

The background of the entire page is a photograph of a wind farm. Several large white wind turbines are visible in a green field under a blue sky with white clouds. A blue crane is positioned near the base of one of the turbines. The bottom portion of the image is covered by a solid blue gradient overlay.

Sustainability Report 2019

Elawan Energy

Sustainability

Report 2019



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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



Letter from the Chairman

102-14

It is my pleasure to present the Sustainability Report of Elawan Energy, S.L., for the year 2019. The Report summarizes our main initiatives in economic, social and environmental matters, showcasing the way we integrate sustainability into our decisions in order to continue growing as a profitable and sustainable company.

In recent years, the notable increase in natural disasters and social demands to reduce pollution levels as well as provide a cleaner and more sustainable future for generations to come, has made the fight against climate change a very important one.

The latest report from the United Nations' Intergovernmental Panel on Climate Change shows that if global warming is to be kept well below 2°C, or even 1.5°C, then reducing greenhouse gas emissions in all sectors, efficiency and promoting renewable energies are essential.

In addition, several external factors are currently shaping the agendas of major companies, with climate change appearing for the first time in the Top 10 of the most relevant risks, according to the Risk in Focus: Hot topics for internal auditors report. ECIIA.

In this context, Elawan Energy, as a global operator in the renewable energy sector with a total of 712 MW installed and a portfolio of 10 GW distributed among Spain, Belgium, France, Poland, Brazil, USA, Mexico, South Africa, Turkey, Romania and Russia, plays a very important role in helping to mitigate these effects.

2019 concluded in a satisfactory manner for Elawan, with a turnover of around 87 million euros, an EBITDA of 60 million euros and a profit before tax of 14 million euros. In addition, we started up a new wind farm in Hannut, in the Liege area (Belgium) with a capacity of 21.6MW and two new solar plants; one in Torrijos (Toledo, Spain) with 35 MW and another one in Rzepin (Poland) with 0.5 MW. In addition, the construction of the new wind farm in Copperton (South Africa) with 102MW is well in progress.

Renewing Elawan's commitment to the Global Compact and supporting the 10 Universal Principles, as well as the United Nations' Sustainable Development Goals, is already an inescapable commitment. That is the reason why we promote initiatives that contribute to fulfilling these goals, and mainly the ones directly related to our activity, the generation of renewable energy.

Ensuring access to affordable, reliable, sustainable and modern energy for all (SDG7) and taking urgent action to combat climate change and its impacts (SDG13) represent a significant development opportunity for Elawan. In 2019, We generated 5,692,992 GJ of renewable energy, which helped to prevent 487,692 tons of CO₂.

In the development of the renewable energy projects, biodiversity and respect for the environment is key. All projects are carried out in compliance with environmental impact statements and environmental restoration initiatives are undertaken to integrate them into the landscape. A clear example of this commitment is the revegetation plan developed at the Torrijos photovoltaic plant, which includes, among other measures, bush islands and perimeter plantations, as well as the setting up of nests to encourage kestrel rearing.

We have an Integrated Management System, duly implemented in accordance with international standards ISO 14001, ISO 9001 and ISO 45001 for the promotion, development, operation and sales of renewable energy production facilities at international level, which helps us to measure, control and improve the management of the company.

Health & Safety is a core aspect of the company, being part of its mission and strategic objectives. We are very proud of the results in this area with "zero" accidents within our own staff. These figures place the company in a position to achieve occupational safety values that are well above the average for the sector.

In order to improve both the safety conditions of the professionals and the environment in which they work, the new "SAFETY ALERTS Protocol" for the company's operations and work systems stands out. This protocol contributes to the effective communication of health and safety and environmental alerts that may occur in any of the facilities where we operate. It is a way of improving the participation and communication of the management system and is a clear example of proactive incident management.

Finally, at Elawan we are aware that our development must adapt to new ways of working and the benefits of the digital transformation. This is why in 2019 we started the deployment of the "Digital WorkPlace" project. We are convinced that this project will be innovative and enhance the talent of the professionals working for the company.

All these actions and projects are possible thanks to a team of highly qualified professionals who are committed to the company. Therefore, we are promoting quality employment in line with SDG8 "Decent Work and Economic Growth", improving local employment where we develop our renewable energy projects and with our own staff, 89% of whom have permanent jobs.

Our long-term objective is to continue advancing in the development of renewable energy projects (wind, photovoltaic and hydroelectric), contributing to a cleaner and more sustainable future, in an efficient and increasingly digital environment.

I hope that you enjoy reading this Report as much as I hope that the growth prospects are met, contributing to a cleaner future.

Jon Riberas
Chairman

Letter from the CEO

102-14

We present once again our Sustainability Report for the year 2019. This is the seventh edition of this document in which we want to reflect the company's results in the economic, social and environmental spheres, as well as showcase the advances and developments in the strategy for 2020 and subsequent years. The report has been verified by an independent body.

We cannot fail to mention in this document the difficult situation our planet is going through with the terrible and dramatic Covid-19 pandemic. There is no doubt that the social and economic effects are or will be devastating, but it is also true that a situation such as this has allowed us to perceive that a more sustainable world is absolutely necessary and, as a matter of fact, achievable.

In previous issues of this Report we discussed the progress of decarbonisation, the pressure exerted by public opinion and the low costs of generating wind and photovoltaic energy. Well, this year we can emphasize that the population has demanded faster changes for the energy sector and in almost all countries in the world, especially in Europe, these have been materialized in energy and climate plans that consider specific dates for the closure of highly polluting facilities, whether coal or nuclear generation. Some of these closures, by the time this report is published, will have already taken place and the rest will come, at least in Europe, in less

than five years. Moreover, this energy must be replaced by renewables, which undoubtedly represents a great opportunity for a company like Elawan.

Additionally, there are significant business opportunities in energy management and storage systems where Elawan will be present in different markets.

Within this framework and given these prospects, renewable energies represent the majority of new electricity generation installed worldwide and will be the only ones to grow in the very near future.

It is worth pointing out that there are still rapid technological developments in the field of energy storage. The remarkable evolution in batteries and storage systems, along with a very relevant reduction in their costs, will represent a revolution not only for renewable energies, but for the whole energy sector. Through these systems, renewable energies will no longer need the support of conventional energy generation to cover production gaps, distributed energy will be massified, much more efficiently and at lower cost, and we will witness a change in traditional systems in the electricity sector.

All of the above provides Elawan Energy with the right environment to continue developing the projects that will deliver energy to us over the coming years.



In 2019 we started up our first two photovoltaic installations (in Spain and Poland), and in 2020 we are undertaking the construction of a macro-project in Albacete (Spain), which includes five photovoltaic plants totalling 250 MW and three wind farms with 150 MW. This project will be operational in the photovoltaic sector in the first quarter of 2021 and in the wind power sector at the end of the same year, representing a significant step forward in the size of the company's generation renewable energy projects, which will have more than 1,300 MW of fully operational renewable energy in 2021.

And this is only the first stage of what will come later, with a portfolio of projects under development of more than 9 GW, with at least 4 GW to be built in the next five years.

In order to meet all these challenges, we will continue to be a highly efficient company with comprehensive cost control and an exceptional professional team with broad experience and excellent capabilities. In addition, our management model is solid and sustainable, which will allow us to face the future successfully.

I cannot miss this opportunity to thank all our team for their effort and dedication, and to express my gratitude to all our customers, suppliers and funders for their trust in Elawan.

Dionisio Fernández Auray
CEO

Our Company

ELAWAN ENERGY, S.L. is dedicated to investing in assets and projects aimed at the generation of energy through renewable sources and their management.

Global Presence ►

27 farms/facilities in operation in **13** countries



◀ Renewable energy

23 wind farms, **2** solar plants and **2** mini-hydraulic



Power ►

712mW in operation and **148mW** under construction



◀ Growth

10GW in promotion / advanced promotion



Business model ►

Promotion, operation and construction of renewable energy plants, as the sell of electric energy produced by them.



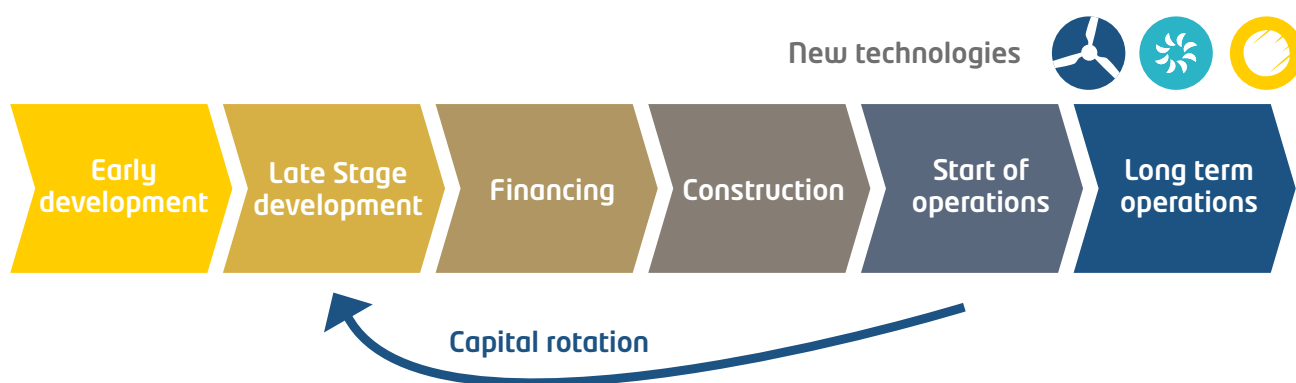
Business model

ELAWAN ENERGY, S.L. is dedicated to the investment in assets and projects designed to generate energy from renewable sources as well as their management. The company operates globally under the brand name "Elawan" (102-1).

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

The main activity of the company is the promotion, construction and operation of renewable energy plants, as well as the sale of the electrical energy produced by these, in the countries where we are present.

Our strategy is based on the development of projects from scratch and on making the most of opportunities for the acquisition of more advanced projects, mainly in countries that stand out for their attractiveness for renewable energies, with the capacity to build and operate the projects, without ruling out the sale of some operating assets.



Elawan has a global corporate culture that preserves the same values from the very beginning, however it adapts to the local needs of each country, the current market conditions and the demands of the stakeholders.

With regard to its activity, the company currently operates 23 wind farms, 2 solar plants and 2 mini-hydroelectric plants in 13 countries with a total of 712 MW.

This year, sales of projects in the development phase in Brazil and Argentina were closed, and it is estimated that the "earn out" conditions associated with the contract signed in 2017 for the sale of the businesses in South Africa have been met, allowing us to reinvest in new assets.

In 2019, the new wind farm in Hannut (Belgium) came into operation with 21.6 MW and its Beaumont 2MW extension, as well as the photovoltaic plants in Torrijos (Spain) with 35.7 MW and Rzepin (Poland) with 0.5 MW, totalling 59.8 new MW in operation.

The Copperton wind farm in South Africa with 102MW, the Humilpan wind farm in San Pedro (Mexico) with 30MW and the Pedra do Reino V (Brazil) expansion with 16MW are in the construction phase, totalling 148 future MW.

In addition, the construction of the wind farms in the extension of Adares (Turkey) with 10.5 MW and Salazine/Ciney (Belgium) with 11MW is scheduled to begin, as well as the photovoltaic plant in Los Campanarios (Spain) with 250 MW and in Gournay (France) with 5 MW, for a total of 276.5 new MW.

Finally, 10 GW are expected to be in the promotion or advanced promotion phase, distributed among Spain, Belgium, France, Poland, Brazil, Colombia, Argentina, USA, Mexico, South Africa, Turkey, Romania and Russia (102-6).

Main Figures

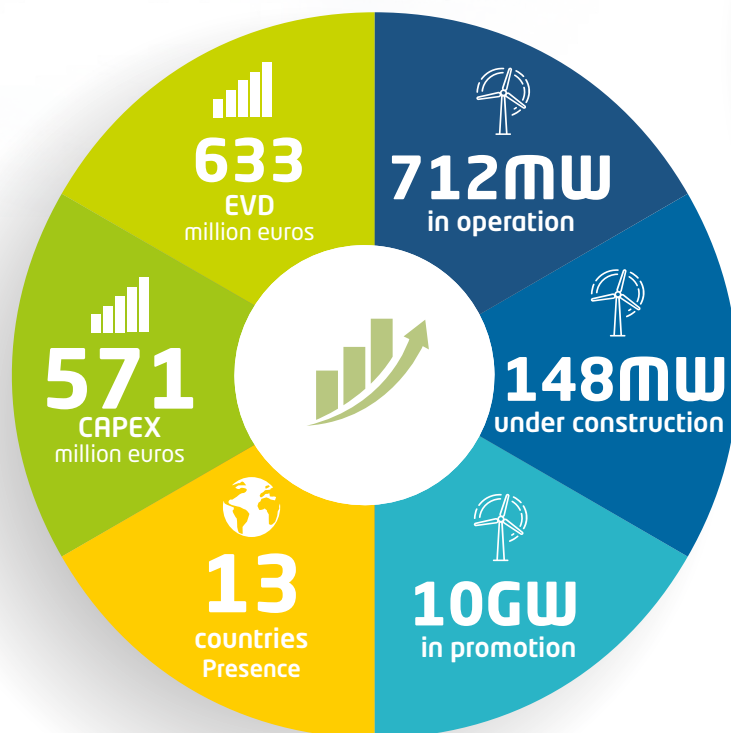
Elawan understands the Sustainability as a model that integrated responsible management and a commitment of ethics, transparency and collaboration with our stakeholders, in order to enjoy a cleaner environment and with fewer inequalities that contributes to achieve the Sustainability Development Goals.

2019 Elawan figures

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.



Assets Built

1.2 GW



Assets Sold

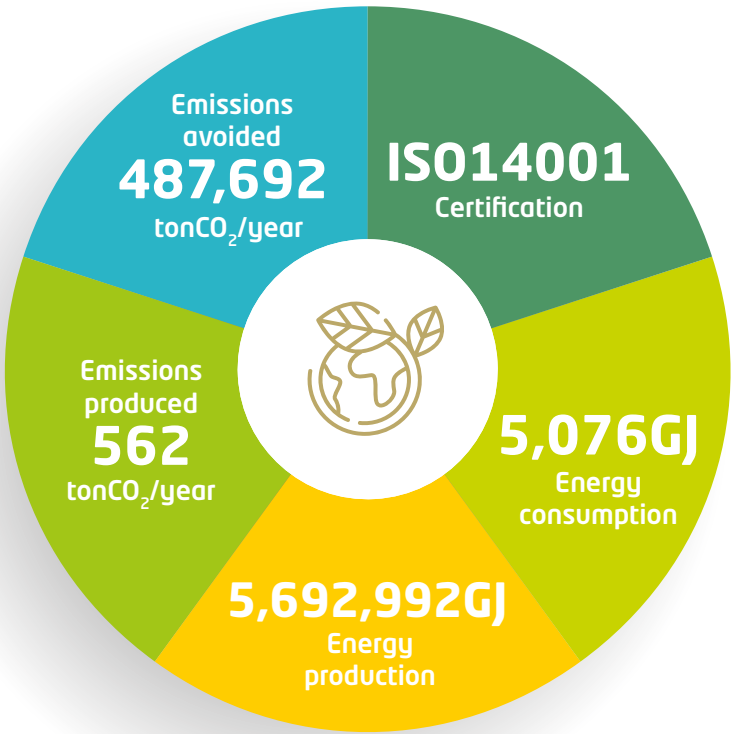
0.9 GW





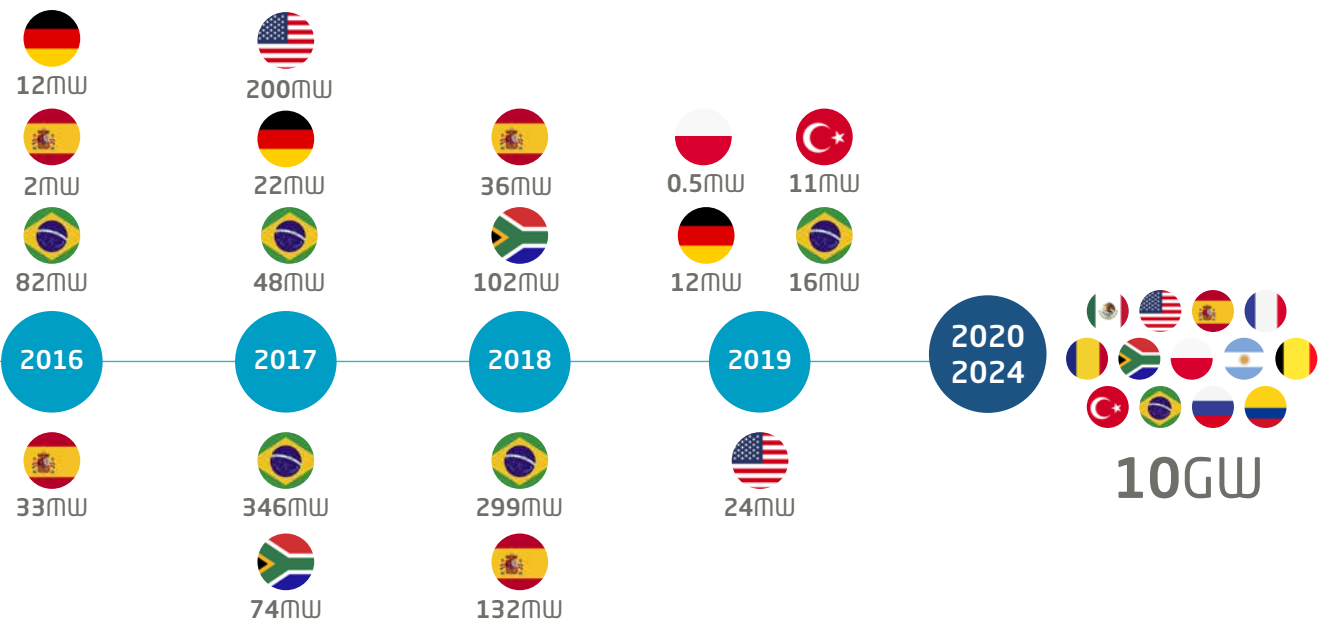
Social Contribution

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 (wind, solar and hydraulic), so we contribute to mitigating the carbon footprint and the effects of climate change, as it does not generate CO₂ emissions.



Global presence

102-4 AND 102-6

13 Countries

70 Professionals



Wind

23

Farms



Mini hydro

2

Plants



Solar

2

Plants



Power

712

MW



GW in promotion

10



USA



349 MW



4 wind farms in operation



165 MW in promotion



Mexico



14 MW



2 Mini hydros



1 wind farm in construction (**30** MW)



1,273 MW in promotion



Colombia



349 MW in promotion



Argentina



476 MW in promotion

Brazil



131 MW



10 wind farms in operation



1 wind farm in construction (**16** MW)



1,073 MW in promotion





Spain

- ⚡ **44** MW
- 🌬️ **2** wind farms in operation
- 🏗️ **1** wind farm in construction (**250** MW)
- ☀️ **1** solar plant in operation
- ⚡ **4,183** MW in promotion



Belgium

- ⚡ **48** MW
- 🌬️ **3** wind farms in operation
- 🏗️ **1** wind farm in construction (**11** MW)
- ⚡ **348** MW in promotion



France

- ☀️ **1** solar plant in operation (**5** MW)
- ⚡ **322** MW in promotion



Poland

- ⚡ **10.5** MW
- 🌬️ **1** wind farm in operation
- ☀️ **1** solar plant in operation
- ⚡ **242** MW in promotion



Russia

- ⚡ **179** MW in promotion



Romania

- ⚡ **213** MW in promotion



South Africa

- 🏗️ **1** wind farm in construction (**102** MW)
- ⚡ **222** MW in promotion



Turkey

- ⚡ **116** MW
- 🌬️ **3** wind farms in operation
- 🏗️ **1** wind farm in construction (**10.5** MW)
- ⚡ **1,018** MW in promotion

Our vision on sustainability

Following the launch of the United Nations' Sustainable Development Goals (SDGs) in 2015, a new roadmap, aligned with Agenda 2030, was initiated.

SDG and Global Compact ▶

Aligned with the Sustainable Development Goals and the 10 Universal Principles of the Global Compact



13 CLIMATE ACTION



◀ The fight against climate change

SDG 13. Climate Action and SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all.

Safer working environments ▶

SDG 3. Good Health and Well-Being

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



◀ Job stability

SDG 8. Decent Work and Economic Growth

Resource efficiency and renewable energy ▶

SDG 12. Ensure sustainable consumption and production patterns

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Commitment to Sustainable Development Goals

Elawan integrates in its strategy important economic, social and environmental challenges for more profitable and sustainable future, firmly committed to the creation of a long-term value and the fight against climate change.

After the launch of the United Nations Sustainable Development Goals (SDG) in 2015, we started a road map aligned with the Agenda 2030 that it helps to the compliance of this goals, in particular those related with our main activities, the renewable energy production.

We have considered aspects related to our activity and strategy, the stakeholder's opinions (materiality) and the more relevant social demands.

Activity

Strategy



Tendencies and demands

Stakeholders



In this framework, the Sustainable Development Goals have a fundamental role: SGD 7 "Affordable and clean energy", SGD 13 "Climate action" in the environmental context, SGD 8 "Decent work and economic growth" and SGD 12 "Responsible consumption and production" in the economic context and SGD 3 "Good health and well-being" in the social context. In all of them the "SGD 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development" is a key for its consecution.

The most relevant SDG and their KPI's are described below.

Climate Change, energy and the SDG



Since the adoption of the United Nations Sustainable Development Goals and the signing of the historic Paris Agreement (COP 21) in 2015, many initiatives have been developed, such as the European Green Deal, which includes a Climate Roadmap for the coming years for a fair transition to a carbon-neutral economy.

The Fight against Climate Change is directly aligned with SDG 13 "Climate Action" and indirectly with SDG 7 "Ensure access to affordable, reliable, sustainable and modern energy for all".

The increase of societal, economic and political demands should also be mentioned, these require a shift in consumption patterns, a cleaner and emission-free environment, and towards a more just and equal society, enabling us to face the world's biggest challenge: climate change.

The situation in 2019 has not improved. In spite of the economic downturn and the decline in the use of coal, carbon dioxide emissions have increased to new records, with a growth of 0.6% compared to last year (in 2018 and 2017 this increase was of 2.1% and 1.5% respectively), according to the last Global Carbon Project report. As the World Meteorological Organization has highlighted, 2019 is the final year in the hottest decade ever recorded.

Our contribution in the fight against climate change

Energy is a key element in our business. The measures that aim to reduce and/or offset these consumptions are highly beneficial, as they contribute to the reduction of CO₂ emissions.

In this line, renewable energies are a guarantee of sustainability due to their non-polluting properties, they are an inexhaustible source of energy, it is an increasingly competitive source of local energy with potential for use anywhere on the planet and, therefore, accessible worldwide.

Furthermore, it does not produce greenhouse gases or polluting emissions, contributing to the fight against climate change and generating local prosperity and employment, which is why its development is essential to fighting climate change.

Monitoring KPIs

- To develop 3,000 new MW from renewable sources in the 2020-2025 period, contributing to the generation of energy without polluting emissions.**

In 2019, 58.5 new MW were put into operation and another 424.5 MW are under construction or awaiting completion in 2021.



Education, security and SDG



In recent years, great progress has been made at the international level in relation to access to education, mainly by women and girls. However, discrimination and poverty still keep many people from the opportunity to obtain a quality education. Today, more than 262 million children and young people are not in school. Six out of ten children have not yet acquired basic literacy and numeracy skills after several years of schooling. 750 million adults are illiterate, which contributes to poverty and marginalization.

Many of the schools lack the basic elements for quality teaching, have a shortage of trained teachers and inadequate facilities without access to, among other things, the Internet, computers, drinking water or electricity.

According to the ILO report "World Employment and Social Prospects: Trends 2019", the evolution in the reduction of unemployment at a global level is not accompanied by improvements in the quality of work, where millions of people are forced to accept poor working conditions, complicating the attainment of SDG 8 "Decent work". This fact is increased by the COVID 19 pandemic that is affecting the whole world from the beginning of 2020 and that will increase diseases, unemployment, inequalities and resources to fight all these problems.

Our contribution to quality education and security

At Elawan, we believe that investing in quality education is key to improving people's professional development and quality of life. Only through access to education can sustainable economic and social growth be guaranteed.

Therefore, we are aligned with the SGD 4. "Quality Education ", through training and awareness of our professionals to increase their skills, in addition to helping through projects that contribute to improving schools, Internet access, digitalization and technological knowledge in countries with fewer resources where we are present.

All this contributes to the development of a more qualified workforce and the access to better job opportunities.

Also, aligned with the SGD 3. "Good Health and Well-Being" we support the improvement of the working conditions of our professionals through training and health and safety initiatives, preventing accidents at work and providing the necessary protection measures to prevent the spread of diseases such as COVID 19.

Monitoring KPIs

- I **To improve the education and qualification of our professionals in the field of Health and Safety, with the aim of achieving 300 hours of training per year by 2020-2025.**

A total of 224 hours of training were taught in 2019.

- II **To have safer working environments, through initiatives, measures and training, in order to achieve the objective of "0" accidents among our professionals by 2025.**

In 2019, no accidents have occurred among our professionals, enabling us to be in line with this objective.



Decent work, sustainable production and the SDG



The world's population is expected to increase by 2 billion persons in the next 30 years, from 7.7 billion currently to 9.7 billion in 2050, at a level of nearly 11 billion around 2100. The average age of life expectancy and falling fertility levels, and migratory movements are all increasing, and this will have an impact on future generations (Source: The World Population Prospects 2019). In 2018, the majority of the 3.3 billion employed people in the world did not enjoy sufficient levels of economic security, material well-being and equal opportunities. Currently, 700 million people live in extreme or moderate poverty despite being employed (Source: World Employment and Social Prospects: Trends 2019. ILO).

The report highlights the lack of progress on the gender gap. The female labour force participation rate was 48% compared to 75% for men. Another concern is the persistence of informal employment with 2 billion workers (61% of the world's workforce) and one in five young people (under 25) not working, studying or receiving training, thus compromising their job prospects.

As a result, the consumption of natural resources is increasing, particularly in Asia, and air, water and soil pollution are also increasing. In this area, sustainable consumption and production is about doing more with fewer resources, which includes actions throughout the life cycle of products.

Our contribution to decent work and responsible production and consumption

At Elawan we believe that global change is required to move towards formal, diverse, secure and stable employment that complies with human and labour rights, improving education, reducing pay gaps and inequalities, paving the way for a more fair and equal society.

Therefore, as a global company, we contribute to the improvement of this environment through providing stable, lasting quality employment, which allows us to create local wealth in the communities that we operate in, and so contribute to the achievement of SDG 8 "Decent work and economic growth".

Furthermore, to contribute to a cleaner and healthier environment it is essential to promote the efficient use of resources and energy, the building of environmentally friendly infrastructure, the improvement of access to basic services, such as energy, and the creation of stable and secure jobs

Therefore, our activity is directly aligned with "SGD 12. Responsible consumption and production" and contribute to achieving sustainable management and efficient use of natural resources by 2030.

Monitoring KPIs

- We have the objective of creating 120 indirect local jobs in maintenance by 2025, aligned with our expectations of growth and creation of local wealth in the countries where we operate, through stable local hiring, payment of living wages, and legal working hours.**

In 2019 a total of 5 indirect jobs have been generated for maintenance work with the construction of the new Torrijos plant and Hannut wind farm.



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 expectations 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:



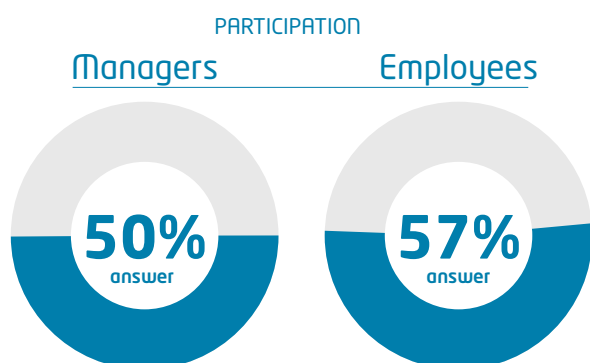
Materiality Study 102-44

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, updating this study in 2019.

For this purpose, 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.

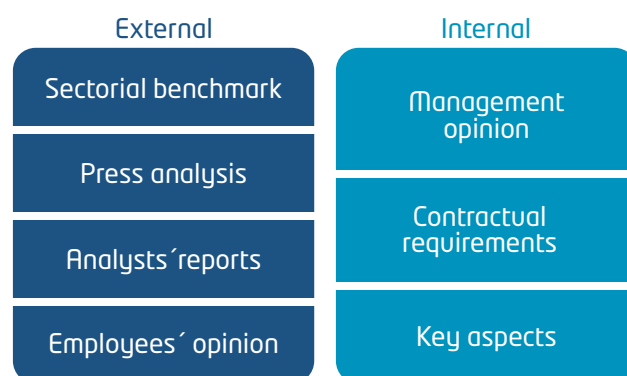


This allowed us to group the relevant information into different topics, which were surveyed before internal and external stakeholders (management and employees) via a survey. The average participation of the surveyed stakeholders was around 50% for management and 57% for the employees.



External and internal coverage

102-46



After this analysis, weighing and revision, a total of 10 global material matters were defined, as is summarized in the enclosed table:

	Material matters (102-47)	Reference information
1	Sustainability Strategy and Sustainable Development Goals	Our sustainability vision
2	Governance, Sustainability and Sustainable Development Goals	Governance and compliance model
3	Ethical and anti-corruption framework. Ethical Channels	Governance and compliance model
4	Data protection and cyber security risks	Economic dimension / Information Security
5	Attracting and retaining talent. Training	Social dimension /people
6	Non-discrimination, fair remuneration and the wage gap	Social dimension /people
7	Human Rights Policy	Governance and compliance model Social dimension /people
8	Health and Safety management	Social dimension / Health and Safety
9	Circular Economy (raw materials and waste)	Environmental dimension
10	Social action and local community	Social dimension /social action



Associations and organizations

100-134



The company's objective is to promote and implement the 10 universal principles on human rights, labour standards, the environment and the business strategy of companies, in addition to the Sustainable Development Goals.

For this reason, in 2014 it joined the **United Nations Global Compact**, meeting all the requirements necessary for the renewal of the commitment in 2019.

In 2019 we participated in various conferences to improve our contribution to these objectives, among others, participated in the campaign #AlliesoftheSGD promoted by the Spanish Network of the UN Global Compact on the reason of its fourth anniversary and the anniversary of the Sustainable Development Goals (SDG), presented a dossier of Good Practices in which it included the "SAFETY ALERTS Protocol".

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 sector.

The most relevant are summarized next:

- Spain: Asociación Empresarial Eólica (AEE) and Unión Española Fotovoltaica (UNEFA)
- Poland: Polish Wind Energy Association (PWEA) and Wind Energy Association (SEO)
- Belgium: Edera
- 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 stated in the Code of Ethics and Conduct, Elawan does not provide financial aid to Governments (415-1).



Governance and compliance model

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.

Communication ▶

The members of the Board are permanently informed regarding economic, social and environmental aspects.



◀ The Code of Ethics and Conduct

Since 2014, the Code of Ethics and Conduct, which is approved by the Board of Directors



Values ▶

Honesty, Humility,
Tenacity and Work



◀ Global Compact

Commitment to the
10 Universal Principles



New ▶

Integrated Management Policy





Corporate governance

Ownership structure and legal form

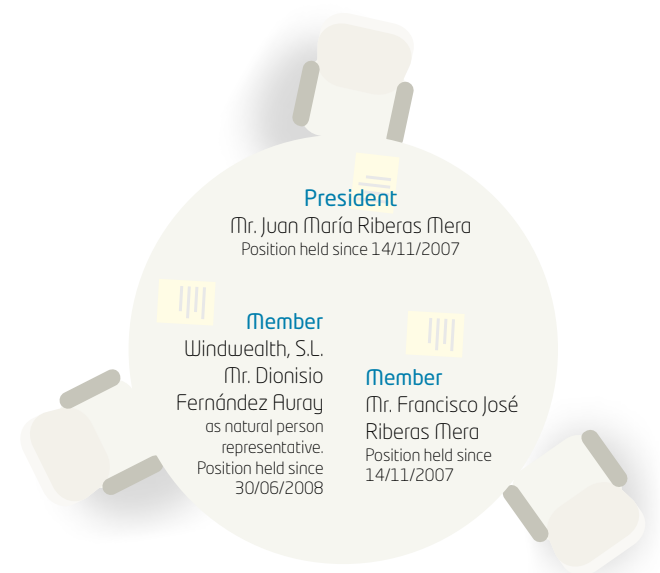
102-5

The parent company structure of Elawan comprises:

- 82.70% Acek Energías Renovables, S.L.
- 17.30% Clear Wind Eólica, S.L.

The subscribed capital stock at 31 December 2019 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 2019, made up of:



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):

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

There were no changes in the Board of Directors with respect to the previous year.

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 AND 102-27}

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 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.

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 2019 it met on 57 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	28	18	7

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.

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.



Integrated Management Policy

ELAWAN ENERGY promotes, builds and operates renewable energy facilities on the principal energy markets throughout the world, with the aim to consolidate and improve its position as an industry leader. ELAWAN ENERGY is striving to strengthen its position as a stable and responsible company which, in compliance with the targets and expectations of all Company stakeholders, is committed to the environment, society and sustainable development.

The purpose of ELAWAN ENERGY is to maintain the highest standards of service quality in view of its activity and the needs of parties concerned, to respect the environment and to ensure the safety both of our employees and of any third parties who may be affected by our activity. This stated purpose of ELAWAN ENERGY, which comprises economic, social and environmental aspects, is based on six values which are representative of its firm commitments:

- **Ethics and corporate responsibility:** Transparency, integrity, respect and honesty are the cornerstones of all the activities carried out by ELAWAN ENERGY, not to mention strict compliance with any applicable legal requirements and other requirements to which ELAWAN ENERGY is subject.
- **Financial results:** Established growth and profitability targets must be achieved to guarantee the continuity and viability of the Organisation. To this end, ELAWAN ENERGY strives to reduce Non-quality costs by avoiding defective actions and unnecessary processes.
- **Respect for the environment:** ELAWAN ENERGY is steadfast in its belief that the protection of nature and respect for the environment are essential for sustainable economic development. That is why ELAWAN ENERGY is committed to preventing pollution and minimising its environmental impact.
- **Commitment and trust:** ELAWAN ENERGY is faithful to its commitments and gains the trust of all its stakeholders by satisfying the needs of its work force, motivating and training its staff, providing them with the tools they need to carry out their professional tasks and creating an environment of understanding.
- **Innovation and quality:** ELAWAN ENERGY uses the cutting-edge technologies available in the renewable energy sector, with a view to promoting the continuous improvement of all Organisation processes, increasing the efficiency of the implemented Integrated Management System and involving our suppliers to forge mutually beneficial relations.
- **Health and Safety:** For the purpose of establishing conditions which guarantee the health and safety of employees and prevent injury and occupational health risks, ELAWAN ENERGY is committed to eliminating hazards and reducing any risks associated with its activities and any others encountered at its operating centres. All the above is based on a commitment to promote the participation and consultation of employees.

These commitments are fully integrated into our day-to-day activities and are reviewed and improved on a permanent basis both by the Management of ELAWAN ENERGY and by all of us who act to make sure that they are applied.

CEO ELAWAN ENERGY

 Date
c/ Orihuela, 3 Planta 1da
28045 MADRID
03/02/20



Compliance model

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. In addition, we have as our objective:

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

102-16, 102-17 AND 205-1

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.

In 2014, all Elawan employees were trained on the Code of Ethics. Since then, new employees are trained on the subject which includes values, ethical, human rights and anti-corruption aspects. In 2019, 16 hours of online training on the Code of Ethics and Human Rights were conducted with 8 new employees (205-1 and 412-2).

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 2019 the Ethics Committee did not receive any complaints regarding corruption (205-2 and 205-3), nor complaints from third parties, nor any complaints concerning work practices, discrimination (406-1), or human rights.

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).



Economic dimension

Elawan continues to grow through the search for new opportunities for power generation renewable throughout the world, developing projects in Europe, America, Africa and Asia.

3 new renewable energy projects in 2019
Belgium, Spain and Poland

Growth ▶

◀ **Expenditure on local suppliers**
24 million euros

Economic Value Created (EVC) ▶
88.5 € million

Distributed economic value (DEV)
633.4 € million

◀ **Cultural Change & Digital**
WorkPlace 2019-2021

Control Center for Renewable Energies (CCER) ▶
Production monitoring and measurement
energy in all the renewable energy projects

The mitigation of climate change is a key challenge of the 21st century. Its achievement is partly subordinated to an adequate energy transition, where efficiency and the increase of renewable energies play a fundamental role.

Although a reduction in global CO₂ emissions is expected in the long term, the International Energy Agency (IEA) estimates that world energy demand will be increasing at a rate of 30% by 2040, with an estimated annual growth of 3.4% in the global economy and a population increase from 7.4 billion to over 9 billion by 2040, thus complicating compliance with the objectives of the Paris Agreement.

In addition, the messages from the recent COP 25 (Madrid) are not very favourable. The latest report from the United Nations' Intergovernmental Panel on Climate Change shows the enormous challenge ahead, which requires very urgent action by governments, companies and civil society.

The final wording of the COP 25 stresses "the urgent need to keep the global average temperature increase to well below 2°C above pre-industrial levels" and speaks of "efforts to limit the temperature increase to 1.5°C". However, the agreement still does not clarify how countries will do this, as they are only "encouraged" to present their renewed upward commitments in 2020, before the Glasgow meeting.



Renewable energy

The total installed capacity of renewable energies reached 2,563.8 GW in 2019, with hydroelectric energy being the dominant source with 1,310.9 GW, followed by wind with 622.7 GW and solar with 583.5 GW (Source: IRENA).

The world's renewable sector installed 176 GW of new capacity in 2019, with 91.7 GW of photovoltaic (IRENA) and 60.4 GW of wind (GWEC), the second-best year ever and a 19% year-on-year growth.

In 2019 the main driver of this growth was market-based mechanisms, with China, the US and Europe being the main markets. For example, wind capacity auctioned exceeded 40 GW worldwide, representing two-thirds of total new capacity and doubling auctioned capacity compared to 2018.

In terms of investments in renewable energy capacity in 2019, wind (onshore and offshore) led the way with \$138.2 billion globally, up 6% and solar was very close with \$131.1 billion, down 3% (Source: Bloomberg NEF).

In terms of cumulative wind power installations; China, the US, Germany, India and Spain remain the main markets, collectively accounting for 73% of the total 651 GW of wind power capacity worldwide. Turning to offshore wind power, 2019 was a record year for the sector with an impressive 6.1 GW installation and now represents 10% of total wind power installations worldwide.

Both wind and solar energy have grown significantly at the same rate as their costs have fallen, being competitive with conventional sources. Improvements in storage technologies are noteworthy, making distribution easier, with the US leading the way in solar energy storage. In addition, automation is reducing the time and cost of solar and wind energy production and operation.

The growth forecast for 2020 was expected to be the best in history. However, the crisis resulting from the Covid-19 pandemic, as disruptions in global supply chains and national shutdown regulations are hampering the wind sector, as are most other industries, although it is too early to anticipate its impact.

Elawan is in a prominent position within the renewable sector, with operational renewable energy projects in 13 countries with 712 MW in operation, collaborating in a new renewable and sustainable energy model, while generating wind power.

By doing so, we contribute to the development of the communities where we operate by improving and reducing pollution and providing access to electricity.

Elawan continues to grow by seeking out new opportunities for renewable energy generation world-wide, developing projects in Europe, the Americas, Africa and Asia.

Projects completed in 2019



Hannut Wind Farm: Elawan Energy has built a new wind farm in Hannut, in the Liege area (Belgium), with an output of 21.6MW, distributed in 9 wind turbines. The investment is estimated around 32 million euros. In addition, the sale of the energy for the next 15 years and the sale of the "green certificates" for the next 10 years have been agreed.

Torrijos Solar plant: The project is located in the municipalities of Novés and Torrijos (province of Toledo), the power of which was awarded following the publication of Order ETU/615/2017 by auction, in accordance with the Resolution published in the Official State Gazette (BOE) on 13 October 2017.

With a 35 MWp capacity and an estimated investment of 25 million euros, it has been put into operation in December 2019. It is the first solar plant built by Elawan Energy.



Beaumont Extension Wind Farm (Belgium):

The project for the Beaumont extension features a V110 2.0MW turbine.

The construction of the extension was completed in 2019.



Solar Plant in Rzepin, Poland:

The plant, located in the municipality of Rzepin (central Poland), has a capacity of 0.5MWp.

The estimated investment is around 350,000 euros, having started operations in December 2019.

Projects under construction

Copperton Wind Farm: Elawan Energy signed a 20-year power purchase agreement (PPA) for the construction and operation of the Copperton Wind Farm in the Northern Cape Province of South Africa, from the Round 4 competition of the South African Energy Plan.

Elawan Energy is the main shareholder in this venture along with other local partners. The wind farm will have a capacity of 102 MW, with an investment of more than 145 million euros and an estimated annual production of 360 GWh.

Construction work is currently underway, and it is expected to be operational by the end of 2020.



Projects scheduled for 2020

Wind projects

Humilpan Wind Farm in San Pedro (Mexico): This 30MW wind farm project is in the State of Querétaro. It will consist of 15 wind turbines and is exclusively owned by Elawan Energy. Its commissioning is scheduled for the second quarter of 2021.



Pedra do Reino V Wind Farm (Brazil): This project, won by auction, is located in the State of Bahia, in the region of Sobradinho. It is an extension of other wind farms that we developed at the time and will have 4 turbines of 4MW. Its commissioning is scheduled for June 2021.

Adares wind farm extension (Turkey): This project is annexed to the Adares wind farm and is expected to have 10.5 MW. It is scheduled to come into operation in December 2020.

Salazine/Ciney Wind Farm (Belgium): This wind farm will consist of 5 turbines with an output of 11MW.

Photovoltaic projects

Los Campanarios Solar Plant (Spain): This project located in Bonete (Albacete) will have five solar plants of 50MWp each and a total of 250MW. It is expected to be commissioned in the first quarter of 2021.

Gournay Solar Plant, (France): The 5MWp Gournay Solar Plant project is in the department of Indre, central France. It is Elawan Energy's first power plant in France since entering the French market in 2018. The investment will be around 3.5 million euros. It is scheduled to come into operation in the first quarter of 2021.

Balance

201-1 AND 201-4

Elawan works to pursue its international expansion by creating value in the communities where it is present. This is made possible by a positive balance sheet and adequate funding.

2019 was a very important year for Elawan with 657 MW of wind power in operation, a turnover of around 87 million euros, an EBITDA of 60 million euros and a profit before tax of 14 million euros.

Moreover, the Group has 10 GW in advanced development and promotion, in countries such as Spain, Belgium, France, Colombia, Argentina, Poland, Brazil, the United States, Mexico, South Africa, Turkey, Russia and Romania.

In addition, during 2019 the construction of new projects in Belgium and Spain was completed, adding 59.8 MW to the Group's operating portfolio. Similarly, the company continued or began the construction of 148 MW in South Africa, Brazil, Mexico and Poland.

In 2019, as part of the Group's corporate strategy, operations were completed for the sale of projects in the promotion phase in Brazil and Argentina, and it was estimated that the earn out conditions associated with the contract signed in 2017 for the sale of the South African businesses were met, generating significant capital gains.

The main figures are summarised below:

The **Economic Value Created (EVC)** amounts to a total of **€88,541 thousand**, as distributed below:

	Economic Value Created Thousand of Euros		
	2017	2018	2019
Revenues	171,014	93,038	86,849
Financial Incomes	2,331	2,964	1,692
Economic Value Created	173,345	96,002	88,541

The **Economic Value Distributed (EVD)** is **€633,412 thousand**.

	Economic Value Distributed Thousand of Euros		
	2017	2018	2019
CAPEX	493,564	535,977	571,128
Staff retribution	5,439	5,113	4,844
Payment to providers of capital	64,707	28,824	27,295
Operational Cost	30,089	18,718	22,466
Payment to Public Administration	16,884	14,557	7,443
Investment in benefit of the community (*)	-	-	236
Economic Value Distributed	610,682	603,190	633,412

The **Economic Value Retained (EVR)** in 2019 amounted to **€17,405 thousand**.

	Economic Value Retained Thousand of Euros		
	2017	2018	2019
Economic Value Retained	37,721	737,118	17,405*

*The reduction with respect to 2018 is due to the fact that there has been no impairment in 2019.



Likewise, at the end of the fiscal year, the result before taxes was 13,737 thousand euros, with a net financial debt of 405,547 thousand euros and a net equity of 92,447 thousand euros. Our capitalization is 23%.

Elawan Energy received financial support in previous years in the form of capital grants amounting to EUR 94 million (USD 105 million). These grants relate to the construction of wind farms in the USA. No additional grants were received in 2019.

Additionally, the localities where Elawan is present received a total of EUR 7,443 thousand in taxes, levies and fees, which contribute to improving the quality of life and services of the area's inhabitants. The breakdown is as follows:

(*) The investments in the community include the works started on the Social Project in Brazil in 2019 for a total budget of BRL 1 M (222 thousand euros).

Levies and duties: Local Tax

	Country - Local Tax (Thousand of Euros)		
	2017	2018	2019
Spain	10,646	7,387	1,302
Brazil	4,039	4,606	2,830
USA and Puerto Rico	1,531	2,077	2,847
Poland	479	89	179
Mexico	7	8	4
Romania	4	4	8
Belgium	18	386	227
South Africa	160	0	
Turkey	0	0	46
ELAWAN	16,884	14,557	7,443

With regard to the remaining accounting liabilities, the companies that make up the Elawan Group are, mostly, obliged to perform annual audit reports on their individual financial statements due to the total volume of their assets, turnover and average number of employees.

There are no exceptions to these reports. After approval by the relevant body, these reports are submitted in due form and time to the Commercial Registry for each of its accounting years, the legalisation of official books and the deposit of annual accounts. Moreover, the Group companies are up to date with their payments to the General Treasury of Social Security and their tax obligations.



Financing and human rights

In fiscal year 2019, two new financings were closed for the photovoltaic solar plant in Torrijos (Spain) and the refinancing of the wind farm in Beaumont (Belgium) with an increase in power.

In both cases, compliance with the Equator Principles and the submission of an independent report verifying this compliance are required (412-1 and 412-3).

Likewise, Elawan is a signing party to the Global Compact, acquiring the commitment to comply with the 10 Universal Principles.



Risks and opportunities

201-1 AND 201-4

Main effects, risks and opportunities

102-15

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:

Subsequent risks

The year 2020 began with a huge risk arising from the global health crisis caused by the outbreak of the Covid-19 pandemic.

We are witnessing an unprecedented expansion of the pandemic, bringing to a halt the economy and the evolution of business in most sectors and directly affecting consumption and employment.

The massive spreading of the pandemic and the lack of information on its duration, make us foresee a more complicated macroeconomic scenario.

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

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 renewable energy projects 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 plants.
- Being capable of installation in remote areas.

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.

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 renewable energy projects 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

The actual environment clearly shows us the risks associated with environmental, social and governance (ESG) issues as the Climate Change, water scarcity and Human Rights, are increasingly relevant. Therefore, it's necessary to incorporate them into the company's decision making, business strategy, performance and management.

Good management of these aspects minimizes risk to reputation, regulation, labour, access to capital and credit, among others.

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.
- Environmental impact and birdlife protection studies serve to control and manage potential environmental risks.
- Advances in solar energy technology and cost reduction, contribute to its development.

- 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).
- Definition of a manual for the environmental control of the building sites, not only through legal compliance but also by increasing environmental controls and requirements.

Opportunities

Renewable energy helps to mitigate the effects of climate change and to achieve the Sustainable Development Goals and contribute to an emission-neutral future.



Health and safety risks

The establishment of the company in countries as diverse as the ones we are in, their idiosyncrasies, and the legislative differences in health and safety matters mean that we must create sufficient mechanisms for their control.

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 and ISO 45001 for the promotion, development, operation and sale of renewable energy production facilities at an international level.
- Unique facility access control procedure.
- Health and Safety culture based at the goal "0" accidents and injuries learned.
- Training and a quality awareness adjusted and periodic.
- Internal and external communication though clear and defined channels.
- Proactive monitoring and analysis of monitoring indicators and control points (KPI).
- Definition of a health and safety manual for building sites with the establishment of controls beyond those legally determined, with follow-up through periodic reports, continuous training, etc.

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.

Improvement of participation and consultation processes through the implementation of ISO 45001:2018.



Information Security

Business process support

Systems are a fundamental element for the execution of business processes and for the implementation of our strategy, even more so in this innovative and collaborative environment that relies on emerging technologies in an increasingly turbulent business environment. Systems and IT organization are essential to harness the most powerful wave of digital transformation.

Elawan's IT department faces a challenging balance between the need for digital innovation on a company-wide scale and the need to maintain and operate with today's most advanced systems and processes in order to maintain operational excellence. 2019 has been a very challenging year in this regard: The Group's centralised ERP SAP system, infrastructure services and communications were both maintained and improved, with a focus on business support, efficiency, and profitability. At the same time, transformation projects have been launched to align our business and systems strategy and move forward on the journey towards digital transformation.

The IT Department, in collaboration with the Communication and Sustainability Department, has supported all the companies in the Group. At the same time, and in a coordinated manner, it has worked on the recent challenges the organization faces, which include creating new IT capabilities to increase productivity and efficiency. The department has been actively involved in the workplace through the Digital Workplace initiative, a cultural change that embraces technology to improve the way employees work and interact with customers and suppliers, enhancing experience, satisfaction and productivity through collaboration.

In some cases, in order to manage the scalability of IT capacities, it may be necessary to collaborate with third parties, which are selected through an impartial process of publishing specifications, receiving and evaluating bids and making the final selection based on the quality criteria for business support and system efficiency.

At Elawan, we are convinced that information has become a strategic asset for the company and ensuring its security is one of the Group's greatest challenges.



Information Security

Currently, cyberthreats continue to grow in ingenuity and frequency, online fraud keeps evolving due to new social engineering techniques and these are responsible for millions in losses in companies around the world.

The fast proliferation of smart devices and the connectivity given through the internet of things (IoT), paired with the lack of global security standards makes that many of these devices have significant vulnerabilities which leaves personal and business information exposed.

Proof of this trend is the increase in the hijacking of business computing equipment by hackers, in order to "mine" cryptocurrencies, by using modern malware designed to go after business networks, which can cause these to collapse or even damage the hardware.

Attempts at fraud through impersonation (phishing) are also increasing, which makes it even more important to adjust information security policies and devices to protect both the assets and people's security.

Therefore, we establish the necessary mechanisms to safeguard the privacy of information and the protection of customer and supplier data, and to manage and treat documentation in accordance with its level of relevance. In order to strengthen security, information security procedures are periodically revised, and the security systems are continuously tested to ensure their rigorosity.

In the year 2019, the following steps, among others, have been taken to improve security policies:

- Periodic system scan to detect external and internal vulnerabilities and their correction according to the level of criticality.
- Diagnosis of the information security and its risks based on the ISO 27000 standard.

To reinforce awareness and training of the group's employees, campaigns and training sessions were held.

Afterwards, training sessions were held to learn about prevention and protection techniques, both in corporate offices as in the plants, to mitigate the risk to people and assets that this new type of crime brings.

We have continued to support and improve the relevant measures in order to adapt to the new European data privacy regulations (GDPR) that came into force in May 2018. This implies a transversal level of supervision on the protection of person data information.

Furthermore, new versions of anti-ransomware software were installed and are analysed through pilot tests, new tools for cataloguing and protection of corporate information (IRM – Information Rights Management) and for the protection of smartphones and tablets (MDM – Mobile Device Management).

Cultural Change

Digital WorkPlace 2019-2021

"Digital WorkPlace" project began in 2019 aiming to embrace Microsoft technology and provide employees with the Office 365 tools to continue advancing in the company's digital transformation.

It is a process that demands an important management of the cultural change of the whole company, in a collaborative environment that allows to approach successfully this challenge of incorporating the new digital technologies, but another piece of an ambitious project throughout the company in these 3 areas:

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

The main change derives from the integration of Outlook, OneDrive and SharePoint tools in the Office 365 platform. The project is aligned with SDG 9 and our innovation and digitalization strategies.

It's been implemented based in two approaches:

On the one hand, transfer all the information to the new platforms, where:

- IT department migrated all the information hosted in the document manager into the new SharePoint platform, updating admin profiles and adapting the access to each group to the new available profile options.
- Each user migrated its personal information into OneDrive.

On the other hand, all employees were encouraged and trained to use this new technology. To this effect, a thorough implementation and training program was developed, including a number of initiatives and training materials, enabling to conclude with great success the first stage of the DWP adoption project. The main milestones are shown below:



"Digital Champion" campaign

The implementation of the project began in March with the "Digital Champion" campaign. This aims to identify collaborators in each area and country where the company is present; based on an active, open, constructive, and motivated profile of employees who do not fear technology.

Once identified these profiles, it was formed a group of 27 Digital Champions spread with a total of 27 participants, distributed among Spain (20), Brazil (1), Mexico (1), USA (4) and Poland (1). This group became a very active asset of the project, playing a key role of functional support and assistance to final users during the transition process.

During their apprenticeship, the group received specific training to provide them with the necessary knowledge and tools to enable the identification and problem resolution, feedback compilation on the identification of the main resistance to change.

With the support of these team of Champions, the following training stage in the usage of DWP tools began. To this effect, a number of activities were developed, to mention some:

Workshops in offices

A series of workshops were designed and developed in headquarters during the 23rd, 24th and 25th of April. The day was aimed at Elawan employees, among others, to raise awareness of the main advantages of the Digital Workplace and teach them how to use its tools.

All of them consisted in an introductory speech explaining the corporate history in the adoption and technological evolution processes and the development of playful dynamics on DWP. Afterwards, attendees took part in a tour with five experiences based in the five pillars of the project: Collaboration, Innovation, Efficiency, Commitment and Cloud.



- organized in groups by departments they discovered the voice-interaction technology and the different concepts and features of the DWP at the Innovation stand;
- they made suggestions of the features they would like to find with regard to the new digital tools at the Efficiency stand;
- they experienced the coedition at the Collaboration stand;
- they took selfies and learnt about the new features of the mobile App at the Commitment stand.
- and they addressed the new Intranet and the vision "Work anytime, anywhere" at the Cloud stand.

Training

- **On site:** Online live training for multiple groups of employees. This training consisted of a brief description of the tools and its advantages, as well as a detailed description of its usage and a wide range of possibilities they offer.
- **Online training - webinars:** formación online con conexión en directo para múltiples grupos de empleados. La formación consta de una breve descripción de las herramientas y sus ventajas, así como una descripción detallada de su uso y las numerosas posibilidades que ofrece.
- **Videos** Videos presenting and summarizing DWP project.
- **Videos - training pills:** short videos in the shape of case studies to explain specific aspects and advantages of the new tools



Digital Workplace Hub

The Digital Workplace Hub is a SharePoint site that gathers all the information with regard to the DWP project. There all employees can access to DWP training materials, FAQs documents, webinars, training courses, tips, calendars, the Digital Champions network, feedback, and so on.

Others

- **Referential training guides for Outlook, OneDrive and SharePoint:** these materials include manuals that cover all the usage instructions and the different functionalities of Office 365 tools in a very simple and graphic way.
- **Frequent asked questions (FAQs):** documents that gather the most common queries about these tools, general tips regarding their usage and questions that other colleagues have made which are every bit as useful.
- **Tips for the tools:** Tips to get the most out of the Outlook, OneDrive, SharePoint and Office Suite tools.
- **Satisfaction Survey:** Surveys to know the opinion off the employees about the materials and actions performed.

Maintenance and management

In our business, the aero generators in the wind farms 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 on 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 standard.



Due to the specific characteristics of our product, energy, there aren't any chemical or environmental risks, nor does it apply the labelling regulations, since it is not used directly by any customer, the energy produced is directly discharged into the electricity distribution network, which informs the final consumer (417-1 and 417-2).

Likewise, 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, nor for legal violations related to the supply and use of the products, in social or economic matters (419-1).

Control Center for Renewable Energies

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 2019, average stoppage time was 8 minutes, which illustrates the high efficiency of its management.

Elawan has defined the PS-02 "Purchasing and Supplier Evaluation" Key Process, through which it guarantees the adequate management of the supply chain in collaboration with all the departments of the company. This procedure establishes the requirements for approval, evaluation and re-evaluation of the company's suppliers. In addition, a clause of conformity and compliance with the Elawan Code of Ethics and Conduct is included in all contracts.

Purchasing requirements are covered through suppliers already included as "historical suppliers" (those already registered on SAP). Within this group we may find sole suppliers, which include suppliers determined by the limitations/requirements of each project or by equipment manufacturers/maintainers, historical suppliers and non-approved suppliers.

In the event of requiring a non-approved supplier, we investigate it through internal and/or external references and request at least 3 quotations, selecting the one that best meets the requirements.

Supplier Evaluation

In order to evaluate the suppliers, two levels are established::

Critical suppliers: those responsible for the supply of equipment (wind turbines), maintenance and exploitation of the facilities, construction of the renewable energy projects and any that exceed 30,000 euros of annual turnover. The billing table will be reviewed annually in order to include possible variations of suppliers in the "Critical Supplier Control Sheet". For monitoring and control purposes, compliance with the KPI's and the requirements of the contract will be verified.

Non-critical suppliers: Including the rest of the suppliers. The associated controls will be coordinated by each department manager through the NC (non-conformities) originating from non-compliance with product characteristics or non-compliance with services. If this occurs, the RCMASST will be informed so that they can be registered, in accordance with the established procedure.

At the end of the year, these non-conformities are referred to the heads of the departments concerned where they are analysed, and their continuity is assessed. In the event that there are no NC, the supplier will automatically remain as "approved".

Those suppliers whose situation is considered to be "critical" or those that do not continue to operate, will be informed by Elawan via email to the commercial contact for that account.

All the critical suppliers evaluated were approved during 2019, with no relevant incidents or non-compliance with the predefined criteria.

In accordance with the ISO 45001 standard, additional criteria and controls were established for the environment and safety of suppliers.

Similarly, Elawan defines a series of criteria for the identification of hazards and control of risks associated with its contractors within the process of procurement, selection and approval of these. The controls for this process are set out below:

- Establishment of specific contractual clauses for the Environment and OSH in addition to legal compliance.
- Procedure for the Coordination of Business Activities.
- MA and OSH management manual on site.
- Visitor Information sheet.
- Plan de emergencia ambiental y de gestión de incidentes.
- Recurring inspections.
- Establishment of evaluation criteria for suppliers whose operations or activities might have an impact on their workers or interested parties.

Due to the type of services and the companies that are outsourced, no risks related to child labour, threats to freedom of association or forced labour have been identified in 2019 (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 2019 corresponds to local companies, that is to say, companies from the same country as where the installations are located.

In 2019 the expenditure for local suppliers totaled €24,096 thousand (100% local). Its distribution by country is summarized in the following table (in thousand euro) (204-1).

Local purchases (Thousand of Euros)			
	2017	2018	2019
Brazil	12,966	5,220	6,741
Spain	3,648	4,083	7,217
Poland	336	314	949
Mexico	387	239	303
Romania	31	31	60
Belgium	785	811	1,219
Turkey	42	54	25
France			45
Russia			1
South Africa	2,708	218	303
USA	9,697	7,768	7,233
Total	30,599	18,738	24,096

Social dimension

Having excellent trained and motivated professionals is a key aspect of growing as a competitive, solid and sustainable company.

All this integrating Health and Safety in all levels of the company, with the true preventive culture in a safe working environment and supporting local development through social action, payment of local taxes and employment, among others.

70 own professionals, in **8** countries Staff ▶

◀ **14** new professionals

11 men and **3** women

Contract types ▶

89% staff with permanent contracts

100% staff with full time contracts

◀ **Accidents**

Zero accidents in own and external personnel

Zero occupational diseases

Social action initiatives ▶

Poland, Brazil, Turkey and Mexico



People

103-1, 103-2 AND 103-3

Management approach

At Elawan, the ongoing process of internationalisation implies certain challenges in terms of culture, organisation and human resource management, adapting the workforce to new national and international needs.

Having highly skilled and motivated professionals is a key aspect in order to grow as a competitive, solid, sustainable and emission-free company. All this is possible by integrating Health and Safety at all levels of the organization, with a true preventive culture in a safe working environment.

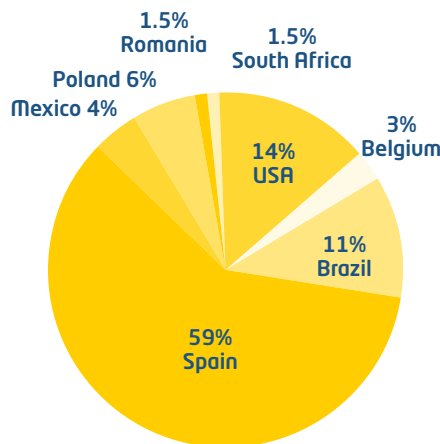
For this reason, from the Human Resources department we are concerned about guaranteeing stable, quality employment with possibilities for growth and promotion among employees.



Own staff ¹⁰²⁻⁸

In 2019, the Elawan headcount is made up of 70 of our own professionals, the majority of whom are based in Spain (59%), the US (14%) and Brazil (11%). The table below shows how they are allocated:

Professionals by gender and country		
	Men	Women
Belgium	2	0
Brazil	3	5
Spain	25	16
Mexico	3	0
Poland	4	0
Romania	1	0
South Africa	0	1
USA	9	1
Total	47	23



Distribution by professional category is as follows: 9% are executives, 31% are managers and middle managers and the remaining 60% include the rest of the workforce.

Professionals by category and gender		
	Men	Women
Managers	6	0
Middle Managers	18	4
Other personnel	23	19
Total	47	23

External personnel

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

In maintenance, the volume of subcontracting is similar every year, as the work is pre-scheduled. It is estimated that on average there are 30 people per wind farms and solar and hydraulic plants.

In construction, there are significant variations in the number of outsourced personnel, depending on the number and size of the renewable energy projects. This activity is carried out through EPC (Engineering, Procurement and Construction) type contracts, where the assigned company manages the staff in the different stages of the work.



Attraction, development and talent 404-2

At Elawan we are aware that people are our most valuable asset. Having motivated and qualified professionals, in a pleasant work environment, is a key aspect in order to grow as a competitive, solid and sustainable company.



1 Hiring and leaving the company: Staff turnover 401-1

At Elawan we are seeking professionals who fit the requirements of each position, avoiding any type of discrimination in relation to race, gender, age, nationality, religion, political beliefs, sexual orientation, marital status, disability, social origin or any other personal condition.

In 2019, 14 new professionals were hired, mainly in Spain (57%) and the USA (21%). On the other hand, a total of 15 professionals left the company during the year, 94% of whom did so voluntarily.

The following tables summarize the distribution by professional category:

Hires

	MEN				WOMEN			
	18-25	26-35	36-45	>46	18-25	26-35	36-45	>46
Managers	0	0	0	0	0	0	0	0
Middle Managers	0	0	1	1	0	0	0	0
Other personnel	1	6	1	1	2	1	0	0
TOTAL HIRINGS	1	6	2	2	2	1	0	0

Dismissal leaves

	MEN				WOMEN			
	18-25	26-35	36-45	>46	18-25	26-35	36-45	>46
Managers	0	0	0	0	0	0	0	0
Middle Managers	0	1	0	0	0	0	0	0
Other personnel	0	0	0	0	0	0	0	0
TOTAL DISMISSALS	0	1	0	0	0	0	0	0

Voluntary leaves

	MEN				WOMEN			
	18-25	26-35	36-45	>46	18-25	26-35	36-45	>46
Managers	0	0	0	1	0	0	0	0
Middle Managers	0	0	2	0	0	0	2	0
Other personnel	0	5	1	2	0	0	1	0
TOTAL OTHER CAUSES	0	5	3	3	0	0	3	0



2 Education and training

404-1

Elawan's priority is to have mechanisms and plans to get to know and train all personnel, adapted to the different levels and profiles of the company.

Every year, an assessment of the training needs of the workers is made and a training plan is developed "ad hoc" according to the requirements of each position/country. The plan covers both language training and specific training in other fields such as Health & Safety, compliance, skills, etc. The methodology is outlined in the Integrated Management System.

The training also aims to offer employees the chance to be promoted and to adapt to new jobs within the company.

For new employees, an induction course is held in which they are introduced to the company and are informed of the applicable rules and codes, such as the Code of Ethics and Conduct. In addition, this year we strengthened training in the field of IT security and data protection, with various face-to-face sessions.

In 2019, a total of 848 hours of training have been given, 59% for male employees and 41% for female staff. The average per employee is 12 hours (11 hours/man) and 15 hours/woman).

Most of the training was carried out in Spain with 82%, followed by Brazil with 17% and the USA with the remaining 1%. It can be concluded that the training offered during the year was 100% satisfactory and effective, according to plan.

Distribution by professional category is as follows:

	Training (hours)	
	MAN	WOMAN
Managers	0	0
Middle Managers	245	76,5
Other personnel	252.5	274
TOTAL	497.5	350.5



4 Performance evaluation

404-3

The objective of performance evaluation is to periodically assess, both quantitatively and qualitatively, employees with regard to their level of effectiveness in the activities they carry out and the results obtained by their work, measuring each individual's contribution to the corporate objectives.

Due to its size and considering that most of the staff is based at headquarters, no formal and structured procedure is followed for performance evaluation.

Every year the heads of the different departments meet with the CEO and the performance of all the professionals is evaluated (100%), assessing the fulfilment of objectives and the achievements made.



3 Job stability

Elawan is aware that in order to enhance job stability it is necessary to show confidence in the team. For this reason, 89% of the staff have a permanent contract, while the remaining 11% have a temporary contract, mostly in Spain. All contracts (100%) are on a full-time basis.

Professionals

	Full time contract		Part-time contract	
	MAN	Woman	Man	Woman
Belgium	2	0	0	0
Brazil	3	5	0	0
Spain	25	16	0	0
Mexico	3	0	0	0
Poland	4	0	0	0
Romania	1	0	0	0
S. Africa	0	1	0	0
USA	9	1	0	0
TOTAL	47	23	0	0

Professionals

	Permanent contract		Temporal contract	
	MAN	Woman	Man	Woman
Belgium	2	0	0	0
Brazil	3	5	0	0
Spain	21	13	4	3
Mexico	3	0	0	0
Poland	3	0	1	0
Romania	1	0	0	0
S. Africa	0	1	0	0
USA	9	1	0	0
TOTAL	42	20	5	3



5 Internal promotion

At Elawan, we believe that internal promotion entails recognising talent and investing in professional development within the company. For this reason, we consider internal promotion to be fundamental to retaining talent.

To internally fill a specific vacant position, the CEO and the head of the department/area, after analysing the requirements for the position, establish the appropriate group of people for that vacancy, and follow the established procedures until final approval.

In the case that the offer is for a very specific profile or has not been covered straight away, it is outsourced through the different communication channels that the company have for such cases.

Therefore, thanks to the presence of the company in different countries and the implementation of new projects, employees can choose to be relocated and thus opt for greater professional development and enrichment in other countries.

Working conditions and human rights

The company understands that in order to retain professionals it is necessary to offer a series of benefits and favourable conditions that allow their development in a suitable environment.

Furthermore, we act under a model of ethics, sustainability and respect for human rights, as reflected in the renewal of our commitment to the United Nations Global Compact and our dedication to the Sustainable Development Goals.

Elawan has not identified any risks of child labour and/or forced labour or human rights violations in any renewable energy projects or office, nor have any facilities been examined or assessed in relation to human rights, except for those renewable energy projects where the Equator Principles apply (408-1, 409-1, 412-1 and 412-3).

Working and professional life status

The balance between employees' professional and personal lives is important for their health and well-being. For several years now, flexible working hours have been implemented, which allows for the adaptation of starting and finishing times to the personal circumstances of each employee in Spain. In other countries, this is handled on an individual basis depending on the requirements of each renewable energy projects, local legislation and the customs of each country.

Diversity

Elawan believes that the perspective and mindset of professionals from different backgrounds helps achieve positive changes in the organization, in working methodologies and increases their capacity for innovation in response to the current market.

The company believes that by promoting local employment, it contributes to strengthening dialogue with local communities, enabling a more accurate knowledge of their culture and, therefore, improving integration.

As a result, 96% of our headcount (94% of men and 100% of women) are locals (405-1) (note: native-born employees are considered local).

With regard to the management of Elawan, it is made up of 4 professionals, all of them in the corporate office in Spain (100%), reporting directly to the CEO. Therefore, the percentage of management in other countries is "0" (202-2).

For the third consecutive year, we have improved the gender diversity ratio, going from 28% women in 2017 to 32% in 2018 and 33% in 2019.

With respect to differently abled people, the ratio is "0".

Maternity/ paternity leaves 401-3

In 2018 there were no maternity or paternity leaves. In 2019 there was one maternity leave, although this person is no longer working for the company.

Labour agreements 102-41

The rights and duties of all employees are set out in agreements or similar formulas, depending on the country where the company operates in, its regulations and local requirements.

All countries are under the labour law of the country and, within this, Spain applies a Collective Bargaining Agreement (59%), USA follows a Handbook (14%) and Belgium (3%) applies specific conditions according to the activity where it is registered.

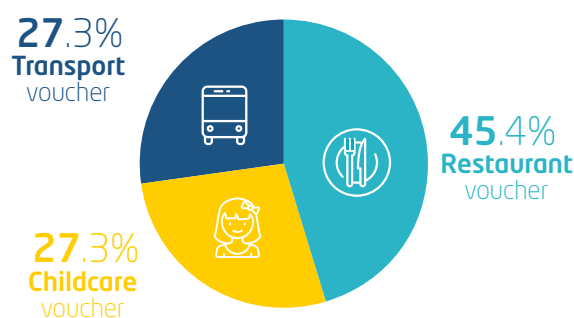
Social benefits

Social benefits within Elawan vary according to the countries where the company is present (401-2).

In Spain, all employees have life and disability insurance and health coverage. In addition, a Flexible Remuneration Plan (FRP) including a range of services with tax advantages is offered.

The distribution of the FRP is summarized below:

A continuación, se resume la distribución del FRP:



In the United States, the company has an Insurance Plan in accordance with the law, which includes dental coverage and life insurance, while in Mexico, employees are provided with private medical insurance.

Remunerations 202-1

Elawan is aware that remuneration is an important element for our professionals. For this reason and because of the profile of employees, the minimum wage is always higher than the one established by local legislation.

The most representative country is Spain, accounting for 59% of the workforce, followed by the USA with 14% and Brazil with 11%.

- In the case of Spain, the ratio in 2019 for all professional categories and genders is higher than that established by the labour agreement, as follows:

Spain		
	Difference % over the minimum wage established in the agreement	
	Men	Women
Managers	293%	NA
Middle Managers	112%	115%
Other personnel	24%	11%

- In Brazil, the ratio in 2019 can only be established for plant personnel and in all cases is well above the country's minimum wage (74% for men and 65% for women). There is only one person in each category for middle and top management, and due to confidentiality, the ratios are not published.

Brazil		
	Difference % over the minimum country wage	
	Men	Women
Other personnel	74%	65%

- In the case of the US, we cannot publish this ratio since in many States the minimum wage is established per hour, which makes this calculation extremely difficult.

Communication

Internal communication

The internal communication is aimed at an international team and is addressed to those employees located in different countries who travel frequently for work-related purposes. The most versatile channel is the corporate intranet website, Leading the Change.

The CEO meets periodically with management and at least twice a year with all employees to communicate those areas of interest and respond to their concerns directly.

In addition, employees are informed by e-mail of any operational changes or relevant news.

External communication

The external communication with the rest of the company's stakeholders is done through web publishing, press releases, meetings, etc. In addition, for a more agile communication, social networks are available to be able to follow day by day and more closely the relevant events of the company.





Health and Safety

Management approach

103-1, 103-2 AND 103-3

In 2019, the implementation of the Health and Safety management system under the OHSAS 18001 standard to the new international ISO 45001 standard was completed, focusing on improving communication and the participation of all workers in Health & Safety issues.

This move provided an opportunity to improve our management system and helped to give us orientation in the construction phase, which was the last one incorporated into the scope of the system.

Throughout the process, various documents related to the management system have been updated to improve and develop the reference standards more effectively. Among them, we highlight the process map, the manual, the purchasing procedure and the evaluation of suppliers.

These changes optimize our management system, which keeps using risks as a basis for our planning and strategy.

New documents associated with the Health and Safety management system

In the course of this year, the process of adapting the integrated management system to integrate ISO 45001 was completed. The main documentary changes have reinforced the commitment to the Health & Safety of our workers, employees and visitors. To this end, the following documents have been created or modified:

New Management System Policy

We have updated the management system policy with new requirements such as protection against the deterioration of workers' health, as well as the promotion of workers' participation and consultation in matters relating to Health and Safety.

New Policy on Response to Serious and Imminent Risks

This policy has been defined to demonstrate Elawan's commitment to safe and healthy working conditions based on three main actions: detecting, communicating and responding to these risks.

By means of this policy we want to avoid exposing any of our own or subcontracted employees to risk situations beyond those identified and evaluated in any previous risk assessment and over which sufficient controls are applied to minimise them to acceptable limits.

New Health and Safety Management on Construction Sites Handbook

This handbook was created in 2018 and we have already been working on its first revision. Its objective is to set guidelines to create a safe and healthy working environment for both own and subcontracted workers, monitoring and measuring matters related to Health and Safety.

In this new version we adapted the handbook to new realities detected mainly in the construction phase, taking as a reference the renewable energy projects already completed, as well as the new engagements acquired by Elawan and its contractors.

Purchasing Procedure and Evaluation of Suppliers

This procedure, whose objective is to establish the purchasing process and on the basis of which suppliers are evaluated, has been modified to include more business-related, environmental and Health and Safety criteria.

Emergencies

Elawan Energy has an emergency control and preparedness procedure, which includes guidelines for action covering all phases of the process, from the identification and definition of these situations in the various plans, to the communication and analysis of them, through the updating of the incident investigation form. In order to ensure its proper implementation, periodic simulations are carried out.

In addition, we use a Health and Safety incident reporting system (Safe Alert) that shares incidents with all site supervisors and managers in each country so that measures can be taken, and controls established to prevent a situation from recurring in different facilities.

Training and communication

Training

Training in Health and Safety is essential to ensure safe activities and workplaces. In order to understand the training requirements, the history is reviewed and expired technical training is detected, and in addition, the needs detected by Elawan's workers or country managers are also considered.

Every year and based on the different new additions, a Training plan is drawn up and it includes a proposal on the different courses and the associated budgets. The plan is approved by the management.

In 2019, around 40% of total training hours were related to Health and Safety at work.

Some of the courses held in 2019 include the following:

Global Wind Organization training in Spain and Brazil

Over the course of 2019, various GWO recycling courses have been held in Spain and Brazil. These were conducted by plant supervisors and office staff including on-site tours of the wind farms. This internationally oriented training helps us to know how to act in emergency situations such as rescuing people, applying first aid and extinguishing fires.

SGI-PRL Global Training

We have defined and implemented a new course that covers the most relevant features of the Management System and training on the specific risks of office workplaces (OWP). Similarly, information on the management of emergencies in the workplace and/or the treatment of accidents in itinere is included.

This training has been distributed to the entire staff and is kept available to employees in the common directory.

NR 10 training in Brazil

This training is required by the Brazilian government. It takes place within the framework of high voltage electrical activities and was completed by two of our employees.

This training is essential to be able to perform live work in total safety, being aware of the risks and helping to improve our performance in risk situations.

Spill Prevention, Control and Countermeasure Training in the United States

This training is made up of two complementary areas: an environmental section and a Health and Safety one..

- The environmental part establishes how to act in the most efficient way in the face of an emergency situation arising from the spillage of chemical products, acting in a timely manner and thus avoiding the contamination of water, soil or potentially affecting public health.
- The Health and Safety section aims to increase knowledge in the use of safe methods for the containment and removal of chemicals, avoiding any danger to the health of the worker.

Protective and training equipment

Elawan, is aware of the importance of Health and Safety, is responsible for ensuring that its workers have the necessary and appropriate tools for the development of their activity.

For this reason, individual protection equipment is checked annually by specialized companies, placing special emphasis on equipment used in work at height (harnesses, helmets, fall arresters, double ropes with absorbers, etc.).



Participation and Consultation

403-1 AND 403-4

Elawan's commitment to Health and Safety is also made through participation and consultation. To this end, direct communication is established with the QHSE Manager by telephone and e-mail, in which a wide range of queries are made, such as the management of premises access, purchase and management of PPE, determination of training needs and, of course, the requirements necessary for legal compliance.

Within this framework, Elawan takes on a serious commitment to the right to information, participation and consultation of its workers, making it extend to the rest of the company's stakeholders. In relation to ISO 45001, all workers are asked to participate in the improvement of Health and Safety processes. By doing so, we seek transparency and collaboration with all workers, regardless of their professional status or their relationship with Health and Safety.

At Elawan there is no legal obligation to constitute Health & Safety Committees, even though the QSHE area collects all the doubts and suggestions of all employees in every country. Therefore, there is no union representation, nor unitary representation, nor are there any agreements on safety matters.

However, Elawan has a documented procedure for participation and consultation available to the workers, who are informed annually of the various topics included in the communication matrix, including the policy, accidents occurring during the year, etc.

All incoming information is analysed, responded to and integrated into the continuous improvement of the organisation. In addition, in some of the countries there are local advisory services on Health and Safety that guarantee control and compliance with the specific requirements of each place where the company has a presence.

Communication and Awareness

Various communications have been made in the area of the environment and occupational Health and Safety in 2019. To this end, a communications matrix has been established for registration and the establishment of new needs that arise.

Access to documentation is now much easier. Digitalization and new ways of working such as via SharePoint, allow workers to access the system's information from any point on the planet, even without an Internet connection.

Over the course of 2019, the company handled many communications, among which the following stand out.



- Documentation resulting from the application of the GDPR.
- Environmental performance
- Emergency plan for the Madrid headquarters building
- Environmental Incident Surveys
- Supplier evaluation criteria
- Coordination of business activities

Similarly, new documents have been added this year:

- New requirements for PPEs
- Policy in case of serious or imminent risk
- Changes in the workplace

Internal communication

Specific channels that are included in the Management System are used for communication on Health and Safety matters at an internal level. Communication is conducted in two directions, following the guidelines set by the Health and Safety manager and the rest of the staff.

In the case of accidents, a communications network has been set up for their analysis and the subsequent establishment of controls, taking this information to all countries and site supervisors so that, among all of them, controls can be established to prevent the recurrence of such accidents in other facilities.

In Spain, over the last 8 years, Elawan has received the incentives granted by the Ministry of Labour for its contribution to the reduction and prevention of occupational accidents by virtue of *"Royal Decree 404/2010, of 31 March, which regulates the establishment of a system of lowering contributions for professional contingencies for companies that have made a special contribution to the reduction and prevention of occupational accidents"*.

External Communication

Sufficient communication channels are available to meet the needs that may arise at any Elawan facility worldwide. Daily communication is based on compliance with Health and Safety protocols at Elawan and our facilities, so we maintain direct communication with our supervisors and suppliers.

In the event of accidents at Elawan's facilities, we will follow the communication channels established for this purpose, as well as the duties and deadlines defined by the competent authority in each country.

As far as external stakeholders are concerned, excluding suppliers and public administrations, no communications of an environmental, Health and Safety or any other type other than the usual ones have been received.

Awareness raising

Elawan promotes Health and Safety awareness through the dissemination of regular campaigns and/or information of interest; coinciding with relevant dates, such as: World Health Safety Day.



Follow-up indicators 403-2

Accidentality of own and external personnel

There have been no accidents at our facilities in operation and maintenance by our own or outside personnel in 2019.

The controls established, the training provided to workers, their good performance and the supervision of our plant managers have contributed to the absence of accidents. .

Occupational illnesses

No se han identificado casos de enfermedad profesional en personal propio, por lo que la tasa global es de "0" para ambos géneros, ni se han identificado casos de riesgo (403-3).



Society

Social action

103-1, 103-2, 103-3, 102-12 AND 413-1

Elawan continues to work strategically to meet the Sustainable Development Goals. To this end, among other things, we establish a different social action plan in each country, based on the possible needs set by public administrations or detected as a result of dialogue with the different stakeholders.

In addition, we also form part as partners of the Global Compact since 2014, contributing to the fulfilment of its 10 principles in our field of action - and we renewed our commitment in 2019. We are also committed to the Sustainable Development Goals in line with our business.

Our main value for local communities is the production of clean energy, both in remote and built-up areas, thus allowing this energy to reach a greater number of people.

Within this framework, we collaborate with non-profit organizations for the development of corporate and local activities. This allows for greater and better development in rural or isolated areas, as it is adapted to complicated environments where the electricity supply does not reach or is very costly to implement. Moreover, its average useful life is more than 30 years and technological costs have been significantly reduced.

In addition to providing renewable and clean energy, Elawan seeks to collaborate with social needs in the areas where it is present through the creation of local employment, the construction of infrastructure for social development and education, as well as training in different areas and stages. We also contribute to the development of local suppliers, for example through maintenance work, improvement of facilities or waste management. No operations with significant negative impacts (actual and potential) on local communities have been identified (413-2).

Elawan believes that initiatives at the local level contribute to strengthening links with the community. Some examples of such initiatives are as follows:

Elawan in Poland

In Poland, where we have a wind farm in Szerzawy (Pawlow), a variety of social actions related to the sponsorship of sport and leisure have been carried out, among which the following stand out:

- Sponsorship of runners in the Szerzawy race.
- Elawan organized the Windmill Festival in Peresolowice, to raise awareness of the upcoming construction of a wind farm in the area



- Sponsorship of the Trzuszczany Picnic



- Sponsorship of the Country Holiday in Bogucice.
- Sponsorship of harvest festivals in Trzuszczany and Włoszakowice.

Elawan keeps working to raise awareness of the benefits of our work and the production of renewable energy, which directly benefits these communities.

Elawan in Turkey

In Turkey, Elawan is involved in 3 wind farms in different areas of the country. In 2019, a project was carried out at the primary school in the town of Tashan, near the Yahyali wind farm, to repair the toilets that were in poor condition.

Elawan in Brazil

In Brazil, where Elawan is involved in 10 wind farms, three actions contributing to different objectives and needs of the community in the local area of Macambiras have been carried out, as summarized below:

- Extension of the Maria Liborio School: During 2019, an annex building was built to enlarge the Maria Liborio School in Macambiras. The building was delivered in January 2020.



- Remodelling and adaptation of the “Casa de farinhas”: This is a work of renovation and conditioning of a building used for the processing of cassava flour. The project includes the necessary machinery for processing the flour.



- Construction and supply of equipment for the Digital Inclusion Room: This building was constructed next to the school and is equipped with 10 stations with Internet connection that can be used by anyone in the area.

Elawan in Mexico

In Mexico, where we are currently participating in the operation of two mini hydroelectric plants (Tacotán and Trigomil) and where we are developing the promotion and upcoming construction of the Huimilpan wind farm, a series of actions have been developed aimed at improving the health of nearby communities, cultural transmission, environmental protection and local development through the hiring of local companies and personnel, among which the following stand out:

- Medical care days in association with the Tunich civil project: providing medical appointments from December 2019 to February 2020 for people belonging to the community. These medical consultations also included ultrasounds, nutritional guidance and dental check-ups.
- Promotion of the Mayan culture and protection of the environment in Timul: with the collaboration of the Munch Kaanbal kindergarten a painting workshop was held on the subject of the protection of bees. The workshop ended with the delivery of honey, purchased from local producers, to the participants.

- Children’s football tournament: in collaboration with the Salvador Alvarado primary school, uniforms and sports equipment were donated to enable the children of Timul to continue their athletic development.



- Yucatan Ixmatkuil Children’s Fair: this fair is considered one of the oldest cultural events in the Yucatan. Our participation in this event was based on the coordination with the authorities of the transportation and free entrance of 50 families of the community of Timul where the children enjoyed a family atmosphere of fun.
- Assistance for the delivery of toys in Timul: we participated in the distribution of toys on the Christmas and December holidays. About 700 people participated in it, with an atmosphere of joy and happiness.



- Hiring of local labor: we seek to hire local personnel for different activities such as environmental counseling, cleaning and pruning of land, maintenance of hydroelectric power plants, etc. in the projects of Trigomil and Tacotán, as well as the wind projects of Chicxulub and Chicxulub II. We currently employ more than 25 people with working periods ranging from 1 to 3 months helping the growth and development of the nearby communities.
- Economic support for the communities: in the Huimilpan wind farm project a US\$ 109,000 agreement has been formalized with the local community Ejido Los Martínez for the sustainable development of the community.

Environmental dimension

Elawan Energy, S.L. monitors the environmental impacts arising from its activity, measuring its performance, minimizing its impact and identifying opportunities for improvement. Because of its activity, it is aligned in the fight against climate change with a strategy that will enable it to move towards an emission-neutral future.

ISO 14001:2015 Environmental Management System ►

Scope: promotion, construction, operation and sale of renewable energy or dismantling

◀ Environmental controls

Environmental vigilance and monitoring programmes

Emissions produced ►

562 tons CO₂/year

◀ Avoided emissions

487,692 tons CO₂/year



Environmental management

Management approach

103-1, 103-2 AND 103-3

The environment is key to Elawan throughout our entire business model. We currently use an environmental management system certified under the ISO 14001 standard in its 2015 version. Its scope includes all the company's processes, from the promotion of a new facility for the production of renewable energy at an international level, its construction and operation, as well as the management of its potential sale or decommissioning.

Every year, this system evolves and fits the new needs detected in any of the operation phases. This improvement is reflected in the external audits carried out annually by an accredited external entity. The outcome of the audit showed zero non-conformities again in 2019.

In accordance with the commitments acquired with the management system, in 2019 we directed our strands of work in environmental matters towards:

- Reducing energy consumption in the office
- Implementing a new on-site operational control handbook in all projects in Spain.

Our main objective is also operational control in the construction phase, since this area was introduced 2 years ago in the scope of the certificate and we considered that in addition to the legally established control, a more exhaustive control in the construction process is necessary.

As a result, last year we created the Environmental Management and Safety on Site Handbook, which helped our main contractor and our environmental consultants to control not only the legally stipulated points but also any other impact to be controlled.

This handbook has already been successfully used in 2019 in the works of the Torrijos Photovoltaic Plant. Nonetheless, we are still improving the system and have modified some sections, differentiating it from the Health and Safety one.

Throughout this year, the implementation of the new templates and records was reinforced in order to consolidate their use among the staff and new documents were developed, among which it is worth mentioning:

Modification of the Environmental Management Handbook

The high level of Health and Safety controls resulted in a very large document. It has to be distributed to different environmental control and safety monitoring companies so it has been divided to simplify its use..

Both handbooks are included in the contracts in place with the main work contractor and will be gradually implemented in the rest of the works and contractors at international level between 2020 and 2021.



New action plan for environmental incidents

Over the course of 2019, a review of the environmental emergency plan has been completed. In this revision, new chemical signage was incorporated to bring it into line with the new international symbolism, as well as rules for the environmentally compatible storage of these chemicals.

New surveys on performance in response to environmental incidents

Following the revision of the environmental incidents action plan, a second version of the environmental incidents survey has been drawn up, distributed and satisfactorily answered by our site supervisors.

Environmental aspects

Elawan has a procedure for the identification and evaluation of environmental aspects, based on the company's different processes (promotion, construction, operation and sale).

We determine significance based on benchmark data from the previous year, applicable legal requirements, stakeholder involvement and established control measures.

Depending on these significant aspects we establish the environmental objectives of the system, seeking to reduce our environmental impact. This is not only the case for the significant aspects but also with those that are not, on which we also establish controls and measures in order to reduce their impact.



Once the evaluation is completed, the following significant aspects have been identified:

- Consumption of paper in the Madrid office
- Consumption of batteries or accumulators in the Madrid office
- Fluorescent generation in the Madrid office
- Consumption of printer cartridges in the Madrid office
- Generation of contaminated absorbents in the O&M centres
- Generation of contaminated metal containers in the O&M phase
- Generation of oil filters in the O&M phase
- Generation of non-hazardous waste in the O&M phase

No significant incidents have occurred in emergency situations.

On a positive note, the reduction in tonnes of CO₂ following the 0.5% increase in production compared to the previous year's assessment has again been noted.

We must take into account that many of our environmental aspects in the O&M phase are related to the planning of preventive and corrective maintenance done to the equipment, so in some cases these results are very variable and in other cases they are cyclical.

Emergency Preparedness and Response

In 2019, after updating the action plans for environmental incidents, a survey was conducted among our operating personnel. The analysis shows a remarkable improvement when compared to previous years.

During the course of 2019, there were no environmental incidents (306-3), nor were there any complaints or legal disputes regarding environmental management (307-1).

Communication, awareness and stakeholders

Our management system relies on a communication model based on internal and external transparency.

Throughout this year, the results of the needs and expectations of the stakeholders were revised in accordance with the established format; no breaches were detected, and compliance with expectations was consistently guaranteed.

Following the review of the stakeholders, three new ones were incorporated: mutual insurance company for accidents, external prevention service as well as waste handlers and carriers.

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

Highlights of the year

As stated in our management system, we set periodic improvement targets. Below, we summarize their level of fulfillment:

- Reduction of the tons of CO₂ produced by business trips and employee commuting by 5% compared to 2017. The objective has been achieved after a 44% reduction with respect to the previous year. The recentralisation of workplaces in the Madrid office, the optimisation of travel and trip planning and the adaptation to new communication models (Skype, videoconferencing, etc.) have been decisive in achieving these results (302-4).
- Reduction of energy consumption in wind farms and solar and hydraulic plants and offices by 11.8% compared to 2018 (5,673 GJ in 2018 and 5075GJ in 2019).
- General reduction of consumption in operating plants of water by 25%, electricity by 13%, paper by 30% and batteries and accumulators by 65%. This evidences the commitment of our site supervisors and suppliers to the efficient use of resources.
- Establishment of measurement controls for waste generation in the construction phase.

Environmental performance

Elawan is aware of its ability to impact positively and negatively on the environment and is therefore one of our cornerstones. In order to comply with the environment, we establish adequate controls through procedures, handbooks, policies and engagements, not only affecting us but also our suppliers, to ensure that the environmental impact resulting from our activity is minimised.

For the promotion, construction and operation phases we define indicators that help us measure our environmental impacts, the results of which are summarized in the following sections.

In some cases, due to maintenance contracts, we do not have, at least directly, all the data, but we have other controls to ensure compliance with legal requirements and contractual engagements.

Waste management 306-2

Through the management system, the main indicators on hazardous and non-hazardous waste are monitored, distinguishing those produced in offices from those produced in renewable energy projects, those derived from maintenance work or those from construction. The management of both hazardous and non-hazardous waste complies with the legislation of the different countries.

For monitoring purposes, we consider the relative values according to the energy production in the plants or the number of employees in the Madrid offices, in order to have comparable data from year to year in the different premises. For the data related to the construction we are in a preliminary analysis process and our initial option is to compare it with the MW produced.

It should be noted that, for the analysis of the data, the amount of waste generated at each facility is brought into line with the production of that facility and subsequently the overall result of the company is obtained. In 2019, a total of 2,684 kilos of non-hazardous waste and 8,768 kilos of hazardous waste were produced. The ratios with regard to the previous year are shown below:

- Generation of contaminated absorbents: increased by 26.3%
- Generation of aerosols: not generated.
- Generation of contaminated metal containers: increased by 32.8%
- Generation of contaminated plastic containers: reduced by 55.8%
- Generation of oil filters: increased by 12.2%
- Generation of waste oil: reduced by 51.7%.

The generation of this waste is directly proportional to the type of maintenance performed, both preventive and corrective. Due to this and to the good maintenance of the renewable energy projects, the generation of waste is cyclical, which has a direct impact on the amount of waste generated. No significant spills have occurred (306-3).

Both hazardous waste (306-4) and non-hazardous waste are management and transported by authorised companies and usually by local companies. Due to their characteristics, they are common waste (oil, absorbents, aerosols, etc.) and therefore all of them are managed and transported by local companies. Elawan does not handle imported or exported waste or treat it in any way.

Noise

Another aspect we can have an impact on, to a greater or lesser extent, is noise. This depends mainly on the area and country where the wind farms and solar and hydraulic plants are located. None of our renewable energy projects fail to comply with the limits established by legislation or the applicable environmental impact statements.

Biodiversity

Environmental impacts 304-2

One of the pillars on which our integrated management system is based is the understanding of the impacts that we produce on the environment with our different processes such as the promotion, construction and operation of production facilities. We also take into account, not only those directly affected, but also those produced by the actions of third parties and those derived from emergency situations.

The decommissioning phase is not included, since this phase is not yet reached. However, we plan to make an identification when this occurs, based on the Environmental Impact Statement and any applicable legal requirements.

All environmental requirements and demands established by the competent authorities such as permits, licences, compensatory measures and specific environmental studies have been carried out and complied with in all cases.

Protection of flora and fauna

304-1, 304-3 AND 304-4

As a result of the environmental reports and/or environmental impact studies, no species subject to any protection status are identified in our renewable energy projects. Similarly, our new facilities are not located in protected areas.

Likewise, to avoid risks, biodiversity is monitored and measured by specialized companies using the most advanced methodologies and techniques to respond to the environmental liabilities determined by the competent authorities in each case.



Circular Economy

According to the final version of the taxonomy report of the European Union's Technical Expert Group (TEG) on Sustainable Finance, Elawan Energy's activity is classified within the group of economic activities that contribute substantially to the European Union's Green Pact, and its positioning with respect to the Paris Agreement on Climate Change (2015).



In this sense, and to further support the transition to a resource-efficient and low-carbon economy, the company is structuring its integrated management system around the following six principles of the circular economy:

- **Systemic thinking** and applying a holistic approach to understand how its choices and activities interact within the larger systems of which it is a part.
- Continuous **innovation** to create value through sustainable resource management, and the design of a socially responsible business model.
- **Management** and good governance of the direct and indirect impacts that decisions and activities within the company have on the wider communities and ecosystems of which they are an integral part.
- **Internal** and external collaboration through formal or tacit agreements to create mutual value.
- **Optimization of the value** of all products, components and materials to maintain their maximum usability over time.
- **Transparency** about decisions and activities that affect Elawan Energy's ability to transition to a more circular and sustainable operation, and its willingness to communicate this in a clear, accurate, timely, honest and comprehensive manner. The exercise in communicative transparency that is evident in this sustainability report is a clear demonstration of this.

Consequently, the company's circular economy response focuses on specific environmental impacts for which appropriate minimisation, control and mitigation measures are set

- **Reducing the consumption of natural resources** through awareness-raising campaigns and good practices and reducing international travel.
- **Responsible purchasing** of sustainably managed paper (PEFC or FSC).
- **Minimisation of the generation of waste** (hazardous and non-hazardous) by purchasing rechargeable batteries and reusing paper in offices and used oils, by carrying out corrective and preventive maintenance based on the manufacturer's ranges and prioritising on-site repairs, and by recycling and valorising the waste generated that could not be avoided (fluorescent tubes, metal waste, paper and printer cartridges, among others).
- **Reduction and control of soil and water pollution** through the application of environmental monitoring plans, vehicle control programming and the establishment of on-site environmental management plans.
- **Protection of wildlife** through the deployment of environmental surveillance plans and controls, periodic monitoring and follow-up.



Energy and climate change

Environmental controls

Elawan complies with all its environmental surveillance and monitoring programs, ensuring compliance with the compensatory measures and requirements established by the competent authorities. These studies are concentrated in the construction phase, supported by the On-site Environmental Management Manual during the operation process with environmental monitoring and specific studies carried out by specialized companies.

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



Construction projects

Copperton (South Africa)

- Monthly environmental compliance reports.
- Permanent environmental supervision on site by a competent technician.

O&M projects

Spain

- Annual environmental monitoring reports officially submitted to the administration.
- Monthly inspections by competent technical staff.
- Analysis of bird accident rates associated with the projects.
- Control of environmental emergencies.

Brazil

- Maintenance of Operation Licenses based on compliance with the conditions defined therein and on permanent communication with the competent environmental body (IDEMA).
- Annual environmental monitoring reports submitted to the public administration.

USA

- Annual reports on waste and compliance with the Spill Prevention Control Countermeasures (SPCC).

Energy

Elawan has a very low energy consumption, stemming mainly from the maintenance of the wind farms, solar and hydraulic plants and offices.

Internal energy consumption ³⁰²⁻¹

In 2019 Elawan consumed 5,076 GJ of non-renewable energy in its renewable energy projects.

Energy consumption (GJ)	
Belgium	282
Brazil	563
Spain	250
USA	1,586
Mexico	0
Poland	286
Turkey	2,109
TOTAL	5,076

Energy intensity ³⁰²⁻³

Elawan believes that measuring its energy intensity is a good way to know the efficiency and impact of its activity. For this reason, we update this information annually, based on the ratio between energy consumption and the total weight of energy sold in each country. The following table summarises the results:

Energy intensity (GJ consumed /GJ produced)	
Belgium	0.0008
Brazil	0.0003
Spain	0.0033
USA	0.0006
Mexico	0.0000
Poland	0.0031
Turkey	0.0036
TOTAL	0.0009

As for external energy consumption, no information on this parameter is available. Information is expected to be provided by 2030 (302-2).

Renewable energy production ³⁰²⁻¹

At Elawan we are aware that climate change is one of the main environmental issues on the planet, as well as a relevant issue for stakeholders. Consequently, our activity, the generation of renewable energy, contributes to this fight. In 2019 we generated a total of 5,692,992 GJ of energy from renewable sources, the distribution of which by country is summarized below:

Renewable energy production(GJ)	
Belgium	348,119
Brazil	1,965,346
Spain	75,508
USA	2,551,084
Mexico	74,640
Poland	90,781
Turkey	587,514
TOTAL	5,692,992

Emissions and climate change

The fight against climate change is a key aspect of our business. That is why we are actively working to achieve the Sustainable Development Goals, particularly goal 7 (Affordable and clean energy) and goal 13 (Climate action).



Risks and opportunities associated with climate change

201-2

Global situation

Carbon dioxide emissions have increased again in 2019 despite the economic slowdown and the decline in coal use, with a new record estimated at 0.6% more than last year (in 2018 these emissions grew by 2.1% and in 2017 by 1.5%), according to the latest report from the Global Carbon Project. As the World Meteorological Organization has already noted, 2019 will mark the end of the hottest decade on record.

The scientific community warns that, with current projections and measures, by the end of the century the rise may exceed three degrees, which points directly to the production of polluting gases: CO₂ emissions, if the report's forecasts are finally met, will already be 4% higher than in 2015, when the Paris Agreement was signed.

The drop in the use of coal (the main global pollutant, accounting for 40% of total fossil fuel emissions), will be offset by a greater use of natural gas and oil worldwide.

The situation envisaged in the four most polluting regions for 2019 is diverse. In China, still in first place, it is estimated that they will grow by 2.6%, in the United States and European Union (second and third place) they are expected to decrease by around 1.7% and in India, the fourth most polluting country, a rise of 1.8% is predicted.

Regulatory framework

Following the commitment of the Paris Agreement (COP 21), all countries were required to agree on measures to reduce global greenhouse gas emissions to levels compatible with climate security in line with the reports of the Intergovernmental Panel on Climate Change (IPCC).

The objective is to limit the global average temperature increase to 1.5°C above pre-industrial levels, which will require an accelerated change in the development model over the coming decades.

Little progress has been made at the annual meetings held from 2015 onwards, mainly on Article 6 to define the rules for the carbon market. The last COP 25 meeting in Madrid has successfully given visibility to the problem and disseminated the scientific and expert reports that guarantee a complicated future if urgent action is not taken. In addition, there have been significant demonstrations and demands emanating from civil society.

Within this voluntary framework, the Sustainable Development Goals, mainly those directly related to climate, such as SDG 13 "climate action" and SDG 7 "affordable and clean energy", cannot be missed.

The European Union has positioned itself as a leader in the face of the problem, presenting the "New Green Deal", in which it establishes the main lines of action for the coming years, in order to achieve climate neutrality by 2050, as an opportunity to modernise, facilitate innovation and improve the competitiveness of the European economy and generate quality jobs. The pact proposes mobilizing 100 billion euros between 2021 and 2027 in order to achieve this objective.

However, it is in 2020 where real and tangible commitments and plans to reduce carbon emissions and respond to this emergency must be presented, so we will have to wait for COP 26 in Glasgow (Scotland) and hope that countries such as the USA, China and India are part of this commitment.

With respect to Spain, the Integrated National Energy and Climate Plan 2021-2030 (PNIEC) stands out, which establishes the guidelines for electricity generation to be 100% renewable in 2050, with intermediate milestones such as in 2030, with a reduction of a third in greenhouse gas emissions, having 42% of renewable energies in the electricity system and 74% in electricity generation, in line with the commitments acquired with Agenda 2030.

Stakeholder expectations

In recent years, there has been a significant increase in social mobilization, prompting governments to take urgent action to curb the rise in average global temperatures, as endorsed by many rather pessimistic scientific reports.

Within this framework, the financial sector has also taken a step forward. Many institutions have already committed significant amounts of money to finance investments related to reducing emissions over the next 10 years, acting as a Climate Bank, with a commitment to reduce the carbon dioxide footprint of their credit portfolios according to internationally recognized standards, and to channel savings and financial resources towards sustainable investments in the future.

Our approach

Since the adoption of the Sustainable Development Goals in 2015, Elawan is reorienting the way we integrate and communicate the sustainability model, in line with our main initiatives to meet the SDG most directly related to our business, renewable energy production.

Through our activity, we contribute to fulfilling this new roadmap according to current needs and trends, towards a carbon-neutral future.

Emissions

Direct emissions - Scope 1 305-1

The company's production process originates with the wind, Elawan's main raw material. Therefore, it must be taken into account that the company does not generate direct emissions from the consumption of other fossil fuels. Similarly, no refrigerant gas recharges have been carried out during the period (305-6).

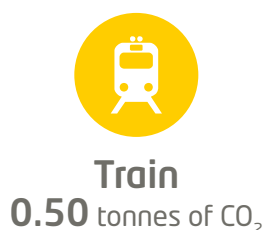
Emisiones Indirectas - Scope 2 305-2

These are the emissions generated in the electricity production plants/farms and consumed in the renewable energy projects and offices. In 2019, 562 tons of carbon dioxide have been measured.

Emissions produced (tonnes of CO ₂)	
Belgium	13
Brazil	18
Spain	20
USA	185
Mexico	0
Poland	56
Turkey	270
TOTAL	562

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 499 tonnes of CO₂.



Carbon dioxide emissions prevented by electricity production 305-5

Because of Elawan's activity, hardly any emissions are generated into the atmosphere. This is a way of contributing to reducing greenhouse gas emissions and fighting climate change.

In 2019, 487,692 tons of CO₂ emissions were prevented. Below is a breakdown of the tonnes of CO₂ avoided:

Avoided emissions (tonnes of CO ₂)	
Belgium	16,439
Brazil	63,874
Spain	6,041
USA	298,335
Mexico	9,890
Poland	17,879
Turkey	75,234
TOTAL	487,692

Emission intensity 305-4

Elawan also takes emissions intensity into account to measure the efficiency and impact of its processes.

The resulting annual ratio is calculated by dividing the sum of the indirect emissions (scope 2), by the total weight of energy produced in each country:

Emission intensity (tonCO ₂ emitted/GJ produced)	
Belgium	0.00004
Brazil	0.00001
Spain	0.00026
USA	0.00007
Mexico	0.00000
Poland	0.00000
Turkey	0.00046
TOTAL	0.00084

Annexes

The annexes include detailed information on the scope and perimeter of the report, as well as the independent external verification report and its relationship with the 10 Principles of the Global Compact.

Annex 1 ►
Independent Review Report

◀ Annex 2
Report Profile

Annex 3 ►
GRI Content Index

◀ Annex 4
Content in relation to the
Principles of the Global Compact

Annex 5 ►
Perimeter

Independent Review Report



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INDEPENDENT LIMITED ASSURANCE REPORT OF THE SUSTAINABILITY REPORT 2019 OF ELAWAN ENERGY, S.L.

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

Scope

As commissioned by the Management of Elawan Energy, S.L. and subsidiaries (hereinafter, Elawan), we have carried out the review of the "Sustainability Report 2019". This information has been prepared in accordance with GRI Sustainability Reporting Standards (GRI Standards) comprehensive option, as detailed in "Report profile".

The scope considered by Elawan for the preparation of the Report is defined in "Scope considered of Elawan and subsidiaries".

The preparation of the "Sustainability Report 2019", as well as its content, is the responsibility of the Management of Elawan, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

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

Applied procedures

Our review consisted in requesting information from the Sustainability Department and the various business units participating in the preparation of the "Sustainability Report 2019", applying processes and analytical procedures, and sampling review tests as described in the general terms below:

- ▶ Interviews with the staff in charge of the preparation of the sustainability information in order to gain a deep understanding of how the objectives and sustainability policies are considered, set into practice, and integrated within Elawan's global strategy.
- ▶ Reviewing the processes for the compilation and validation of the information presented in the Report.
- ▶ Checking the processes held by Elawan in order to define the material aspects and stakeholder participation.
- ▶ Reviewing the adaptation of the structure and content of the Report, as indicated in the GRI Standards sustainability reporting framework of the Global Reporting Initiative, in accordance with the comprehensive option.

- ▶ Checking selected samples of the quantitative and qualitative information of the contents included in the "Sustainability Report 2019", as well as their adequate compilation from data supplied by information sources. The review tests have been defined to provide the aforementioned assurance levels.

- ▶ Checking that the financial information included in the Report has been audited by independent third parties.

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

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

Independence and quality control

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

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

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

Conclusions

As a result of our limited review, we conclude that no matter came to our attention that would indicate that the "Sustainability Report 2019" has not been prepared, in all material respects, according to the GRI Standards sustainability reporting framework, which includes the data reliability, the adequacy of the information presented and the absence of significant deviations and omissions.

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

ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated July 17th, 2020. In the event of any discrepancy, the Spanish version always prevails.)

ANNEX 2

Report profile ¹⁰²⁻⁴⁶

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.

Presentation Cycle

The Report has an annual periodicity (102-52), and encompasses the information covered between January 1st 2019 and December 31th 2019 (102-50), the last report being the one corresponding to the year 2018 (102-51).

Significant Changes

Respecting to the previous year, the main changes are the wind farm in Hannut (Belgium) and the photovoltaic plants in Torrijos (Spain) and Rzapin (Poland) have been included in the scope of the report. Minor changes are indicated in the 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).

Information ¹⁰²⁻⁵³

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ANNEX 3

GRI Content Index ¹⁰²⁻⁵⁵

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	9	✓
	102-2 Activities, brands, products, and services	9	✓
	102-3 Location of headquarters	9	✓
	102-4 Location of operations	12 and 13	✓
	102-5 Ownership and legal form	23	✓
	102-6 Markets served	9, 12 and 13	✓
	102-7 Scale of the organization	10 and 11	✓
	102-8 Information on employees and other workers	43 and 45	✓
	102-9 Supply chain	41	✓
	102-10 Significant changes to the organization and its supply chain	64	✓
	102-11 Precautionary Principle or approach	36	✓
	102-12 External initiatives	52	✓
	102-13 Membership of associations	21	✓
Strategy	102-14 Statement from senior decision-maker	4-7	✓
	102-15 Key impacts, risks, and opportunities	34-36	✓

GRI Standards	Content	Page/ Omission	Review
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	27	✓
	102-17 Mechanisms for advice and concerns about ethics	27	✓
Governance	102-18 Governance structure	23	✓
	102-19 Delegating authority	23	✓
	102-20 Executive-level responsibility for economic, environmental, and social topics.	24	✓
	102-21 Consulting stakeholders on economic, environmental, and social topics.	24	✓
	102-22 Composition of the highest governance body and its committees	24	✓
	102-23 Chair of the highest governance body	23	✓
	102-24 Nominating and selecting the highest governance body	24	✓
	102-25 Conflicts of interest	24	✓
	102-26 Role of highest governance body in setting purpose, values, and strategy	24	✓
	102-27 Collective knowledge of highest governance body	24	✓
	102-28 Evaluating the highest governance body's performance	25	✓
	102-29 Identifying and managing economic, environmental, and social impacts.	25	✓
	102-30 Effectiveness of risk management processes	25	✓
	102-31 Review of economic, environmental, and social topics	25	✓
	102-32 Highest governance body's role in sustainability reporting	24	✓
	102-33 Communicating critical concerns	24	✓
	102-34 Nature and total number of critical concerns	25	✓
	102-35 Remuneration policies	25	✓
	102-36 Process for determining remuneration	25	✓
	102-37 Stakeholders' involvement in remuneration	25	✓
Stakeholder engagement	102-38 Annual total compensation ratio	Note A	✓
	102-39 Percentage increase in annual total compensation ratio	Note A	✓
	102-40 List of stakeholder groups	19	✓
	102-41 Collective bargaining agreements	46	✓
	102-42 Identifying and selecting stakeholders	19	✓
Reporting practice	102-43 Approach to stakeholder engagement	19	✓
	102-44 Key topics and concerns raised	20	✓
	102-45 Entities included in the consolidated financial statements	71	✓
	102-46 Defining report content and topic Boundaries	20 and 64	✓
	102-47 List of material topics	20	✓
	102-48 Restatements of information	64	✓
	102-49 Changes in reporting	64	✓
	102-50 Reporting period	64	✓
	102-51 Date of most recent report	64	✓
	102-52 Reporting cycle	64	✓
	102-53 Contact point for questions regarding the report	64	✓
	102-54 Claims of reporting in accordance with the GRI Standards	64	✓
	102-55 GRI content index	64-69	✓
	102-56 External assurance	64	✓

NOTA A: Información confidencial.

GRI Standards	Content	Page/ Omission	Review
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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	29	√
	103-2 The management approach and its components	29	√
	103-3 Evaluation of the management approach	29	√

Economic Performance

GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	32	√
	201-2 Financial implications and other risk and opportunities due to climate change	60	√
	201-3 Defined benefit plan obligations and other retirement plans	Note B	√
	201-4 Financial assistance received from government	32	√

Market presence

GRI 202: Market presence	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	47	√
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Procurement Practices

GRI 204: Procurement Practices	204-1: Proportion of spending on local suppliers	41	√
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Anticorruption

GRI 205: Anti corruption	205-1: Operations assessed for risks related to corruption	27	√
	205-2: Communication and training about anti-corruption policies and procedures	27	√
	205-3: Confirmed incidents of corruption and actions taken	27	√

Anti-competitive Behavior

GRI 206: Anti-competitive Behavior	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	27	√
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NOTE B: Elawan Energy does not have retirement plans for its professionals.

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	55	✓
	103-2 The management approach and its components	55	✓
	103-3 Evaluation of the management approach	55	✓
Energy (no material))			
GRI 302: Energy	302-1: Energy consumption within the organization	59	✓
	302-2: Energy consumption outside of the organization	59	✓
	302-3: Energy intensity	59	✓
	302-4: Reduction of energy consumption	56	✓
	302-5: Reduction in energy requirements of products and services	Note C	✓
Emissions (no material)			
GRI 305: Emissions	305-1: Direct (Scope 1) GHG emissions	61	✓
	305-2: Energy indirect (Scope 2) GHG emissions	61	✓
	305-3: Other indirect (Scope 3) GHG emissions	61	✓
	305-4: GHG emissions intensity	61	✓
	305-5: Reduction of GHG emissions	61	✓
	305-6: Emissions of ozone-depleting substances (SDG)	61	✓
Effluents and Waste			
GRI 306: Effluents and Waste	306-1: Water discharge by quality and destination	Note D	✓
	306-2: Waste by type and disposal method	57	✓
	306-3: Significant spills	57	✓
	306-4: Transport of hazardous waste	57	✓
	306-5: Water bodies affected by water discharges and/or runoff	Note E	✓
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.	57	✓
	304-2: Significant impacts of activities, products, and services on biodiversity	57	✓
	304-3: Habitats protected or restored	57	✓
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	57	✓
Environmental Compliance			
GRI 307: Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	27 y 56	✓

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

NOTE D: In wind farms and solar plants, due to their activity, water discharge is irrelevant.

NOTE E: 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	43, 48, 52	✓
	103-2 The management approach and its components	43, 48, 52	✓
	103-3 Evaluation of the management approach	43, 48, 52	✓
Employment			
GRI 401: Employment	401-1: New employee hires and employee turnover	44	✓
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	46	✓
	401-3: Parental leave	46	✓
Occupational Health and Safety			
GRI 403: Occupational Health and Safety	403-1: Workers representation in formal joint management-worker health and safety committees	50	✓
	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	51	✓
	403-3: Workers with high incidence or high risk of diseases related to their occupation	51	✓
	403-4: Health and safety topics covered in formal agreements with trade unions	50	✓
Training and Education			
GRI 404: Training and Education	404-1: Average hours of training per year per employee	45	✓
	404-2: Programs for upgrading employee skills and transition assistance programs	44	✓
	404-3: Percentage of employees receiving regular performance and career development reviews	45	✓
Diversity and Equal Opportunity (not material)			
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	46	✓
Non discrimination			
GRI 406: Non discrimination	406-1: Incidents of discrimination and corrective actions taken	27	✓

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.	41	√
Child Labor			
GRI 408: Trabajo infantil	408-1: Operations and suppliers at significant risk for incidents of child labor	41, 46	√
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	41, 46	√
Human Rights Assessment			
GRI 412: Human Rights Assessment	412-1: Operations that have been subject to human rights reviews or impact assessments	33 and 46	√
	412-2: Employee training on human rights policies or procedures.	40	√
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	33, 46	√
Comunidades locales			
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments, and development programs	52	√
	413-2: Operations with significant actual and potential negative impacts on local communities	52	√
Public Policy			
GRI 415: Public Policy	415-1: Political contributions	21	√
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 F	√
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	40	√
Marketing and Labeling			
GRI 417: Marketing and Labeling	417-1: Requirements for product and service information and labeling	40	√
	417-2: Incidents of non-compliance concerning product and service information and labeling	40	√
	417-3: Incidents of non-compliance concerning marketing communications	27	√
Customer Privacy			
GRI 418: Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data.	27	√
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance	419-1: Non-compliance with laws and regulations in the social and economic area	40	√

Nota F: Not applicable due to the type of product of our company.

ANNEX 4



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.	Our vision on sustainability Governance and compliance model
	Principle 2: Make sure that they are not complicit in human rights abuses.	Our vision on sustainability Governance and compliance model
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Social Dimension
Labour Rights	Principle 4: The elimination of all forms of forced and compulsory labour.	Social Dimension
	Principle 5: The effective abolition of child labour.	Our vision on sustainability Governance and compliance model
	Principle 6: The elimination of discrimination in respect of employment and occupation.	Our vision on sustainability Governance and compliance model
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	Environmental Dimension
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	Environmental Dimension
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	Environmental Dimension
Anti corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Economic Dimension

ANNEX 5

Scope considered of Elawan and subsidiaries

102-45

Scope consolidation. The group was composed by the following companies at the end of 2019

Subsidiary/ Associated company	Country	Subsidiary/ Associated company	Country
Elawan Energy Developments, S.L.	Spain	Roth Rock Wind Farm, L.L.C.	USA
Parque Eólico Beceril, S.L.	Spain	Roth Rock Development Services, L.L.C.	USA
Elawan Energy Developments 1, S.L.	Spain	Gestamp Wind Puerto Rico, INC.	USA
Elawan Energy Developments 2, S.L.	Spain	Gestamp Wind San Juan, Inc.	USA
Elawan Energy Developments 3, S.L.	Spain	Punta Lima Holding Co., L.L.C.	USA
Elawan Energy Developments 4, S.L.	Spain	Punta Lima Development Services, LLC.	USA
KONESTICIAL, S.L.	Spain	TPW Petersburg, LLC	USA
ERGE Occidente, S.L.	Spain	Gestamp Wind North América, INC.	USA
Gestamp HC Eólica, S.L.	Spain	North Buffalo Wind, L.L.C.	USA
Gestamp Eólica Castilla La Mancha, S.L.	Spain	Pawnee Wind Farm	USA
ERGE Aragón, S.L.	Spain	Gestamp Wind Indiana	USA
Fotovoltaica Torrijos, S.L.	Spain	GSQ, LLC	USA
ERGE Levante, S.L.	Spain	Gestamp Eólica Brasil, S.A.	Brazil
Desarrollos Eólicos del Norte, S.L.	Spain	Eólica Gravató-Geradora de Energia, S.A.	Brazil
PE Rondavino S.L.	Spain	Eólica Piravá-Geradora de Energia, S.A.	Brazil
PE Salguero S.L.	Spain	Gestamp Eólica Jardins, S.A.	Brazil
CB SE Camapanario Renovable	Spain	Gestamp Eólica Alvorada, S.A.	Brazil
Elawan Fotovoltaica Campanario 1, S.L.U.	Spain	Gestamp Eólica Agreste S.A.	Brazil
Elawan Fotovoltaica Campanario 2, S.L.U.	Spain	Macambiras Holdings, S.A.	Brazil
Elawan Fotovoltaica Campanario 3, S.L.U.	Spain	Gestamp Eólica Macambira I, S.A.	Brazil
Elawan Fotovoltaica Campanario 4, S.L.U.	Spain	Gestamp Eólica Macambira II, S.A.	Brazil
Elawan Fotovoltaica Campanario 5, S.L.U.	Spain	Eólica Pedra do Reino V, S.A.	Brazil
Elawan Eólica Frontones, S.L.U.	Spain	Lagoa dos Ventos Geradora de Energia, S.A.	Brazil
Elawan Eólica Derramador, S.L.U.	Spain	Deltrade 67 Proprietary Limited	South Africa
Elawan Eólica Fuente Álamo, S.L.U.	Spain	Gestamp Wind Africa (Pty) Ltd.	South Africa
Elawan Fotovoltaica Escuderos 1, S.L.U.	Spain	Modderfontein Wind Energy Project (Pty) Ltd.	South Africa
Elawan Fotovoltaica Escuderos 2, S.L.U.	Spain	Copperton Wind Farm (Pty) Ltd.	South Africa
Elawan Fotovoltaica Escuderos 3, S.L.U.	Spain	Beyçelik Gestamp Yenilenebilir Enerji Uretim, A.S.	Turkey
Elawan Fotovoltaica Escuderos 4, S.L.U.	Spain	Sabas Elektrik Uretim, A.S.	Turkey
Elawan Fotovoltaica Escuderos 5, S.L.U.	Spain	BAK Enerji Üretimi A.Ş.	Turkey
P.E. Monte Beceril, S.L.	Spain	YGT Elektrik Üretim SAN. VE TIC. LTD. ŞTİ.	Turkey
E.F. Manzanares, S.L.U.	Spain	Elawan Energy Ruzgar Enerjisi Limited. (antes Gestamp Ruzgar Enerjisi, Ltd.)	Turkey
E.F. Brazatortas 1, S.L.U.	Spain	Elawan Energy Wallonie, S.A. (antes Gestamp Wallonie, S.A.)	Belgium
E.F. Brazatortas 2, S.L.U.	Spain	Elawan Energy Feluy, S.A. (antes Gestamp Wind Feluy, S.A.)	Belgium
P. E. Miravete, S.L.U.	Spain	Elawan Energy Beaumont, S.A. (antes Gestamp Wind Beaumont, S.A.)	Belgium
E. F. Belinchón 1, S.L.U.	Spain	Elawan Energy Hannut, S.A. (antes Gestamp Wind Hannut, S.A.)	Belgium
E. F. Belinchón 2, S.L.U.	Spain	New Wind S.P.R.L.	Belgium
E. F. Belinchón 3, S.L.U.	Spain	Elawan Energy Salazine, S.A.	Belgium
P. E. Iniesta, S.L.U.	Spain	Elawan Energy Polska sp z o.o (antes Gestamp Eólica Polska sp z o.o.)	Poland
Elawan Energy Tordesillas 1, S.L.U.	Spain	Farma Wiatrowa Szerzawy Sp. z o. o. (antes Gestamp Wind 10 sp zoo)	Poland
Elawan Energy Tordesillas 2, S.L.U.	Spain	Farma Wiatrowa Kleby Sp. zoo	Poland
Elawan Energy Tordesillas 3, S.L.U.	Spain	Farma Wiatrowa Bukowiec Górny Sp. zoo	Poland
Elawan Energy Tordesillas 4, S.L.U.	Spain	Elawan Solar Polska Sp. z o. o. (antes Gestamp Wind 13 sp zoo)	Poland
Elawan Energy Olmedo 1, S.L.U.	Spain	Elawan Wind 14 sp zoo (antes Gestamp Wind 14 sp zoo)	Poland
Elawan Energy Olmedo 2, S.L.U.	Spain	L.L.C. Elawan Power	Russia
Elawan Energy Olmedo 3, S.L.U.	Spain	Elawan Energy France, S.A.S.	France
Elawan Energy Valdecarreros, S.L.U.	Spain	Gournay PV, S.A.S.	France
Elawan Energy Torrijos 220, S.L.U.	Spain	Hidroeléctrica de Tacotan, S.A. de C.V.	Mexico
Gestamp Wind Energy North América, INC.	USA	Hidroeléctrica de Trigomil, S.A. de C.V.	Mexico
Spring Creek Power Partners, L.L.C.	USA	Tacotán Trigomil Servicios SA de CV	Mexico
Nebraska Wind, I, LLC.	USA	Elawan Energy México, S.A. de C.V. (antes Gestamp Eólica México, S.A. de C.V.)	Mexico
Flat Water Holdings, L.L.C.	USA	Eólica Huimilpan, S.A.P.I de C.V.	Mexico
Flat Water Wind Farm, L.L.C.	USA	Elawan Energy Romania S.R.L. (antes Gestamp Eólica Dacia, S.R.L.)	Romania
Flat Water Development Services, L.L.C.	USA	Elawan Wind Berezeni, S.R.L. (antes Gestamp Eólica Berezeni S.R.L.)	Romania
Roth Rock Holdings, L.L.C.	USA	Vientos S.R.L.	Romania



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