Ethics Committee has not received any complaints (406-1).

Professional and personal life

The balance between the professional and personal life of employees is important for their health and well-being. For several years, flexible working hours have been implemented, allowing arrival and departure times to be adjusted in accordance with the personal circumstances of all employees in Spain. In the remaining countries, this is done individually depending on the requirements of each wind farm, local legislation and the customs of each country.

Diversity

Elawan believes that the way of thinking of professionals from different origins helps us to achieve positive changes at the organization regarding our working methods, and increases our capacity for innovation, giving response to the current market.

The company considers that by promoting local employment, we help to enhance the dialogue with the local communities, thereby allowing us more precisely to understand their culture, and so improve integration. 90% of the male employees and 100% of the female employees are therefore of local origin (405-1).

In addition, this year we have improved the gender diversity ratio, from 28% women in 2017 to 32% women in 2018.

Maternity / Paternity 401-3

In 2018 there have been no maternity or paternity leaves. With regard to the maternity leave produced in Spain in 2017, the employee has already been reincorporated to the company (100%).

Collective labor agreements 102-41

The rights and obligations of all employees are covered by collective agreements or similar structures, depending on the country they are working in, and on the local regulations and requirements. The situation in 2017 is summarized below:

- **Collective agreements:** Used in Spain, Belgium, Poland, Rumania, Mexico and Brazil, where 100% of the workers are covered under these statutory provisions. This accounts for 79% of employees.
- **Handbook:** Used in the United States, this is the guide where employment conditions, behavioral standards and employee duties are specified. This represents 20% of employees.
- The remaining 1% corresponds to an employee in South Africa, to whom the local **labour legislation** applies.

Social benefits

Social benefits at Elawan vary depending on the country where the company operates (401-2).

In Spain, all employees have medical, life and disability insurance. Furthermore, measures are adapted to the Flexible Remuneration Plan, in which employees can include a range of services offering tax benefits within their remuneration package. The distribution of the Flexible Remuneration Plan is summarized below:



As for the US, workers have an insurance policy in accordance with the legal requirements, which includes, among others, both dental and life insurance. In Mexico and Brazil workers have a private medical insurance.

Communication

Internal communication

Internal communication focuses on an international team, for employees located in different countries, with periodic displacements. The most versatile channel is the Leading the Change corporate Intranet.

In addition, the CEO periodically meets at least twice a year with all employees to discuss areas of interest to the company and to respond to their concerns directly. In addition, for communications on operational changes or relevant news, employees are informed by e-mail.

External communication

External communication with the other company stakeholders is conducted by means of publications on the website, press releases, meetings, etc. For a more agile communication, social media channels are used in order to provide a more direct insight into significant events at the company on a day-to-day basis.

Social Dimension

Health and Safety

Management focus

103-1, 103-2 and 103-3

Health and Safety represents a key factor to Elawan, playing a part in its mission and strategic objectives. It has therefore an integrated Management System duly implemented in accordance with international standards ISO 14001:2015, ISO 9001 and OHSAS 18001 for the promotion, development, operation and sale of installations for renewable energy worldwide. The system be recertified in 2018 with a result of zero major and minor non-conformities.

In 2018, we continue our change from OHSAS 18001 to ISO 45001 norm, in order to have a more practical and documented system available for the processes that require this.

To this end, the base of the system will be maintained with a more efficient integration. We are immersed in the adjustment process, integrating additional requirements (participation and inquiry, SWOT matrix, targets, etc.) demanded. Next year we will be certified under this new standard.

The management model is based on the integration, on the process map of the company, on the Safety issues and requirements established; and it is underpinned by the principles defined in the new Integrated Management Policy of the company, of compulsory compliance and which serves as the baseline document for the system. This new policy has been disseminated both to internal staff as well as to the stakeholders.

Within the master action lines that structure the management system the following should be noted:

- Culture of Health and Safety based on the lessons learned and the "0" accidents goal.
- Quality awareness raising and training, adjusted and periodic.
- Internal and external communication through defined and clear channels.
- Proactive control and analysis of tracking indicators and control points (KPIs).



New documentation associated to the preventive management system

Throughout this year, a significant effort was made in the implementation of new formats and registers in order to consolidate their use by the staff involved. Moreover, new documentation has been drawn up/optimized, among which the following stand out:

New Safety Alert protocol



This system serves to enable the communication of health and safety alerts that may occur in any of the facilities, which then may be communicated to other installations to contribute to the improvement of health and safety.

This is a way to improve participation and communication of the health and safety system and is a clear example of proactive incident management.

New Manual on Environmental Management and Occupational Health and Safety on site



The Manual aims to define action guidelines to ensure, by establishing operational criteria, that operations and activities that may create health and safety risks for the employees at work are done under specific conditions, that these are controlled and periodically measured. The Manual covers situations which, in its absence, could lead to deviations from safety and health policy and objectives.

It also includes the main safety requirements and procedures defined by the company for implementation on construction sites.

New risk data sheets per job

These are made to inform and train workers on the general risks inherent to the company and the ones specific to their position, on protection and prevention measures that are to be adopted and on the emergency measures, all in accordance with art. 18, 19 and 20 of the Occupational Health and Safety Act, 31/1995, as well as with the legislation applicable in each country.

Emergencies

Elawan has a control and preparation procedure for emergencies, which includes action guidelines that encompass all phases of the process; from the detection and definition of these situations in the different plans to their communication and analysis, with the updating of the incident investigation sheet. Periodic drills are held to ensure correct implementation.



Responsibilities and functions

403-1 and 403-4

At Elawan there is no legal obligation for Health and Safety committees to be formed, although the QSHE area does receive all questions and suggestions from employees worldwide. As a result, there is no union representation, nor unitary representation, nor any safety agreements are carried out.

Even so, the Health and Safety department is entrenched globally in all the centers of the company; they have formal procedures in place which compile the responsibilities and functions concerning prevention, and which are integrated in the Management System. Moreover, in some country's centers rely on local advisory services with regards to Health and Safety to guarantee control and compliance to the specific requirements of each location.

Within the new integrated management system, the procedures and channels for Consultation and worker participation are defined and updated; aiming for the final objective of transparency and clarity in vertical and horizontal communications, both internally and externally.

Training and communication

Training

Training and informing Elawan employees are basic priorities for the company and one of the axes that underpins the Management System.

The Training Plan is defined annually based on the identification of internal needs, as well as on the technical criteria and requirements of the sector; whilst always searching to provide periodic training which fits each individual job position.

In 2018, a total of 494 hours of health and safety training were given, representing an average of 7 hours per employee.

Among the courses taken in 2018, we would like to highlight the following:



All-encompassing SGI-PRL training

A new course has been defined and implemented that encompasses the most relevant aspects of the Management System and which trains employees on the specific risks associated to office positions (PVD). Similarly, information is included on emergency management in the work centres and/or the handling of accidents in itinere.

This training has been given to all staff and is available to employees in the common directory.

Recycling under GWO standards in the USA, Brazil and Spain

Throughout 2018, the Global Wind Organization (GWO) training of the staff of the parks in the USA, South Africa and Spain were recycled, thus guaranteeing the maintenance of the training and quality standards defined by the company, as well as their implementation at a global level.

Protection equipment and training

Elawan, aware of the importance that safety and health has on its workers, is concerned that they have the necessary and appropriate tools for the development of their activity. This is why, as a result of the change in the name of the company, the updating of the corporate clothing which was initiated the previous year is maintained, seeking to improve and adapt it without neglecting safety and compliance with the regulations applicable in each case and country.

Participation and Inquiry

Beyond the legal obligation, Elawan Energy considers participation and inquiry a basic pillar within its mission and management system; as well as a lever for the continuous improvement of the health and safety conditions at work.

To this effect, it has made a serious commitment to the right of information, participation and inquiry of its workers, extending it to the rest of the company's interested parties.

This is materialised by seeking the elimination of barriers and guarantees simple, efficient and clearly defined horizontal and vertical lines of communication.

Throughout this year, a new participation and inquiry procedure has been defined, which has been properly publicized and disclosed to all the workers involved.

The objective is to contribute to the integration of occupational risk prevention in all decisions and hierarchical levels of the company, which is why the collaboration of all workers is essential. Elawan Energy pledges to include the result of such participation in the continuous improvement process of the company.



Communication and Awareness

During 2018, compliance with the communications matrix was verified, including the disclosure of relevant aspects of the system, as well as various sensitivities. Likewise, the annual training plan for the detection of departmental needs has been communicated, as well as the result of the management review and an annex in order to complete the information.

The creation and implementation of the common directory has improved communication channels and accessibility to the documents, among which the following stand out.

- Documentation derived from the application to the General Data Protection Regulation (RGPD)
- Environmental dossier.
- Emergency plan of the Madrid office building
- Surveys of environmental incidents
- Evaluation criteria for suppliers

Similarly, this year, the following new documents were included:

- Risk data sheets.
- New SGI-PRL training
- Safety Alerts.
- Environmental commitment.
- Manual on Environmental Management and Occupational Health and Safety on site.

Finally, the new participation and inquiry procedure was defined and disseminated, which aims to guarantee and broaden the knowledge of all workers and company stakeholders.

Internal communication

For the internal reporting of accidents, the channels established for this purpose are used and are included in the Management System. The communication is done bidirectionally, and follows the guidelines set for the health and safety managers and for the rest of the staff.

It is mandatory to comply with the established communication guidelines in order to carry out a comprehensive analysis of each accident and to be able to propose the necessary improvement measures in order to avoid similar accidents.

Prevention of occupational accidents

For the last 7 years, Elawan has received incentives granted by the Ministry of Labour to companies for their contribution to the reduction and prevention of occupational accidents by virtue of "Royal Decree 404/2010, of 31 March, regulating the establishment of a system of reduction of contributions for professional contingencies for companies that have made a special contribution to the reduction and prevention of occupational accidents".

External communication

For all accidents (minor, serious or fatal) that occur on company premises, the communication channels established for this purpose will be followed, as well as the obligations and deadlines defined by the competent authority according to each country.

As far as external parties are concerned, no environmental, health and safety or any other communications have been received.

Awareness

Elawan promotes health and safety awareness through the dissemination of periodic campaigns and/or data of interest; coinciding with relevant dates, such as the World Day for Safety and Health at Work.

Tracking indicators

403-2

In 2018, the staff of Elawan has not suffered any labor accidents nor incidents concerning Health & Safety. This fact indicates compliance to the Health & Safety protocols established, such as the preventive measures and the good performance and awareness of our employees.

This data puts the company's absenteeism levels far below those of the same industry.

Accident rates for external staff

With regard to outsourced workers, in 2018 there is only one incident at Flat Water involving the incorrect handling of cargo, resulting in the dislocation of one shoulder. This incident has been duly reported and was investigated by the subcontractor in accordance with the established procedure; and the investigation was concluded in a satisfactory manner.

Absenteeism

The absenteeism at Elawan is "0", as there have been no accidents, and as a result there was no absenteeism among our employees

Regarding absenteeism for "other reasons", this is also "0" in all countries, except Spain, the result of which is 0,18, which mainly corresponds to women. (Rate: number of days in the year x 100 / Σ days per month x workers).

Occupational diseases

No cases of occupational diseases have been identified in the company staff, so the overall rate is "0" (403-3).



Social Dimension Society

Contribution to local development

103-1, 103-2 and 103-3

Elawan contributes to local economic development in the countries it has a presence in by creating value through its products and services.

The regions where Elawan is located receive incomes through taxes, levies and duties that contribute to the improvement of services and life of the inhabitants of the region. The amount paid in these concepts in 2018 was €14,557 thousand.

In addition, new business opportunities are generated for local suppliers and services, while creating employment in the region, contributing to the improvement of the local economy. In 2018 the expenses in local suppliers amounted to €18,738 thousand.

Social action

413-1

Elawan aligns its business strategy with the SDG (Sustainable Development Goals) through social action, working with different associations and local administrations, through a constant and transparent dialogue. In addition, it has been collaborating with the Global Compact since 2014, to contribute to the dissemination and achievement of the 10 Principles and Objectives of Sustainable Development.

Within this framework, Elawan collaborates with non-profit organisations for the development of corporate and local activities. This makes it possible to achieve greater and better development in rural or isolated areas by the generation of clean energy, since it is adapted to areas where the power grid does not reach, or its implementation is very costly and complex. Likewise, its average operational lifetime lasts for more than 30 years and technological costs have been reduced considerably.

In addition to the benefits derived from its activity, Elawan believes that the initiatives at the local level help to strengthen the bonds with the community. Some examples are as follows:

Elawan in Poland

Elawan participated in the Szerzawy Race in the town of Pawlow, in which there was participation in various categories of different ages (adults and children). The race took them through the outskirts of the town and through the park.



Elawan in Mexico

Elawan has two operating mini-hydraulics in Mexico, in Tacotan and Trigomil. These do not only generate renewable and pollution-free energy, but also contribute to generate local employment giving priority to local businesses to benefit the communities in the region and to promote the benefits of this type of energy to young people.

In 2018, they carried out various works related to the maintenance of the plants themselves, in addition to the transmission lines with pruning and post adjustment activities and the maintenance of access roads, which included paving, guardrails, etc. This created around 25 direct local jobs.

In addition, they helped to train young people through guided tours of the plants to which the students of different professional schools such as the University of Guadalajara, ITESO and the National Technological Institute of Mexico attended



Associations and organizations



**United Nations
Global Compact**

The aim of the company is to promote and implement the 10 universal principles regarding human rights, labour standards, the environment and corporate business strategies, in addition to the Sustainable Development Goals.

To this effect, Elawan joined the United Nations Global Compact in 2014, and met all the requirements for renewing its commitment in 2018.

Elawan participates in different industry associations in the countries it has a presence in, with the aim to contribute and help development, investment and the integration of renewable energy in the energy mix of each country, as well as other activities concerning the promotion of the industry.

The most relevant are summarized next:

- Spain: Asociación Empresarial Eólica (AEE) y Unión Española Fotovoltaica (UNEF)
- Poland: Polish Wind Energy Association (PWEA)
- Poland: 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)

As indicated in the Code of Ethics and Conduct, Elawan does not provide financial assistance to governments (415-1).



Environmental Dimension

Management focus

103-1, 103-2 and 103-3

The environment is key to Elawan throughout our entire business cycle. Therefore, we have implemented a Management System certified under ISO 14001 for the promotion, development, operation and sale of renewable energy production facilities internationally.

After a year of adapting to the ISO 14001:2015 version, an external audit of the management system was conducted in 2018. The result was very satisfactory, verifying the implementation and adaptation, obtaining certification with zero major and minor non-conformities. This result corroborates the maturity of the system and shows its adequate integration in the company's strategic processes.

In accordance with the commitments acquired with the management system, in 2018 we oriented the lines of work in environmental matters towards:

- Certification of the system based on the 2015 version of the standard.
- Implementation of the new support and business processes with the collaboration of the departments involved.
- Reduction of losses in relation to the production and recovery of the waste generated.
- Minimisation of the environmental footprint (optimisation of travel, reduction of consumption based on energy produced or people, awareness-raising campaigns, etc.).

Throughout the year, the implementation of new formats and registers has been strengthened in order to consolidate their use by the personnel involved and new documents have been developed:

New Manual on Environmental Management and Occupational Health and Safety on site

Its objective is to establish action guidelines to ensure that operations and activities that may have a significant environmental impact or may generate a risk to the health and safety of workers during the performance of their work are carried out under specified conditions, are monitored and measured periodically, establishing operational criteria and covering situations in which their absence could lead to deviations in policy and objectives, environmental and health and safety. Likewise, and in line with the company's environmental policy, we extend our serious commitment to the care and protection of the environment to suppliers and subcontractors.

To this end, through the environmental commitment letter, included in the Manual, the supplier/contractor is informed of the organisation's environmental policy and its express commitment is requested, which is linked through the receipt of the document.

Optimization of the Life Cycle Analysis and SWOT matrix

The improvement of these formats allows a better understanding, since it integrates the interested parties and the environmental aspects, guaranteeing a global reading of the management system.

Environmental aspects

In 2017 we adjusted the evaluation procedure for environmental aspects and adapted it to the new version of the standard.

Whether an aspect is relevant or not is determined based on the comparative calculation against the previous year, on whether it is included in legal compliance, if there are measures for its control and on the implications for stakeholders.

Above all we are working on significant aspects to improve, as much as possible, the ratios and to reduce our impact. Likewise, these are taken into account when defining the company's strategic management objectives.

Once the evaluation has been carried out in accordance with the new criteria established, the following significant aspects have been determined:

- Electrical consumption in the Madrid office.
- Generation of fluorescents in the centres in the O&M phase.
- Generation of batteries in the centres in the O&M phase.
- Generation of used oil in the centres in the O&M phase.

The following aspects were identified as significant in emergency situations:

- Fire
- Transformer breakage with oil loss

On a positive note, the reduction of CO₂ has been re-evaluated after the 3% increase in production compared to last year. In addition, a specific target associated with the office's energy consumption was set for 2019.

The rest of the significant aspects related to the generation of waste at the O&M centres are directly associated with the planning and scheduling of the maintenance ranges of the installations and turbines, so we do not have the capacity to act in this respect and its significance is conditioned by the guidelines of the different manufacturers.

In any case, over the next few years, the results and consumption obtained will be monitored and analysed with a view to the interannual study of the data, with historical series of maintenance (corrective and preventive).

Emergency preparedness and response

The correct implementation of the Environmental Emergency Plans has been verified in the company's operational centres. To this effect, the environmental surveys that were carried out by the involved staff have been analysed, and there was a notable improvement in the results obtained in the interannual comparison, which demonstrates that staff awareness has increased.

3 environmental emergency situations were detected in 2018 (306-3):

- Fire at the Control Centre (CCER).
- Fire in the transformer in the Cabeço Preto II substation.
- 0.0006 cubic metre oil spill in Petersburg.

Indicate that in 2018 there have been no environmental claims or litigation (307-1).

Communication, awareness and stakeholders

The format of our matrix was modified this year to expand the analysis and explicitly include the needs and expectations of each defined stakeholder. This fact is linked to the integration of the stakeholders to the SWOT matrix, and aims to optimize the analysis and increase the consistency of the management system.

The results of the needs and expectations of the interested parties were reviewed based on the defined format; non-compliance was not detected, and the fulfilment of the expectations was continuously guaranteed. After review by the interested parties, 3 new needs were included: mutual accident insurance, third party prevention service and waste managers and transporters.

Among the internal communications and disclosures made, it is worth highlighting those made on specific dates related to the environment, as well as documentary updates of the management system.

Environmental performance

Elawan is aware of the importance of respecting and caring for the environment, which is why we optimize natural resources and minimize our impact by the detailed monitoring of certain indicators, as well as other relevant environmental vectors.

In the parks we obtain data regarding the energy consumption and production through the CCER. However, maintenance work is often externalized, and no information is available to that regard.

Waste 306-2

The main indicators on hazardous and non-hazardous waste are controlled via the management system, separating those produced in offices and those produced in parks, derived from maintenance work. Although it is a material aspect, our activity generates very little waste and all of it is managed in accordance with the legislation of each country.

For monitoring purposes, we consider the relative values according to the energy production in the parks and according to the number of employees in the offices in Madrid, in order to compare the information at the different facilities.

For the analysis of the data, the amount of waste generated in each facility is relative to the production of that site and the overall result of the company is subsequently generated.

The results for 2018 are presented below:

- + Generation of contaminated absorbents (kg): reduced by 73%
- + Generation of aerosols (kg): these were not generated.
- + Generation of contaminated metal containers(kg): reduced by 37%
- + Generation of contaminated plastic containers (kg): reduced by 75%.
- + Generation of oil filters (kg): reduced by 76%
- Generation of used oil (kg): 20% increase.
- + Generation of septic tank sludge (kg) (only applicable in some parks): reduced by 88%. This figure is relative since it is subject to the purchase and sale of projects and the change in the company's portfolio.

These wastes are associated with the corrective and preventive maintenance required by the turbines and equipment that make up the facility, so that their generation is directly conditioned by the maintenance cycles and ranges. With regard to the transportation of wastes (306-4), 100% of the waste is transported by local certified management companies.

Noise

In a similar way, there are other aspects that must be controlled in accordance with the region or country's specific legislation. Sound emissions should be highlighted among those. All these are within the limits established by the applicable legislation.

Highlights of the year

As stated in our management system, we periodically set targets for improvement. Their degree of compliance is summarized below:

- 5% reduction of the tons of CO₂ produced in business trips and employee commutes compared to 2017. The target was met after this indicator was reduced by 44% compared to the previous year. The recentralization of the job positions to the office in Madrid, optimizing the planification of business trips and movements and adjusting to new communication methods (Skype, videoconferences, etc.) have been determining factors to achieve these results (302-4).
- Reduction in the generation of batteries-accumulators in the main centre by 50% with respect to the value obtained in 2017. The target was met after achieving a 600% reduction, largely associated with the use of rechargeable batteries and chargers and employee awareness.
- It should be noted that there was a substantial reduction in water consumption in the parks in the O&M phase, which is an indicator of the great effort made with regard to the management policies and the good practices applied concerning the consumption of this resource.

Biodiversity

Environmental impacts

304-1 and 304-2

As part of the integrated management system, the identification and assessment of environmental aspects and associated impacts is a key factor throughout the development, construction and operation of the project. That is why this cataloguing is carried out annually, covering all the productive processes of the organisation and identifying direct and indirect aspects, both in the normal and emergency operating phases. In this way, homogeneous groups are established, distinguishing between offices and facilities and, in the case of the latter, according to the phase they are in (construction, maintenance and operation).

During the dismantling phase of a facility, a new identification and assessment of specific environmental aspects will be carried out, including the applicable controls and legal requirements, such as those deriving from the Environmental Impact Statement.

In addition, all projects are executed guaranteeing compliance with the requirements defined in the legislation and environmental permits according to the country of application, from the promotional and development phases by obtaining the permits and licenses and the development of environmental impact studies, to the measures associated with the future dismantling of the centres.

The most frequent negative impacts are summarized next::

Land use and degradation

This occurs with the lifting and moving of earth mainly in the construction phase. Corrective measures are established in order to mitigate these impacts such as avoiding work in areas with high sensitivity to erosion, limiting the weight of transported loads, and natural water flows.

Impacts on flora and fauna

Mainly affecting birds and bats due to collisions with the blades of the wind turbines and/or the electrical output lines. Moreover, during the construction phase, special care is taken to limit stress generated by noise, vibrations and movement.

Examples of mitigating actions are the installation of anti-collision elements in areas with high levels of bird-migration and the tracking of birds, and regarding the preservation of vegetation, plague control, control of invasive species and replanting.

Impact on landscape

The implementation of wind farms tends to take place in natural mountainous or coastal areas, where the strength of the wind is best harnessed, but which increases their visual impact. This is one of the most complicated problems to mitigate; a common



response is to paint the wind turbines white matt so that no reflections are created, and to paint the auxiliary structures in color tones consistent with the colors of the area to better integrate them into the landscape.

Noise and dust impact

Noise is produced by components of the wind turbine, mechanically as well as aerodynamically.

Wind farms are installed in areas sufficiently far away from population centers to avoid disturbances resulting from the noise.

Additionally, the measures established in environmental monitoring programmes are also followed.

Protection of flora and fauna

304-3 and 304-4

The monitoring and measurement of biodiversity is performed based on the contractual obligations and on the requirements of the relevant environmental authorizations, in accordance with the technical methodologies and standards stipulated in each case.

Furthermore, we have extensive monitoring studies of flora and fauna. It should be noted that the identified protected species are located in the parks in Brazil, Spain and South Africa, which are no longer property of Elawan Energy.

Environmental controls

Elawan establishes environmental monitoring and follow-up programmes for all centres to ensure compliance with the compensatory measures and the requirements defined by the competent administrations. These studies and programmes are carried out during all phases of the project, from the promotion stage to future dismantling, in order to maintain traceability and continuity of the measures established.

Complementarily, these controls are based on the permanent supervision of the projects carried out in accordance with what is defined in the Environmental Management Manual.

As a non-exhaustive summary, the following is a list of some of the most significant controls carried out at the company's centres:

Projects under construction

Hannut (Belgium)

- Monthly environmental reports in order to verify compliance with compensatory measures, as well as with the Equator Principles associated with the project.

Copperton (South Africa)

- Monthly reports on environmental compliance.
- Permanent Environmental Supervision on site by an authorized technician.

Circular economy

Elawan Energy, in line with the Europe 2020 strategy aims to generate smart, sustainable and inclusive growth, and promotes and integrates the concept of the circular economy into its projects in order to support the shift to a resource-efficient and low-carbon economy. To this effect, and within the integrated management system, it considers the following instruments:

- Eco-conception based on the life cycle analysis of the company's activities and processes, identifying the associated environmental aspects and impacts, control and evaluation criteria, stakeholders, monitoring and measurement for each stage of the cycle (purchase/design, transport, use, end of life).

In this way, a series of environmental impacts are categorised for which the appropriate control and minimisation measures are established:

- Decrease/Consumption of natural resources: Awareness campaigns/good practices; minimization of trips and international travel.
- Generation of waste (hazardous and non-hazardous). Acquisition of rechargeable batteries; recycling of paper in offices, acquisition of paper from sustainable management (PEFC or FSC).
- Impacts on fauna. Plans and controls for environmental surveillance, monitoring and periodic follow-up.

Torrijos (Spain)

- Elaboration of a Dismantling and Restoration Plan associated with compliance to the Environmental Impact Statement.
- Monthly Environmental Monitoring program.
- Execution of compensatory measures: Perimeter shrub planting and installation of 50 nests for the kestrel.



O&M Projects

Spain

- Annual environmental Tracking Reports officially presented to the authorities.
- Analysis of avifauna accidents associated with the projects.

Brazil

- Maintenance of Operating Licenses based on compliance with the conditions defined therein and on permanent communication with the competent environmental body (IDEMA).

USA

- Annual waste reports and compliance to the Spill Prevention, Control and Countermeasure (SPCC) Plans.

Energy

Elawan has a very low energy consumption level, mainly resulting from maintenance works at wind farms and from the company's offices.

Internal energy consumption

302-1

In 2018, Elawan consumed a total of 5,772 GJ of energy in its Spanish wind farms which did not derive from renewable sources.

Internal energy consumption	
Countries	Energy consumption (GJ)
Belgium	288
Brazil	771
Spain	540
USA	1,927
Mexico	0
Poland	339
Turkey	1,808
Total	5,673

Energy intensity

302-3

Elawan considers that the measurement of our energy intensity is a good way to ascertain the efficiency and impact of its activity. For this reason, an annual ratio is calculated by dividing the internal energy consumption by the total weight of energy sold in each country. The following table summarizes the results:

As for external consumption, no information is available regarding this indicator. Information is expected to be available by 2030 (203-2).

Energy intensity	
Countries	Energy consumption (GJ consumed / GJ produced)
Belgium	0.0013
Brazil	0.0004
Spain	0.0017
USA	0.0011
Mexico	0.0000
Poland	0.0046
Turkey	0.0031
TOTAL	0.0012

Renewable energy production

302-1

At Elawan, we are aware that climate change is one of the main environmental issues facing the planet, as well as a key point for its stakeholders. Therefore, our activity, the generation of renewable energy, contributes to this fight.

In 2018, a total of 4,778,486 GJ of energy was generated from renewable sources, the distribution by country being summarized below:

Renewable energy production	
Countries	Energy production (GJ)
Belgium	229,453
Brazil	1,722,823
Spain	319,456
USA	1,782,160
Mexico	73,865
Poland	74,554
Turkey	576,173
TOTAL	4,778,486

Emissions and climate change

201-2

The fight against climate change is a key aspect of business. For this reason, we are actively working towards achieving the objectives of sustainable development, mainly objective 7 (Affordable and non-polluting energy) and objective 13 (Climate action).



Benefits of renewable energies

Renewable energies guarantee sustainability due to their non-polluting properties, they are inexhaustible sources, and they are an increasingly competitive indigenous energy with potential for use anywhere on the planet and, therefore, are accessible throughout the planet.

They generate practically no waste, nor do they require water for their operation, thus contributing to the maintenance of water resources. They do not produce greenhouse gases or polluting properties, contributing to combating climate change and generating wealth and local employment, so its development is essential to combat climate change.

For every KWh produced, wind energy has 21 times less environmental impact than oil, 10 times less than nuclear energy and 5 times less than gas (Source: AEE).

The prices of renewable energies, mainly solar and wind, have decreased notably. The main reasons for this decline are due to the reduction of solar panels and turbines. Thus, due to the lower cost of these parts of the facilities, building a wind farm now costs between 39 and 58% less than in 2007 and a solar farm around 68% less than in 2010 (Source: IRENA).

Therefore, investment in renewable energies is a bet that allows for the development of deprived areas and rural areas, improving habitat, creating employment, favouring the establishment of local suppliers and acting as a spearhead for the service industry and local economy. With its development we contribute to achieving Sustainable Development Goal 7 "affordable and non-polluting energy" to achieve universal access to electricity by 2030.

Greenhouse gas emissions

By measuring our carbon dioxide (CO₂) emissions, Elawan helps to improve the communication of our impacts and to the collection of specific data with the aim of establishing possible improvement objectives. For the calculation of CO₂ emissions, the following standards have been considered: Green House Gas Protocol (GHG Protocol), Emissions Factors from Cross-Sectors Tools (GHG Protocol - 2014) to calculate fuel emission factors; the IPCC Fourth Assessment Report: Climate Change 2007 to calculate R-22; and for electricity consumption, the average emission factors of each country's national electricity mix for the period 2009-2011 according to the IEA (International Energy Agency).



Direct Emissions - Scope 1

305-1

The company's production process begins with wind, the main raw material for Elawan. It must, therefore, be kept in mind that the company does not generate direct emissions from the consumption of other fossil fuels. Meanwhile, no refrigerant gas refills were performed during the period (305-6).

Indirect Emissions - Scope 2

305-2

These emissions correspond to those generated at electricity power plants for consumption at our facilities and offices. In 2018, the total amounted to 655 tons of CO₂.

Scope 2	
Countries	Tonnes of CO ₂
Belgium	17
Brazil	15
Spain	44
USA	269
Mexico	0
Poland	73
Turkey	237
TOTAL	655

Other Emissions - Scope 3

305-3

Other emissions include emissions from corporate travel by plane, train and rental cars, as well as those resulting from employees travelling to their workplace, which total 355 tonnes of CO₂.



Train

0.70 tonnes of CO₂



Car rental

1.2 tonnes of CO₂



Employee commutes

53 tonnes of CO₂



Airplane

300 tonnes of CO₂

CO₂ emissions avoided through the production of electrical energy

305-5

Given Elawan's activities, we barely generate any atmospheric emissions. This represents a way of helping to reduce greenhouse gas emissions and combat climate change. In 2018, the emission of 421,750 tons of CO₂ was avoided.

Below is a breakdown of the tons of CO₂ avoided per country throughout the year:

CO ₂ emissions avoided	
Countries	Tonnes of CO ₂
Belgium	13,448
Brazil	32,542
Spain	25,823
USA	249,007
Mexico	9,233
Poland	16,153
Turkey	75,543
TOTAL	421,750

Energy and emission intensity

305-4

Elawan likewise takes the intensity of emissions into account in order to measure the efficiency and impact of its processes. The resulting annual ratio is calculated by dividing the sum of direct and indirect emissions by the total weight of the production sold in each country. The following tables detail the obtained results:

Emissions intensity	
Countries	tonCO ₂ emitted/GJ produced
Belgium	0.059
Brazil	0.019
Spain	0.081
USA	0.140
Mexico	0.000
Poland	0.000
Turkey	0.131
TOTAL	0.429

A photograph of two white wind turbines in a green field under a blue sky, partially obscured by a yellow graphic overlay. The turbines are positioned in the middle ground, with a line of trees in the background. The foreground is a lush green field. The sky is a clear, bright blue. The entire image is framed by a large, yellow, curved graphic element that starts from the top left and curves down towards the bottom right, creating a dynamic, modern look.

Sustainability
Report
2018



3

Annexes

Independent Review Report **58**

Report Profile **59**

GRI Content Index **59**

Contents based on the Principles United of the Nations Global Compact **65**

List of consolidated subsidiaries companies **66**

Independent Review Report



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

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

Scope

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

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

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

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

Criteria

Our review was carried out based on:

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

Applied Procedures

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

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

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

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

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

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

Independence & QA

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

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

Conclusions

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

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

ERNST & YOUNG, S.L.

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

Report profile

102-46 and 102-49

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

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

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

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

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

- The Persimmon Creek I in the USA came into operation at the end of the year.
- Brazil, where 5 wind farms (Pedra do Reino IV, Cabeço Vermelho, Cabeço Vermelho II, Boa Esperança I, Pedra do Reino IV) and 5 wind farms in Spain (Les forques, Montargull, Ferrapa, Pena Revolta y Pousadoiro) were sold over the year.

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

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

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

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

rsc@elawan.com
+34 91 379 10 00
Ombú 3 St. Floor 10. 28045 Madrid. Spain

GRI Content Index

102-55

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

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

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

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

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

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

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

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

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

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



Contents in relation to the Global Compact Principles

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

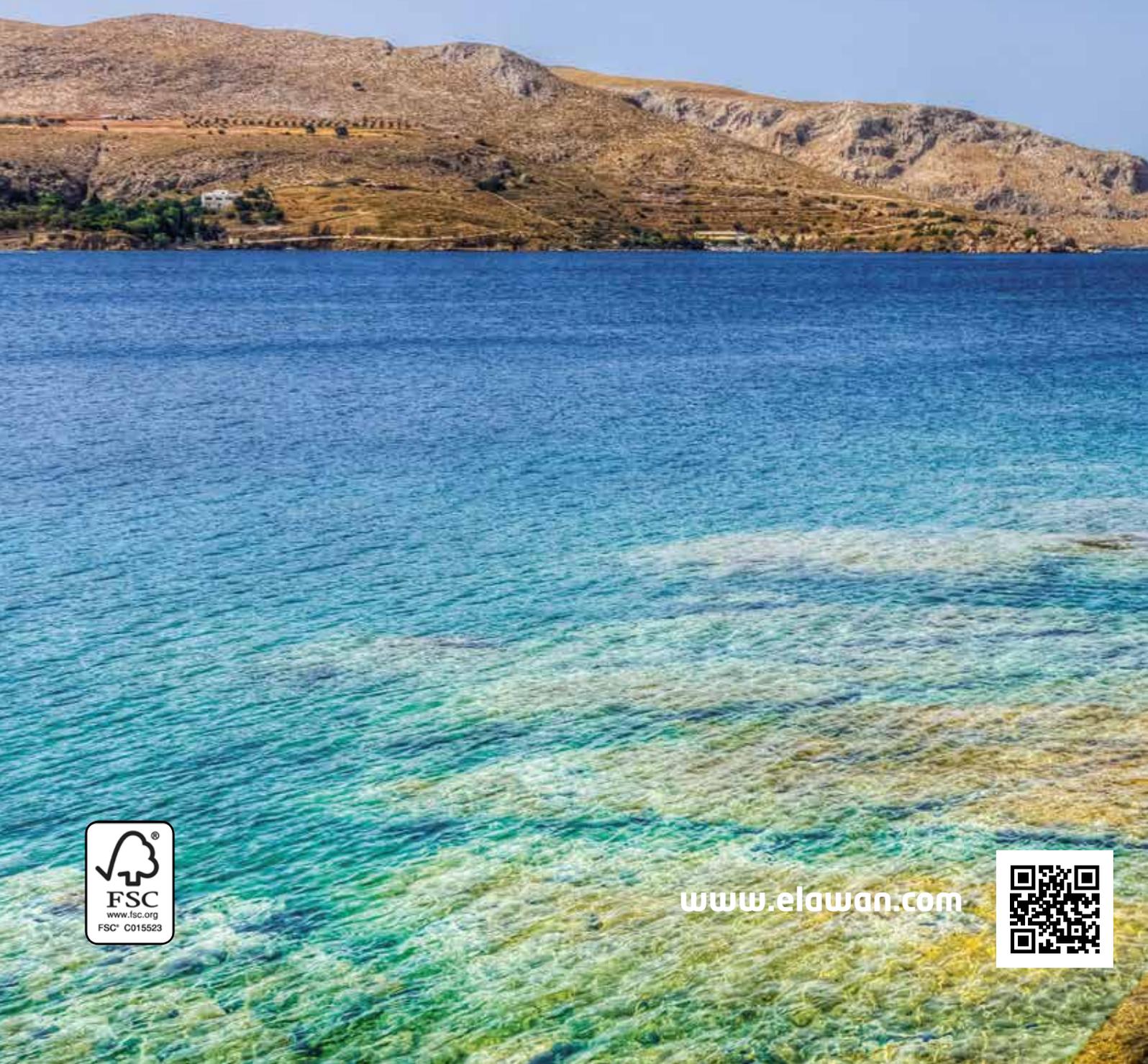
Aspect	UN Global Compact Principles	Progress included in chapter
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Part I. General Standard Disclosures
	Principle 2: Make sure that they are not complicit in human rights abuses.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

Scope considered of Elawan and subsidiaries ¹⁰²⁻⁴⁵

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

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





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